

# Book Reviews

*The Frugal Superpower:  
America's Global Leadership in  
a Cash-Strapped Era*

By Michael Mandelbaum

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Winston Churchill once famously declared, “Gentlemen, we have run out of money. Now we have to think.” Churchill’s admonition underlies the theme of *The Frugal Superpower*, a slender but trenchant work presenting a chastening forecast for American foreign policy in the 21<sup>st</sup> century. Michael Mandelbaum, who is the Christian A. Herter Professor and Director of American Foreign Policy at The Johns Hopkins University School of Advanced International Studies in Washington, DC, explains how economic constraints will curtail America’s post-World War II role as the “world’s de facto government” and the consequences of that diminished role. The era of “American exceptionalism” has waned, he maintains; henceforth, the United States will behave more like an ordinary power. Written with verve and pith, this is a book for all

readers, professional and general alike, who are concerned about America’s place in the world.

The financial crisis of 2008–2009 and stimulus spending to overcome it, the cost of the Iraq War, soaring deficits and debt, and a ballooning entitlement burden for retired boomers will severely limit resources available for foreign policy. For seven decades, “more” was the answer for domestic and foreign problems. Mandelbaum contends “less” will set the parameters for foreign policy in the future.

Nonetheless, for the foreseeable future America will remain the world’s major power, although its leadership will be in question. Unlike the anti-American polemicist Andrew Bacevich, who regards America as a malign force in world history,<sup>1</sup> Mandelbaum thinks the world’s peoples will be worse off with a retrenched America. Since World War II, he writes, “the United States play[ed] a major, constructive, and historically unprecedented role in the world,” bringing peace and prosperity to much of the globe. It did so, of course, out of enlightened self-interest, not altruism.<sup>2</sup> Foreign policy is not missionary work. America’s challenge in the new century will be “to provide leadership on a shoestring.” The age of scarcity, however, could have the benefit of restraining U.S. “carelessness” in foreign policy.

Mandelbaum judges President Bill Clinton’s eastward expansion of the North Atlantic Treaty Organization (NATO) the first “careless” blunder of the post-Cold War era. A crass partisan ploy to capture East European voters in the 1996 election, this move broke our promise to Russia not to advance to its border and sapped Russia’s trust in the United States

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as a partner. Ambassador Jack Matlock supports Mandelbaum's argument. Matlock was the note taker at a meeting on February 9, 1990, when Secretary of State Jim Baker persuaded Mikhail Gorbachev to allow a reunited Germany to remain in NATO with "a promise that NATO jurisdiction and troops would not expand to the east."<sup>3</sup> Matlock confirms that Gorbachev's belief "coincides with my notes of the conversation except that mine indicate that Baker added, 'not one inch.'"<sup>4</sup> Oddly, Gorbachev did not ask for a written confirmation of this pledge.

The second careless blunder was President George W. Bush's ill-conceived, bungled occupation of Iraq, tarnishing America's standing in the world. Mandelbaum hopes an age of austerity will foster "prudence" thus far absent from our record in East Europe and the Middle East. A pinched pocketbook will prompt the United States to seek international cooperation, but Mandelbaum doubts Japan and Europe will offer much security assistance. He cites NATO's anemic role in Afghanistan, a conflict sanctioned by the first invocation of Article V in NATO's history. The viability and credibility of NATO have caused Defense Secretary Robert Gates to refer to the emergence of a "two-tier alliance," where some members do the fighting, while others, not to put too fine a point on it, freeload. At a NATO meeting in February, Gates voiced alarm at NATO's serious underinvestment in collective defense for over a decade and, particularly, at the "demilitarization of Europe." The pacifism of European publics, Gates warned, poses an "impediment to achieving real security and lasting peace in the 21<sup>st</sup> century."<sup>5</sup> In August, the Netherlands became the first NATO country to end its combat mission in Afghanistan, announcing the departure of its 1,900 troops. Canada says it will withdraw its 2,700 soldiers

in 2011, and Poland plans to pull out its 2,600 troops in 2012.<sup>6</sup>

With a cash-strapped America upholding global security and prosperity on a "bluff," as the author puts it, he considers whether discontented powers such as Russia and China might contest the international status quo in Europe and East Asia. For the near term, Mandelbaum concludes, domestic problems, including a demographic crisis in both countries and economic incentives, will discourage China and Russia from calling our bluff and challenging the status quo.<sup>7</sup>

