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The declining global influence of the United States

an address to the Institute on 28 August 2012 by

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The declining influence of the United States abroad, brought about both by the rise of China and other emerging powers and by weaknesses at home, is haunting United States politics and has significant implications for Australia. Mr Switzer catalogues the decline and its causes; and describes Australia’s need to adjust its foreign policy and become more nuanced in diplomacy.

Key words: United States; global influence; emerging powers; China; Australia; foreign policy.

I recently delivered an address on American decline to the Queensland branch of the Australian Institute of International Affairs in Brisbane. Afterwards, Bill Hayden – the former leader of the federal Labor Party, foreign minister and governor-general – told me that although he agreed with virtually everything I said, he believed my position on United States foreign policy was to the “left of the Australian Labor Party”.

I was astonished. I was born in the United States, the son of a United States marine who served in Vietnam, and am an unashamed Americaphile. I once narrowly lost Liberal party pre-selection in the safe federal Liberal seat of Bradfield in Sydney’s northern suburbs. I was a long-time opinion editor of Rupert Murdoch’s flagship newspaper, The Australian, the bête noir of the urban sophisticates. Paul Keating, the former Labor prime minister, once derided me as a “monkey who represented the jaundiced journalism that was part and parcel of the Howard years”. I proudly wear Richard Nixon and Ronald Reagan ties; and I once worked at the American Enterprise Institute, a Washington-based neo-conservative think tank. So much for having any left-wing credentials! Please bear this in mind as you read my paper which follows.

The Mood in the United States

With the United States presidential election just 70 days away, the American political and media class is focusing on mundane issues such as jobs, taxes, debt and, with Paul Ryan’s selection as Mitt Romney’s running mate, entitlement reform. But among foreign policy analysts, the really big problem is how the United States is going to live up to its flattering, but onerous, title of ‘Number One’. As the distinguished Washington Post columnist E. J. Dionne has argued: “American decline is the spectre haunting our politics” (Dionne 2010).

Both presidential candidates, although they express themselves in different ways, insist that their goal is to ensure that America remains ‘Number One’. President Obama used his State of the Union address this year to declare: “Anyone who tells you that America is in decline or that our influence has waned doesn’t know what they’re talking about”. Mitt Romney, the presumptive Republican nominee, is an unashamed advocate of a ‘New American Century’, a phrase coined by Time magazine founder Henry Luce at the height of World War II to describe the 20th century. In the words of the neo-conservative commentator Robert Kagan, who has influenced both candidates, America “enjoys a unique and unprecedented ability to gain international acceptance of its power”.2

And yet all the evidence shows declining American power and influence. The dollar is weak. The deficit is frightening. The debt is of European proportions. The trade balance is alarming. Home foreclosures are rising. Unemployment is persistently high. Indeed, economic growth is exceptionally sluggish for a nation that is three years out of a recession.

The infrastructure is ageing. The school education system is not preparing Americans for a competitive, dynamic world. A polarised political system is beholden to special interests. Before he died a few years ago, the neoconservative founding father, Irving Kristol, identified “clear signs of rot and decay germinating in American society”. When it comes to defeating tribal warlords in mediaeval societies, the United States finds itself wrong-footed and outwitted; not so much an eagle as an elephant.

No wonder the American people are restless: all the available polling evidence indicates that more than 70 per cent of the American people think that they are not only worse off today than they were four years

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2For these quotes and other references in this address, see Switzer (2012).
Decline in United States Influence Abroad

Early in his term, President Obama heralded a new era in America's relations with the Muslim world, yet United States popularity has again fallen around parts of the globe. Its 'favourability rating' in Egypt, Turkey and Pakistan, for instance, is lower than in 2008 – George Bush's last full year in office. But it is not so much that the United States is reviled. What is more serious is the loss of credibility and prestige and, consequently, a reduced ability to lead and persuade. Washington's demands and requests are increasingly ignored by its long-time foes in Tehran and Pyongyang to its largest aid recipients in Cairo and Jerusalem.

Its influence is fading at global summits, too: from the G8, where the Germans reject President Obama's loose fiscal policy prescriptions, and G20, where the Chinese ignore Washington's requests to devalue the currency; to climate conferences, where the Chinese, Indians, Brazilians and South Africans rebuff United States requests to sign a binding global agreement and instead chug along the smoky path to prosperity; to security talks, where the Pakistanis refuse to sever ties between their intelligence services and the Taliban.

To be sure, even at the height of the Cold War, the United States did not impose its will all over the globe. It could not prevent the Cuban and Iranian revolutions and it suffered defeat in Vietnam, but the United States nonetheless exercised enormous influence around the post-war world.

Today, moreover, the United States remains the world's largest economy, the issuer of its reserve currency, its lone military superpower, and many countries around the world want American protection. With higher immigration and fertility rates than other developed nations, the United States is also in a relatively good position to deal with an ageing population.

