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# From Preponderance to Offshore Balancing

Christopher Layne

## America's Future Grand Strategy

The Soviet Union's collapse transformed the international system dramatically, but there has been no corresponding change in U.S. grand strategy. In terms of ambitions, interests, and alliances, the United States is following the same grand strategy it pursued from 1945 until 1991: that of preponderance.<sup>1</sup> Whether this strategy will serve U.S. interests in the early twenty-first century is problematic. Hence, in this article my purpose is to stimulate a more searching debate about future U.S. grand strategic options.<sup>2</sup> To accomplish this, I compare the strategy of preponderance to a proposed alternative grand strategy: offshore balancing.

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1. I have borrowed Melvyn P. Leffler's description of post-World War II grand strategy as a strategy of preponderance to reflect what I demonstrate is the underlying continuity between America's postwar and post-Cold War strategies. See Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, Calif.: Stanford University Press, 1992).

2. The post-1989 literature on U.S. grand strategy includes Robert J. Art, "A Defensible Defense: America's Grand Strategy After the Cold War," *International Security*, Vol. 15, No. 4 (Spring 1991), pp. 5–53; Samuel P. Huntington, "America's Changing Strategic Interests," *Survival*, Vol. 33, No. 4 (January/February 1991), pp. 3–17; Joseph Joffe, "'Bismarck' or 'Britain'? Toward an American Grand Strategy after Bipolarity," *International Security*, Vol. 19, No. 4 (Spring 1995), pp. 94–117; Zalmay Khalilzad, "U.S. Grand Strategies: Implications for the World," in Zalmay Khalilzad, ed., *Strategic Appraisal 1996* (Santa Monica, Calif.: RAND, 1996), pp. 11–38; and Stephen Van Evera, "Why Europe Matters and the Third World Doesn't: American Grand Strategy After the Cold War," *Journal of Strategic Studies*, Vol. 13, No. 2 (June 1990), pp. 1–51. Also see John J. Kohut III, Steven J. Lambakis, Keith B. Payne, Robert S. Rudney, Willis A. Stanley, Bernard C. Victory, and Linda H. Vlahos, "Alternative Grand Strategy Options for the United States," *Comparative Strategy*, Vol. 14, No. 4 (October–December 1995), pp. 361–420, which usefully describes what the authors see as the current U.S. grand strategy and three alternative grand strategies, but does not examine the theoretical premises underlying these four grand strategies. Also, the relative advantages and disadvantages of the four grand strategies are not compared.

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My argument for adopting an alternative grand strategy is prospective: although sustainable for perhaps another decade, the strategy of preponderance cannot be maintained much beyond that period. The changing distribution of power in the international system—specifically, the relative decline of U.S. power and the corresponding rise of new great powers—will render the strategy untenable. The strategy also is being undermined because the robustness of America’s extended deterrence strategy is eroding rapidly. Over time, the costs and risks of the strategy of preponderance will rise to unacceptably high levels. The time to think about alternative grand strategies is now—before the United States is overtaken by events.

An offshore balancing strategy would have two crucial objectives: minimizing the risk of U.S. involvement in a future great power (possibly nuclear) war, and enhancing America’s relative power in the international system. Capitalizing on its geopolitically insular position, the United States would disengage from its current alliance commitments in East Asia and Europe. By sharply circumscribing its overseas engagement, the United States would be more secure and more powerful as an offshore balancer in the early twenty-first century than it would be if it continues to follow the strategy of preponderance.

In advocating this strategy, I do not deprecate those who believe that bad things (e.g., increased geopolitical instability) could happen if the United States abandons its strategy of preponderance. Indeed, they may; however, that is only half of the argument. The other half, seldom acknowledged by champions of preponderance, is that bad things—perhaps far worse things—could happen if the United States stays on its present grand strategic course. Grand strategies must be judged by the amount of security they provide; whether, given international systemic constraints, they are sustainable; their cost; the degree of risk they entail; and their tangible and intangible domestic effects. Any serious debate about U.S. grand strategy must use these criteria to assess the comparative merits of both the current grand strategy and its competitors. I hope to foster an awareness that fairly soon the strategy of preponderance will be unable to pass these tests.

This article is structured as follows. First, I analyze the strategy of preponderance, paying particular attention to its theoretical underpinnings, causal logic, and policy components. Second, I demonstrate the strategy’s weaknesses. Third, I outline the elements of an alternative grand strategy, offshore balancing, and show why it would be a better strategy for the United States to follow in the twenty-first century.

### *Theory and Grand Strategy: The Strategy of Preponderance*

Grand strategy is a three-step process: determining a state's vital security interests; identifying the threats to those interests; and deciding how best to employ the state's political, military, and economic resources to protect those interests.<sup>3</sup> The outcome of the process, however, is indeterminate: the specific grand strategy that emerges will reflect policymakers' views of how the world works. Hence debates about grand strategy also are debates about international relations theory. Because theories are not monolithic, competing grand strategies can emanate not only from rival theories but also from the same theoretical approach. Thus both competing strategies I consider in this article—preponderance and offshore balancing—are rooted in the realist tradition notwithstanding their sharply different policy implications. In this section, I analyze the strategy of preponderance to clarify the realist premises upon which the strategy is based and demonstrate how its policy prescriptions are deduced from these premises.

### *U.S. Grand Strategy: A Pattern of Continuity*

The United States has pursued the same grand strategy, preponderance, since the late 1940s. The key elements of this strategy are creation and maintenance of a U.S.-led world order based on preeminent U.S. political, military, and economic power, and on American values; maximization of U.S. control over the international system by preventing the emergence of rival great powers in Europe and East Asia; and maintenance of economic interdependence as a vital U.S. security interest. The logic of the strategy is that interdependence is the paramount interest the strategy promotes; instability is the threat to interdependence; and extended deterrence is the means by which the strategy deals with this threat.

The quest for world order has been integral to U.S. grand strategy since at least 1945. The grand strategic equation of world order with U.S. security reflects a historically rooted belief that to be secure, the United States must extend abroad both its power and its political and economic institutions and values.<sup>4</sup> Thus, even in the mid to late 1940s, the driving force behind U.S.

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3. This definition is similar to Leffler's and Barry Posen's. Leffler, *A Preponderance of Power*, p. ix, and Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany Between the World Wars* (Ithaca, N.Y.: Cornell University Press, 1984), p. 13.

4. Driving U.S. strategy is the belief that "America must have a favorable climate for its institutions to thrive, and perhaps even for them to survive." Lloyd C. Gardner, *A Covenant with Power: America*

policy was more basic than the mere containment of the Soviet Union,<sup>5</sup> which explains why, despite the Cold War's end, the United States remains committed to the strategy of preponderance.

Since the end of World War II, the United States has attempted to prevent the emergence of new geopolitical rivals. In the 1940s, of course, it accepted the reality of Soviet power. Short of preventive war (a thought entertained by some U.S. policymakers), the United States could not prevent the Soviet Union's ascendance to superpower status.<sup>6</sup> From 1945 on, however, the United States was the sole great power in its own sphere of influence, the non-Soviet world. As the historian Melvyn P. Leffler points out, U.S. policymakers believed that "neither an integrated Europe nor a united Germany nor an independent Japan must be permitted to emerge as third force or a neutral bloc."<sup>7</sup>

Leffler's argument is not idiosyncratic. Observing that the United States "expected to lead the new world order" after 1945, the diplomatic historian John Lewis Gaddis states: "Few historians would deny, today, that the United States did expect to dominate the international scene after World War II, and that it did so well before the Soviet Union emerged as a clear and present antagonist."<sup>8</sup> It could be argued, of course, that far from suppressing the reemergence of competing power centers within its sphere, the United States encouraged their emergence by facilitating the postwar economic recoveries of Western Europe and Japan. While helping its allies rebuild economically, however, the United States maintained tight political control over them. Washington wanted Western Europe and Japan to be strong enough to help contain the Soviet Union; it did not want them to become strong enough to challenge its

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*and World Order from Wilson to Reagan* (New York: Oxford University Press, 1984), p. 27. The belief that the United States is alone in a hostile world leads it to alleviate this chronic insecurity by seeking complete immunity from external threat. William Appleman Williams, *Empire as a Way of Life: An Essay on the Causes and Character of America's Present Predicament along with a Few Thoughts About an Alternative* (New York: Oxford University Press, 1980), p. 53. Also see James Chace and Caleb Carr, *America Invulnerable: The Quest for Absolute Security from 1812 to Star Wars* (New York: Summit Books, 1988), p. 12.

5. The link between America's security, its preponderance, and an American-led world order was articulated in NSC-68, which states that the purpose of American power is "to foster a world environment in which the American system can survive and flourish" and the strategy of preponderance is "a policy which [the United States] would probably pursue even if there were no Soviet Union." NSC-68 in Thomas Etzold and John Lewis Gaddis, eds., *Containment: Documents on American Policy and Strategy, 1945-1950* (New York: Columbia University Press, 1978), p. 401.

6. See Russell D. Buhite and Wm. Christopher Hamel, "War for Peace: The Question of American Preventive War against the Soviet Union, 1945-1955," *Diplomatic History*, Vol. 14, No. 3 (Summer 1990), pp. 367-385.

7. Leffler, *A Preponderance of Power*, p. 17.

8. John Lewis Gaddis, "The Tragedy of Cold War History," *Diplomatic History*, Vol. 17, No. 1 (Winter 1993), pp. 3-4.

leadership. The United States was especially concerned with circumscribing the resurgent power of (West) Germany and Japan. Thus, as the political scientist Wolfram Hanreider observed, America's post-World War II strategy was *double* containment (containment of the Soviet Union *and* of Germany and Japan).<sup>9</sup> Although the postwar American empire was an "empire by invitation," it was an empire nonetheless, and the United States sought to maintain its geopolitically privileged position vis-à-vis Western Europe and Japan.<sup>10</sup>

Economic interdependence has played a central role in U.S. grand strategy since 1945.<sup>11</sup> Indeed, the strategy of preponderance's hallmark is the interplay of security and economic factors.<sup>12</sup> Even before the Cold War's onset, the United States "deliberately fostered the economic interdependence of the major powers in order to ensure U.S. security and prosperity."<sup>13</sup> The centrality of interdependence in post-1945 foreign policy is explained in part by economic considerations. U.S. policymakers have come to believe that America's prosperity depends on its access to overseas markets and raw materials.<sup>14</sup> Even more important, however, are the perceived positive political and security externalities that flow from interdependence.

As World War II drew to a close, U.S. decision makers subscribed to three beliefs about interdependence's positive externalities. First, they embraced the

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9. The term "double containment" is from Wolfram Hanreider, *Germany, Europe, and America* (New Haven, Conn.: Yale University Press, 1989).

10. See Geir Lundestad, *The American "Empire" and Other Studies of U.S. Foreign Policy in a Comparative Perspective* (New York: Oxford University Press, 1990).

11. Diplomatic historians agree that economic factors played an important role in postwar American foreign policy but disagree about whether geostrategic or economic considerations were accorded priority in U.S. strategy. Compare Leffler, *A Preponderance of Power* with Bruce Cumings, "The Poverty of Theory in Diplomatic History," in Michael J. Hogan, ed., *America in the World: The Historiography of American Foreign Relations Since 1941* (Cambridge, U.K.: Cambridge University Press, 1995). The crucial point, sometimes lost in the debate, is the seamless interconnection of strategy and economics.

12. As Robert A. Pollard and Samuel F. Wells, Jr. observe: "The global and comprehensive nature of American foreign economic policies and ideas makes it difficult to distinguish among the political, strategic, and economic sources of American conduct in the postwar years." Robert A. Pollard and Samuel F. Wells, Jr., "1945-1960: The Era of American Economic Hegemony," in William Becker and Samuel F. Wells, Jr., eds., *Economics and World Power* (New York: Columbia University Press, 1984), p. 387.

13. Robert A. Pollard, *Economic Security and the Origins of the Cold War* (New York: Columbia University Press, 1985), p. 2.

