



CONGRESSIONAL  
PROGRAM  
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# U.S. Leadership in a World in Conflict

Cartagena, Colombia  
February 21-25, 2023





# **U.S. Leadership in a World in Conflict**

February 21-25, 2023 | Cartagena, Colombia

# TABLE OF CONTENTS

<b>TABLE OF CONTENTS.....</b>	<b>2</b>
<b>AGENDA.....</b>	<b>3</b>
<b>CONFERENCE PARTICIPANTS.....</b>	<b>10</b>
<b>RAPPORTEUR’S SUMMARY.....</b>	<b>13</b>
<b>SCHOLARS’ ESSAYS.....</b>	<b>26</b>
<i>Midterm Review: Over-Reliance and Under-Funding of the Military.....</i>	<i>26</i>
By Kori Schake	
<i>U.S. Leadership in the Western Hemisphere.....</i>	<i>30</i>
By Cynthia Arnson	
<i>Russia’s Challenge to the U.S. Leadership in Latin America.....</i>	<i>38</i>
By Vladimir Rouvisnki	
<i>Ukraine and the Return of Multipolarity.....</i>	<i>45</i>
By Emma Ashford	
<i>U.S. Leadership in a World in Conflict: Europe and Eurasia.....</i>	<i>51</i>
By Michael Kimmage	
<i>Allied Response to a More Dangerous Asia.....</i>	<i>57</i>
By Jennifer Lind	
<i>Keeping China in Check.....</i>	<i>64</i>
By Robert Daly	
<i>What the U.S. Gets Wrong about Iran.....</i>	<i>75</i>
By Karim Sadjadpour	
<i>Not Turning Away: U.S. Leadership Africa and the Middle East.....</i>	<i>81</i>
By Gayle Smith	
<i>Enhancing Leverage and Deterrence Over China: A Comprehensive Chips Strategy.....</i>	<i>89</i>
By Dmitri Alperovitch	
<i>U.S. Leadership in Cyberspace: Managing Risk Across an Unthinkably Complex Digital Ecosystem.....</i>	<i>94</i>
By Christopher Krebs	
<b>POLICY ACTION MEMORANDUM FOR MEMBERS OF CONGRESS.....</b>	<b>101</b>

# AGENDA

## **TUESDAY, FEBRUARY 21:**

U.S. participants travel to Cartagena and arrive late afternoon

### **7-9 PM: Working Dinner**

Seating is arranged to expose participants to a diverse range of views and provide the opportunity for a meaningful exchange of ideas. Scholars and lawmakers are rotated daily. Discussion will focus on the war in Ukraine and steps necessary to prevent the next pandemic.

## **WEDNESDAY, FEBRUARY 22:**

### **7-8:55 AM: Breakfast**

### **9-9:15 AM: Introduction and Framework of the Conference**

This conference is organized into roundtable conversations, a luncheon and pre-dinner remarks. This segment will highlight how the conference will be conducted, how those with questions will be recognized, and how responses will be timed to allow for as much engagement as possible.

### **Speaker:**

**Charlie Dent**, *Executive Director and Vice President,*  
*Aspen Institute Congressional Program*

### **9-11 AM: Roundtable Discussion**

#### ***Defining U.S. Global Leadership***

President Biden has defined U.S. leadership in terms of strengthening and defending democracy globally versus authoritarian regimes. This democracy-centered approach to U.S. global leadership has dovetailed with a growing focus on the internal health of American democracy, which has in turn led to criticism from both ends of the political spectrum. Washington's rallying cry for democracies to confront challenges from authoritarian regimes, such as Russia and China, has helped strengthen many traditional alliances, but it has also alienated some important partners that are seen to fall short on democracy.

While advocates maintain that U.S. prosperity and security depend on continuing global leadership, critics argue that the costs of pax Americana are unsustainable.

