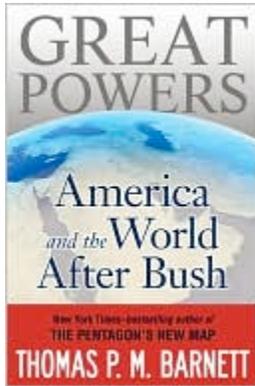




## Great Powers: America and the World after Bush

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- [Introduction](#)
- [Remarks](#)
- [Questions and Answers](#)

### Introduction

**JOANNE MYERS:** Good afternoon. I'm Joanne Myers, Director of Public Affairs Programs, and on behalf of the Carnegie Council I'd like to welcome our members and guests and thank you for joining us.

Today our speaker is Thomas P.M. Barnett, and he will be discussing his book, [Great Powers: America and the World after Bush](#).

A question often asked is: Where is America headed? This is a question that is on the minds of many. While it's true that the last eight years of the [Bush](#) Administration have been a disappointment, especially in alienating America from the rest of the world, the world has not been standing still. There are those who say that America is in decline; yet others, that America remains a symbol of great hope.

Now, with a new president in the White House, there is a sense that America is back and will lead once more. But how do we harness our collective imagination to not only rejoin the world, but become a leader again in what has become the most profound reordering of the globe since the end of World War II?

In *Great Powers: America and the World after Bush*, our speaker provides us with a remarkable analysis of the post-Bush world and America's leadership role in it. Mr. Barnett surveys U.S. history from the American Revolution through the end of the Cold War and writes that "America's journey back to its preeminence begins with one simple realization: This is a world of our making, a world where globalization as it exists today connects the world, and we are the creators who are responsible."

Although he contends that we must dramatically realign our own post-9/11 trajectory with that of the world at large, he argues in favor of continued movement in the direction of globalization.

Mr. Barnett is an incredible optimist, but he is also pragmatic. He sees the world as in much better shape than most of his counterparts in the policy communities, and even believes that it is becoming progressively better.

As you will see by reading Mr. Barnett's résumé, which you all should have a copy of, he is a strategic planner who has worked in national security affairs since the end of the Cold War. His reputation for being among the best and the brightest is self-evident. With the publication of [The Pentagon's New Map](#), he became a *New York Times* best-selling author. This was followed with [Blueprint for Action](#).

As a forecaster of global conflict and an expert on grand strategy, he is constantly being called upon to provide analysis and guidance, particularly within government circles.

Among the many hats he wears, I would just like to point out a few. He has been a senior advisor for the office of the Secretary of Defense, advising many of the command posts, from Central Command to Special Operations Command and from Pacific Command to Joint Forces Command. He is a contributing editor at *Esquire* and writes a weekly column for the Scripps Howard News Service. He has also written for several additional publications, including *U.S. News & World Report*, *National Review*, *Washington Post*, *The Guardian*, and *Wired*. His blog on current events can be found on his Web site at [thomaspmbarnett.com](http://thomaspmbarnett.com).

In the 21st century the most important outcomes will be determined by the choices we will be making in the next days, weeks, and months ahead. America needs to be thinking strategically about a grand strategy, one in which we can shape and define what comes next. In *Great Powers* our guest this afternoon shows us how to do just that, as he takes command so we can all move forward.

Please join me in giving a very warm welcome to our speaker this afternoon, Thomas P.M. Barnett.

## Remarks

**THOMAS BARNETT:** I'd like to introduce myself by kind of giving you a sense of the career in terms of the books.

The first book really was a career memoir for me based on the first 15 years of working with the Department of Defense, first as a contractor, then in the Department of Defense, culminating in a two-year experience in the office of the Secretary of Defense, the first two years right after 9/11. So a system diagnostic view of the world.

I get fired by the Naval War College and the U.S. government between this book and that book. Therefore, this book is a little more optimistic on the Bush Administration; a slight tinge of bitterness, rejection, with the second book.

In the second book I drill down to the level of nation-states and become prescriptive. I'll tell you, as somebody who has sold a lot of books, it is much easier to sell a diagnosis—everybody wants to know why it hurts. It is much harder to sell a prescription; not everybody is willing to change their behavior on the basis of that information.

The third book drills down further past system/nation states to the level of individuals and really approaches the question of what America's role is in creating this complex phenomenon, historical, that we call globalization. This brief I am going to give you very much reflects the book, and it is an attempt to contextualize, in effect, where we are in history, make us aware of what we created. My ultimate goal in the book, especially now, in the midst of this continuing financial crisis, is to impart to Americans the strong responsibility that I think we have as a country amidst all this change and all this tumult, because my argument is there is no nation on this planet that can really torpedo globalization or make it go forward in the same way that we can. I am going to make an argument about a strategy that we pursued, not well articulated, over the last 40-50 years, this strategy in my mind enormously successfully.

I'll start you off slowly. I'll note we're just one-twentieth of the world's population. Somehow, we manage to create a quarter of the world's pollution and garbage and suck in a quarter of the world's energy. I like to describe that phenomenon as "living large." [Laughter] But economists will point out we create one-quarter of the world's wealth. On that basis, it's a fair approximation of the resources and the pollution we should be creating.