14. Brent Scowcroft argues that American prosperity depends on the global economy, and therefore the "U.S. cannot prosper amid chaos and conflict." Brent Scowcroft, "Who Can Harness History?" *New York Times*, July 2, 1993, p. A15. Then-Secretary of Defense Dick Cheney stated: "We are a trading nation, and our prosperity is directly linked to peace and stability in the world. . . . Simply stated, the worldwide market that we're part of cannot thrive where regional violence, instability and aggression put it in peril." Dick Cheney, "The Military We Need in the Future," *Vital Speeches of the Day*, Vol. 59, No. 1 (October 15, 1992), p. 13.

traditional perspective of commercial liberalism that by increasing prosperity, an open international trading system decreases the risk of war by raising its costs. Second, they believed a key “lesson” of the 1930s was that economic nationalism (autarky, rival trade blocs) led to totalitarianism and militarism in Germany and Japan, and thus was an important cause of geopolitical instability. An open postwar international trading system would prevent a replay of the 1930s by strengthening the domestic political position of elites who would be predisposed by economic interest and ideology to pursue pacific foreign policies. Third, they believed that World War II’s origins were rooted in economic causes (i.e., competition for territorial control of markets and raw materials). An open international trading system would eliminate the need to capture resources and markets by providing nondiscriminatory access to all states. The Cold War added a fourth reason to regard economic interdependence as a vital American interest: an open international trading system would contribute to peace and international stability in the non-Soviet world, and hence reduce its vulnerability to communism.

Although the Cold War has ended, the United States remains wedded to the strategy of preponderance. The Bush administration’s “new world order” and the Clinton administration’s strategy of “engagement and enlargement” reflect Washington’s continuing aspiration to maintain an international system shaped by America’s power and values. The U.S. foreign policy community understands that little can be done to prevent the emergence of a new great power challenger (China) outside the U.S. sphere of influence. Within its own sphere, however, the United States remains determined to suppress the rise of rival powers: Germany and Japan are to be contained by embedding them firmly in U.S.-dominated security and economic frameworks.<sup>15</sup> Now, as during the Cold War, the U.S. military protectorate’s purpose in Europe and East Asia is to facilitate interdependence by removing the security dilemma and relative

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15. Arguments that the post-Cold War purpose of American security commitments in Europe and East Asia is to contain Germany and Japan, respectively, and thus prevent the “renationalization” of their foreign and security policies, are legion. On Germany, see, for example, Robert J. Art, “Why Western Europe Needs the United States and NATO,” *Political Science Quarterly*, Vol. 111, No. 1 (Spring 1996), pp. 1–40, and Charles L. Glaser, “Why NATO is Still Best: Future Security Arrangements for Europe,” *International Security*, Vol. 18, No. 1 (Summer 1993), pp. 5–50. On Japan, see Richard K. Betts, “Wealth, Power and Instability: East Asia and the United States after the Cold War,” *International Security*, Vol. 18, No. 3 (Winter 1993/94), pp. 56–64, and Aaron L. Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” *International Security*, Vol. 18, No. 3 (Winter 1993/94), pp. 31–32. In 1990 the then commander of U.S. Marine Corps bases in Japan, Maj. Gen. Henry C. Stackpole III, bluntly explained the reason for the American military presence in East Asia: “No one wants a rearmed, resurgent Japan. So we are the cap in the bottle, if you will.” Quoted in Sam Jameson, “A Reluctant Superpower Agonizes Over Military,” *Los Angeles Times*, August 1, 1995, p. H4.

gains issue from relations among the states in Washington's orbit. U.S. security commitments continue to be extended beyond the European and East Asian core into the periphery. Preponderance's strategic imperatives are the same as they were during the post-World War II era: pacification and reassurance in Europe and East Asia, and protection of these regions from the contagion of instability in the periphery.

### *Interests, Threats, and Means*

Preponderance is a realist strategy that subsumes two distinct approaches: offensive realism and defensive realism.<sup>16</sup> Offensive and defensive realists define U.S. interests identically and agree broadly about the threats to them. Offensive and defensive realists disagree, however, about the relative salience of "hard" versus "soft" power in the strategy of preponderance, and consequently, they have disparate views of the means required to sustain the strategy.<sup>17</sup>

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16. John J. Mearsheimer is the leading academic proponent of offensive realism. See John J. Mearsheimer, "The False Promise of Liberal Institutions," *International Security*, Vol. 19, No. 3 (Winter 1993/94), pp. 9–14. For applications of offensive realism to U.S. grand strategy, see Patrick E. Tyler, "U.S. Strategy Plan Calls for Ensuring No Rivals Develop," *New York Times*, March 8, 1992, p. A1 [draft FY 1994–1999 *Defense Planning Guidance*]; *Regional Defense Strategy* (Washington, D.C.: Department of Defense, Office of the Undersecretary of Defense for Policy, 1992); and *1991 Summer Study* (Organized by the director, Net Assessment, held at the U.S. Naval War College, Newport R.I., August 5–13, 1991). Also see Robert Kagan, "The Case for Global Activism," *Commentary*, Vol. 98, No. 3 (September 1994); Robert Kagan, "A Retreat from Power?" *Commentary*, Vol. 100, No. 1 (July 1995); Charles Krauthammer, "The Unipolar Moment," *Foreign Affairs: America and the World*, Vol. 70, No. 1 (1990–91); William Kristol and Robert Kagan, "Toward a Neo-Reaganite Foreign Policy," *Foreign Affairs*, Vol. 75, No. 4 (July/August 1996), pp. 18–32; Zalmay Khalilzad, "Losing the Moment? The United States and the World After the Cold War," *Washington Quarterly*, Vol. 18, No. 2 (Spring 1995), pp. 87–107; and Khalilzad, "U.S. Grand Strategies."

Leading academic proponents of defensive realism include Barry Posen, Jack Snyder, Stephen Van Evera, and Stephen M. Walt. For scholarly works embodying defensive realism, see Fareed Zakaria, "Realism and Domestic Politics," *International Security*, Vol. 17, No. 1 (Summer 1992), p. 191, fn. 34. Another important defensive realist work, reviewed in Zakaria's article, is Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, N.Y.: Cornell University Press, 1991). For applications of defensive realism to U.S. grand strategy, see *A National Security Strategy of Engagements and Enlargement* (Washington, D.C.: The White House, 1995); *United States Security Strategy for the East Asia-Pacific Region* (Washington, D.C.: Department of Defense, Office of International Security Affairs, 1995); Anthony Lake, "Laying the Foundations for a New American Century" (The White House: Office of the Press Secretary, April 25, 1996); Anthony Lake, "Defining Missions, Setting Deadlines: Meeting New Security Challenges in the Post-Cold War World" (The White House: Office of the Press Secretary, March 6, 1996); Joseph S. Nye, Jr., *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990); Joseph S. Nye, Jr., "The Case for Deep Engagement," *Foreign Affairs*, Vol. 74, No. 4 (July/August 1995), pp. 90–102; and Joseph S. Nye, Jr., "Conflicts After the Cold War," *Washington Quarterly*, Vol. 19, No. 1 (Winter 1996), pp. 5–24.

17. On the distinction between hard and soft power, see Nye, *Bound to Lead*.



Offensive and defensive realists concur that continued American hegemony is desirable; however, they employ different theoretical assumptions to support this shared conclusion. Offensive realists believe that states should attempt to maximize their relative power to gain security. They believe that in a harsh, competitive world, security rests on hard power (military power and its economic underpinnings) and it is best to be number one. For them, systemic stability (the absence of war, security competitions, and proliferation) is a function of U.S. military power. They contend that the chances of future great power war will remain low if U.S. hegemony is preserved but will be high if the international system becomes multipolar. Offensive realists claim that others will accept U.S. hegemony because they must do so, and they derive important security and economic benefits from U.S. hegemony, and further, because they have no choice. While not deprecating the importance of American liberal democratic values, offensive realists do not believe these values contribute to peace and stability independently of the military power that is the foundation of U.S. hegemony.

Defensive realists view international politics more optimistically. As Fareed Zakaria says, defensive realism "assumes that the international system provides incentives only for moderate, reasonable behavior."<sup>18</sup> Defensive realists argue that states seek to maximize their security, not their power, and that security is actually plentiful in the international system. From these assumptions they conclude that power-maximizing behavior by states (overexpansion) results from cognitive factors (misperception) or domestic political pathologies rather than from international systemic constraints. Hence aggression can be cured by rooting out the unit-level deformations that purportedly cause it. The spread of democracy, economic interdependence, and the development of international institutions can help accomplish this task. Thus in its diagnosis of, and prescription for, "irrational" state behavior, defensive realism converges with liberal international relations theory.

An apparent tension exists between defensive realism's theoretical assumptions and its professed grand strategic goal of maintaining U.S. preponderance. Defensive realists reconcile strategy with theory by invoking three arguments. First, "balance-of-threat" theory is used to support the proposition that others will not balance against a hegemonic United States.<sup>19</sup> Second, defensive realists

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18. Zakaria, "Realism and Domestic Politics," p. 190.

19. On balance-of-threat theory, see Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y.: Cornell University Press, 1987). For a critique of balance-of-threat theory's applicability in a unipolar world, see Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security*, Vol. 17, No. 4 (Spring 1993), pp. 11–15.

argue that precisely because the United States does manifest concern for their interests, other states will want to bandwagon with it. Third, by using its soft power—the appeal of American values and culture—the United States can reduce the risk that others will regard it as a threat. For defensive realists, a hegemon's power rests not only on its military and economic power, but also on others' acceptance of its norms and principles.<sup>20</sup> Defensive realist advocates of preponderance invoke these arguments to support the claim that *American* hegemony does not threaten other states' security; is essential to maintaining a stable international system from which all states benefit; and will be willingly accepted by all except "rogue" states (nondemocratic states that do not accept the norms that the United States has imposed on the international system).

The strategy of preponderance assumes that the United States has a vital "milieu" interest in maintaining stability in the international system.<sup>21</sup> Underlying the strategy is fear of what *might* happen in a world no longer shaped by predominant U.S. power. Continued American hegemony is important because it is seen as the prerequisite for systemic stability (primacy *is* world order). Instability is dangerous because it threatens the link that connects U.S. security to the strategic and economic interests furthered by interdependence. Interdependence is an overriding U.S. interest for economic reasons and, more important, for politico-military reasons: it is viewed as both a cause and a consequence of peace and stability in the international system. Indeed, the role of interdependence in the strategy of preponderance is tautological: Interdependence is a vital interest because it leads to peace and stability (and prosperity); however, peace and stability must preexist in the international system order for interdependence to take root.

Geographically, the strategy of preponderance identifies Europe, East Asia, and the Persian Gulf as regions in which the United States has vital security interests. Europe and East Asia (the zone of peace and prosperity) are important because they are the regions from which new great powers could emerge and where future great power war could occur; central to the functioning of an interdependent international economic system; and vital to U.S. prosperity. The Persian Gulf is important because of oil. Geographically, these three regions constitute America's vital interests; however, its security interests are

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20. See John G. Ikenberry and Charles A. Kupchan, "The Legitimation of Hegemonic Power," in David P. Rapkin, ed., *World Leadership and Hegemony* (Boulder, Colo.: Lynne Rienner, 1990), p. 52.

21. For the definition of "milieu goals," see Arnold Wolfers, *Discord and Collaboration: Essays in International Politics* (Baltimore, Md.: Johns Hopkins University Press, 1962), pp. 73–77.

not confined to these regions. The United States must also be concerned with the peripheries because turmoil there could affect the core.