- How has the need and the opportunity for U.S. global leadership evolved since the end of the Cold War?
- Is it useful to think of geopolitics in terms of a global contest between democracy and autocracy? Where does that leave states that may be aligned with the U.S. on security or economic interests, but fall short on democratic values?
- How does the advent of renewed great power competition, especially with China and Russia, impact U.S. global leadership?
- What internal factors, political, social, economic, technological, etc. limit or enhance U.S. capacity for leadership on the world stage?

### **Speakers:**

**Daryl Press**, *Professor of Government and the Director of the Dartmouth Initiative on Global Security, Dartmouth College*

**Kori Schake**, *Senior Fellow and the Director of Foreign and Defense Policy Studies, the American Enterprise Institute (AEI)*

### **11-11:15 AM: Break**

### **11:15 AM – 1 PM: Roundtable Discussion**

#### ***America's Backyard?: U.S. Leadership in the Western Hemisphere***

At the turn of the last century, American engineers completed the Panama Canal, connecting the Atlantic and Pacific Oceans and helping launch what came to be called the American Century. A project that took far longer and cost more in lives and fortune than any of its architects, the Canal was an American venture steeped in Monroe Doctrine hubris and Roosevelt's "big stick" diplomacy. Indeed, the Republic of Panama broke away from Colombia in 1903 with Washington's substantial support and swift recognition. While this history is hardly forgotten in South and Central America, the U.S. is still a welcome partner for trade, development, and security throughout the region. Yet extreme inequality, climate change, and migration, among other challenges, are stressing the region's relations with its northern neighbor, while China, Russia and other outside powers have extended their reach.

- What are the principal challenges for U.S. leadership in the Western hemisphere?
- Have geopolitical tensions, including with great power rivals like China and Russia, displaced trade, migration and counter-trafficking as Washington's principal focus in Latin America?
- How welcome is a strong U.S. role in shaping developments in the region, and what role can be played by U.S. partners and allies?
- Are institutions for security, political and economic cooperation in the Western hemisphere, e.g. North American Free Trade Agreement (NAFTA), Organization

of American States (OAS), Caribbean Community (CARICOM), etc. well suited to the challenges of today?

### **Speakers:**

**Vladimir Rouvinski**, *Associate Professor, Department of Political Science; Director, PoInt, University Icesi (Colombia)*

**Cynthia Arnson**, *Distinguished Fellow and Former Director of the Latin American Program, the Woodrow Wilson International Center for Scholars.*

### **1-2 PM: Working Lunch**

Discussion continues between members of Congress and scholars on U.S. leadership in the Western hemisphere.

### **3 PM: Depart for the Port of Cartagena**

### **3:30-6:15 PM: Educational Site Visit – Port of Cartagena**

The Port of Cartagena is a great success story of cooperation between Colombia and the United States. Many U.S. government agencies work in collaboration with this port which serves as a primary artery into Colombia and South America as a whole. The Port of Colombia has had many recent seizures of narcotics that were intended for distribution in the U.S. and Europe. This port is Colombia's main oil port and a major export point for coffee and platinum. It is also a center for the manufacture of tobacco products, sugar, textiles, cosmetics, fertilizer, and leather products. Tourism is a growing sector of the local economy.

### **7-9 PM: Working Dinner**

Seating is arranged to expose participants to a diverse range of views and provide the opportunity for a meaningful exchange of ideas. Scholars and lawmakers are rotated daily. Discussions will focus on U.S. leadership in the Western Hemisphere.

## **THURSDAY, FEBRUARY 23:**

### **7-8:55 AM: Breakfast**

### **9 -11:45 AM: Roundtable Discussion:**

#### ***The “World Island”: U.S. Leadership in Europe and Eurasia***

In 1904, British geographer Halford Mackinder famously claimed that control over Eastern Europe was the key to dominating the “world island” of Europe and Asia. A full year into Vladimir Putin’s expanded invasion of Ukraine, the consequences of a renewed large-scale land war in the Eurasian heartland are still being felt worldwide.

