

# US Decline: Structural Trends or Poor Choices?

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**Is the United States facing decline? Since the unipolar moment around the turn of the century, the United States has lost ground on nearly every dimension of power where it then led the world: economic, military, diplomatic, and soft-power appeal.<sup>1</sup> The US share of the global economy has declined, with the Chinese economy now the second economy in nominal terms and the first when calculated through Purchasing Power Parity (PPP). With the rise of China as a military great power in Asia, and the renewed aggression of Russia in Europe, as well as the perpetual instability in the Middle East, the US military is overcommitted. Allies in Europe and Asia have not overcome the memory of the Trump administration years, especially not since the unilateralist tendency might return after the Biden administration. The toxic polarization within American politics visible over the past years also undermines a great deal of the appeal of the United States as a country. All these factors could point to the United States being a superpower in terminal decline. However, the debate on US decline tends to be deterministic, emphasizing either the inevitable downward trajectory of all great powers or the inherent, exceptional robustness of the United States itself. Neither perspective does justice to key trends, nor specifically to the choices US officials and its allies and partners can make.**

For one, none of these concerns are new; in fact, the second half of the 1980s saw many of the same debates and bestselling scholarly books – most prominently by Paul Kennedy – that discussed whether the United States was about to succumb to the same fate as other great powers in history.<sup>2</sup> The Soviet Union seemed on course to survive as a military and ideological threat for decades more, if not indefinitely, while a great deal of the US public seemed to have lost faith in the country in the wake of Vietnam, Watergate, the economic downturn, rampant crime of the 1970s, and so on. During the 1980s, Japan seemed poised to overtake the United States economically, with Japanese businessmen and gangsters even appearing in popular culture as a prominent threat. The end of the Cold War just a few short years later largely put these concerns to rest; the Soviet Union collapsed into a Russia that was a shell of its former self, the economic growth spurred by globalization renewed American self-confidence, as did the lopsided military victory against Iraq in the 1991 Gulf War. By the turn of the century, as noted, concerns about US decline seemed outdated again. Yet, a short ten years later, the loss of global

goodwill after the 2003 invasion of Iraq, the persistent growth of China and the 2008 financial crisis, which weakened the United States and its European allies, led to a renewed sense of decline.<sup>3</sup> When it comes to the debate on US decline, the more things change, the more things remain the same; why expect the current issues the United States is facing to be more serious? The answer is that structural changes *are* underway regarding the US position in the world, but that, as before, it will be US policies that make the difference whether this signals an inevitable decline. Whether the United States is domestically in the right shape to adapt is more uncertain.

## THE UKRAINE WAR AND RENEWED US LEADERSHIP?

On the one hand, a narrative of US decline seems out of place in 2022. The Biden administration displayed a formidable show of leadership before and during the war in Ukraine, both in and beyond Europe. It built a quick and comprehensive coalition with the EU, as well as key Asian actors – South Korea, Japan, and Taiwan – that enacted a comprehensive package of sanctions and export controls that so far has held and arguably



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has handicapped the Russian economy and its defense production. Moreover, considering the uneven track record of US military assistance and arms supplies, the administration's aid to Ukrainians has been highly effective.

In contrast, simultaneously, China's further rise from the 2 to the 1B or even 1A of the international system seems far less certain than a few years ago. China has poorly managed its diplomatic relations with its neighbors in Asia and alienated the EU. The Party's Zero-Covid policies are not only deeply unpopular at home, but also severely threaten economic growth. The US effort to kneecap China's economic development by keeping the most advanced technologies out of its hands might very well present too great an obstacle for China's technological skills at emulation and development. Moreover, existing uncertainty about the underlying health of the Chinese economy also persists.<sup>4</sup>

On the other hand, the United States continues to be over-committed, with the Biden administration attempting to sin-

glehandedly deal with problems in multiple regions. Extensive US commitments are a structural issue: the United States has promised to protect allies in Europe, East Asia, the Gulf, as well as maintain stability and security along the global maritime commons. Without these promises of protection, US officials fear for regional hegemony, intra-regional conflict, and rampant nuclear proliferation in each of these regions. Yet, it is apparent that commitments have outpaced US means for a prolonged period of time. The continuities between both the Trump 2018 National Defense Strategy and Biden 2022 National Defense Strategy are telling; the planning ceiling has shifted from fighting two wars simultaneously in the late 1990s and most of the subsequent two decades to the current standard of fighting one great power in one region while deterring a second great power in another region.<sup>5</sup> This is an admission that the United States has relatively declined over the past decades regarding the competitors it faces. Specifically, China, but also Russia, have invested in the military resources – the so-called anti-access area-denial capabilities – to impede US power projection and keep the United States at a distance. Whether the United

States would be – or has been – able to come to the aid of both Ukraine and Taiwan simultaneously is the most concrete manifestation of this multiregional commitments problem.