Another way to look at this is in terms of an economic footprint. We've outsourced, we've sent, exported, a lot of sovereign debt over the last 40-50 years. That has allowed us to create a flow of imports— again, living beyond our means.

We focused that strategy the last 30 years on Asia. On that basis, we allowed the export-driven growth of Japan, South Korea, China, a rising Asia that could not have arisen without our willingness to overspend and without the implicit agreement that they would take their trade surplus and flow it back into our debt instruments. This was known informally as [Bretton Woods II](#). So if you talk about Bretton Woods I, the original organizations (World Bank, IMF), the dollar standard on the gold up through 1971 when [Nixon](#) takes us off, Bretton Woods II, really, most people mark it about late-1970s/early-1980s.

The hidden transaction in this—an argument I've been making pretty much throughout my entire career going back about 15 years—is that we've been exporting security and we've allowed the rest of the world to outsource the "Leviathan" function [see Barnett's [glossary](#)]. So much harder to imagine a China with a lot of enmity towards Japan, which has a lot of enmity towards South Korea, all being able to pursue export-driven growth without turning on each other, in terms of some sort of arms races or military rivalry. So we are the glue—a great Navy argument—for the Pacific, just like we were the glue during the Cold War with regard to Western Europe. So we pay more for global stability, but that's one of the values of having the world's largest gun, the ability to use it where we choose.

But again, it's fundamentally a transaction we have with the outside world. I've been preaching this to the military for the last 15-20 years: If you don't provide a product that people like, they will stop paying for it. And it is a huge advantage, again, to have the world's largest gun.

So what I'm talking about with that Bretton Woods II, it's really an implicit rerun of what we did with the old West. Think back to the Cold War: Marshall Plan, containment outsourced back to America (there's your Bretton Woods, fixed exchange rate); we replicate it eastward: high consumption, Leviathan outsource (there's your Bretton Woods II). On that basis, we've allowed what [Fareed Zacharia](#) likes to call "the rise of the rest." Very purposely, we tried to create a world in which other great powers could rise peacefully.

How valuable is that? This is the first time in history—and I was born in 1962, so I grew up in the shadow of the Second World War—the first time in history you have Britain, France, Germany all prosperous, all connecting, not at war with each other, no rivalries, integrating their economies, states uniting very much in the American model, the European Union. And, at the same time, you've got a Russia that's a bit of a problem now and then but, by and large, same basic attributes. That's the first time in history we've had those four powers all together at the same time.

Ditto for the East—first time ever strong Japan, strong Korea, strong China, strong India, and no serious prospects for great power war among either quarters, or between the quarters, back to the first half of the 20th century. That's 100 million lives in a massive civil war, a Eurasian civil war, that I would argue stretches from 1914 to 1949. We don't worry about that any more. That's off the table. So when people sell you chaos, perpetual war, all that kind of nonsense, you've got to remember the biggest things are already off the table. We're essentially working the weeds.

Now, the cost was substantial: a trillion this way, \$3.5 trillion that way. Right now I can tell you the Chinese are not ready to stand up and be a second pillar globally, in terms of the global economy. If we could have managed this for another five or six years, the world would be in a safer place right now, because we're asking them to fast-forward on their role globally.

If you look in terms of the dollar versus the euro, we've seen a certain shift from the dollar being the number-one currency, a downward motion, upward motion from the euro. Very successful. So already we're starting to see a second pillar emerge. I would argue we desperately need a third one, based on some sort of basket currency for East Asia.

Here's the thing I want to concentrate on. You look at the percentage change in global trade [pointing to powerpoint slides]. These are all the years, going all the way back to when Nixon takes us off the gold standard in 1971. Three times we've seen downturns. This is the biggest one yet. So whether we pull out of this across 2010 or not is of extreme importance. The next 12 months will be very, very crucial. This was 1929 followed by 1930, followed by 1931, 1932, 1933, and there's your Great Depression.

Another way of measuring how we've reached the limit is in terms of defense spending as a percentage of GDP: pretty darn high going back to the [Reagan](#) years; you can see we're down about 4 percent, what people typically pay out of their household income for insurance. So no great stress there.

If you look at how many Americans we had in uniform abroad: top year 1967, Vietnam, one out of every 200 Americans; now we're down to one out of every 800. So in terms of burden of personnel on our entire society, much lower.

There's no question we've added a lot of little bases around the world in the last eight to ten years. These are the countries with the big bases [points to slide]. Strong concentration of new bases in what we call Southwest Asia and Central Asia.

Here's the problem in terms of how we've been using people. These are the forces we've had abroad. That's NATO, pretty steady. There's your peace dividend, right there, 1990s. I'll add Asia on top of that: you see Korea big, Vietnam big. There's your steady-state. Drops right down. Then we add the global war on terrorism—back up to 1980s levels.