The strategy of preponderance identifies the rise of new great powers and the spillover of instability from strategically peripheral areas to regions of core strategic interest as the two main threats to U.S. interests in stability and interdependence. The emergence of new great powers would have two deleterious consequences for the United States. First, new great powers could become aspiring hegemonies and, if successful, would seriously threaten U.S. security.<sup>22</sup> Offensive and defensive realists concur that China is the state most likely to emerge as a hegemonic challenger in the early twenty-first century. Offensive realists believe that the United States should respond to the prospect of emerging Chinese power by moving now to contain Beijing.<sup>23</sup> While holding the containment option in reserve, defensive realists prefer to engage China now in the hope that democratization and interdependence will have meliorating effects on Beijing's foreign policy.<sup>24</sup>

Second, the emergence of new great powers is always a destabilizing geopolitical phenomenon. Although the United States may have to acquiesce in China's rise to great power status, the strategy of preponderance clearly aims to prevent the great power emergence of Germany and Japan. U.S. policymakers fear that a "renationalized" Japan or Germany could trigger an adverse geopolitical chain reaction. For their neighbors, resurgent German and Japanese power would revive the security dilemma (dormant during the Cold War). At best, the ensuing security competitions that could occur in Europe and East Asia would make cooperation more difficult. At worst, renationalization could fuel a cycle of rising tensions and arms racing (possibly including nuclear proliferation) that would undermine regional stability and perhaps lead to war. Either way, however, U.S. strategic and economic interests in interdependence would be imperiled.

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22. See Khalilzad, "U.S. Grand Strategies," p. 18.

23. See Jacob Heilbrunn, "The Next Cold War," *The New Republic*, November 20, 1995, pp. 27–30; Gideon Rachman, "Containing China," *Washington Quarterly*, Vol. 19, No. 1 (Winter 1996), pp. 129–139; and Arthur Waldron, "Deterring China," *Commentary*, Vol. 100, No. 4 (October 1995), pp. 17–21.

24. See, for example, Audry Kurth Cronin and Patrick Cronin, "The Realistic Engagement of China," *Washington Quarterly*, Vol. 19, No. 1 (Winter 1996), pp. 141–169; Kenneth Lieberthal, "The China Challenge," *Foreign Affairs*, Vol. 74, No. 6 (November/December 1995), pp. 35–49; James L. Richardson, "Asia-Pacific: The Case for Geopolitical Optimism," *The National Interest*, No. 38 (Winter 1994/1995), pp. 28–39; and Jeffrey E. Garten, "Power Couple," *New York Times*, January 15, 1996, p. A1. Joseph S. Nye, Jr. also is an advocate of engagement.

The strategy's aversion to the emergence of new great powers reflects the belief that multipolar international systems are unstable and war prone.<sup>25</sup> As former Pentagon official Zalmay Khalilzad argues, "U.S. leadership [i.e., continued U.S. hegemony] would be more conducive to global stability than a bipolar or a multipolar balance of power system."<sup>26</sup> Advocates of preponderance regard multipolarity with trepidation because they embrace the realist assumptions that in multipolar systems balancing may fail (leading to war) because of coordination and collective action problems, and difficulties in calculating relative power relationships accurately.<sup>27</sup>

Instability in the peripheries (caused by failed states or by internal conflict triggered by ethnic, religious, or national strife) can also jeopardize America's interest in international stability. Turmoil in the periphery could prompt America's allies to act independently to maintain order (again raising the specter of renationalization), or could ripple back into the core and undercut prosperity by disrupting the economic links that bind the United States to Europe and East Asia.

U.S. security guarantees to Europe and East Asia—implemented by extended deterrence—are the means by which the strategy of preponderance maintains a benign international political order conducive to interdependence. Through extended deterrence, the United States retains the primary responsibility for defending German and Japanese security interests both in the core and in the periphery. The United States thereby negates German and Japanese incentives to renationalize their foreign and security policies. Thus, to implement the strategy of preponderance successfully, the United States "must account sufficiently for the interests of the large industrial nations *to discourage them from challenging our leadership* or seeking to overturn the established political or economic order."<sup>28</sup>

The strategy of preponderance is expensive. Offensive realists (who regard hard power as the basis of U.S. hegemony) believe the United States is not spending enough on defense. Their recommended annual defense spending

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25. The most compelling articulation of the view that multipolar systems are fundamentally unstable is Mearsheimer, "Back to the Future."

26. Khalilzad, "Losing the Moment?" p. 94.

27. On why balancing sometimes fails, see Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979), pp. 164–165; Mearsheimer, "Back to the Future," pp. 15–16; Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y.: Cornell University Press, 1987), pp. 123–128; and Mancur Olson and Richard Zeckhauser, "An Economic Theory of Alliances," *Review of Economics and Statistics*, Vol. 48, No. 3 (August 1966), pp. 266–279.

28. Tyler, "U.S. Strategy Plan" (emphasis added).

increases vary from William Kristol and Robert Kagan's proposed \$60–80 billion (an increase of plus 1 percent of gross national product [GNP] above current spending) to the \$140 billion recommended in the *Agenda for America* (which would amount to a defense hike of just under 2 percent of GNP).<sup>29</sup> Defensive realists (who assign a greater role to soft power in maintaining U.S. preponderance) want to keep defense spending at approximately its current level. (At present, the Clinton administration projects that U.S. defense spending in fiscal year 1997 will amount to about 3.8 percent of GNP.)

### *Preponderance in the Post–Cold War World: A Critique*

In this section I critique the strategy of preponderance, focusing on interdependence's central geopolitical role in American grand strategy. Interdependence leads to strategic overextension, encourages threat inflation, and forces the United States to rely on an increasingly problematic extended deterrence strategy.

The strategy's fixation with international stability stems from its concern with ensuring that conditions exist in which interdependence can survive and flourish. The causal logic of commercial liberalism holds that economic interdependence leads to peace. The causal logic of preponderance, however, reflects a different view of the relationship between peace and interdependence: it is peace—specifically the international security framework the United States has maintained from 1945 to the present—that makes economic interdependence possible. As former Assistant Secretary of Defense Joseph S. Nye, Jr. puts it:

Political order is not sufficient to explain economic prosperity, but it is necessary. Analysts who ignore the importance of this political order are like people who forget the importance of the oxygen they breathe. Security is like oxygen—you tend not to notice it until you begin to lose it, but once that occurs there is nothing else that you will think about.<sup>30</sup>

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29. Kristol and Kagan, "Toward a Neo-Reaganite Foreign Policy," p. 25, and Haley Barbour, *Agenda for America: A Republican Direction for the Future* (Washington, D.C.: Regenery Press, 1996). For a discussion of the *Agenda for America* and other recent Republican foreign and defense policy proposals, see Jonathan Clarke, "Gone to the Lake: Republicans and Foreign Policy," *The National Interest*, No. 44 (Summer 1996), pp. 34–45.

30. Nye, "The Case for Deep Engagement," p. 91. Art makes a similar argument for post–Cold War American military engagement in Europe. Art, "Why Western Europe Needs the United States," p. 36. Because interdependence requires the United States to maintain an extensive overseas military presence (and occasionally to use force to maintain the security environment that interdependence requires), it could be said that interdependence is like carbon monoxide: it is not noticeable until it kills.

### *Interdependence and Security: An Overlooked Connection*

There is a tight linkage—too often neglected by many international relations theorists—between security and economic interdependence. I call this the “security/interdependence nexus.” To preserve an international environment conducive to economic interdependence, the United States must engage in an extended deterrence strategy that undertakes to defend its allies’ vital interests by protecting them from hostile powers, threats emanating in the periphery, and each other. The need to rely on extended deterrence to maintain the conditions in which interdependence can take root leads inexorably to strategic overextension: the United States must extend deterrence to secure interdependence against threats emanating in both the core and the periphery, and the synergy between credibility concerns and threat inflation causes the United States to expand the scope of its security commitments. Economic interdependence therefore brings with it an increased risk of war and a decrease in America’s relative power.

#### INTERDEPENDENCE AND STRATEGIC OVEREXTENSION

The strategy of preponderance assumes that the international system will be relatively orderly and stable if the United States defends others’ vital interests, but would become disorderly and unstable if others acquired the means to defend their own vital interests. Thus, to ensure a post-Cold War geopolitical setting conducive to interdependence, the United States “will retain the pre-eminent responsibility for selectively addressing those wrongs which threaten *not only our interests but those of our allies or friends*, which could seriously unsettle international relations.”<sup>31</sup> The corollary is that the United States must defend its allies’ interests in both the core *and* in the periphery. Two cases illustrate how the security/interdependence nexus invariably leads to U.S. strategic overextension: the United States’ role in Indochina from 1948 to 1954 and its current intervention in Bosnia.

In the late 1940s and early 1950s, America’s Cold War strategic imperatives required Japan’s economic recovery, which U.S. policymakers believed depended on Japan’s access to both export markets and raw materials in Southeast Asia.<sup>32</sup> The Truman and Eisenhower administrations understood that, for

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31. “Excerpts from Pentagon’s Plan” (emphasis added).

32. This discussion is based on William S. Borden, *The Pacific Alliance: United States Foreign Economic Policy and Japanese Trade Recovery, 1947–1955* (Madison: University of Wisconsin Press, 1984); Lloyd C. Gardner, *Approaching Vietnam: From World War II Through Dienbienphu* (New York: W.W. Norton,

America's Asian strategy to succeed, the United States had to guarantee Japan's military *and* economic security. This security/interdependence nexus—specifically, the U.S. strategic interest in defending Japan's economic access to Southeast Asia—propelled America's deepening involvement in Indochina.

Notwithstanding its lack of intrinsic economic and strategic importance, Indochina became the focal point of U.S. policy because of “domino theory” concerns.<sup>33</sup> The United States regarded Indochina as a fire wall needed to prevent the more economically vital parts of the region—especially Malaya and Indonesia—from falling under communist control. Washington's concern was that the economic repercussions of toppling dominoes would have geopolitical consequences: if Japan were cut off from Southeast Asia, the resulting economic hardship might cause domestic instability in Japan and result in Tokyo drifting out of the U.S. orbit. The connection between Japan's geopolitical orientation, its economic recovery, and its access to Southeast Asia—that is, the belief that core and periphery are economically *and* strategically interdependent—catalyzed Washington's support of France during the First Indochina War and, after 1954, its support of a noncommunist state in South Vietnam. In retrospect, the United States crossed the most crucial threshold on the road to the Vietnam War in the early 1950s, when Washington concluded that interdependence's strategic requirements (specifically, Japan's security and prosperity) necessitated that containment be extended to Southeast Asia.

The United States' 1995 military intervention in Bosnia also illustrates how the security/interdependence nexus leads to strategic overextension. The parallels between Indochina and Bosnia are striking even though, unlike the perceived interdependence between Japan and Southeast Asia in the late 1940s and early 1950s, the Balkans' economic importance to Western Europe is nil

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1988); Steven Hugh Lee, *Outposts of Empire: Korea, Vietnam, and the Origins of the Cold War in Asia, 1949–1954* (Montreal: McGill-Queen's University Press, 1995); Leffler, *A Preponderance of Power*; Ronald L. McGlothen, *Controlling the Waves: Dean Acheson and U.S. Foreign Policy* (New York: W.W. Norton, 1993); Andrew J. Rotter, *The Path to Vietnam: Origins of the American Commitment to Southeast Asia* (Ithaca, N.Y.: Cornell University Press, 1987); Michael Schaller, *The American Occupation of Japan: The Origins of the Cold War in Asia* (New York: Oxford University Press, 1985); Pollard and Wells, “American Economic Hegemony”; Michael Schaller, “Securing the Great Crescent: Occupied Japan and the Origins of Containment in Southeast Asia,” *Journal of American History*, Vol. 69, No. 2 (Summer 1982), pp. 392–414; Howard B. Schonberger, “The Cold War and the American Empire in Asia,” *Radical History Review*, Vol. 33 (September 1985), pp. 139–154; Akio Watanabe, “Southeast Asia in U.S.-Japan Relations,” in Akira Iriye and Warren I. Cohen, eds., *The United States and Japan in the Postwar World* (Lexington: University Press of Kentucky, 1989), pp. 36–60.