Demography is destiny. Chinese and Russian demographic trends have historical salience. China's rice bowl will not remain so full in coming years. On top of grave environmental degradation and other internal woes, China's graying population will make the country old before it gets rich. The Communist Party's one-child-per-family policy has lowered the fertility rate from 5.8 in the 1970s to 1.8 today, below the population replacement rate of 2.1. Moreover, the widespread practice of sex-selective abortion has produced excess males. A declining working-age population will drive up labor costs, eroding one of China's key competitive advantages, and a large cohort of young, unattached males threatens social stability. At the same time, life expectancy has risen from 35 in 1949 to 73 today. By 2050, China's elderly will increase from 100 million people over 60 today to 334 million, including 100 million over age 80. China lacks the means to care for this elderly nation.<sup>8</sup>

If China faces dire demographics, Russia is caught in the throes of demographic suicide. Demographer Nicholas Eberstadt has documented Russia's unstoppable depopulation due to a "death crisis" among working-age men and women, a trend that continued unabated

during the prosperous decade of 1998–2007. Declining fertility and the avoidance of marriage and family, primitive health care, rising cardiovascular disease mortality, an AIDS epidemic, and death from injury, violence, and alcohol abuse and poisoning portend a grave social crisis. In 2005, Russia had an estimated population of about 143 million. United Nations projections for the year 2030 range from 115 to 133 million. The Census Bureau predicts a Russian population of 124 million in 2030.<sup>9</sup> A demographic catastrophe of this magnitude would be historically unparalleled.

Mandelbaum believes the Middle East will occupy the center of geopolitics in the new century. Oil is the crux of the matter. A sustainable foreign policy, he argues, requires a steep reduction in our oil consumption, which would strengthen international security as well as our own financial solvency. Americans' demand for cheap gas represents the "single greatest failure" of U.S. foreign policy in the 21<sup>st</sup> century. The obvious solution is a stiff gas tax. Mandelbaum's case makes common sense. But he acknowledges that Energy Secretary Steven Chu, having endorsed a gas tax while a private citizen, decided once in office that it was "not politically feasible." Mandelbaum foresees dim prospects for a world with an economically constrained Uncle Sam. The world will suffer the baleful results of a United States with too little power: "One thing worse than an America that is too strong, the world will learn, is an America that is too weak."

The age of austerity has arrived. Former National Security Advisor Brent Scowcroft has also spoken of its implications for foreign policy, noting that austerity will force us to assess goals and costs more carefully and to set priorities.<sup>10</sup> A theme of the Obama administration's national security strategy has been "mutual

rights and responsibilities," or burden-sharing. Other nations, however, have experienced the same economic problems that have beset America. NATO members have not met their defense-spending commitment of 2 percent of gross domestic product annually for the last decade and will certainly make deep reductions in the future. Last spring a senior Pentagon official stated in a briefing, "Of the world's top 25 debtor nations, the number that are U.S. allies: 19."<sup>11</sup> The National Intelligence Council and European Union undertook a study of what the world would look like in 2025. The team interviewed officials in China, Japan, Brazil, South Africa, India, Russia, and the United Arab Emirates. The team found concern about the problems lying ahead, but not a will to solve them. One official connected with the study remarked, "What's interesting is how little any other nation feels responsibility."<sup>12</sup>

In a May speech at the Eisenhower Library, Secretary Gates cited President Obama's invocation of Dwight D. Eisenhower's counsel to maintain spending "balance in and among national programs."<sup>13</sup> Gates stated that the splurge of military spending cannot continue as it has, doubling in the last decade: "The gusher has been turned off, and will stay off for a good period of time."<sup>14</sup> He noted the Department of Defense's (DOD's) staggering health care costs (at \$50 billion, roughly equal to the State Department's entire foreign affairs and assistance budget), unsustainable weapons programs, and bureaucratic bloat (overhead comprising 40 percent of DOD's budget). His favorite example was how a request for a dog-handling team in Afghanistan had to obtain approval from five four-star headquarters before being dispatched. All this for a guy and his dog! The solution, Gates maintained, is not more study or legislation, but the political courage to make hard choices.

This summer Gates made a down payment on his commitment, announcing a decision to cut thousands of jobs and a major military command to streamline operations and ward off a budgetary meat-axe approach by Congress. He recommended dismantling the U.S. Joint Forces Command, employing about 2,800 military and civilian personnel and 3,300 contractors, eliminating two other Pentagon agencies, reducing intelligence advisory contracts by 10 percent, paring flag officers' ranks by 50 positions, and shrinking contractor funding 10 percent annually for 3 years. Gates's proposals aim to trim the tooth-to-tail ratio, shifting resources from overhead and bureaucracy to troops and weapons.<sup>15</sup>

As Gates announced Pentagon spending cuts, the State Department found itself \$400 million short for its mission, beginning in September, to take over Iraqi police training from coalition military forces. State also plans to replace its current 16 Provincial Reconstruction Teams across the country with five consular offices outside Baghdad. To provide security for civilians now guarded by the U.S. military, State proposes to hire its own army of 2,700 security contractors and reinforce facilities for diplomats and police trainers beyond specifications now considered safe for military personnel. To transport civilians around Iraq, including medical evacuation if necessary, State has asked DOD to leave behind two dozen UH-60 helicopters and 50 bomb-resistant vehicles, heavy cargo trucks, fuel trailers, and high-tech surveillance systems, all to be maintained and operated by as-yet-unfunded contractors.

