



## STRUCTURE, STRATEGY, AND AMERICAN POWER: INSIGHTS FROM AMERICA'S LAST GEOPOLITICAL RESURGENCE

By Hal Brands



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1979 was a bad year for U.S. foreign policy.<sup>1</sup> At home, the country was being battered by stagflation and the second oil shock, developments that raised fundamental questions about the economic underpinnings of American power. Abroad, the United States was suffering a seemingly unending series of setbacks and humiliations. From the revolutions in Iran and Nicaragua, to the Soviet invasion of Afghanistan and the collapse of détente, to the taking of dozens of American hostages in Tehran, signs of U.S. impotence and decline abounded. The United States was “entering the decade of the 1980s as a wounded, demoralized colossus,” *Business Week* noted—a country that no longer controlled events but was at the mercy of them.<sup>2</sup>

This perception of American weakness was not simply a product of what had happened in 1979. It was a product of what had happened in the entire decade before that. In many respects, the 1970s had seemed to represent the last, dying gasp of the international predominance that America had wielded after World War II. The Cold War often appeared to be tilting in Moscow’s direction, amid a major Soviet military buildup and a string of Kremlin advances in the Third World. U.S. economic hegemony looked equally imperiled, due to fierce competition from Western Europe and Japan, and the massive vulnerabilities exposed by rising oil prices. And throughout the decade, from the collapse of Bretton Woods to the fall of Saigon and beyond, the United States had been buffeted by crises that laid bare the limits of American influence and showed a superpower in retreat. In this setting, it was unsurprising that so many observers doubted America’s international prospects and power. “The retreat of American power” might easily “become a rout,” former Secretary of Defense and Secretary of Energy James Schlesinger observed in 1979. “The trend could well become irreversible in many respects.”<sup>3</sup>

As we now know, of course, these predictions were spectacularly inaccurate, and by the early 1990s America was enjoying a condition of international supremacy so pronounced as to require a new nomenclature: unipolarity.<sup>4</sup> The world had become indisputably unipolar in a geopolitical and military sense, with the Cold War ending decisively on U.S. and Western terms, the

<sup>1</sup> This essay is derived from a longer, forthcoming book project on the same subject. Citations are used here only to provide sources for direct quotes or statistics. For a longer and more extensively footnoted version of this argument, see Hal Brands, *Making the Unipolar Moment: U.S. Foreign Policy and the Rise of the Post-Cold War Order* (Ithaca: Cornell University Press, 2016).

<sup>2</sup> Walter LaFeber, Richard Polenberg, and Nancy Woloch, *The American Century: A History of the United States since the 1890s*, 7th ed. (New York: Routledge, 2013), 367.

<sup>3</sup> James Schlesinger, “Is America in Retreat?” *Newsweek*, November 19, 1979.

<sup>4</sup> The word *unipolarity* was not invented in the 1990s, but it was popularized then. See Charles Krauthammer, “The Unipolar Moment,” *America and the World 1990*, special issue of *Foreign Affairs* 70, no. 1 (1990/91), 23–33.

opposing East bloc disintegrating, and the Soviet Union itself in the process of outright dissolution. The world had also become unipolar in a broader ideological sense, with the values and practices that Washington preferred—namely political democracy and free-market economics—enjoying a rapid and widespread global ascendancy. The United States, National Security Brent Scowcroft later wrote, was now “in a unique position, without experience, without precedent, and standing alone at the height of power.”<sup>5</sup> It was, altogether, a remarkable turnaround. In just over a decade, America had gone from the malaise and apparent decline of the 1970s, to the reinvigorated primacy of the post-Cold War era.

So how did the United States make this transition from malaise to unipolarity? And what can the history of this period tell us about the arc of American power today? These are important questions to address at a time when American primacy is again being challenged on multiple fronts, and when there is again a widespread—if perhaps overstated—belief that the country is in pronounced geopolitical decline.

### *Structural Roots of Resurgence*

Great changes in the international order often reflect a combination of deep structural forces, on the one hand, and conscious strategic choices, on the other. American resurgence from the late 1970s onward was rooted in a potent mix of these factors.

At the structural level, the 1970s would ultimately prove to be a highly paradoxical decade in the history of U.S. foreign policy. On a day-to-day basis, American policy—and American policymakers—often seemed to be taking it on the chin. At the same time, however, the international system was beginning to undergo three profound tectonic changes that would prove enormously favorable to U.S. interests over time.