33. On the domino theory, see Robert Jervis, “Domino Beliefs and Strategic Behavior,” in Robert Jervis and Jack Snyder, eds., *Dominoes and Bandwagons: Strategic Beliefs and Great Power Competition in the Eurasian Rimland* (New York: Oxford University Press, 1991), pp. 20–50.

and there is no geopolitical threat in the Balkans that corresponds to Washington's (mistaken) belief that the Vietminh were the agents of a monolithic, Kremlin-directed communist bloc. Given these differences the case for intervention was even less compelling strategically in Bosnia than in Indochina. Nevertheless, the rationale for intervention has been the same. U.S. Bosnia policy has been justified by invoking arguments—based on domino imagery and the perceived need to protect economic interdependence—similar to those used to justify U.S. involvement in Indochina in the early 1950s.

Although a few commentators have contended that U.S. intervention in Bosnia was animated by humanitarian concerns, this is not the case. U.S. policymakers, including President Bill Clinton, made clear that their overriding concerns were to ensure European stability by preventing the Balkan conflict from spreading, and to reestablish NATO's credibility. Indeed, some of preponderance's proponents believe that U.S. intervention in Bosnia alone is insufficient to prevent peripheral instability from spreading to Western Europe. To forestall a geopolitical snowball, they contend, it is necessary to enlarge NATO by incorporating the states of East Central Europe.<sup>34</sup>

These expressed fears about the spillover of instability from Bosnia (or East Central Europe) into Europe are, without explication, vague. A number of U.S. policymakers and analysts have detailed their concerns, however: they fear that spreading instability could affect the United States economically given its interdependence with Europe. Thus Senator Richard Lugar (R.-Ind.) urged U.S. intervention in Bosnia because "there will be devastating economic effects in Europe of a spread of war and, thus, the loss of jobs in this country as we try to base a recovery upon our export potential."<sup>35</sup> William E. Odom, former Director of the National Security Agency, explicates the perceived significance of the link between U.S. interests in interdependence and its concerns for European stability and NATO credibility:

Only a strong NATO with the U.S. centrally involved can prevent Western Europe from drifting into national parochialism and eventual regression from its present level of economic and political cooperation. Failure to act effectively in Yugoslavia will not only affect U.S. security interests but also U.S. economic interests. Our economic interdependency with Western Europe creates large numbers of American jobs.<sup>36</sup>

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34. William E. Odom, "NATO's Expansion: Why the Critics Are Wrong," *The National Interest*, No. 39 (Spring 1995), p. 44.

35. *MacNeil-Lehrer News Hour*, May 6, 1993, Transcript No. 4622.

36. William E. Odom, "Yugoslavia: Quagmire or Strategic Challenge?" Hudson Briefing Paper, No. 146 (Indianapolis: Hudson Institute, November 1992), p. 2.



With respect to U.S. commitments, the strategy of preponderance is opened. Even the strategy's proponents who acknowledge that there are limits to U.S. security interests are hard-pressed to practice restraint in actual cases. Robert Art's writings are illustrative. In 1991 he argued the only U.S. security concern in Europe and the Far East is to ensure that great power war does not occur because only conflicts of that magnitude could negatively affect economic interdependence. "In contrast," he wrote, "wars among the lesser powers in either region (for example, a war between Hungary and Romania over Transylvania) would not require American involvement."<sup>37</sup> Yet in 1996 Art suggested that U.S. intervention in Bosnia (by any standard, a "war among lesser powers") was necessary because the Balkan war had implicated NATO's cohesion and viability and raised doubts about America's leadership and its willingness to remain engaged in Europe.<sup>38</sup> Absent continued U.S. involvement in European security matters, he argued, NATO would be unable to perform its post-Cold War tasks of maintaining a benign security order conducive to Western Europe's continuing politico-economic integration, containing resurgent German power, and preventing the West European states from renationalizing their security policies.

Indochina and Bosnia demonstrate how the strategy of preponderance expands America's frontiers of insecurity. The security/interdependence nexus requires the United States to impose order on, and control over, the international system. To do so, it must continually enlarge the geographic scope of its strategic responsibilities to maintain the security of its established interests. As Robert H. Johnson observes, this process becomes self-sustaining because each time the United States pushes its security interests outward, threats to the new security frontier will be apprehended: "uncertainty leads to self-extension, which leads in turn to new uncertainty and further self-extension."<sup>39</sup> Core and periphery are interdependent strategically; however, while the core remains constant, the turbulent frontier in the periphery is constantly expanding. There is a suggestive parallel between late-Victorian Britain and the United States today. The late-nineteenth-century British statesman Lord Rosebery clearly recognized that economic interdependence could lead to strategic overextension: Our commerce is so universal and so penetrating that scarcely any question can arise in any part of the world without involving British interests. This consideration, instead of widening rather circumscribes the field of our actions.

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37. Art, "A Defensible Defense," p. 45.

38. Art, "Why Western Europe Needs the United States and NATO."

39. Robert H. Johnson, *Improbable Dangers: U.S. Conceptions of Threat in the Cold War and After* (New York: St. Martin's Press, 1994), p. 206.

For did we not strictly limit the principle of intervention we should always be simultaneously engaged in some forty wars.<sup>40</sup>

Of course, it is an exaggeration to suggest that the strategy of preponderance will involve the United States in forty wars simultaneously. It is not, however, an exaggeration to note that the need to defend America's perceived interest in maintaining a security framework in which economic interdependence can flourish has become the primary rationale for expanding its security commitments in East Asia and in Europe. To preserve a security framework favorable to interdependence, the United States does not, in fact, intervene everywhere; however, the logic underlying the strategy of preponderance can be used to justify U.S. intervention anywhere.

### *Threat Inflation, Credibility, and Interdependence*

The security/interdependence nexus results in the exaggeration of threats to American strategic interests because it requires the United States to defend its core interests by intervening in the peripheries. There are three reasons for this. First, as Johnson points out, order-maintenance strategies are biased inherently toward threat exaggeration. Threats to order generate an anxiety "that has at its center the fear of the unknown. It is not just security, but the pattern of order upon which the sense of security depends that is threatened."<sup>41</sup> Second, because the strategy of preponderance requires U.S. intervention in places that concededly have no intrinsic strategic value, U.S. policymakers are compelled to overstate the dangers to American interests to mobilize domestic support for their policies.<sup>42</sup> Third, the tendency to exaggerate threats is tightly linked to the strategy of preponderance's concern with maintaining U.S. credibility.

The diplomatic historian Robert J. McMahon has observed that since 1945 U.S. policymakers consistently have asserted that American credibility is "among the most critical of all foreign policy objectives."<sup>43</sup> As Khalilzad makes clear, they still are obsessed with the need to preserve America's reputation for honoring its security commitments: "The credibility of U.S. alliances can be

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40. Quoted in Paul Kennedy, *The Realities Behind Diplomacy: Background Influences on British External Policy, 1865–1980* (London: George Allen and Unwin, 1981), p. 105.

41. Johnson, *Improbable Dangers*, p. 12.

42. *Ibid.*, pp. 131–132; Jervis in *Dominoes and Bandwagons*; and John A. Thompson "The Exaggeration of American Vulnerability: The Anatomy of a Tradition," *Diplomatic History*, Vol. 16, No. 1 (Winter 1992), pp. 23–43.

43. Robert J. McMahon, "Credibility and World Power: Exploring the Psychological Dimension in Postwar American Diplomacy," *Diplomatic History*, Vol. 15, No. 4 (Fall 1991), p. 455.

undermined if key allies, such as Germany and Japan, believe that the current arrangements do not deal adequately with threats to their security. It could also be undermined if, over an extended period, the United States is perceived as lacking the will or capability to lead in protecting their interests.<sup>44</sup> Credibility is believed to be crucial if the extended deterrence guarantees on which the strategy of preponderance rests are to remain robust.

Preponderance's concern with credibility leads to the belief that U.S. commitments are interdependent. As Thomas C. Schelling has put it: "Few parts of the world are intrinsically worth the risk of serious war by themselves . . . but defending them or running risks to protect them may preserve one's commitments to action in other parts of the world at later times."<sup>45</sup> If others perceive that the United States has acted irresolutely in a specific crisis, they will conclude that it will not honor its commitments in future crises. Hence, as happened repeatedly in the Cold War, the United States has taken military action in peripheral areas to demonstrate—both to allies and potential adversaries—that it will uphold its security obligations in core areas.

### *Interdependence and Extended Deterrence in the Twenty-first Century*

Views about U.S. grand strategy are linked inextricably to attitudes about nuclear proliferation and deterrence. In their recent debate Scott Sagan and Kenneth Waltz crystallized the percolating argument between "deterrence optimists" and "proliferation pessimists."<sup>46</sup> The strategy of preponderance reflects "proliferation pessimism," the belief that the spread of nuclear weapons will have negative consequences: specifically, renationalization and an increased risk of nuclear conflict. The strategy rests on the assumption that the United States can prevent these consequences by bringing potential proliferators within the shelter of its security umbrella. Thus the strategy is based not only on proliferation pessimism but on *extended* deterrence optimism: a belief (or faith) in the continuing robustness of the U.S. security umbrella.

Extended deterrence optimism is quite problematic, however. As Bradley A. Thayer points out, states that obtain nuclear weapons are driven to do so by

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44. Khalilzad, "U.S. Grand Strategies," p. 24.

45. Thomas C. Schelling, *Arms and Influence* (New Haven, Conn.: Yale University Press, 1966), p. 124.

46. Scott D. Sagan and Kenneth N. Waltz, *The Spread of Nuclear Weapons: A Debate* (New York: W.W. Norton, 1995). This terminology is borrowed from Peter Lavoy, "The Strategic Consequences of Nuclear Proliferation," *Security Studies*, Vol. 4, No. 4 (Summer 1995), pp. 695–753.

security imperatives. Proliferation is a demand-driven problem: "If states feel that nuclear weapons are not needed for their security, then they will not seek to acquire them."<sup>47</sup> The strategy of preponderance attempts to solve this demand-driven cause of proliferation by assuaging the protected states' security fears. Whether the strategy can work is a function of two interrelated factors. First, is extended deterrence credible? That is, will it actually dissuade an adversary from attacking the target state? Second, will U.S. guarantees reassure the protected state?

### *Why Extended Deterrence Will Fail in the Post-Cold War World*

In its current iteration, the strategy of preponderance is a reprise of America's Cold War extended deterrence strategy. Extended deterrence is a difficult strategy to implement successfully: "One of the perpetual problems of deterrence on behalf of third parties is that the costs a state is willing to bear are usually much less than if its own territory is at stake, and it is very difficult to pretend otherwise."<sup>48</sup> For extended deterrence to work, a potential challenger must be convinced that the defender's commitment is credible.<sup>49</sup>

During the Cold War, extending deterrence to Western Europe was thought to be especially problematic after the Soviet Union attained strategic nuclear parity with the United States because, in the course of defending Europe, the United States would have exposed itself to Soviet nuclear retaliation. Concern was expressed on both sides of the Atlantic that the U.S. pledge to use nuclear weapons to deter a Soviet conventional attack on Western Europe was irrational and incredible (in both senses of the latter term). Indeed, extended deterrence was a contentious issue that seriously corroded NATO's unity. During the Cold War, many U.S. strategists suggested that to solve the "credibility of commitment" problem, the United States needed to acquire strategic damage limitation capabilities (counterforce, ballistic missile defenses) and firmly establish its reputation for upholding its commitments (by defending

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47. Bradley A. Thayer, "The Causes of Nuclear Proliferation and the Utility of the Nuclear Non-Proliferation Regime," *Security Studies*, Vol. 4, No. 3 (Spring 1995), p. 503.