Many analysts are impressed with America's success in exploiting its coal seam gas reserves, and suggest that this represents a real geopolitical game changer that is likely to reinforce United States economic dominance indefinitely. Two decades ago, leader commentators Charles Krauthammer and Francis Fukuyama were confidently declaring the 'unipolar moment' and the 'end of history'. The argument was that with the collapse of Soviet communism, the United States had an historic moment to transform the global environment. We were witnessing the endpoint of mankind's ideological evolution and the universalisation of western market democracy. We were on the cusp of America's mission to redeem the world. (Fukuyama 1989; Krauthammer 1990)

And yet the American Century has drawn to a close. United States power and influence has waned and will continue to wane in what the American journalist and author Fareed Zakaria calls "the post-American world" (Zakaria 2008).

Reasons for America's Declining Influence

How so? I suggest two explanations: one external, the other domestic.

Emerging powers, especially China

Start with the external. Since the end of the Cold War, we have witnessed the emergence of new power centres in several key regions. Take China: its explosive economic growth is undoubtedly the most significant geopolitical development in decades. By most estimates, its economy will become the world's largest economy within the next decade. Meanwhile, Beijing's military budget is rising by roughly 10 per cent per year, and it is likely to translate more of its wealth into military assets.

As foreign policy realists such as Henry Kissinger, Harvard University's Steve Walt and Chicago University's John Mearsheimer have pointed out, if China is like all previous great powers, including the United States, its definition of vital national interests will grow as its power increases – and it will try to flex its muscle to protect an expanding sphere of influence (Mearsheimer 2010; Kissinger 2011; Walt 2011). As the aforementioned scholars contend, given China's dependence on oil, gas and minerals, Beijing will want to make sure that no other power is in a position to deny it access to the resources and markets on which its future prosperity and stability depend.

Already we are witnessing China claim the energy-rich Spratly and Paracel Islands in the South China Sea as well as atolls and reefs nearly 150 kilometres from the Philippine coast. In July, China won the support of the Cambodians who broke with their Association of Southeast Asian Nations (ASEAN) partners over China's territorial claims in the South China Sea. It was the first time in its history that ASEAN failed to issue its customary joint communiqué.

Meanwhile, Vietnam and the Philippines are turning to Washington. The country that represented America's great foe 40 years ago is today clamouring for United States security in its backyard. And the country that kicked the United States Pacific Fleet out of Subic Bay two decades ago is now inviting the Americans back.

If this United States network of Asian alliances and a sizable military presence in East Asia and the Indian Ocean make Beijing feel uneasy, this would merely reflect the tendencies of power politics that have defined international relations since Thucydides. According to this realist logic, if the cycle of insecurity prevails, Beijing would try to convince other regional states to discard their United States ties, and Washington would almost certainly resist these efforts. An intense security competition would follow, with potentially damaging consequences for Australia.

Of course, it is true that China has its own grave problems, not least demographic. Its population is predicted to decline after 2020. It will age so rapidly that there will not be enough workers to support hordes of retirees. As John Howard often has argued: "China will
grow older before it grows richer”. But the fact remains that – even allowing for a sharp slowdown in Chinese growth – at some point in the next decade, China will become the ‘Number One’ economy (though obviously not in per capita terms), and this could presage a more assertive China in the region.

It is not just China that is rising. Emerging powers on every continent – India, Turkey and Brazil – have achieved political stability and economic growth and are becoming active in their regional spheres. I do not wish to overstare this point: none of these states is on the verge of becoming a true global power, but each, as Fareed Zakaria, Kishore Mahbubani and Stephen Walt have observed, has shown increasing influence in its own region.

**United States domestic factors**

The American Century is drawing to a close for another reason: the urgent pull of domestic factors, long neglected or relegated to subordinate status during much of the past seven decades. One does need to be an isolationist or non-interventionist, like Ron Paul on the right or Michael Moore on the left, to believe that the time has come to end the kind of expensive global leadership role that has marked the post-war years and to re-order the nation’s priorities in favour of domestic affairs.

But the domestic positions of Romney and Obama – a free-market, pro-private enterprise reform agenda versus a let-government-solve-it left-liberalism – are increasingly incompatible with global hegemony. The lesson of last year’s brush with debt default, which culminated in the Standard & Poor’s credit downgrading, is that Washington will need to assign very high priority to downsizing government and cutting spending. Yet an ambitious and interventionist foreign policy is incompatible with that goal.

Americans are increasingly less concerned about foreign policy than at any time since the heyday of isolationism between the world wars. Why? Well, in a polity that is more acutely sensitive to public opinion than any other in the world – one that is driven by almost daily polls; that dismaying phenomenon, the ‘focus group’ surveys; and the relentless 24/7 internet and media cycle – foreign policy is downgraded severely in the calculations of politicians.