The first of these trends was the onset of terminal Soviet decline. The Kremlin *looked* strong in the 1970s, particularly in military terms. But in fact, this was just when the internal cancers of the Soviet system were starting to metastasize. The economy was beginning its slow but inexorable grind to a halt; the bureaucracy and political system were ossifying. Internal dissent and malaise were running rampant; the communist regimes in Eastern Europe were growing increasingly hollowed out both economically and ideologically. So a great irony of the 1970s was that Moscow may have appeared more menacing than ever, but in fact it was becoming badly overextended geopolitically—just as it was losing the inner vitality needed for long-term competition with the West. The stage was being set, in other words, for a Cold War counteroffensive by the United States.

The stage was also being set for a parallel offensive, because the second key tectonic shift of the 1970s was the onset of third-wave democratization—the series of democratic regime changes that started in southern Europe at mid-decade, and then spread like wildfire into areas from South America to South Korea and beyond. The overall number of electoral democracies nearly doubled, from 39 to 76 between 1974 and 1990, and it would reach 120 by the year 2000. U.S. policy hardly created this trend, but over the long-term it would nonetheless prove highly advantageous to American influence. For the spread of democracy would make the global environment more ideologically reflective of American values; it would also make that global environment more geopolitically congenial to the interests of a country that was itself the world’s foremost liberal power.

The third essential tectonic shift of the 1970s was the rise of modern-day globalization. Even amid the traumas of stagflation and the oil shocks, global trade and particularly financial flows surged from the early 1970s onward. World trade grew significantly faster than world production during the 1970s. The value of international financial markets rose from \$160 billion to roughly \$3 trillion from 1973 to 1985, and global lending went from \$25 billion per year in the early 1970s to around \$300 billion a decade later. New investments by multinational corporations increased more than six-fold, and all of these trends would continue—and often intensify—in the decades thereafter. As Theodore Levitt would write in 1983, the “sweeping gale of globalization” was now revolutionizing the world economy.<sup>6</sup>

No U.S. policymaker was masterminding these developments, but Washington would again be very well placed to profit. Globalization created new opportunities to export American goods and services; it created new opportunities for corporations to outsource production and invest overseas; it created new opportunities for deep and sophisticated U.S. financial markets to start sucking in vast sums of capital from around the world. Globalization certainly had complex and sometimes ambiguous

<sup>5</sup> George Bush and Brent Scowcroft, *A World Transformed* (New York: Vintage, 1999), 564.

<sup>6</sup> See Jeffrey Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: Norton, 2006), 397; Alfred Eckes and Thomas Zeiler, *Globalization and the American Century* (Cambridge: Cambridge University Press, 2003), 244; Theodore Levitt, “The Globalization of Markets,” *Harvard Business Review* 61, 3 (1983), 93.

effects, but overall it was therefore crucial to revitalizing U.S. economic and financial power during the 1980s and after. Here as elsewhere, then, the 1970s were not simply a period of difficulty in U.S. foreign policy. They were the decade when deep structural changes began to reshape the international system to American advantage.

### *Strategy Takes Hold*

Structure is not all-determining in global politics, however, because the strategies pursued by powerful countries like the United States can also exert great impact. What happened from the 1980s onward was that structural opportunity met good strategy. American officials increasingly perceived the positive changes at work in international affairs, and fashioned policies that were meant to exploit and accentuate those changes. The result was first to foster a broad, multidimensional American resurgence, and then to leverage cascading international crisis so as to lock in a historic shift in the international order.

Consider, for instance, the arc of U.S.-Soviet relations in the 1980s. The Reagan administration certainly did not create the crisis of Soviet power, but it absolutely did perceive and exploit it. Nearly from the outset of his presidency, Reagan launched a multipronged campaign—featuring a major military buildup, covert action, ideological and economic warfare, and other measures—that pounced on Soviet weaknesses and reclaimed the geopolitical high ground. From mid-decade onward, Reagan and Secretary of State George Shultz then deftly intertwined pressure and diplomacy to encourage a dramatic easing of tensions on remarkably favorable terms. To be sure, U.S. policy toward Moscow was assisted enormously by continuing Soviet decline, and by the flexible and innovative leadership of Mikhail Gorbachev. But even so, American strategy was essential to capitalizing on increasing Soviet debility, and thereby moving the Cold War toward its triumphant conclusion.