Moscow has not abandoned its goal of blocking NATO and EU enlargement by force, and while U.S. leadership has helped forge a coalition to support Ukraine and punish Russia, many important players remain ambivalent.

- How has Putin's expanded invasion of Ukraine, launched one year ago this week, changed the landscape for U.S. leadership in Europe and Eurasia? Are these changes likely to be enduring?
- Has the Washington-led international response to the war in Ukraine galvanized a Eurasian "axis" of Russia, China, Iran and other anti-Western powers?
- What is the right balance between U.S. and European leadership in the region?
- Where does Turkey fit into an increasingly divided and contested European and Eurasian space? Has Ankara damaged its position as a key U.S. ally in pursuit of its own agenda with Moscow?

### **Speakers:**

**Emma Ashford**, *Senior Fellow, Reimagining US Grand Strategy Program, Stimson Center*

**Michael Kimmage**, *Professor of History, Catholic University of America*

### **Noon-1:30 PM: Working Lunch**

Discussion continues between members of Congress and scholars on U.S. leadership in the Indo-Pacific.

### **1:45 -4:30 PM: Meeting with Colombian President Gustavo Petro**

Colombian President Gustavo Petro delivers opening remarks on the significance of U.S.-Colombian partnership followed by a question-and-answer session with members of Congress.

### **7-9 PM: Working Dinner**

Seating is arranged to expose participants to a diverse range of views and provide the opportunity for a meaningful exchange of ideas. Scholars and lawmakers are rotated daily. Discussions will focus on U.S. leadership in Europe and Eurasia.

## **FRIDAY, FEBRUARY 24:**

**7-8:55 AM: Breakfast**

### **9-11 AM: Roundtable Discussion:**

***Interconnected and Contested: U.S. Leadership in the Indo-Pacific***

Over the past two decades, the U.S.-China relationship premised on embracing

interdependence and shared investment in a rules-based international order has pivoted towards more overt competition and even confrontation. Beijing has sustained growing investment in its military power projection capabilities, as well as its economic and diplomatic leverage throughout the region and beyond. Repeated attempts by Washington to commit greater attention and resources to East Asia, meanwhile, have stumbled over the flare-up of crises in Europe and the Greater Middle East. U.S. leadership depends on regional partners and allies, yet Washington has missed opportunities to deepen partnerships even with like-minded states, while keeping other potential partners at arms' length over their records on human rights and democracy.

- Recent U.S. administrations have emphasized the importance of the Indo-Pacific to U.S. national security and economic interests: have efforts to shift U.S. focus and resources to this region been successful?
- Are we headed for a new Cold War with China?
- What do U.S. regional allies and partners want from Washington, and what can they contribute to greater security and prosperity for the region?

### **Speakers:**

**Jennifer Lind**, *Associate Professor of Government, Dartmouth College*

**Robert Daly**, *Director, Kissinger Institute of China and the United States, Woodrow Wilson Center for International Scholars*

### **11-11:15 AM: Break**

### **11:15 AM-1 PM: Roundtable Discussion:**

#### ***Not Turning Away: U.S. Leadership in the Middle East and Africa***

Two decades after 9/11, U.S. leadership in Africa and the greater Middle East remains principally focused on security. Together, the states of this region constitute close to half the membership of the United Nations, making mutually beneficial diplomatic and trade engagement with them essential for the future of global governance. Yet despite considerable natural resource wealth and youthful populations, the region has lagged behind on most development indicators. With notable exceptions like PEPFAR and the 2014 Ebola response, the overwhelming majority of U.S. investment in the region has been aimed at either energy extraction or security and counter-terrorism assistance, including direct U.S. military engagements in Somalia, Iraq, Afghanistan, Syria, and Libya.

- How has U.S. power and influence in the greater Middle East changed in the two decades that have passed since the U.S. invasion of Iraq?