48. Patrick Morgan, *Deterrence: A Conceptual Analysis* (Beverly Hills, Calif.: Sage, 1983), p. 86.

49. Thomas C. Schelling has explained why extended deterrence raises such important concerns about credibility: "To *fight* abroad is a military act, but to *persuade* enemies or allies that would fight abroad, under circumstances of great cost and risk, requires more than a military capability. It requires projecting intentions. It requires *having* those intentions, even deliberately acquiring them, and communicating them persuasively to make other countries behave," Schelling, *Arms and Influence*, p. 36 (emphasis in original).

intrinsically unimportant areas in the periphery, deliberately circumscribing its ability to back away from commitments, and demonstrating that it could act “irrationally”).<sup>50</sup>

Despite its perceived complexities, it appears that extended deterrence “worked” in Europe during the Cold War and was easier to execute successfully than generally was thought.<sup>51</sup> One should not assume, however, that extended deterrence will work similarly well in the early twenty-first century, because the unique coincidence of contextual variables is unlikely to be replicated in the future; they include: bipolarity; a clearly defined, and accepted, geopolitical status quo; the intrinsic value to the defender of the protected region; and the permanent forward deployment by the defender of sizeable military forces in the protected region.

The international system’s polarity affects extended deterrence’s efficacy. During the Cold War, the bipolar nature of the U.S.-Soviet rivalry in Europe stabilized the superpower relationship by demarcating the continent into U.S. and Soviet spheres of influence that delineated the vital interests of both superpowers.<sup>52</sup> Each knew it courted disaster if it challenged the other’s sphere. Also, the superpowers were able to exercise control over their major allies to minimize the risk of being chain-ganged into a conflict.<sup>53</sup> In the early twenty-first century, however, the international system will be multipolar and, argu-

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50. See Colin S. Gray, “Nuclear Strategy: A Case for a Theory of Victory,” *International Security*, Vol. 4, No. 1 (Summer 1979), pp. 54–87; Colin S. Gray and Keith Payne, “Victory Is Possible,” *Foreign Policy*, No. 39 (Summer 1980), pp. 14–27; and Earl Ravenal, “Alliance and Counterforce,” *International Security*, Vol. 6, No. 4 (Spring 1982), pp. 26–43. Unlike Gray and Payne, Ravenal concluded that it was impossible for the United States to attain the strategic prerequisites for credible extended deterrence. For the argument that extended deterrence is credible even under the condition of mutual assured destruction, see Robert Jervis, *Illogic of American Nuclear Strategy* (Ithaca, N.Y.: Cornell University Press, 1984), and Charles L. Glaser, *Analyzing Strategic Nuclear Policy* (Princeton, N.J.: Princeton University Press, 1990). On the “rationality of the irrational,” see Stephen Maxwell, *Rationality in Deterrence*, Adelphi Paper No. 50 (London: International Institute for Strategic Studies, 1968).

51. Deterrence “success” often poses a non-barking dog problem—the difficulty of explaining why an event did not happen. What appears to be a successful instance of deterrence may, in fact, be attributable to other factors. For instance, the putative attacker may not, in fact, have intended to forcibly challenge the defender’s deterrence commitment. See Morgan, *Deterrence*, p. 25.

52. See Kenneth N. Waltz, “The Stability of a Bipolar World,” *Daedalus*, Vol. 93, No. 3 (Summer 1964), pp. 881–909, and Mearsheimer, “Back to the Future.” For the argument that the international system’s stability during the Cold War era was attributable to nuclear deterrence and that bipolarity was an irrelevant factor, see Ted Hopf, “Polarity, the Offense-Defense Balance, and War,” *American Political Science Review*, Vol. 81, No. 3 (June 1991), pp. 475–494.

53. On “chain-ganging,” see Jack Snyder and Thomas J. Christensen, “Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity,” *International Organization*, Vol. 44, No. 2 (Spring 1990), pp. 137–168.

ably, less stable and more conflict prone than a bipolar international system.<sup>54</sup> Spheres of influence will not be delineated clearly. In addition, because other states will have more latitude to pursue their own foreign and security policy agendas than they did during the Cold War, the risk will be much greater that the United States could be chain-ganged into a conflict because of a protected state's irresponsible behavior.

Extended deterrence is bolstered by a clearly delineated geopolitical status quo and undermined by the absence of clearly defined spheres of influence. The resolution of the 1948–49 Berlin crisis formalized Europe's de facto postwar partition. After 1949 the very existence of a clear status quo in Europe itself bolstered deterrence. As Robert Jervis points out, in geopolitical rivalries the defender enjoys two advantages: the potential attacker must bear the onus (and risk) of moving first, and the defender's interests generally outweigh the challenger's (hence the defender is usually willing to run greater risks to defend the status quo than the challenger is to change it).<sup>55</sup> In the post-Cold War world, however, the number of political and territorial flashpoints where the status quo is hotly contested is on the rise, including: the Senkaku Islands,<sup>56</sup> the Spratly Islands, Taiwan, Tokdo/Takeshima, and a host of potential disputes in East Central and Eastern Europe. One could argue of course that the United States would not have to deter these potential conflicts because they are peripheral to its security interests. This, however, overlooks the fact that U.S. policymakers believe the strategy of preponderance requires the United States to stand firm in the peripheries. For example, many of the strategy's proponents believe that to prevent European renationalization and preserve its credibility, the United States could not remain indifferent to Russian aggression against the Baltics or Ukraine (notwithstanding that current policy would exclude these states from the security sphere of even an expanded NATO).

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54. For the argument that bipolar systems are more stable than multipolar ones, see Waltz, "The Stability of a Bipolar World"; Waltz, *Theory of International Politics*, pp. 161–176; and Mearsheimer, "Back to the Future." For the counterargument, see Stephen Van Evera, "Primed for Peace: Europe After the Cold War," *International Security*, Vol. 15, No. 3 (Winter 1990/91), pp. 7–57.

55. Jervis, *The Meaning of the Nuclear Revolution: Statecraft and the Prospect of Peace* (Ithaca, N.Y.: Cornell University Press, 1989), pp. 30–31. Also see Schelling, *Arms and Influence*, p. 44.

56. China's claims to the islands have been supported by Taiwan and Hong Kong. Concerned that China may forcibly seize the islands, Tokyo has indicated that it might use Japan's naval forces to resist. The Japanese government believes the U.S.-Japan Mutual Security Treaty obligates the United States to defend the Senkakaus. See Nicholas D. Kristof, "Would You Fight for These Islands?" *New York Times*, October 20, 1996, p. E3, and Nicholas D. Kristof, "A Mini Asian Tempest Over Mini Island Group," *New York Times*, September 16, 1996, p. A7.

Indeed, some evidence suggests that the United States is contemplating further NATO expansion into the peripheries.<sup>57</sup>

A crucial factor in weighing the credibility of a defender's extended deterrence commitments is the extent of its interest in the protected area.<sup>58</sup> Had the Soviets contemplated seriously an attack on Western Europe, the risk calculus probably would have dissuaded them. In a bipolar setting Western Europe's security was a matter of supreme importance to the United States for both strategic and reputational reasons. In the early twenty-first century, however, the intrinsic value of many of the regions where the United States may wish to extend deterrence will be doubtful. Indeed, in the post-Cold War world "few imaginable disputes will engage vital U.S. interests."<sup>59</sup> It thus will be difficult to convince a potential attacker that U.S. deterrence commitments are credible. Moreover, the attenuated nature of U.S. interests will result in motivational asymmetries favoring potential challengers. That is, the "balance of resolve" will lie with the challenger, not with the United States, because the challenger will have more at stake.<sup>60</sup>

It is doubtful that the United States could deter a Russian invasion of the Baltics or Ukraine, or, several decades hence, a Chinese assault on Taiwan. To engage in such actions, Moscow or Beijing would have to be highly motivated; conversely, the objects of possible attack are unimportant strategically to the

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57. See Steven Erlanger, "U.S. Pushes Bigger NATO Despite Qualms on Russia," *New York Times*, October 10, 1996, p. A4.

58. Paul Huth, *Extended Deterrence and the Prevention of War* (New Haven, Conn.: Yale University Press, 1988), p. 43.

59. Robert Jervis, "What Do We Want to Deter and How Do We Deter It?" in L. Benjamin Ederington and Michael J. Mazar, eds., *Turning Point: The Gulf War and U.S. Military Strategy* (Boulder, Colo.: Westview Press, 1994), p. 130.

60. Nuclear deterrence is effective when the defender's own survival is at stake but much less so in other situations. In the case of "limited" or "specific" challenges, the outcome is "determined by the parties' relative determination regarding the issue in dispute." Shai Feldman, "Middle East Nuclear Stability: The State of the Region and the State of the Debate," *Journal of International Affairs*, Vol. 49, No. 1 (Summer 1995), p. 215. Also see T.V. Paul, *Asymmetric Conflicts: War Initiation by Weaker Powers* (Cambridge, U.K.: Cambridge University Press, 1994). Recently, some scholars have employed "prospect theory" to explain why a state could be motivated to choose war even though victory is doubtful. See John Arquilla and Paul K. Davis, *Extended Deterrence, Compellence and the "Old World Order"* (Santa Monica, Calif.: RAND, 1992); Paul K. Davis and John Arquilla, *Thinking About Opponent Behavior in Crisis and Conflict: A Generic Model for Analysis and Group Discussion*, N-3322-JS (Santa Monica, Calif.: RAND, 1991); and Barbara Farnham, ed., *Avoiding Losses/Taking Risks: Prospect Theory and International Conflict* (Ann Arbor: University of Michigan Press, 1995). For a balanced assessment prospect theory as applied to international relations, see Jack S. Levy, "Prospect Theory and International Relations: Theoretical Applications and Analytical Problems," *Political Psychology*, Vol. 13, No. 2 (1992), pp. 283-310.

United States, which would cause the challenger to discount U.S. credibility. The spring 1996 crisis between China and Taiwan suggests the difficulties that U.S. extended deterrence strategy will face in coming decades. (China provoked the crisis by conducting intimidating military exercises in an attempt to influence Taiwan's presidential elections.) During the crisis a Chinese official said that China could use force against Taiwan without fear of U.S. intervention because American decision makers "care more about Los Angeles than they do about Taiwan."<sup>61</sup> Although an empty threat today, as China becomes more powerful militarily and economically in coming decades, threats of this nature from Beijing will be more potent.

Deterrence theory holds that extended deterrence is strengthened when the guarantor deploys its own military forces on the protected state's territory. Thus during the Cold War, the presence of large numbers of U.S. combat forces and tactical nuclear weapons in Europe underscored its importance to the United States and bolstered extended deterrence's credibility. The defender's deployment of forces is one of the most powerful factors in ensuring extended deterrence success, because it is a visible signal that the defender "means business."<sup>62</sup> In contrast, in the early twenty-first century in many places where the United States may seek to implement extended deterrence, the strategy's effectiveness will be undercut because the United States will not have a permanent, sizeable military presence in the target state (Korea is a notable exception).

For example, it is unlikely that the United States would ever bolster the credibility of security guarantees (should they, in fact, be given) to states like Ukraine, the Baltics, or even Taiwan—each of which is threatened potentially by a nuclear rival—by deploying ground forces as tokens of its resolve. Indeed, assuming NATO expansion goes forward, Washington has taken an ambivalent stance with respect to whether the United States will deploy troops or tactical nuclear weapons or both in Poland (which, because of its proximity to Russia, would be an expanded NATO's most vulnerable member state). At currently projected force levels, moreover, the American presence in Europe

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61. Quoted in Patrick E. Tyler, "As China Threatens Taiwan, It Makes Sure U.S. Listens," *New York Times*, January 24, 1996, p. A3. I stress that this analysis is *prospective*. Today, China lacks the military capabilities to invade Taiwan successfully; however, the balance of forces probably will shift decisively in China's favor in the next decade or two, and the deterrent effect of any American commitment to Taiwan would be vitiated. Conventional deterrence no longer would be robust and any U.S. intervention would carry with it the risk of escalation to nuclear war.

62. Snyder, *Deterrence and Defense*, p. 254, and McGeorge Bundy, *Danger and Survival: Choices About the Bomb in the First Fifty Years* (New York: Random House, 1988), p. 599.



and East Asia probably will be too small to make extended deterrence credible in the early twenty-first century; a challenger, with good reason, may question whether the United States has either the capability or the intent to honor its deterrent commitments. U.S. forward-deployed forces could constitute the worst kind of trip wire—one that invites challenges rather than deterring them.