Nor was the Cold War the only area in which structural opportunity evoked productive strategy during the 1980s. U.S. policy capitalized on another historic shift by empowering the democratic revolution. Despite some significant early backtracking, by 1982-83 the Reagan administration was embracing the logic of democracy promotion with even greater fervor—and with far better results—than the Carter administration before it. Seeking to seize the moment of democratic opportunity, the administration pursued a strategy that blended long-term efforts to strengthen the building blocks of democracy, with near-term initiatives to bolster reformers and push authoritarian regimes toward political openings. Admittedly, this strategy was sometimes applied haltingly in countries like the Philippines, and in places such as El Salvador its implementation entailed unavoidable compromises and costs. But in case after case, from East Asia to Latin America and beyond, U.S. influence became a critical factor in assisting democratic breakthroughs, and fostering a global climate in which American values and institutions were ever more preponderant.

U.S. policy was simultaneously driving forward the trend toward a more open and integrated global economy, and the key strategic inflection point was the Third World debt crisis. Even before that crisis erupted in 1982, the Reagan administration had been committed to fostering a more open, market-oriented order. And so when the crisis did erupt, U.S. officials deliberately used it as an aperture to encourage free-market reforms in Latin America and elsewhere in the Third World. The administration applied U.S. leverage directly, through diplomatic engagement and economic assistance to major debtors. It also applied that leverage indirectly, by using IMF and World Bank engagement to reward and encourage liberalization. Admittedly, progress toward resolving the debt crisis was usually ragged rather than smooth, but over the course of nearly a decade—and indeed, lasting into the Bush administration—these efforts gradually strengthened the neoliberal ascendancy, and pushed globalization into the global south. From geopolitics to geoeconomics, American statecraft was now accelerating the pace of positive change, and helping to push the global system toward a historic transformation.

### *Forging the Unipolar Order*

That transformation climaxed, in almost cinematically dramatic fashion, during the George H.W. Bush years. Between 1989 and 1992, the Bush administration faced a series of epic strategic shocks, from the fall of the Berlin Wall, to the Persian Gulf War, to the collapse of the Soviet Union. Each of these shocks ruptured an increasingly tenuous bipolar status quo, and created moments of immense fluidity and opportunity. And in each case, the Bush administration responded in ways that established U.S. primacy as the foundation of the new global order.

Consider, as the key example, the U.S. response to the fall of the Berlin Wall. The Bush administration had not anticipated the breaching of the wall in November 1989, and its initial response was one of considerable surprise. But the president and his team quickly realized that the crisis had shattered the creaking bipolar structure in Europe—and created an opening to fundamentally reshape the geopolitical landscape of the continent. And so as Helmut Kohl subsequently began to push German reunification forward over the next several months, the administration also leaned forward, to guide and facilitate that

process at a time when virtually all other international actors were either ambivalent or opposed.

Bush did so in several essential ways. First, he quickly and publicly came out in favor of reunification—and thereby helped preempt more concerted resistance from opponents in both Eastern and Western Europe. Second, Bush provided full diplomatic support to Kohl—while also binding Kohl to the United States and to the West by making clear that this support hinged upon a reunified Germany remaining within NATO. Third, the administration gradually eased the anxieties of countries like France and Britain, by pledging to maintain the U.S. security presence in post-Cold War Europe. And fourth, Bush played a very deft diplomatic game with Moscow. He made clear that reunification was proceeding, and that Soviet obstruction could poison Moscow's relationship with the West. But he also carefully minimized the chance of a Soviet backlash. Bush ostentatiously included the Soviets in the diplomacy surrounding reunification; he encouraged Kohl to provide economic aid to Moscow; he provided reassurances that America would not allow a reunified Germany to threaten the Soviet Union.

In essence, Bush used America's diplomatic centrality—its role as the one actor that had leverage with all the key players—to help drive reunification forward, while also mitigating its dangers. And in doing so, he helped enable the rapid reunification of Germany on terms that gutted the Warsaw Pact, and replaced a bifurcated European order with one in which Washington, its allies, and their values were clearly dominant. At a time of tremendous flux, Bush skillfully steered global change in a distinctly unipolar direction.