- In the wake of the U.S.-brokered Abraham Accords, what are the prospects for increased coordination and cooperation among U.S. allies Israel and the Gulf States against an Iranian-led axis of terrorist and insurgent groups?
- What are the key challenges and opportunities for U.S. engagement with the states of the African continent? Which other outside powers are actively engaged in Africa?
- Which regional states are positioned to become leaders within Africa, and how can the U.S. partner more effectively with these states to advance its interests?

### **Speakers:**

**Karim Sadjadpour**, *Senior Fellow, Carnegie Endowment for International Peace*

**Gayle Smith**, *CEO, The ONE Campaign*

### **6-7 PM: Pre-Dinner Remarks:**

#### ***US Economic Power and Global Leadership***

**Speaker: Bob Zoellick**, *Senior Counselor, Brunswick Group; Former President, World Bank (2007-12)*

### **7-9 PM: Working Dinner**

Seating is arranged to expose participants to a diverse range of views and provide the opportunity for a meaningful exchange of ideas. Scholars and lawmakers are rotated daily. Discussion will focus on U.S. leadership in the Indo-Pacific.

## **SATURDAY, FEBRUARY 25:**

### **6:30- 7:55 AM: Breakfast**

### **8-10 AM: Roundtable Discussion:**

#### ***The Unbounded Domain: U.S. Leadership in Cyberspace***

The interconnected system of global trade and finance on which U.S. prosperity depends is in turn dependent on cutting edge information technology. The frontiers of space-based communications and the so-called metaverse promise to accelerate this interdependence. Yet the more our modern economic, social and even political lives rest on cyber infrastructure, the more potentially vulnerable they may be to cyber attacks aimed at changing the balance of power and influence in the real world. Chinese-backed cyber industrial espionage, Russia's electoral interference campaigns throughout the democratic West, and relentless assaults by state-sponsored and

freelance hackers present a growing challenge for U.S. global leadership in a vital domain that defies traditional international boundaries.

- How should U.S. policymakers think about leadership in the cyber domain?
- To what degree are rivalries among traditional major powers replicated in cyberspace? Where might there be overlapping interests among otherwise rival powers?
- Are current U.S. cyber capabilities adequate to challenges driven by rapid technological change?
- What is the role of non-state actors, including criminals and the private sector, in enabling or opposing U.S. leadership in cyberspace?

**Speakers:**

**Dmitri Alperovitch**, *Co-Founder and Executive Chairman, Siverado Policy Accelerator*

**Christopher Krebs**, *U.S. Cybersecurity Group Co-chair, Senior Newmark Fellow in Cybersecurity, The Aspen Institute*

**10-11:15 AM: Roundtable Discussion:**

Key Conference Takeaways with Rapporteur Matthew Rojansky

***Policy Reflections (Members of Congress only)***

This time is set aside for Members of Congress to reflect on what they have learned during the conference and discuss their views on implications for U.S. policy.