It is true that during the Cold War, the United States also faced difficulties in maintaining its commitments in multiple regions – being forced to shift forces from Europe to Southeast Asia during the Vietnam War, for example – but it had significant technological advantages at the time. At present and in the foreseeable future, the United States looks to remain the world's preeminent military power; yet the specific military advantages that it needs to deter potential adversaries and reassure allies are deteriorating.<sup>6</sup> Its allies are also aware that the United States is increasingly constrained. They will have to take greater responsibilities for their own security, yet, in turn, the United States is hesitant to accept such autonomy.

### FACING UP TO NEW REALITIES

Beyond a simple tally of US resources and commitments, a more complicated picture of policy choices emerges that points to a declining US position. Moving beyond the first impression of the Ukraine War as a success story for US leadership, the war also shows that the support for the United States is unevenly distributed. In fact, the United States has been unable to rally a large part of the world behind its policies towards Russia. While the share of global GDP of the countries that did join was impressive, it is a minority of states in terms of global population. Moreover, even key states such as India, which need and look for the participation of the United States in the Indo-Pacific to contain China's growth, were ambivalent towards joining in on the sanctions and export controls against Russia. Their ambivalence was unsurprising, given their dependencies on Russian energy and arms, and their more precarious economic positions. Yet, considering how poorly Russia has fared in the war, and especially how its revisionist aggression against Ukraine could set a precedent for their own interactions with China, the absence of outright support from India and Southeast Asian countries for the efforts of the United States and its European and East Asian allies was a troubling sign. It is a bellwether regarding the decline of US influence and the credibility of its commitments.

A similar, telling sign of deep-rooted fear among US officials that China will surpass the United States economically is that the Biden administration has continued – albeit in a more sophisticated manner than the Trump administration – the use of economic statecraft against China. Long gone are the days that the United States assumed that China could be nudged in a more democratic and liberal direction through mutual economic dependence and through constant interactions. US decline is apparent in the simple fact that the US officials and politicians on both sides of the aisle no longer feel self-confident enough about the state of the US economy to believe that free markets will always benefit the United States itself.

As China has improved on its ability to not only emulate, but also to innovate, the United States has sought to dampen China's access to advanced technologies, specifically the most advanced semiconductor technologies. China's strategic approach has been to attempt to leapfrog US conventional military superiority by taking a lead on emerging technologies, specifically artificial intelligence. China would need the most advanced semiconductors to fully develop and apply artificial intelligence capabilities.

The Biden administration's Inflation Reduction Act has sought to keep those technologies out of China's hands, including by pressuring allies such as South Korea, the Netherlands, and others not to sell to nor produce in China – at significant costs to their economies. For example, the Dutch company ASML is the only one producing the most advanced extreme ultraviolet lithography machines that can print the most advanced semiconductors. Yet, the United States has offered little in return for these sacrifices. Similarly, the Biden administration also took a cavalier attitude towards the costs to its defense industry that France incurred in 2021 when Australia switched to American nuclear-powered submarines, in the AUKUS defense agreement.

In the rush to halt China's development and “win” in the era of so-called great power competition, the United States has bypassed many of its traditional allies in Europe and Asia. More telling is the extreme unease that Southeast Asian states feel about being caught between the United States and China. Most are still in the process of uneven economic development and highly dependent on access to Chinese markets; the United States is now asking them to limit their access. Rather than potential joint balancers against excessive Chinese power in the region, these states have now begun to emphasize hedging against both superpowers. The United States has swung away from its previous positive-sum internationalist agenda towards the negative aspects of economic statecraft without simultaneously formulating an alternative positive agenda where allies, partners, and hedging states can still benefit economically – or at least be compensated for some of their costs. Washington has been unable to come to terms with the new limits on US influence where others will not simply fall into line.