The problem is we cut forces by one-third. We basically doubled the rotations. That's hard. That's why suicide rates are as high as they've been in 30 years. That's why divorce rates are as high as they've been in 30 years. Very stressful.

Another way to look at this is in terms of what kind of debt we've had to take on as a percentage of GDP. We come out of the Second World War, we're massively in debt. We very carefully whittle that down over successive presidencies, right through [Carter](#). Then we elect Reagan, who's going to cut government, and of course he jacks it right up. Then we elect that spend-and-tax Democrat [Clinton](#), and miraculously he cuts it down. Then we get tired of that nonsense, go back to those stingy Republicans, and he jacks it right back up. So we see a sort of flipping of the identities between the parties. I would argue you're going to see it again, without any choice, for Obama.

So what I'm going to lay out here—I'll give you one slide that gives it to you quick and then I'm going to make more specific arguments.

This globalization is really the result of a very conscious grand strategy pursued by the United States. You could track it all the way back to its origins. It was the model of states uniting, economies integrating, that we imposed upon the American continent—collective security, high transaction network rates; most importantly, a competitive religious landscape. This is a basic description of globalization today, without enough of a competitive religious landscape in some parts of the world.

That's probably the hardest thing to pull off, allowing people to switch religions. Because we have a competitive religious landscape in America, you can switch religions as fast as you please. Everybody in my family has switched religions once, except one of my children. Americans on average switch religions more than any other society in the world, which is important, because as you change—you discover you're gay, you discover your kid's gay; you go from poor to rich, you go from rich to poor; you're an alcoholic, you're not an alcoholic—we've got a religion for every single stripe here. When you think about that as a social lubricant, it's enormous. Circumstances constantly change, and yet we always find someplace to put you.

That American system transposed globally into an international liberal trade order, [FDR's New Deal](#) for the world.

We held the Brits' feet to the fire: [Article 7 lend-lease agreement](#); we make them promise to get rid of their imperial trade preferences at the end of the war. On that basis, we kill colonialization.

That evolves into what we call "The West." By 1980, it's about a quarter of humanity, generating upwards of two-thirds of global wealth. That, with Deng's decision to marketize China, creating a critical mass for the global economy, becomes what we now describe as globalization, with only about a bottom billion still disconnected, virtually all interior, landlocked, resource-deprived countries inside of Africa, inside Central Asia. And guess what? They're fake countries; somebody else drew the lines for them.

My argument again: none of this is accidental. We had to make the world like us so we could exist within it. We are the most potent communicable ideology out there. We will change your entire society, your government, anything, if you let us. And if we do it simply by letting our interactions build up with you, it actually occurs much better most of the time than when we've tried to impose it upon you because we give you enough time to adjust.

So America's empire, I like to argue, is the first in human history to actually empower and enrich individuals. So I don't like this term, because empires don't do that historically.

If you go back and look at what the colonial powers of Europe did, they created tons of fake states, bad borders. You look anywhere the U.S. military is today, I will show you a line drawn by a Brit 100 years ago.

They control 40 percent of the world's land mass. I would argue on the basis of that bottom billion we're up to 80-85 percent. Again, this is a voluntary association. We don't make you join. People join because they get wealthy.

So the problems we've had over the last ten to 15 years are not problems of failure but problems of success. We've integrated so much so recently.

Another way to look at this: I can describe a high-trust environment in the West where people do business. We give money to strangers and have them invest it for us. This is a very high-trust environment. It's not a matter of defense anymore for us. It's strictly a matter of security.

We have had a skyrocketing level of connectivity with the lower trust environment of the "Wild East." You want to know where all the spammers and schemers and product liability fraud, all that kind of stuff, is coming out of? It's coming out of there, which looks like our Wild West about 150 years ago in terms of the rule sets they had.

Now, because they have created so much demand for resources, they have gotten a lot more connectivity with the no-trust environment, with the poorly developed and poorly connected economies: Andean South America, the Caribbean, Africa, South West Asia, Balkans, Caucasus, littoral South East Asia. Basically I can locate for you—that's the origins of my original map—virtually all of the violence in the system.

The parts of the world that are least connected are the parts that create all the war and 95 percent of the terrorism, the vast majority of which we don't care about unless it comes here. We're thinly connected to that part of the world.

Now, a lot of people look at this situation and they see a balance of power not unlike the late-19th century. And so you talk about resource wars, which is something I would argue certain parts of the Pentagon are going to try to sell you over the next 15 years. Why? They're going to lose all their big war scenarios over the next 15 years because of our success in spreading this globalization.

I say don't look at the late-19th century in terms of the world; look at it in terms of America's post-Civil

War integration of our Wild West. This is frontier integration at its best. [The Pinkertons](#) showed up then; [Blackwater](#) shows up now. Western Union did telegraphs back then; Western Union does remittances now. So you're going to see all the same characters, all the same bad actors, all the insurgents hiding in badlands, creating all sorts of problems for us. The answer is going to be we have to go in and do the same sort of stuff our military did back throughout most of its history but especially in the last half of the 19th century.