**11:40 AM: Participants depart the hotel for the airport to return to the U.S.**

## CONFERENCE PARTICIPANTS

### MEMBERS OF CONGRESS AND THEIR SPOUSES:

**Rep. Jim Baird**  
and Danise Baird

**Rep. Earl Blumenauer**  
and Margaret Kirkpatrick

**Rep. Lou Correa**

**Rep. John Curtis**  
and Sue Curtis

**Rep. Jim Himes**  
and Mary Himes

**Rep. Dave Joyce**  
and Kelly Joyce

**Rep. Robin Kelly**  
and Nathaniel Horn

**Rep. Darin LaHood**  
and Kristen LaHood

**Rep. Doug Lamborn**  
and Jeanie Lamborn

**Rep. Rick Larsen**  
and Tiia Karlén

**Rep. Dan Newhouse**  
and Joan Galvin

**Rep. Donald Norcross**  
and Andrea Doran

**Rep. Linda Sánchez**

**Rep. John Sarbanes**  
and Dina Sarbanes

**Rep. Jan Schakowsky**  
and Robert Creamer

**Rep. Pete Sessions**  
and Karen Sessions

**Rep. Beth Van Duyne**

## SCHOLARS:

<b>Dmitri Alperovitch</b>	<i>Co-Founder and Executive Chairman, Silverado Policy Accelerator</i>
<b>Cynthia Arnson</b>	<i>Distinguished Fellow and Former Director of the Latin American Program, the Woodrow Wilson International Center for Scholars</i>
<b>Emma Ashford</b>	<i>Senior Fellow, Reimagining US Grand Strategy Program, Stimson Center</i>
<b>Robert Daly</b>	<i>Director, Kissinger Institute of China and the United States, Woodrow Wilson Center for International Scholars</i>
<b>Michael Kimmage</b>	<i>Professor of History, Catholic University of America</i>
<b>Christopher Krebs</b>	<i>U.S. Cybersecurity Group Co-chair, Senior Newmark Fellow in Cybersecurity, The Aspen Institute</i>
<b>Jennifer Lind</b>	<i>Associate Professor of Government at Dartmouth College</i>
<b>Daryl Press</b>	<i>Professor of Government and the Director of the Dartmouth Initiative on Global Security, Dartmouth College</i>
<b>Vladimir Rouvinski</b>	<i>Associate Professor, Department of Political Science; Director, PoInt, University Icesi (Colombia)</i>
<b>Karim Sadjadpour</b>	<i>Senior Fellow, Carnegie Endowment for International Peace</i>
<b>Kori Schake</b>	<i>Senior Fellow and the Director of Foreign and Defense Policy Studies, the American Enterprise Institute (AEI)</i>

**Gayle Smith** *CEO, The ONE Campaign*

**Bob Zoellick** *Senior Counselor, Brunswick Group; Former President, World Bank (2007-12)*

**RAPPORTEUR:**

**Matthew Rojansky** *President and CEO, The U.S.-Russia Foundation*

**FOUNDATION REPRESENTATIVES:**

**Deana Arsenian** *Vice President, International Program, and Program Director, Russia and Eurasia, Carnegie Corporation of New York*

**William Moore** *CEO, Eleanor Crook Foundation*

**ASPEN INSTITUTE CONGRESSIONAL PROGRAM:**

**Charlie Dent** *Executive Director and Vice President*  
and **Pamela Dent**

**Tyler Denton** *Deputy Director*

**Carrie Rowell** *Conference Director*

**Jennifer Harthan** *Senior Associate, Congressional Engagement*

**Ketevan Chinchradze** *Nathanson Fellow; MA Candidate in International Security, the Korbel School, University of Denver*

**ASPEN INSTITUTE - COLOMBIA**

**Pablo Navas** *Executive Director, The Aspen Institute Initiative for Colombia*

# RAPPORTEUR'S SUMMARY

**Matthew Rojansky**

*President and CEO, The U.S. Russia Foundation*

## **Introduction**

Members of Congress met from February 21 to 25, 2023 in Cartagena, Colombia for briefings, debates, decision-making exercises and site visits centered on the core question of defining U.S. global leadership. More than a dozen scholars from around the United States and internationally gathered to brief and engage with the members on a range of regional, global and cross-cutting issues linked to this question, including how U.S. power and leadership is seen in each major world region, the costs and consequences of exercising hard and soft power globally—and of not doing so—as well as the impact on U.S. policy choices of a global economy in flux, and of rapidly advancing information technologies.