This tendency was, in fact, the norm rather than the exception during the Bush years. In responding to the Persian Gulf crisis of 1990-91, the administration showcased America's increasingly unrivaled military and diplomatic muscle, and demonstrated that U.S. leadership would remain the essential guarantor of global stability in the post-bipolar era. And amid the decay and downfall of the Soviet Union, the administration outlined the tenets of a post-Cold War strategy that was meant to keep America highly engaged in global affairs—and to perpetuate the position of dominance it had just won. By the time the Bush administration ended, the contours of the unipolar order were coming clearly into view.

#### *Understanding the Arc of American Power—Then and Now*

So how should we understand the emergence of the unipolar moment, just over a decade after the nadir of America's 1970s-era malaise? In retrospect, American resurgence occurred at the crossroads of good policy and good fortune. Good fortune was involved in the sense that the profound global shifts unleashed in the 1970s created powerful geopolitical tailwinds for Washington, and allowed American officials to further the country's national interests by working with—rather than battling against—some of the strongest underlying forces in international affairs. Yet good policy was equally involved, in the sense that American officials proved remarkably adept at discerning these profound shifts, at employing American power to accentuate them, and at acting decisively in moments of great historical fluidity and contingency. Structure and strategy were deeply intertwined in making the unipolar moment; the revival of American power reflected things that U.S. policymakers could not control, as well as things they could.

How can this history inform our thinking about the trajectory of American power today? The parallels between the two periods are certainly intriguing. Today as in the 1970s, the United States confronts a challenger whose growing military capabilities are casting established balances into doubt. Today as in the 1970s, U.S. economic primacy seems imperiled by sluggish growth at home and rising competition abroad. Most broadly of all, today as in the 1970s, Washington confronts a world that seems increasingly resistant to American direction, and in which American power and influence seem increasingly contested. The differences between any two historical periods almost always outnumber the similarities, of course, and so it is essential not to exaggerate these parallels, or to think that Washington can simply replay yesterday's successful policies today. Yet this caution notwithstanding, the history of America's last geopolitical resurgence does suggest three broad insights that might be useful in considering U.S. prospects today.

The first is that day-to-day events can be deceiving when it comes to discerning long-range trends. Prophecies of decline were so pervasive during the 1970s because many observers were understandably influenced by what was in the headlines—the collapse of South Vietnam, the Soviet invasion of Afghanistan—rather than by a deeper analysis of global changes and their long-term impact on international power dynamics. These short-term events were hardly unimportant, of course, but they tended to occlude the key underlying phenomena—the emergence of globalization, the rise of third-wave democratization, the onset of Soviet terminal decline—that were simultaneously setting the conditions for a striking American resurgence.<sup>7</sup> In

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<sup>7</sup> This is not to say that all observers missed the coming U.S. resurgence, for there were individuals, from CIA analysts to leading public



international affairs as in so many things, one can indeed miss the forest by focusing too much on the trees.

This point bears remembering today. As analysts like Robert Lieber have noted, more recent impressions of America's standing have often been colored—and distorted—by a fixation on high-profile events that actually tell one fairly little about the broader arc of U.S. power.<sup>8</sup> Getting a more accurate reading of America's trajectory thus entails going deeper. It requires not simply examining trends in the nation's share of global economic and military power, but also grappling with the underlying phenomena, from demographics to economics to politics, that will affect how much power the country can generate in the future. Moreover, because international power is only truly meaningful in a relative sense, it requires examining the same issues with respect to other key global players, as well. Doing so may not conclusively resolve ongoing debates about whether America is in fact in progressive decline—because there is more than one way to read the underlying trends—but it is nonetheless essential in getting past the clichés and developing a more informed understanding of this question.

This first point is related to a second, which is that American power has repeatedly proven more resilient than expected. The 1970s were just one of several postwar instances in which it was widely assumed—in the United States and elsewhere—that America was a superpower in decline.<sup>9</sup> And during the 1970s as in other periods, these prophecies were ultimately mistaken. Declinist predictions proved incorrect because they placed too much emphasis on short-term setbacks that ultimately had only a modest long-term impact, and because they placed too little emphasis on the enduring and ultimately fatal debilities of U.S. rivals like the Soviet Union. They proved incorrect because they slighted the terrific resilience of U.S. economic power, and the persistent attractiveness of core American ideals and principles abroad. Not least of all, these predictions misjudged the extent to which key international trends were actually more favorable to American power than they first appeared, and the ability of U.S. policymakers to capitalize on these trends via policies that greatly strengthened the U.S. position. As a result of these factors, America's trajectory from the late 1970s onward was not one of secular decline, but one of ascent into an era of reinvigorated U.S. primacy.