One of the key things you've got to know about the world: You look at a map, you see a country that has straight lines for borders, that's a problem. That means somebody else drew it. Those countries tend to be the most unstable countries in the world. If you've got a squiggly line for a border, that's because it corresponds to a mountain or a river or you've fought a long battle to make that line squiggly.

The problem I had with the Bush Administration was very much a focus on the Old West. This is not a quorum for answers to the world today. It's not even close to a quorum. There is that tendency, especially inside the Pentagon, to look for near-peer competitors—the Chinese; now we get all excited and jacked about the Russians after their beat-down of Georgia.

And of course, whenever they put together a package like the [Shanghai Cooperation Organization](#), which is interested in what?—stopping splittism, terrorism, extremism in Central Asia, same basic goals we have—but of course, since we're not in that club, we automatically distrust it.

I would argue we ought to look at the world more in terms of the new friends we have and less about the old friends. All demographically moribund (they're not having kids), defense budgets are dropping (they don't want to go anywhere and, frankly, kill anybody). These guys have lots of babies, by and large. These guys are short. Defense budgets rising, corresponding to increased perception of network connectivity and economic interests around the world. So when I look at somebody like that, I say, "These are automatically my new friends because they have the same interest in spreading globalization as I do, whereas these guys, by and large, have been there, done that, don't want to repeat it."

In terms of the common interests we have with this larger group—people call them the BRIC (Brazil, Russia, India, and China)—people talk about the next 11 beyond them. Obviously, we want to see the global economy continue to expand.

We're interested in international security. We're interested in integrating frontier markets. The Chinese, for example, have 1.5 million nationals spread across Africa right now engaging in what I like to call preemptive nation-building. We may not care for the political structures that are strengthened by that interaction process, or result from it, but, by God, I'll tell you the Chinese are integrating Africa, and so are the Indians, quite rapidly. Unless you've got a better package, I say we salute them.

One thing we don't have common interests on right now is democracy. I argue we may not have a long war, we may not have a global war—certainly don't have a global war—but there is most definitely a global peace worth preserving. I like to say when America goes to war its home front is dedicated and its troops are committed.

I say America should be dedicated to encouraging democracy everywhere but we should be committed to forcing it nowhere. Why? In my mind, democracy is a dish best served cold. It tends to come when you have larger middle classes. It tends to come when you're more middle-aged, when your demographic center of gravity is middle-aged. So you go to a place like Palestine, overwhelmingly young, 70 percent under 25, and you push democracy on that kind of situation, you're going to get a radical solution.

Most start-ups take their time, I argue, historically in becoming multi-party democracies. I like to say there is always a Harlem Globe Trotters dominant party that wins every election typically, and they always play against the same subordinate party, the Washington Generals, who never get to win.

I find this takes about five decades for a lot of countries. The Liberal Democratic Party in Japan ruled for

about 50 years. We saw the same thing in South Korea—these guys ruled for about 70 years; these guys still basically in power. Malaysia, we're starting to see that tip just now. And again, it's always about two/two-and-a-half generations in.

You look at it in that light, I'm telling you, China is about 30 years old, from when Deng started this party in 1979. Most Chinese scholars will tell you that "You need to look at us as about 30 years old." And these guys, the Russians, they're about 18 years old, and they're certainly acting it.

But I like to remind people we were born of a revolution. We were born of a national liberation movement. We fought a guerrilla war in the most dirty fashion possible at the time. We were known for actually launching sneak attacks on religious holidays. In fact, we celebrate that now. Of course, when anybody else does it, it's the worst thing we've ever seen.

Suspiciously, I would argue, to the outside world, we turned and elected the generalissimo. He ran basically unopposed; 1.2 percent of the population actually got to vote for him. When he got tired and didn't want a third term, they elected the premier hatchet man of the Revolutionary politburo, a warrior no less.

He was succeeded by the worst, notorious, radical ideologue of the age, the guy who cheers on the French Revolution from this side of the Atlantic. He ushers in an era of one-party domination—non-party politics really—that lasts for 28 years. We call it the Era of Good Feelings, a rather Orwellian name.

It isn't until 1824 that we actually let the bulk of the states let people vote for the actual electors who pick the president. Not a direct election here still. Whom did we elect in 1824? This guy, the son of a Politburo member.

It's not until you get all the way to 1828 that we finally get an outsider. This guy's another generalissimo, another guy on a white horse. He's famous for brutalizing his opponents. He's known as "King Andrew" to his enemies. He picks his replacement.

We don't get two mass political parties until about 1840. That's 64 years into the revolution, 64 years after the Declaration of Independence.

The point is it takes us 89 years to end slavery. It takes us another 100 years to guarantee the right to vote, 144 years for women to vote in this country—and yet we want to do it in traditional countries overnight, and we wonder why we get blowback on that basis.

My point isn't that we weren't a tremendous package for our time. My point is it took us a long time to get to this package now.

So the argument, to sum up quickly: We sold the world on economic globalization. The only thing we need to do is stay patient now in the political pluralism. If you believe in markets, if you believe markets create rising income, if you believe raising income creates a middle class, tends to age your population because it decreases your birth rates—those are all the attributes we're seeking—but it doesn't happen overnight.