As members were reminded in meetings with local officials, in visits to key economic and cultural sites, and in dialogue with local experts, the city of Cartagena and Colombia as a whole were highly symbolic and appropriate settings for a discussion on American leadership abroad. Indeed, Colombia played an important role in the emergence of the United States as a world power. At the turn of the last century, American engineers completed the Panama Canal, connecting the Atlantic and Pacific Oceans and helping launch what came to be called “the American Century.” A project that took far longer and cost more in lives and fortune than any of its architects predicted, the canal was an American venture steeped in Monroe Doctrine hubris and Roosevelt’s “big stick” diplomacy. The Republic of Panama broke away from Colombia in 1903 with Washington’s substantial support and swift recognition.

While this history is hardly forgotten in South and Central America, the U.S. is still a welcome partner for trade, development, and security in Colombia and throughout the region. From cooperation in countering drug trafficking to trans-shipment of every conceivable kind of agricultural, raw material and manufactured product from around the world, Colombia is a pivotal player in advancing U.S. interests in the wider region. At the same time, extreme inequality, climate change, and migration, among other challenges, are stressing U.S. relations with Colombia and Latin America generally, while China, Russia and other outside powers have extended their reach.

## **Defining U.S. Global Leadership**

The conversation opened with scholars highlighting the two principal conflicts occupying U.S. policymakers' attention in 2023. While officials have defined China as the “pacing threat” for U.S. national security and there is a rising expectation of future conflict with China from many quarters in Washington, it is Russia's challenge in Ukraine that has occupied much policy bandwidth over the year since Putin's brazen invasion in February 2022. Scholars cautioned members to take a higher elevation view, asking what motivates the United States to go “out into the world,” and to see that engagement as driven by an interplay between U.S. values and interests.

At the same time, scholars noted that the United States has been involved in wars or other acute conflicts for nearly all of the past half century, even for most of the three “peaceful decades” following the end of the Cold War. While there have been strong arguments for U.S. involvement in each conflict, from the First Gulf War, to Bosnia and Kosovo, to Iraq and Afghanistan, and now Ukraine, our resources are not unlimited. Scholars cautioned that even if the U.S. succeeds in helping Ukraine defend its sovereignty against Russian aggression, history suggests that Americans will find themselves involved in yet another conflict soon after.

Some members noted that the U.S. has a far from sterling record in leading with its values, having often stood with dictators and undemocratic regimes in the interest of access to resources, balancing versus great power rivals, or regional stability. Scholars cautioned that one reason this distinction matters is that authoritarian regimes tend to be brittle and less willing, or less able, to honor their international commitments. Free societies, by contrast—those forced to take the will of their people into account—more often make and fulfill enduring commitments. Yet scholars also warned that defining the world too much in terms of authoritarianism versus democracy risks making it too easy for U.S. adversaries to bandwagon together in opposition to the United States—Russia and China appear to offer a compelling example of that outcome today. Indeed, there was wide agreement that even among friendly allied democracies, most U.S. partners are less interested in a U.S.-led “crusade for democracy,” than in economic advancement, and greater strategic autonomy.

Members and scholars debated the costs of U.S. global leadership, particularly in terms of our involvement in conflicts around the world. Some argued that U.S. defense spending was too low relative to the challenges we face, while others cautioned that simply spending more would not make us more safe. Or, as one member put it, “the only thing worse than underfunding our defense would be overfunding it.” Some members reminded the group that with a fifth of American children going to bed hungry, with neighborhoods suffering from drugs, crime, and failing infrastructure, it was simply

unrealistic to expect Americans to continue backing expensive international commitments. Latin America in particular, said one member, is “screaming for trade and prosperity,” and U.S. investments in this direction could generate far more “soft power” returns than any amount of military force in the region. Still, some scholars and members countered, the greatest value in having a “bristling strong military,” would be never having to use it.

Members and scholars alike expressed concerns about the rising perception from many quarters that conflict with China over Taiwan is coming. Congressional leaders, in particular, have been actively engaging on the issue through speeches, visits and other signals indicating that the United States may be changing its decades-old approach to maintaining a delicate status quo between China and Taiwan. Each of these steps, scholars cautioned, was likely to elicit a Chinese response, and the overall trajectory would be escalatory. Members also expressed concern that nuclear strategic stability could become more difficult to maintain, given the increasing pressures of a U.S.-Russian proxy conflict in Ukraine, and tensions with China over Taiwan.