The United States of course could attempt to enhance the robustness of extended deterrence by increasing the size of its conventional deployments in key regions; however, it is doubtful that this would be either feasible or effective. Significantly increasing the number of U.S. forward-deployed forces in Europe and East Asia would be expensive.<sup>63</sup> And even then, the effect on the credibility of U.S. extended deterrence guarantees would be uncertain. After all, during the Cold War even the presence of over 300,000 U.S. troops in Europe was insufficient to reassure policymakers in the United States and Western Europe that extended deterrence was robust.

### *Economic Interdependence and Declining Relative Power*

The strategy of preponderance incorporates contradictory assumptions about the importance of relative power. On the one hand, the strategy seeks to maximize America's military power by perpetuating its role as the predominant great power in the international system. Yet the strategy's economic dimension is curiously indifferent to the security implications of the redistribution of relative power in the international political system resulting from economic interdependence. Nor does it resolve the following conundrum: given that economic power is the foundation of military strength, how will the United States be able to retain its hegemonic position in the international political system if its relative economic power continues to decline?

Contrary to the strategy of preponderance, the security/interdependence nexus posits that economic openness has adverse strategic consequences: it contributes to, and accelerates, a redistribution of relative power among states in the international system (allowing rising competitors to catch up to the United States more quickly than they otherwise would). This leads to the emergence of new great powers. The resulting power transition, which occurs

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63. Indeed, America's ability to sustain even its current level of forward-deployed forces is uncertain. It has been reported that because of fiscal constraints, the Pentagon is considering reducing U.S. forces in the Pacific below the heretofore sacrosanct deployment of 100,000 U.S. personnel. Paul Richter, "U.S. Pacific Troop Strength May Be Cut, Admiral Says," *Los Angeles Times*, February 4, 1997, p. A14.

as a formerly dominant power declines and new challengers arise, usually climaxes in great power war.<sup>64</sup> Because great power emergence is driven by uneven growth rates, there is little—short of preventive war—that the United States can do to prevent the rise of new great powers. But, to some extent, U.S. grand strategy can affect both the pace and the magnitude of America's relative power decline.

A crucial relationship exists between America's relative power and its strategic commitments. Paul Kennedy and Robert Gilpin explain how strategic overcommitment leads first to "imperial overstretch" and then to relative decline.<sup>65</sup> Ultimately, the decline in its relative power leaves a waning hegemon less well placed to fend off challenges to its systemwide strategic interests. Preponderance's key strategic commitments were undertaken in the late 1940s, when the United States was near the zenith of its relative power. Yet, during the 1980s and 1990s, although its relative economic power has declined, U.S. commitments have continued to expand. It is not inappropriate to infer that the attempt to sustain expanding commitments on a shrinking relative power base is harmful to America's economic performance.

Is the strategy of preponderance directly responsible for America's relative economic decline (or for making it worse than it otherwise might have been)? This is a complex question. Defense spending does not invariably lead to economic decline; indeed, under certain conditions it can stimulate economic growth.<sup>66</sup> It could be argued in fact that America's sustained postwar economic growth would have been impossible without "military Keynesianism."<sup>67</sup> Nevertheless, the cumulative effect of the high levels of national security-related spending required to support preponderance is that the United States is less well off economically than it otherwise would have been.

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64. This might be called the "hegemonic instability theory." See A.F.K. Organski, *World Politics*, 2nd ed. (New York: Knopf, 1968); A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: University of Chicago Press, 1980); and Robert Gilpin, "Theory of Hegemonic War," in Robert I. Rotberg and Theodore K. Rabb, eds., *The Origin and Prevention of Major Wars* (Cambridge, U.K.: Cambridge University Press, 1989), pp. 15–37.

65. Paul Kennedy, *The Rise and Fall of Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), and Robert Gilpin, *War and Change in World Politics* (Cambridge, U.K.: Cambridge University Press, 1981).

66. On this issue, see Charles A. Kupchan, "Empire, Military Power, and Economic Decline," *International Security*, Vol. 13, No. 4 (Spring 1989), pp. 36–53.

67. For a critique of military Keynesianism, see Seymour Melman, *The Permanent War Economy: American Capitalism in Decline* (New York: Simon and Schuster, 1974). For an implicit defense of military Keynesianism, see Diane B. Kunz, *Butter and Guns: America's Cold War Economic Diplomacy* (New York: Free Press, 1997).

Gilpin has outlined the causal logic supporting this conclusion. As he points out, the overhead costs of empire are high: "In order to maintain its dominant position, a state must expend its resources on military forces, the financing of allies, foreign aid, and the costs associated with maintaining the international economy. These protection and related costs are not productive investments; they constitute an economic drain on the economy of the dominant state."<sup>68</sup> Although not conclusive, some evidence suggests that, directly and indirectly, the strategy of preponderance has contributed significantly to the relative decline of U.S. economic power. David Calleo has shown that the inflationary spiral ignited by the Vietnam War, coupled with the dollar outflows required to sustain America's preeminent military and economic position, were factors in undermining U.S. economic competitiveness and relative economic power (reflected in the chronic balance-of-payments and trade deficits the United States has incurred since 1971).<sup>69</sup> The high levels of defense spending the strategy requires also have significant opportunity costs, and affect long-term economic performance by diverting scarce resources from the civilian economy.<sup>70</sup> Even though it constitutes a relatively small share of U.S. GNP, the adverse economic impact of defense spending, as the economist Lloyd L. Dumas observes, can "be dramatically out of proportion to its relative size" because it diverts from productive uses "substantial amounts of critical economic resources."<sup>71</sup>

It is difficult to quantify the strategy of preponderance's economic costs; Jim Hanson's 1993 analysis suggests, however, that the strategy's costs include: loss of domestic savings, trade deficits, overseas investment and loan losses, employment loss and welfare costs (attributable to the export of jobs), a swelling federal budget deficit, ballooning interest on the federal debt, foreign economic and military aid, and one-half of U.S. defense spending (attributable to "imperial" security responsibilities).<sup>72</sup> According to Hanson's study, as of 1990 the

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68. Gilpin, *War and Change*, pp. 156–157.

69. David Calleo, *The Imperious Economy* (Cambridge, Mass.: Harvard University Press, 1982).

70. On the opportunity cost and resource diversion arguments, see Robert W. DeGrasse, *Military Expansion, Economic Decline: The Impact of Military Spending on U.S. Economic Performance* (Armonk, N.Y.: M.E. Sharpe 1983); Lloyd J. Dumas, *The Overburdened Economy: Uncovering the Causes of Chronic Unemployment, Inflation, and National Decline* (Berkeley: University of California Press, 1986); Robert Kuttner, *End of Laissez Faire: National Purpose and the Global Economy After the Cold War* (New York: Random House, 1991); Seymour Melman, *The Permanent War Economy*; and Seymour Melman "The Limits of Military Power: Economic and Other," *International Security*, Vol. 11, No. 1 (Summer 1986), pp. 72–87.

71. Dumas, *Overburdened Economy*, p. 208.

72. Jim Hanson, *The Decline of the American Empire* (Westport, Conn.: Praeger, 1993).

cost of maintaining the American empire was \$970 trillion, nearly 20 percent of GNP. Although the specifics of the study's accounting methodology can be questioned, the basic point remains: There is a strong *prima facie* case that for the United States the strategy of preponderance is expensive, and over the long term the strategy will retard its economic performance; decrease its relative economic power; and weaken its geopolitical standing in the emerging twenty-first century–multipolar system.

### *Offshore Balancing: An Alternative Grand Strategy*

An alternative to the strategy of preponderance is offshore balancing. In this section I describe a U.S. grand strategy of offshore balancing, delineate the realist premises on which the strategy rests, and demonstrate how the strategy is deduced from these premises.

Offshore balancing is a strategy for the multipolar world that already is emerging. Its underlying premise is that it will become increasingly more difficult, dangerous, and costly for the United States to maintain order in, and control over, the international political system as called for by the strategy of preponderance. Offshore balancing would define U.S. interests narrowly in terms of defending the United States' territorial integrity and preventing the rise of a Eurasian hegemon. As an offshore balancer, the United States would disengage from its military commitments in Europe, Japan, and South Korea. The overriding objectives of an offshore balancing strategy would be to insulate the United States from future great power wars and maximize its relative power position in the international system. Offshore balancing would reject the strategy of preponderance's commitment to economic interdependence because interdependence has negative strategic consequences. Offshore balancing also would eschew any ambition of perpetuating U.S. hegemony and would abandon the ideological pretensions embedded in the strategy of preponderance. As an offshore balancer, the United States would not assertively export democracy, engage directly in peace enforcement operations, attempt to save "failed states" (like Somalia and Haiti), or use military power for the purpose of humanitarian intervention.

An offshore balancing strategy would be considerably less expensive than the strategy of preponderance. It would require defense budgets in the range of 2–2.5 percent of GNP. American military strategy for possible interventions would be based on the principle of limited liability. In contrast to the force structure currently underpinning the strategy of preponderance, offshore bal-

ancing would sharply reduce the size and role of U.S. ground forces. The strategy's backbone would be robust nuclear deterrence, air power, and—most important—overwhelming naval power. In the latter respect, an offshore balancing strategy would stress sea-based ballistic missile defense (crucial in the event the United States has to wage coalitional warfare in the early twenty-first century) and sea-based precision, standoff weapons systems (enabling the United States to bring its military power to bear without committing ground forces to combat). The United States also could use naval power as a lever against others' economic interests to achieve its political objectives. As an offshore balancer, the United States would seek simultaneously to maximize its comparative military-technological advantages and its strategic flexibility.

### *Theoretical Assumptions*

Offshore balancing is a grand strategy deduced from realist international relations theory. Specifically, the strategy is based on the following assumptions: balance-of-power strategies are superior to hegemonic ones; for a great power like the United States, interdependence is an illusion, not a reality; the robustness of U.S. extended deterrence commitments will be significantly degraded in coming years; U.S. strategy need not be burdened by excessive concern with credibility, resolve, and reputation; geography has important grand strategic implications; the risk of a rival Eurasian hegemon emerging is small; U.S. grand strategy can confidently assume that other states would balance against a potential hegemon; the dynamics of alliance relationships favor an offshore balancing strategy; and relative power concerns remain the bedrock of a prudent grand strategy.

Offshore balancing is a balance-of-power strategy, not a hegemonic one. It assumes that the United States would be more secure in a multipolar system than it would be by attempting to perpetuate its current preeminence. It is, up to a point, an offensive realist strategy. Unlike the offensive realist variant of the strategy of preponderance, however, this strategy would be predicated on the assumption that attempting to maintain U.S. hegemony is self-defeating because it will provoke other states to balance against the United States, and result in the depletion of America's relative power—thereby leaving it worse off than it would have been by accommodating multipolarity. An offshore balancing strategy also would reject the balance-of-threat argument advanced by preponderance's defensive realist proponents: it is the very fact of the hegemon's unbalanced power that threatens others (and spurs the emergence

of new great powers). An offshore balancing strategy would accept that the United States cannot prevent the rise of new great powers either within or outside its sphere of influence.<sup>73</sup>

It is logically inconsistent for preponderance's proponents to claim simultaneously that the United States is preeminent and that it is interdependent. In fact, unlike states with smaller economies, very large and powerful states have relatively little interaction with the international economy.<sup>74</sup> Offshore balancing would recognize that the United States, in fact, is not economically interdependent with the international economy. The United States is well placed to adopt an insular grand strategy because it can diversify its export markets; it can minimize its reliance on overseas raw materials (including petroleum) by stockpiling, diversification, and substitution; and external trade is a relatively small component of its gross domestic product (GDP). Merchandise exports account for only about 6 percent of U.S. GDP (the average for industrialized states is about 24 percent).<sup>75</sup> To be sure, such aggregate figures may fail to capture the true extent of economic interdependence (because a large part of international trade now is attributable to cross-national trade within individual firms). Hence it could be claimed that turmoil in the international system would have a greater impact on U.S. prosperity than the above figure suggests. This argument should not be dismissed; however, if the United States adopts an offshore balancing strategy, markets would adjust to a changing political and strategic context, and over time investment and trade flows would be altered. More geopolitically secure regions—especially the United States—would be the beneficiaries of these alterations.