I argue any good or bad thing in globalization today—genocide, ethnic cleansing, anything—the best and the worst, you can find it in American history. We have done it all.

So breaking down that process a little bit, I talk about in the book how we proposed and imposed across the vast wilderness that American system of states uniting, economies integrating. It's tested and transformed by the Civil War and the integration of the American West, which occurs in an eye blink in historical terms. In about 25 years we integrate the rest of the continent.

And then we enter into the worst period of capitalism in our history, when income inequality was at its

worst, when we were raping the environment at its worst, when we had child labor at its worst; when we had kids, one out of two would die before the age of five in major cities—that kind of worst. So what happened? First came the anger (the populism) and then came the answers (the progressivism). So national, continental, hemispheric in terms of its ambitions. I'll give you a couple of highlights.

I like to point out [Hamilton](#) because he is the first great grand strategist in my mind in American history. His report on manufacturers in 1791, the first grand strategic document of American history. He talks about aggressive economic intervention by the state. He's going to target industries, protect them with all sorts of tariffs, all sorts of state involvement in terms of financing. Emphasizes defense. Emphasizes industrial espionage—in fact, the fastest way to become a citizen was to steal some sort of secret from another country, come to America, present it to Alexander Hamilton, he would give you a patent on the spot and make you a citizen right there—because he wanted to catch up.

Again, [Andrew Jackson](#), a tough guy, ruled with a brutal hand. Had no problem about ethnic cleansings—the [Trail of Tears](#), Alabama, Mississippi, the Cherokee driven out. Why? We wanted their land for cotton. This guy made no secret about his desire: he was going to make us a great power based on what we had at the time. This is how we get to 70 percent domination by 1850 of the global cotton market.

This package right now, we're looking at him in Moscow. Acts the same way, behaves the same way, same sort of logic, except what he's trying to build is based on oil and gas.

Argument about what we did after the American Civil War. There was the assumption that Reconstruction consisted of the victorious North imposing upon the prostrate South. The real reconstitution of America occurs not in that direction, but an East rapidly integrating a West. In that process, we locate the Western ideal, the Western man, which has been the ideal of American politics ever since. We love the Western man. We love to elect him. He comes to Washington to clean it out, that Sodom and Gomorrah.

And we love that middle-class ideology that comes about in the heartland across this timeframe. That middle-class ideology is what has sustained us every since. Ninety percent of Americans still in this country believe they are part of a middle class. They can't possibly all be part of the middle class. But the fact that they believe it is the biggest political lubricant we have in our system. We found it in Reconstruction.

I extend that now to the post-Cold War era. My argument is we have this tendency to assume the process was the West, victorious, now integrates the East, the losers, and so they should conform to our systems as quickly as possible, adopt our political systems as rapidly as possible. In reality, what we're looking at is the West and the East integrating the South over the next 20 years. That's where you're going to find the attributes and the location of the bulk of an emerging global middle class. We're going to add a billion people in the next 12 years. We're going to add about 2 billion people to a global middle class. Capturing that ideological flag, shaping it, making it the center of a global community, is the number one task we face, I would argue, in grand strategic terms this century.

I like to point out, because he's such a tipping point in terms of American history, how perfectly harmonic this guy is in terms of where he came and what he did for our country. Born of a northern father and a southern mother, he was born at just about the start of the American Civil War. This kid, [Teddy Roosevelt](#), barely survives his childhood. Then, one night when he is an adult and he's married and his wife's giving birth to his first kid, she dies in childbirth and his mother dies that night. He's "lost" (that's his diary entry for the day).

So what does he do? This child of the north and the south goes west. He reinvents himself as the quintessential western roughneck. This guy couldn't be more perfectly designed. He masters about a dozen languages. Probably the smartest, most accomplished guy we ever elected president. Just a transcendent figure.

What does he do for us? We're talking about a time in our history of sectoral economies rapidly being knit together into a continental economy—not unlike taking the regions of the world today and rapidly knitting them together.

He had a tremendous fear in this process, captured by a very famous lecture given at the Colombian Exposition in 1893, one of the best lectures of all time. University of Wisconsin—Go, Badgers!—Professor [Frederick Jackson Turner](#) talks about the closing of the American frontier.

This guy [Roosevelt], a tremendous naturalist, knew from his study of birds and all sorts of animals—he was considered one of the great bird experts of the 19th century—that if you trap a population artificially in an environment, it basically turns on itself. So his great fear—and it's a brilliant look ahead—was of the rise of the stationary state, his description for authoritarianism in the 20th century. So this guy is looking at America and saying, "Unless we're able to continue to expand in terms of new frontiers, new opportunities, unless we make the world more like us so we can still be us, we're looking at a stationary state." So in many ways he predicts the rise of fascism and bolshevism. So what does he have? Fair Deal internally, Open Door externally.