Congress has not given a warm reception to State's request for additional funding. "They need a dose of fiscal reality," said one senior Senate aide involved in the negotiations.<sup>16</sup> "If they miscalculated by hundreds of millions of dollars, they need to tell us where they

propose to find the money. . . . It's not going to come from [funds allotted to] Afghanistan or Haiti." Deputy Secretary of State Jacob Lew, now Obama's nominee to head the Office of Management and Budget, told Congress the department will not deploy civilians where it cannot protect them. He warned that if more money was not appropriated for State's operations budget, it would have to be taken out of development assistance programs for Iraq and elsewhere. "So now you have security, but no programs," said a senior House staffer. "That's what drives us nuts about them. They screwed this one up, and we have to fix it."<sup>17</sup>

The days of a spendthrift superpower may be over, but the United States will not become quite an ordinary power either. Uncle Sam cannot be an all-purpose 911 number. Being a quixotic doer of all manner of good works—armed humanitarian interventions, feckless state-building where no state exists, the fool's errand of "democratic transformation"—would forever entangle the United States in other states' domestic affairs and prevent a match between financial resources and national goals. America must shed the hubris of "the indispensable nation." A realistic acceptance of limits, a focus on vital interests, and acting in concert with other nations when our mutual interests coincide<sup>18</sup> are essential steps toward reshaping a viable American foreign policy. **PRISM**

## Notes

<sup>1</sup> Andrew J. Bacevich, *The Limits of Power: The End of American Exceptionalism* (New York: Metropolitan Books, 2008).

<sup>2</sup> Josef Joffe astutely appraises the accomplishments of America's enlightened self-interest in "The Default Power: The False Prophecy of America's Decline," *Foreign Affairs* (September–October 2009), 21–35.

<sup>3</sup> Jack F. Matlock, Jr., *Superpower Illusions: How Myths and False Ideologies Led America Astray—and How to Return to Reality* (New Haven and London: Yale University Press, 2010), 62.

<sup>4</sup> *Ibid.*, 319.

<sup>5</sup> Secretary of Defense Robert M. Gates, remarks at the NATO Strategic Concept Seminar, National Defense University, Washington, DC, February 23, 2010.

<sup>6</sup> Robert H. Reid, “Netherlands Becomes First NATO Country to End Its Combat Mission in Afghanistan,” *The Washington Post*, August 2, 2010, A8.

<sup>7</sup> In contrast, Robert Kagan sees the return of traditional power politics in *The Return of History and the End of Dreams* (New York: Alfred A. Knopf, 2008).

<sup>8</sup> John Pomfret, “A Long Wait at the Gate to Greatness,” *The Washington Post*, July 27, 2008; and Minxin Pei, “Looming Stagnation,” *The National Interest* (March–April 2009), 13–19.

<sup>9</sup> Nicholas Eberstadt, “Drunken Nation: Russia’s Depopulation Bomb,” *World Affairs* (Spring 2009), 51–62.

<sup>10</sup> “Foreign Policy in an Age of Austerity: A Conversation with Brent Scowcroft,” *The American Interest* (January–February 2010), 32–39.

<sup>11</sup> Quoted in David Ignatius, “How Debt Imperils National Security,” *The Washington Post*, May 23, 2010, A17.

<sup>12</sup> *Ibid.*

<sup>13</sup> Secretary of Defense Robert M. Gates, remarks at the Eisenhower Library, Abilene, Kansas, May 8, 2010.

<sup>14</sup> *Ibid.*

<sup>15</sup> Craig Whitlock, “Pentagon to Cut Thousands of Jobs, Defense Secretary Says,” *The Washington Post*, August 10, 2010, A1.

<sup>16</sup> Quoted in Karen DeYoung and Ernesto Londono, “State Department Faces Skyrocketing Costs as It Prepares to Expand Role in Iraq,” *The Washington Post*, August 11, 2010, A1.

<sup>17</sup> *Ibid.*

<sup>18</sup> Fear can be a useful spur to realism and cooperation. A concert of mutual interest is forming in Asia, where Southeast Asian nations, led by Vietnam, are augmenting their military power and want a robust U.S. presence in East Asia to counter China’s aggressiveness. See John Pomfret, “Concerned About China’s Rise, Southeast Asian Nations Build Up Militaries,” *The Washington Post*, August 9, 2010, A8.