The US inability to correctly assess the value of its allies and the difficulties they face is partly a consequence of the exhausting nature of its domestic politics in the past decade. The toxic polarization of American electoral politics, the media landscape, and wider society is itself a symptom of relative decline. Donald Trump's slogan to “Make America Great Again” does not define what is no longer great nor when the United States was in fact great, but the obvious sense of resentment against adversaries both domestic and foreign that are holding the United States back is telling, as is the desire to put “America first” rather than the United States providing leadership of an internationalist lib-





Whether the United States would be – or have been – able to come to the aid of both Ukraine and Taiwan simultaneously is the most concrete manifestation of this multiregional commitments problem. Pictured is the United States Navy USS Carl Vinson (CVN-70) near Japan in 2021 (photo: viper-zero / Shutterstock.com)

eral order where allies just “rip off” the United States.<sup>7</sup> Here it is important to look beyond Trump or the results of the 2022 midterm elections where candidates he supported generally fared poorly; American politics remains polarized and the preferred candidates on the Republican side to succeed Trump are variations in kind. Moreover, this situation is unlikely to change because it is hardly new; more than a decade ago, the Tea Party represented an attack of a different kind on the liberal internationalist consensus that has guided US foreign policy. With such domestic turmoil, it is no wonder that US officials find it difficult to adapt to structural changes at the international level.

#### **DECLINE, BUT NOT IRREVERSIBLE**

In sum, the United States is facing a series of signs that it is in decline; if not its military lead over others, then certainly its ability to protect wide swathes of the globe simultaneously; if not the innovation of its economy, then the loss of its lead across multiple advanced technological sectors; if not its ability to offer leadership during crises, then the appeal and influence the United States could command in the wake of the Cold War. However, the discussion of decline should be more nuanced. Whether decline across these domains persists depends on US responses to the changed environment.

The scholarship on great power decline that thrived in the 1980s suggested an inevitable cycle of rise and fall, with declining great powers and rising ones irrevocably wedded to cataclysmic confrontation. Yet, as Paul MacDonald and Joe Parent argue, retrenching great powers can defuse flashpoints, redistribute forces between regions, and pass security costs to regional states. By doing so, they can rebalance their commitments and resources. In fact, retrenchment has historically been successful at staving off collapse for great powers.<sup>8</sup>

The United States has been reluctant to consistently pursue any of these measures, whether passing security costs to allies in Europe, or defusing potential flashpoints like Iran and its potential nuclear program. It is missing opportunities to do so, however. Most pertinently, if current trends persist, Russia may very well have knocked itself out of the great power game. Its conventional forces have been decimated as has its military reputation, and its relationship with the primary consumer of its energy supplies has been irrevocably damaged. Consequently, Europeans may be better positioned to manage a greater share of their own security than they have been for over eighty years. If so, then the United States would enjoy the maneuver space to continue its Pacific Pivot. More than the material resources





China's strategic approach has been to attempt to leapfrog US conventional military superiority by taking a lead on emerging technologies, specifically artificial intelligence. Pictured are Chinese workers producing electronic equipment accessories such as circuit boards in a workshop of a high-tech enterprise in Jiujiang, China (photo: humphery / Shutterstock.com)

that would be freed up, it would ensure that US officials had the diplomatic resources to focus their efforts on the diverse set of states and actors across the Indo-Pacific.

What both the Trump and the Biden administrations show, albeit in drastically different ways, is that such adaptation to global developments is proving difficult. Where Trump leaned into the raw power dimensions of the United States and sought to maintain these, the Biden administration has seemed to largely take US leadership for granted and assumed that allies and partners should and will follow suit, despite the costs to themselves. The latter was easier when the United States still led across all major dimensions of power, while the former was enabled by smooth and measured diplomacy.

Put differently, when it comes to decline, the United States is arguably its own greatest challenge. Its inability to accept that the world has changed and to put its grand strategy on a new geopolitical footing more in tune with those realities makes the likelihood that it can maintain its leading position less and less likely. The discrepancy between US ambitions and capacity is likely to increase. It will consequently fall upon the traditional allies in both Europe and Asia to take greater responsibility for their own security while also proactively engaging the United States. After all, the consequences of the discrepancy between US ambitions and capacity are likely to be felt first and foremost by US allies and partners.

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**Would you like to react?**

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