Scholars sought to address the problem that an ambitious U.S. foreign policy often puts Washington at the forefront of any crisis that arises anywhere in the world. Being drawn into conflicts and crises worldwide, in turn, makes it difficult to prioritize and to devote adequate resources to the problems that may matter most. At the same time, signaling to potential adversaries around the world that the United States will become involved anywhere and anytime that U.S. security, prosperity or values are challenged, means that Washington itself may be seen as a destabilizing and threatening force. China and Russia, in particular, have made considerable propaganda hay from what they consider an outsized U.S. presence around the world, and a hubris-driven American tendency to seek to control the narrative on every issue.

Rather than be swept from crisis to crisis, scholars advised, the United States should identify regions and issues where others can lead, and cultivate that leadership. Europe appeared to be the best opportunity, given the wealth, advanced development, and political stability of our European allies. And yet, scholars acknowledged, amid the current crisis, the U.S. was more actively involved in European security than any time since the Cold War. Both members and scholars supported a “good neighbor” test for U.S. allies, asking not only whether we share core interests and values, but whether the allies themselves are putting in significant efforts to manage their own security problems. Seeing more leadership and more burden-sharing from our most capable allies, in turn, might help Americans approach global challenges with greater humility, an important component of soft power that is too often lacking.

## **America's Backyard?: U.S. Leadership in the Western Hemisphere**

Meeting in Colombia, members and scholars keenly felt the importance of U.S. engagement with the region closest to home, the Western Hemisphere. Scholars began by cautioning that, for years, Washington's image in Latin America has been in decline, in part because of the chronic under-resourcing of ambitious goals and the disappointments resulting from partisan gridlock in Washington. One glaring example was that although the U.S. hosted a summit of the Americas in 2022, the U.S. Senate has failed to confirm ambassadors to multiple states in the region, despite being more than halfway through the current presidential term. This under-resourcing and absenteeism denies the United States the full voice it might otherwise have in the region, and forces Washington to rely more heavily on punitive measures, like sanctions, to advance its interests.

As several members noted, Latin American leaders are not shy about reminding Congress that, "you don't pay attention to those who are closest to you." An example is the Venezuelan refugee crisis, where 7 million people have been displaced throughout the Western hemisphere, causing problems whose ripple effects are regularly felt in the United States. Yet the UN estimates that only 20% of the funding needs for responding to this refugee crisis have been met. Likewise, scholars argued, although the U.S. devotes billions of dollars in anti-drug training resources to Latin America each year, all but five states in the region cannot receive U.S. Development Finance Corporation Assistance, because they are considered to be "too developed." Despite their friendly allied relations with the United States, countries like Ecuador and Uruguay have found their efforts to secure free trade agreements blocked by protectionist sentiments in Washington.

The result, scholars explained, is that citizens in Latin America are dissatisfied, and looking elsewhere for economic opportunity. Half the region's citizens, one scholar warned, would give up free elections in exchange for basic income and public services. China has been happy to step in, lending more to Latin American states in recent years than the U.S. and all international financial institutions (IFIs) combined. While the U.S. and IFIs do lend in the region, their terms for infrastructure lending are often far more onerous and slow moving than those offered by China. Russia, too, has identified Latin America as an opportunity for advancing its influence and reach directly into America's "near abroad," even though few citizens in the region look to Russia as a positive development model.

Both scholars and members agreed that the United States needs to step up with more creative approaches to investment, particularly in education, technology and in lowering barriers such as perceived political risk to investing in Latin America. The United States

remains far more popular throughout the region than Russia or China. However, Washington must distinguish itself by matching high expectations and ambitious promises with increased resources and streamlined processes for getting those resources to the people who need them.