An offshore balancing strategy would recognize explicitly that the credibility of U.S. extended deterrence guarantees will be vitiated in coming years. The United States would be more secure if it withdraws its deterrent umbrella and allows other states to defend themselves. As an offshore balancer, the United States would accept that some (preferably managed) nuclear proliferation is inevitable. Extended deterrence's eroding credibility is an important reason why U.S. hegemony will be unsustainable in the twenty-first century. As

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73. The arguments made in this paragraph are elaborated on in Layne, "The Unipolar Illusion."

74. Waltz, *Theory of International Politics*, pp. 145–146. On the dependence of small states on the international economy, see Peter Katzenstein, *Small States and World Markets* (Ithaca, N.Y.: Cornell University Press, 1985).

75. Helen V. Milner and Robert O. Keohane, "Internationalization and Domestic Politics: An Introduction," in Helen V. Milner and Robert O. Keohane, eds., *Internationalization and Domestic Politics* (New York: Cambridge University Press, 1996), pp. 12–13.

potential great powers come to doubt the reliability of the U.S. security umbrella (which will occur even if the United States sticks with the strategy of preponderance), they inevitably will seek strategic self-sufficiency (including nuclear weapons). It is unlikely, however, that an offshore balancing strategy would touch off a proliferation chain reaction. Middle and small powers, given their limited resources, might well decide that they would be more secure by enhancing their conventional forces than by acquiring nuclear weapons.<sup>76</sup>

Offshore balancing is not an extended deterrence strategy. Hence if it adopts this strategy, the United States would not need to be overly preoccupied with reputational concerns. Indeed, in this respect, the strategy of preponderance is based on incorrect premises about reputation. Jonathan Mercer has shown, for example, that whether a state stands firm in a crisis seldom affects its reputation for resoluteness with others (either adversaries or rivals) because others rarely predict the state's future behavior from that crisis's outcome.<sup>77</sup> That is, others' perceptions of a defender's resolve are context specific: resolve is a function of the magnitude of the defender's interests in a particular situation, not by its behavior in previous crises. Using recent empirical research, offshore balancing proponents reject the notion that America must fight in the peripheries to establish its commitment to defend its core interests.<sup>78</sup> The strategy would be based on the belief that concrete vital interests should determine U.S. commitments (rather than credibility determining commitments and commitments, in turn, determining interests).<sup>79</sup> When America's intrinsic stakes in a specific crisis are high (and its capabilities robust), neither adversaries nor others will question its resolve. Conversely, when the United States fails to intervene in peripheral areas, others will not draw adverse inferences about its willingness to defend vital, core interests.

The strategy of preponderance assumes that multipolar systems are unstable. As a generalization this may be true, but instability does not affect all states equally. Preponderance's advocates fail to consider geography's differential

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76. See Steven E. Miller, "Fateful Choices: Nuclear Weapons, Ukrainian Security, and International Stability," in Scott D. Sagan, ed., *Civil-Military Relations and Nuclear Weapons* (Stanford, Calif.: Stanford University Press, 1994), pp. 139–163.

77. Jonathan Mercer, *Reputation and International Politics* (Ithaca, N.Y.: Cornell University Press, 1996).

78. During the Cold War the Soviet Union did not conclude that American defeats in the periphery undermined the credibility of U.S. commitments to areas of high intrinsic strategic value. See Ted Hopf, *Peripheral Visions: Deterrence Theory and American Foreign Policy in the Third World, 1965–1990* (Ann Arbor: University of Michigan Press, 1994).

79. This formulation is borrowed from Johnson, *Improbable Dangers*, p. 144.

effects. An offshore balancing strategy, however, would account explicitly for geography's impact on grand strategy. Insular great powers are substantially less likely to be affected by instability than are states that face geographically proximate rivals. Hence the United States could effectively insulate itself from the future great power wars likely to be caused by power transition effects. Because of the interlocking effects of geography, nuclear weapons (which enhance insularity's strategic advantages), and formidable military and economic capabilities, the United States is virtually impregnable against direct attack. The risk of conflict, and the possible exposure of the American homeland to attack, derive directly from the overseas commitments mandated by preponderance's expansive definition of U.S. interests.

In multipolar systems, insular great powers have a much broader range of strategic choices than less fortunately placed powers. Because their strategic interdependence with others is low, they can avoid being entrapped by alliance commitments and need worry little about being abandoned by actual or potential allies.<sup>80</sup> Offshore great powers also have the choice of staying out of great power wars altogether or of limiting their involvement—a choice unavailable to states that live in dangerous neighborhoods in which rivals lurk nearby. As an insular great power in a multipolar world, the United States would retain a free hand strategically: although it might need to enter into temporary coalitions, the United States would disengage from permanent alliance relationships. Because of its insularity and capabilities, the United States would seldom need to engage in external balancing. Internal balancing is always preferable to external balancing because alliance commitments are constraining strategically.<sup>81</sup> An insular great power like the United States seldom needs to subject itself to strategic constraints of this kind.

In the early-twenty-first-century multipolar system the risk that a Eurasian hegemon will emerge is slight. Even if a Eurasian hegemon were to appear, America's core security probably would be unthreatened. The fear that a future Eurasian hegemon would command sufficient resources to imperil the United

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80. On entrapment, see Glenn H. Snyder, "The Security Dilemma in Alliance Politics," *World Politics*, Vol. 36, No. 4 (July 1984), pp. 466–468. For historical studies supporting the argument that insular great powers can afford to take a relaxed attitude about their allies' fates without endangering their own security, see Colin S. Gray, *The Leverage of Seapower: The Strategic Advantage of Navies in War* (New York: Free Press, 1992), and Daniel A. Baugh, "British Strategy During the First World War in the Context of Four Centuries: Blue-Water versus Continental Commitment," in Daniel M. Masterson, ed., *Naval History: The Sixth Symposium of the U.S. Naval Academy* (Wilmington, Del.: Scholarly Resources, 1987).

81. Waltz, *Theory of International Politics*, pp. 165–168.



States is a strategic artifact of the prenuclear era.<sup>82</sup> A good strategy, however, hedges against unknown (and unknowable) future contingencies. Hence an offshore balancing strategy would not rule out the possibility that, as the balancer of last resort, the United States might need to intervene to thwart the emergence of a hegemonic challenger. Three reasons explain why the possibility of intervention cannot be foreclosed completely. First, the military-technological backdrop to international politics may change in the future because of the Revolution in Military Affairs (RMA). Some analysts predict that the RMA will result in greatly enhanced conventional war-fighting capabilities. If so, deterrence could be weakened and the nuclear revolution (which bolsters insularity) could be partially offset. In that case, traditional concerns about the military effects of capability and resource distributions among states again could become salient. Second, a Eurasian hegemon might be able to use its power diplomatically to coerce the United States. Third, it might be too uncomfortable psychologically for the United States to live in a world dominated by another power.

The strategy of preponderance is based in part on the assumption that the United States must prevent the rise of a hegemonic challenger because other states either will not or will not do so effectively.<sup>83</sup> In contrast, an offshore balancing strategy would be based on the assumptions that in a multipolar world other states will balance against potential hegemonies, and it is to America's advantage to shift this responsibility to others. In a multipolar world the United States could be confident that effective balancing ultimately would occur because to ensure their survival, other states have the incentive to balance against geographically proximate rivals, and great powers do not bandwagon.<sup>84</sup> Because of its insularity, the United States can stand aloof from others' security competitions and engage in "bystanding" and "buck-passing" behavior, thereby forcing others to assume the risks and costs of antihegemonic

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82. See Robert W. Tucker, *The New Isolationism: Threat or Promise?* (New York: Universe Books, 1972), pp. 40–51.

83. See Khalilzad, "U.S. Grand Strategies," p. 22.

84. Offshore balancing is similar to what Samuel P. Huntington calls "secondary" balancing. He is skeptical that America is suited to the role of a secondary balancer. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), p. 233. I disagree with Huntington's argument because I do not believe that offshore balancing requires the United States to "play off" other great powers against each other, or to constantly shift its strategic alignment. Great powers balance against each other because structural constraints impel them to do so. In a nuclear multipolar world the United States would not need to engage in micromanagement of the geopolitical balance. Washington would only need to ensure against the unlikely failure of others to check the emergence of a rising potential hegemon.

balancing.<sup>85</sup> When an offshore balancer shifts to others the dangers entailed by "going first," it can reasonably hope that it may never have to become involved.

The strategy of preponderance commits the United States to alliance relationships that run counter to geostrategic logic: it imposes the greatest burden (in terms of danger and cost) on the alliance partner (the United States) whose security is least at risk. An offshore balancing strategy would reverse this pattern of alliance relations. There is no inherent reason that the United States should be compelled to bear the high costs of providing security for other states. Japan and Western Europe, for example, long have possessed the economic and technological capabilities to defend themselves. The strategy of preponderance, however (notwithstanding U.S. complaints about burden-sharing inequities), has actively discouraged them from doing so because American policymakers fear any diminution of U.S. control over the international system—including control over U.S. allies—would have adverse geopolitical consequences. Washington has decided that it is preferable strategically for the United States to defend Germany and Japan rather than for Germany and Japan to defend themselves. In contrast, offshore balancing would rest on the assumption that America's overall strategic position would be enhanced by devolving to others the responsibility for their own defense.

An offshore balancing strategy would be grounded on the assumption that relative economic power matters. Domestic economic revitalization and a neomercantilist international economic policy would be integral components of the strategy. The strategy, however, also would seek to maximize U.S. relative power by capitalizing on its geostrategically privileged position. If the United States adopted an offshore balancing strategy, security competitions almost certainly would occur in East Asia and Europe.<sup>86</sup> The United States would be the primary beneficiary of these rivalries between (among) the other great powers in the emerging multipolar system. Noninsular states' constant worry about possible threats from nearby neighbors is a factor that historically has increased the relative power position of insular states.<sup>87</sup> Offshore balancing

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85. On the relationship between geography and buck-passing in multipolar systems, see Snyder and Christensen, "Chain Gangs and Passed Bucks." The arguments in favor of an offshore strategy were clearly articulated in the eighteenth century by the Tory proponents of an English "blue water" grand strategy. See Richard Pares, "American versus Continental Warfare, 1739–63," *English Historical Review*, Vol. 51, No. 203 (July 1936), pp. 436–437.

86. For a precise definition of "security competition," see Art, "Why Western Europe Still Needs the U.S. and NATO," pp. 6–9.

87. After 1815 Britain's interests were not challenged by an overwhelming antihegemonic coalition because of "the preoccupation of virtually all European statesman with continental power politics."

thus would be a more sophisticated power-maximizing strategy than preponderance: the United States would be able to enhance its relative power without having to confront rivals directly. Great powers that stand on the sidelines while their peers engage in security competitions and conflict invariably gain in relative power.<sup>88</sup>

Multipolarity challenges strategists because a state can be threatened by more than a single adversary. It is often unclear which of potential multiple rivals poses the most salient threat, whether measured in terms of capabilities, intentions, or time. In East Asia, where China and Japan are emerging great powers, the United States confronts this dilemma of multiple rivals. Offshore balancing is the classic grand strategic response of an insular great power facing two (or more) potential peer competitors in the same region. As an offshore balancer, the United States would increase its relative power against both China and Japan by letting them compete and balance against, and contain, each other.<sup>89</sup>

### *Offshore Balancing versus Preponderance: Defining the Debate*

Two critical objections could be lodged against an offshore balancing grand strategy: an offshore balancing strategy would increase—not lower—the risk of U.S. involvement in a major war, and the strategy of preponderance should not be abandoned because its benefits exceed its costs. Advocates of preponderance believe it is illusory to think that the United States can disengage from international commitments, because it inevitably would be drawn into major wars even if initially it tried to remain aloof. The example of Europe is frequently invoked: whenever a major European war breaks out, it is said, the United States invariably is compelled to intervene. Preponderance's advocates also claim that U.S. security commitments in Europe and East Asia are a form

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It "was the moves of their neighbors, not the usually discreet workings of British sea power, which interested them." Paul Kennedy, *The Rise and Fall of British Naval Mastery*, rev. ed. (London: Ashfield Press, 1983), pp. 162–163.