The fact that U.S. power has proven surprisingly resilient before does not, of course, necessarily mean that it will do so again. Today, in fact, American primacy is probably more contested than at any time since the dawn of the unipolar moment. The U.S. shares of global economic and military power are at or near their lowest points since the end of the Cold War, and China's rapid rise has significantly narrowed the gap between Washington and its closest competitor. Additionally, America confronts major strategic problems and dangers in key geopolitical theaters around the world. In other words, the challenge to America's position is real, and we must avoid the false optimism that can come from simply assuming that predictions of American decline will once again be mistaken.

But we should also avoid undue pessimism, and the history of the period examined here does highlight some reasons to temper negative judgments about America's trajectory. This history reminds us, for example, that we should pay as much attention to our rivals' weaknesses as we do to our own, and it can thus alert us to the fact that a challenger like China faces enormous long-term problems and dilemmas. Corrupt and often unresponsive governance, a rapidly aging population, a massive asset bubble and the tapering off of long-term growth rates—all these issues make straight-line projections of Chinese ascent incredibly problematic. At the same time, this history can also remind us to take stock of the fundamental underlying strengths that the United States still possesses, from a relatively young and growing population, to a peerless higher education system, to a political system that—for all its flaws and dysfunction—still enjoys organic legitimacy at home and widespread esteem overseas. Finally, and this brings us to a third insight to emerge from this period, this history flags the essential point that America is not simply a passive observer to its own rise or decline, and that there are policy choices the country can make that will profoundly impact its long-term power and position.

A great deal of what drives outcomes in the international system are factors that are essentially beyond policymakers' control—geography, demography, long-range economic and ideological trends. Yet as this story reminds us, strategy also matters fundamentally. It was, after all, Reagan's geopolitical offensive and subsequent engagement of Gorbachev that helped translate Soviet decline into the dramatic turning of the tide in the Cold War during the 1980s, and it was U.S. democracy promotion efforts that helped the third wave become as strong, as broad, and as geopolitically meaningful as it ultimately did. Strategy, in this sense, is what allows countries to capitalize on favorable global trends, just as it can allow them to mitigate the

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figures like Ronald Reagan, who had a better sense of the underlying trends. Indeed, these individuals would in many cases play key roles in identifying and exploiting favorable trends from the late 1970s onward.

<sup>8</sup> Robert Lieber, *Power and Willpower in the American Future: Why the United States is Not Destined to Decline* (New York: Cambridge University Press, 2012), 84–86.

<sup>9</sup> On these “waves” of pessimism, see Josef Joffe, *The Myth of America's Decline: Politics, Economics, and a Half Century of False Prophecies* (New York: Liveright, 2013).

consequences of the less favorable ones.

This is an essential theme to emerge from the run-up to the unipolar moment. It is equally essential to keep in mind today. The question of how long America will be able to sustain the historically favorable order and position it has enjoyed since the end of the Cold War hinges substantially on issues like what China's future growth rate will be—issues that U.S. policy can only really affect at the margins, if at all. Yet this question also hinges on issues that American policy and policymakers can affect fundamentally—whether the United States will make the investments in defense necessary to sustain country's military edge in the face of rising great-power competition, for instance, and whether the U.S. government will make the hard decisions necessary to rationalize tax and entitlement policies and foster long-term growth. The durability of American primacy also hinges crucially on how American officials handle the inevitable strategic inflection points—those key crises, those moments of great fluidity and contingency, in which the application of U.S. power and leverage can have a profound impact on the subsequent course of events.

American officials will not fully be masters of the nation's destiny in the coming years and decades, then, but neither will they simply be prisoners of vast, impersonal forces. Rather, to the extent that they think seriously about underlying global trends, and how best to exploit or grapple with them, they can forge perceptive and impactful strategies within the constraints that structure imposes. If there is a single most important takeaway from the period leading up to America's unipolar moment, this may very well be it.

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