That is why foreign policy is hardly mentioned on the campaign trail. Mitt Romney has delivered no more than two major foreign policy speeches in the past year. Nor does he have one full-time senior foreign policy adviser on his campaign staff. (Even George McGovern, the anti-war Democrat candidate who campaigned on a “Come Home, America” platform in 1972, had a senior full-time foreign policy adviser.) To the extent such attitudes prevail, they are inimical to the idea of an interventionist world policeman.

This is a novel and puzzling world in which the American people find themselves. After all, all their lives, Americans have assumed that their nation is the most powerful and influential nation in the world: politically, economically and culturally.

For many Americans, losing America’s global pre-eminence means losing the country they know and love. They want America to remain ‘Number One’ and be exceptional; they want their political leaders to tell them that it can and will remain the world’s greatest country, that God has chosen them to fulfil a special destiny. Now, this language and sense of national mission may aggravate foreigners, but the notion of American exceptionalism is as American as apple pie. It would be wrong to cynically dismiss such widely held sentiments that go beyond ideological and political affiliations.

Yet history has left American exceptionalism behind: not only has the world moved beyond the capacity of any single state to dominate the globe, but Americans are losing faith in their institutions and the ideals that sustain them (Meaney 1991; Dworkin 2010; Lieven 2012). As the distinguished *New York Times* columnist, David Brooks, has observed: “Americans have lost faith in the credibility of their political system, which is the one resource the entire regime is predicated upon”. And he further asserts: “This loss of faith has contributed to a complex but dark national mood. The country is anxious, pessimistic, ashamed, helpless and defensive” (Brooks 2011). Now, if Americans do not come to grips with a sense of limits and redefine priorities at home and abroad, their reaction to their nation’s declining power and influence is more likely to be angry and irrational.

**Implications for Australia**

So what does all this mean for Australians? Well, the United States alliance – which has been the centrepiece of our foreign policy for more than 60 years – will endure. For one thing, the advantages that accrue from it are real and substantial: they include favourable access to technology and intelligence; as well as the all-important security insurance policy. For another thing, the need for “great and powerful friends” (to use Sir Robert Menzies’ favourite phrase) is deeply embedded in the national psyche. Since our independence from Britain in 1901 – and indeed before that when we were still a collection of colonies far removed from the rest of the Western world – Australia has always sought a close association with a great power with which we share values and interests.

For the first decades of its existence, a declining, but still formidable, Britain filled that role. Then for a decade...
or so, it was shared by Britain and America. For the last 60 years it has been performed by the United States alone. On the American side, the alliance is of value because Australia is a stable, reliable, and significant presence in the international system.

But the nature of the alliance will also change: first, because of the changing nature of United States foreign policy (as I mentioned earlier); and second, because of the rise of China. Beijing’s spectacular rise means different things for the United States and Australia. For the former, its main significance is the emergence of a potent geopolitical rival; for the latter, it is the opportunity for a rewarding partnership, and that opportunity is being eagerly seized by Australia.

China is Australia’s largest trading partner and many economists believe Beijing’s rapidly developing trade and investments in our vast mineral and energy resources is the primary reason why Australia has weathered the global financial storm. There are, of course, risks and uncertainties involved. But as China approaches the completion of three decades of growth at an annual rate of more than 8 per cent, these appear progressively less formidable than they once did. Politically and strategically, fear of ‘the downward thrust of Communist China’ which for decades provided the unspoken rationale for the ANZUS alliance, no longer constitutes a major motivating force.

Hugh White, the distinguished Australian National University defence intellectual, has observed: “China has had great success in converting economic opportunities into regional political influence ... It has adopted a moderate and reasonable tone and deftly exploited its substantial soft-power assets. As a result, most of its neighbours are now more comfortable with the idea of China’s growing power – and so feel less dependent on America.” (White 2012)

None of this, however, means that Australia is faced with a hard, stark choice between the United States and China – not, at least, unless one of them insists such a choice be made. But it does mean that Australia must learn to play a more demanding diplomatic game than ever before, one that will on occasion involve the difficult feat of riding two horses simultaneously. Instead of the sturdy, straightforward virtues of dependability and unconditional loyalty that have served us well until recently, we will need to acquire and cultivate a range of new skills: discrimination, agility, qualified commitment, ambiguity.

There is nothing strange about these skills; they are among the basic tools of diplomacy. But the special conditions that have, for much of our existence, allowed Australia to dispense with their regular use are ending. From now on, given the change, Australia will need to regard alliances, not as a test of character (“Australia will be there!”), or a union of souls (the ‘Anglosphere’), but as a pragmatic device to be adjusted to changing conditions and circumstances.

Conclusion

Australia will stay on the United States bandwagon, but our leaders will increasingly need to change their tone and emphasis in foreign policy deliberations. Instead of always leading the cheer squad, we will need to cultivate some of the skills of the helpful passenger. These include encouraging careful steering, some timely map reading, a judicious use of the brakes and, not least, better road manners. As with all efforts at back-seat driving, it is unlikely that such advice will be gratefully received. But it would serve the best interests of both Australia and the United States.3

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3See also Harries and Switzer (2006).