88. For example, the United States gained enormously in relative economic power and financial strength while standing on the sidelines during most of World War I. See Kathleen Burk, *Britain, America, and the Sinews of War, 1914–1918* (Boston: Allen and Unwin, 1985).

89. For a more detailed discussion of multipolarity's implications for U.S. grand strategy in East Asia, see Christopher Layne, "Less Is More: Minimal Realism in East Asia," *The National Interest*, No. 43 (Spring 1996), pp. 64–77. For the argument that civilizational and cultural imperatives probably will cause Japan to bandwagon with China rather than balance against it, see Huntington, *The Clash of Civilizations*, pp. 236–238. Huntington and I disagree on the issue of whether civilizational and cultural factors override the international system's structural constraints on state behavior.

of insurance: it is cheaper and safer for the United States to retain its security commitments and thereby deter wars from happening than to stand on the sidelines only to be compelled to intervene later under what presumably would be more dangerous conditions. Yet this argument is unsupported by the historical record, and it is not evident that the strategy of preponderance will in fact minimize the risk of U.S. involvement in future wars.

The argument that the United States invariably is drawn into major overseas conflicts is faulty. Since the United States achieved independence, great power wars have been waged in Europe in 1792–1802, 1804–15, 1853–55, 1859–60, 1866, 1870, 1877–78, 1912–13, 1914–18, and 1939–45. The United States has been involved in three of these wars, but it safely could have remained out of at least two of the wars in which it fought. In 1812, hoping to conquer Canada while the British were preoccupied with the Napoleonic Wars, the United States *initiated* war with Britain. And as Robert E. Osgood has demonstrated, the United States' intervention in World War I was not driven by any tangible threat to its security interests.<sup>90</sup> The United States was not compelled to enter the Great War; it chose to do so, arguably with disastrous consequences.

U.S. intervention in the Great War was driven by snowball/domino concerns similar to those embedded in today's strategy of preponderance. Woodrow Wilson was perhaps the first U.S. policymaker to worry that toppling dominoes could endanger the United States.<sup>91</sup> He feared that events in seemingly peripheral regions like the Balkans could trigger an uncontrollable chain reaction that would leave the United States isolated ideologically and confronting a hostile European hegemon that could use its military and economic power to "cut off the oxygen without which American society, and liberal institutions generally, would asphyxiate."<sup>92</sup>

An interesting counterfactual study awaits on what would have happened had the United States not intervened in 1917.<sup>93</sup> The argument can be made that the war would have ended in a compromise peace. Peace, indeed, might have come before the revolutions that destroyed the German, Austro-

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90. Robert E. Osgood, *Ideals and Self-Interest in American Foreign Relations: The Great Transformation of the Twentieth Century* (Chicago: University of Chicago Press, 1953).

91. See Frank Ninkovich, *Modernity and Power: A History of the Domino Theory in the Twentieth Century* (Chicago: University of Chicago Press, 1994).

92. *Ibid.*, pp. 52–53.

93. On the use of counterfactuals, see James D. Fearon, "Counterfactuals and Hypothesis Testing in Political Science," *World Politics*, Vol. 43, No. 2 (January 1991), pp. 169–195.

Hungarian, and Russian empires. A compromise peace might not have sown the seeds of social and economic unrest that facilitated Hitler's rise to power. Had such a peace occurred, would a second great war have been waged in Europe? Possibly. But, if so, it would have been a much different war than World War II; and it might have been a war the U.S. could have avoided.

A related argument is that U.S. isolationism in the 1920s and 1930s had disastrous consequences and would have a similar effect in the future. Recent work by diplomatic historians, however, has debunked the notion that the United States followed an isolationist policy during the 1930s.<sup>94</sup> Furthermore, the United States became involved in the Pacific War with Japan not because it followed an isolationist policy, but rather because it assertively defended its perceived East Asian interests (especially in China) from Japanese encroachment. It should also be noted that U.S. strategy toward Europe in 1939–41 was not isolationist, but rather a shrewd example of offshore balancing. In 1939–40 the United States stood on the sidelines in the reasonable expectation that Britain and France could successfully hold Germany at bay. When France was defeated stunningly in the brief May–June 1940 campaign, the United States was able to continue following an offshore balancing strategy based on providing military equipment and economic assistance to Britain and (after June 1941) the Soviet Union, and fighting a limited liability naval war against German U-boats in the Atlantic. Had Germany not declared war on the United States, Washington might have persisted in that strategy indefinitely. In short, the historical record does not support the claim that European and Asian wars invariably compel the United States to intervene. Wars are not a force of nature that magnetically draws states into conflict. States—that is, policymakers—have volition: they decide whether to go to war.

The insurance argument advanced by the strategy of preponderance's advocates is also problematic. Great power war is rare because it is always an uncertain undertaking; war is to some extent its own deterrent. It is, however,

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94. Melvyn P. Leffler, *The Elusive Quest: America's Pursuit of European Stability and French Security, 1919–1933* (Chapel Hill: University of North Carolina Press, 1979); Michael J. Hogan, *Informal Entente: The Private Structure of Cooperation in Anglo-American Economic Diplomacy, 1918–1928* (Columbia: University of Missouri Press, 1977); and Akirye Iryie, *The Globalization of America 1913–1914*, Vol. 13, in Warren I. Cohen, ed., *Cambridge History of American Foreign Relations* (Cambridge, U.K.: Cambridge University Press, 1993). Indeed, as the historian Walter A. McDougall observes, isolationism is simply "a dirty word that interventionists, especially since Pearl Harbor, hurl at anyone who questions their policies." Walter A. McDougall, *Promised Land, Crusader State: The American Encounter with the World Since 1776* (Boston: Houghton Mifflin, 1997), p. 40.

an imperfect deterrent: great power wars do happen, and they will happen in the future. In a world where nuclear weapons exist the consequences of U.S. involvement could be enormous. The strategy of preponderance purports to insure the United States against the risk of war. If extended deterrence fails, however, the strategy actually ensures that America will be involved in war at its onset. As Californians know, there are some risks (earthquakes, for example) for which insurance is either prohibitively expensive or not available at any price because, although the probability of the event may be small, if it occurred the cost to the insurer would be catastrophic. Offshore balancing has the considerable advantage of giving the United States a high degree of strategic choice and, unlike the strategy of preponderance, a substantial measure of control over its fate.

Preponderance's advocates claim that from 1945 to 1990 the strategy was highly successful: the Soviet Union was defeated; Germany and Japan were transformed into democratic allies; and the open international trading system brought unprecedented prosperity to the United States and its allies. Although the strategy's economic costs were not inconsiderable, it could be argued that these gains were more than worth the price America paid to secure them. Nevertheless, the United States did not emerge from the Cold War unscathed. The litany of costs is familiar: ballooning trade and budget deficits; stagnant real incomes; and social decay (reflected in crime rates, drug use, pornography, illegitimate births, and illegal immigration).

I do not claim that the United States cannot "afford" the strategy of preponderance; the strategy is the sole cause of its domestic economic and social problems; or cutting defense spending alone will solve these problems. Nevertheless, the strategy's cumulative costs may be very high over the long term, and the United States is not compelled to pay these costs. The United States spends more on defense than it needs to spend (and thus less for domestic purposes) because of the manner in which the strategy conceives of U.S. security. Both proponents and critics of the strategy of preponderance must address the question of whether the strategy's *net* benefits outweigh its costs. At this point, neither the critics nor proponents of the strategy have proven their case. The critics have, however, come forward with both a causal explanation and sufficient empirical evidence to suggest that indeed their case can be made.

The American security studies community needs to take a close look at the cost-benefit trade-offs of the strategy of preponderance and alternative grand strategies. It is not enough for preponderance's proponents simply to assert

that the "American empire is a profitable venture."<sup>95</sup> Given that East Asia and Europe are likely to be geopolitically volatile regions in the early twenty-first century, it is not self-evident that the strategy of preponderance will be profitable. Further empirical research is needed to confirm or challenge this assertion of profitability. Such research has been undertaken to ascertain the cost-benefit trade-off of the British and Soviet empires. In both instances empire was found not to be a paying proposition.<sup>96</sup> No a priori reason exists to suggest that a study of the American empire would reach a different conclusion.<sup>97</sup>

### *Conclusion: Strategies, Interests, and Values*

It is unsurprising that having fulfilled their hegemonic ambitions following the Soviet Union's collapse, preponderance's advocates want to keep the world the way it is. U.S. grand strategists view the prospect of change in international politics in much the same way that British Prime Minister Lord Salisbury did toward the end of the nineteenth century. "What ever happens will be for the worse," Salisbury said, "and therefore it is in our interest that as little should happen as possible."<sup>98</sup> International politics, however, is dynamic, not static. U.S. hegemony cannot last indefinitely. As Paul Kennedy has observed, "it simply has not been given to any one society to remain *permanently* ahead of all the others . . ."<sup>99</sup> Thus the strategy of preponderance must be reassessed. I have attempted to demonstrate that, in fact, the United States can pursue an alternative grand strategy without sacrificing its security. The debate between

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95. Odom, "NATO's Expansion," p. 44.

96. Charles Wolf, K.C. Yeh, Edmund D. Brunner, A. Gurwitz, and M.F. Lawrence, *The Costs of the Soviet Empire* (Santa Monica, Calif.: RAND, 1984), and Lance E. Davis and Robert A. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860-1912* (Cambridge, U.K.: Cambridge University Press, 1986).

97. To analyze the importance of maintaining undisturbed access to markets in Europe and East Asia, the following factors would need to be considered: the harm to the United States if access to these markets is disrupted, the likelihood of such disruption, and the availability of alternatives to reliance on these markets—such as increasing domestic demand to make up for lost exports and/or shifting to overseas markets in regions less vulnerable to political turmoil. Any economic benefits generated by interdependence would have to be offset against the ongoing costs of maintaining military forces dedicated to the task of pacifying Europe and East Asia and the potential dangers and costs the United States would incur if war broke out. Also, in weighing the overall impact of interdependence, it would be necessary as well to consider the opportunity costs of investing resources in military capabilities versus freeing up those resources for other economic and social purposes.

98. Quoted in Kennedy, *Realities Behind Diplomacy*, p. 97.

99. Kennedy, *The Rise and Fall of Great Powers*, p. 533 (emphasis in original).

advocates of preponderance and offshore balancing, however, is about more than strategy; it is also about values. The United States is secure enough from external threat that, should it wish to do so, it could choose restraint over intervention, nation over empire, and an emphasis on domestic needs over external ambitions. And it *should* do so. In this sense, offshore balancing—an *innenpolitik* grand strategy that posits the primacy of domestic over foreign policy—is ethically driven: America’s mission lies at home, not abroad. As George F. Kennan says, there is nothing wrong with taking advantage of the Cold War’s end to focus on economic and social challenges at home: “What we should want, in these circumstances, is the minimum, not the maximum, of external involvement.”<sup>100</sup> No doubt, some would maintain that offshore balancing is both selfish and immoral. In fact, such a policy is indeed self-interested and most assuredly moral. America First is an imperative, not a pejorative: Offshore balancing is a twenty-first-century grand strategy consistent with America’s interests *and* its values.

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100. George F. Kennan, *Around the Cragged Hill: A Personal and Political Philosophy* (New York: W.W. Norton, 1993), p. 183.