Quick projection across the 20th century. Same basic process: the American system translated into a global system. Proposed by this guy, [Woodrow Wilson](#), after the First World War, the Fourteen Points, League of Nations. It couldn't possibly be backed up in terms of the military might. Why? Because all our boys came home immediately after the First World War. So by the time he gets to Versailles, they're not interested in his opinion any more, especially with regard to colonialism in the Middle East because we didn't fight there.

It's finally imposed by FDR and [Truman](#). Then it's tested and transformed in terms of our standoff with the Soviets and the expansion of the West over time. We're talking about Nixon, in terms of his opening to China, arguably the most important act in the last half-century in terms of globalization. And Reagan, in terms of extending our market philosophy and deregulating, setting off a 30-year wave of deregulation.

Now we're into the "shamed and tamed" period. We're into the populism. The question is: Can this guy provide some of the progressivism? That's a big unknown.

But again, that American system, the international liberal trade order, West globalization, begins here, spreads hemispheric, projected across the planet.

I'll make a couple more arguments.

First, about what's going to happen in the 21st century. You go back and look. This description of the great divergence between the West, which grew about 1,200 percent, starting with the Industrial Revolution around here, across the next two centuries, and the rest who lose 50 percent of their income across the same time period. Small chunk of the world; big chunk of the world.

What's going to happen across the 21st century? The rest are going to rise far more dramatically than the West and you're going to see a healing of that rift to a tremendous extent, creating for the first time in history the emergence of a global middle class, what people are describing as the great convergence.

You can see in terms of the increase in middle-income consumers in the last ten years. Absolutely stunning. If you're not doing business in China and India today and you're a global corporation, you will not survive the next 20 years, because this "[fortune at the bottom of the pyramid](#)" (C.K. Prahalad, University of Michigan)—this is everything in terms of future growth. Future growth in the global economy is 20 percent the West next 15-20 years, 80 percent these guys.

That middle class in emergence here can either be very contented or very conflicted. So again, our

attention to that process, our shaping it, is of paramount importance in terms of our grand strategy in the 21st century.

My problem, again, with the Bush Administration: very much fixated on what I like to describe as the extreme shoulders of a bell curve I could describe as globalization. On the one side, we're baseline security, obsessing over terrorists, nukes, biological and chemical; on the other side, wanting accelerated democratization wherever we can pull it off. Top line political achievement, bottom line security, ignoring the huge chunk in between otherwise known as globalization.

So we find ourselves—and this is the essential argument of the book—increasingly divergent from this world of our creation, and we mistrust it more and more because of our fixation on the extremes. There's no way you get this process unless you create rising incomes. So if you want to make the long war work out quickly, I argue, or successfully, your underlying strategic impulse must be to make globalization go as fast and as sustainably possible.

Five quick compromises. This is the conclusion of the book. I'm not running you through the bulk of the main chapters because it's not going to be a five-hour brief. So this is going to be pretty high level.

- First, in terms of the economic compromise. We've gotten the world to join our globalization scheme. What we cannot do now is ask them to forgo their rapid pursuit of middle class attainment over the next 20-30 years. So there are going to be real compromises on global warming. You know, we've gotten religion on the environment—we've had it for a while now. China, with 700 million people in their interior living on less than \$1.00 a day, doesn't feel the same impulse we do. So we're going to have to be realistic about that.
- In terms of diplomatic compromise—this is a tough one for us—my argument is going to be if you connect your population to the global economy, we're going to allow you to get content control over the material that goes in and out of your country. It's not so much a matter of services and goods; it's really a matter of media content. Most of the world just can't stand, quite frankly, the surfeit of pornography in our system. They just find it reprehensible. So the same reason you want parental controls with regard to Skinimax at home for your kids, the rest of the world wants the same sort of content controls on the Internet and everything else. I'm raising a 17-year-old daughter in Indianapolis, Indiana. I find it very hard. I'm doing the same thing in Riyadh. I find it almost unbearable.
- The third great compromise, in terms of security. We've got to get off this mindset that says we should put more wire, we should put more walls. With the great dawning of the age of network connectivity, we're coming up with firewall answers across the board. More people die every year trying to cross our border from Mexico than died across the entirety of the Berlin Wall. So it's got to be: If you obey our rules, we're going to give you our best effort to defend them in an ethical manner.
- In terms of network, the compromise: If you give us access to your networks, if you allow us to bring our transparency to your part of the world, then the give has to be we allow you a fast-pass access to ours. A good example: Dubai World Ports wants to increase the port of Djibouti tenfold over the next ten years. The reason why they want to do that: We have a military base right there and we just signed a long-term lease. So Dubai World Ports knows Djibouti is going to be a safe port. Djibouti can't export goods directly to the United States right now. They have to go to Rotterdam, be offloaded, put on ships that meet our specifications, then they get to come to America. Our argument is: If you give us the opportunity for the scanning and the networks and

the sensing in that port in Djibouti, we'll let you connect directly to America, because we'll be spreading our transparency in that process, and the more transparency we spread, the less off-grid locations exist for transnational terrorists.

- Finally, if you allow freedom of religion—this is the tough one—we've got to realize we're going to have to give in to people's demands for cultural separatism. In the United States we have fundamentalists of all sorts. As long as they're not violent, they're not a problem. If they're the Amish, it works out just fine. If they're the Amish with guns, which is sort of the radical [Salafi jihadists](#), then it's a real problem. The closest thing we've ever had to an [Osama bin Laden](#) of note recently was [David Koresh](#) down in Waco. That's basically the package. So we're going to have to allow all sorts of independent nations to live inside our country. The good news is we've already got 550 of them, and they've all got casinos.

I'll leave it at that. I'll be happy to take questions.

### Questions and Answers

**QUESTION:** Given the need for the perpetual progress and the story that you told in new frontiers to integrate, and also the imperative to make globalization go as fast as possible, I'd be very interested to hear your thoughts on the role space policy will play on the future, not so much from a security perspective, but in the sort of framework that these countries are operating under, specifically how important you think cooperation between the United States and China will be on this front and what you think the prospects for that will be.

**THOMAS BARNETT:** I think it's going to be incredibly important. You know, we've looked at space primarily as a military venue. Of course, what space does is it allows you to move information faster. It's primarily a thoroughfare.

Our military is highly reliant on space, and so we have a hard time moving off this weaponization-of-space future scenario. It's a real problem.

I would argue the Chinese have been signaling us rather strongly and rather crudely, especially when they blew up one of their own satellites in a test that overnight created one-third of the space debris that currently floats around our planet—sort of an "oops" in terms of signaling—that both they and the Russians have signaled very clearly they want to see some sort of agreement on no weaponization of space. We should move in that direction, quite frankly, because it avails us more than it avails anybody else, because we're really reliant on space, very much so, in terms of our military. So the cleaner we keep it, the better it is.

Beyond that, I'm all for anything that commercializes space—anything. I say let them go, let them kill themselves; it's not a problem. The deification of astronauts in my mind is one of the goofiest things we've done.

Go back and look at the early aircraft industry in the United States. We let any jackass get into a plane and do anything, and they killed themselves in large numbers. And then we had an airline industry. If you're willing to take the risk, go ahead. Instead, we send up five of the best and brightest—what do we call them, "the right stuff"—and if they get killed, we stop the national space program for two years in mourning, as if death in space, being blown up, is any more sacred or profound than somebody dying of diarrhea at age three in Africa. I mean I just don't get the way we approach it.

So I'd like to get the government out of controlling the space exploration process. I'd love to see it commercialized as quickly as possible—people with a lot of money doing stupid things, having a good

time, enjoying themselves, creating all sorts of networks.

**QUESTION:** Sir, you slightly touched on in your speech today about the Pentagon trying to sell us on a lot more resource wars, et cetera, et cetera. One thing you touch on in your book is the difference between the funding for the leviathan and the sys-admin forces in the United States. You focus a lot on the sys-admin and how it's very important. Where do you see the future of leviathan forces, like the Navy and the Air Force?

**THOMAS BARNETT:** That's a lot of question. It has to be unpacked because there's a certain amount of jargon in there.

I describe that the U.S. military has always been, except for the oddity of the Cold War, basically split into a leviathan force, the force we raise to create war, and the force that does everything else, which for most of our history was frontier integration. So we had a force that did frontier integration, we had a Navy that maintained our connectivity to the outside world, we had a Department of War that basically had nobody except when we had a war, and then we got a lot of people.

We go into a steady-state after the Second World War. We create this massive leviathan force because we've got to be ready to go to war instantly with the Soviets, the next 40-50 years. That goes away at the end of the Cold War. Those two forces start splitting apart. Why?

One force, the leviathan, loves to buy stuff—expensive, big platforms, weapons, programs of record. They tend to be more blue than green. But not all the time. So more Navy and Air Force, more technology-dependent than Army and Marines.

But we use the Army and the Marines a lot more extensively starting at the end of the Cold War. So the mantra of my first book was "you're buying one military and you're operating the other to death and you're wondering why it hurts."

That comes a cropper when we go into Iraq, because the Army we had been building for the previous 30 years, coming out of the Vietnam experience, wasn't an Army that did postwar. Didn't want to have that stuff. We didn't have armored Humvees because we were never going to go anywhere where we needed armored Humvees, because we were never going to stay that long.

So trying to pin that all on [Rumsfeld](#) one afternoon when he makes that actually very telling argument—you go to war with the military you've got, not the one that you want—well, our Army had wanted a certain Army for the last 30 years. So did our Navy and our Air Force and our Marines.

I make an argument that that leviathan force has to cede some resources and, increasingly, to that system administrator force I describe it as. That system administrator force is going to be more civilian than uniform. It's going to be more of the rest of the U.S. government, not just DoD [Department of Defense]. It's going to be more rest of the world, those million-man armies we need to make friends with, like India, Pakistan, Bangladesh, the guys who do a lot of the peacekeeping today. And it is going to be more private sector-invested than public sector-funded ultimately. That's the work my company is doing right now in northern Iraq.

So I make an argument about these two different forces. It's a balance constantly, the resource distribution between them. I like having the world's biggest gun—I like it a lot. That plus nuclear weapons has killed great-power war for 64 years. That is our gift to humanity.

By maintaining that big guy and our nuclear weapons—do not believe anybody who says we should get rid of them, because that makes the first idiot dictator who gets a bomb the one-eyed guy in the land of the blind—so thank you, no.

I want to keep that force because it creates system stability. So the question is: How much do I invest in

the leviathan force versus how much I've got to pay for that force I'm using to death right now in Afghanistan and Iraq?

What bugs me about the discussion is that we get these fantastic downstream scenarios that say: My God, we can't possibly trade these hypothetical deaths of tomorrow against who?—against our actual casualties today?—which is an argument I find increasingly immoral and unstrategic, because the more we burn out our forces and get bad at doing nation-building and crisis response and frontier integration, the more we are going to invite other rising great powers who have expanding interests to go do the same. All we do then is we create superpower rivalries all over again. A lot of wasted effort and a lot of wasted violence.

So we are going to see a shift, I argue, from leviathan to sys-admin. Why? The guys who are winning in Iraq, the guys who are making this process of evolution work within the Green—more Green than Blue, ground pounders, Army and Marine—those guys are now getting their second, their third, and their fourth stars.

So [Petraeus](#) is a very big figure, seminal. [Mattis](#) down at Joint Forces Command, a very big figure—I wrote a piece on him for *Esquire*, "[The Monks of War](#)." These guys are changing it. That's what happens. When you go to war, those guys become the guys who move up the chain. Their mafia tends to rule. They tend to get more resources over time.

What I don't want is a knee-jerk reaction that says "Iraq was another Vietnam," because we didn't conquer the Vietnam Syndrome, which was we don't do counterinsurgency well, like going and kicking [Saddam](#)'s ass in 1991 using conventional power. We defeat the Vietnam Syndrome when we get good, finally, at doing counterinsurgency, which has now happened in Iraq and gives us the second great test in Afghanistan and Pakistan.

So it's tricky, the balance. There's a lot of fighting going on inside the Pentagon. What you're going to be sold, I argue, the next 15 years are resource wars. Why? The three big scenarios for the leviathan are going away.

Iran's getting the bomb and we're not going to be able to stop it. So Iran's in the club basically. We don't get to invade them conventionally.

Taiwan is joining China in the same way that Hong Kong joined China, economic integration. They're going to put off the political question. These are the models of an Asian union centered on China. We're watching the beginning of an Asian union right now. So that one's gone.

North Korea, that idiot, I don't think we're going to possibly put up with the real dim twit he has named as his successor, his 26-year-old son. So they skim by in North Korea, going from the great leader to the dear leader. But this next transition, I argue, should be a prompt for us to initiate some sort of push/shove, golden parachute, pulling the rug out from under him. I would argue the Chinese basically have already made that decision, based on the 2006 nuclear explosion on July 4th. They're kind of sick and tired of him.

The question is how this goes down. I will tell you, though, how it goes down is not great-power war between us and the Chinese and the Japanese or the South Koreans. We've had such a discussion, in terms of the six-party talks, that entire possibility is gone.

Those are your three remaining scenarios for the leviathan. When they go, they've got to sell you something else, and what you're going to be sold are resources wars.

Good logic for bad in the Cold War. The Soviets had a mini-me global economy and we had one. If we fought over third-party resources, precious resources, say in Africa, you could have a zero-sum outcome: I get rich, you get poor. Ain't gonna happen anymore.

On the basis of the contagion we just witnessed in the financial markets, there is no hermetically sealed economy out there that can get resources, fight tooth and nail to get them, and then do what—package them up and sell them to us in Wal-Mart?

Plus, I've got a problem with fighting wars against my biggest banker.

**QUESTION:** It was argued a century ago, on similar lines, that growing economic integration in Europe had made war between the great powers impossible. And in 1913, of course, the greatest trading partners of Britain and Germany were Germany and Britain.

**THOMAS BARNETT:** I love this question.

[Norman Angell](#), British philosopher, wrote the book *The Great Illusion* in 1911. It says: If the empires of the world in Europe went to war, they'd destroy each other and none of them would survive the process; so they're not going to do it because they're not that dumb. Turns out they were that dumb. Turns out they destroyed themselves. None of them are first-tier powers anymore as a result of that process. He gets the Nobel Peace Prize in 1933, sort of the consolation.

The difference between now and then—the globalization of that time was the uncompetitive movement of raw materials from peripheries to home worlds. Finance was mobile. Labor was not. Very different to have a Honda that I drive built from parts coming from 40 different countries and built across 15 different states in America. There was no globally integrated production back then.

The biggest difference, though, if you don't believe any of that, if you say, "We're still going to fight"—and I get accused of this all the time—they say, "You're the second coming of Norman Angell." I say, "Damn straight, but I'm Norman Angell with nukes, and nukes change everything." They really do. And that's the good news.

**JOANNE MYERS:** Thank you very much for joining us.

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