### **The “World Island”: U.S. Leadership in Europe and Eurasia**

Scholars opened the conversation on Europe and Eurasia by describing the current conflict between Russia and the West, triggered by Putin’s invasion of Ukraine, in broad historical terms. As one scholar put it, Europe and Russia have been at war over their mutual boundary for the past 300 years, and it has created an unstable crisis zone. The current war, several scholars and members agreed, was not likely to end in a clear victory, like World War II. Whatever happens, the U.S. will likely have to continue to make difficult choices about its European security priorities in the years ahead.

Reminded that the United States cannot solve every problem everywhere, members and scholars debated how much of the burden of the current war, post-war reconstruction, and the future of European security ought to be borne by Europeans themselves. And as one member noted, even Russia is not static, perhaps a future version of Russia might play a more productive role in European security, reducing the costs of U.S. involvement. For the immediate future, though, Washington will continue to have to urgently manage the spiraling costs of the war in Ukraine, including what may happen as Ukraine successfully regains its territory, potentially triggering desperate escalation from Moscow.

Members questioned what the thinking in Moscow actually was, whether Putin alone was in control, whether he would cross the nuclear threshold, and whether he really had the broad popular support for the war that he has trumpeted. As one scholar explained, Putin’s behavior towards Ukraine is like that of a gangster—perhaps a throwback to Putin’s experience as a fixer in St. Petersburg city government in the wild 1990’s—and his reaction reflects a “provocative mix of strength and weakness” in Russia’s relations with the West. Others noted that Putin has changed over the past two decades, from the first leader to call Washington and offer help after the 9/11 attacks, to a leader dead-set on continuing the war, believing he “has no choice,” as he reportedly told U.S. CIA Director and former Ambassador to Moscow Bill Burns in the weeks prior to his 2022 attack on Ukraine.

Scholars cautioned that among the important lessons in the run-up to the Ukraine conflict over the past two decades has been the failure to seriously pursue a sustainable “middle ground” for Ukraine. Instead, one scholar suggested, the United States has

continually encouraged Ukraine to pursue policies that would bring it into conflict with Russia, but has refused to commit to Ukraine's defense. Some pushed back, arguing that U.S. officials have simply responded to the reality of Russian aggression, and have now fully backed Ukraine in defending itself. Many participants noted the potential implications of the current war in Ukraine for a future conflict over Taiwan. While some argued that Ukraine's spirited defense against the much larger Russian military was likely to deter China from taking action against Taiwan, others suggested that China does not see itself in Russia, and so even a total defeat of Moscow in Ukraine would be unlikely to deter Beijing.

Both scholars and members cited the "moral hazard" of U.S. defense investments in Europe. As one scholar put it, if the wealthiest and most capable of U.S. allies in Europe cannot step up to defend themselves without the U.S. playing the leading role, doesn't that leave the U.S. stuck, potentially having to defend everything, everywhere, all the time? As one member asked, what leverage does the United States really have to get Europe to step up more if, at the end of the day, Washington is not willing to threaten a strategic "divorce" from its transatlantic allies?

In fact, scholars and members noted, Europe may be in a good position to step up to the challenge in Ukraine, in part because of the economic dimension of the conflict and post-conflict. Just to survive, Ukraine needs some \$3-5 billion monthly, and some suggested tapping the roughly \$300 billion in Russian state reserves held in U.S. and European banks to pay that bill. U.S. energy investments in Europe could also help weaken Putin, and relieve financial burdens on European allies so they can shift additional resources to help Ukraine. In the post-war period, Europe can play a central role supporting Ukrainian reconstruction, anti-corruption, and building a thriving peacetime democracy.

Scholars and members ended with some difficult truths about the current situation. As members noted, their constituents are facing issues of hunger, homelessness, drugs, migration, and many other challenges at home, so sustaining support for a far-off war on a continent that should be able to sustain its own security costs may become increasingly difficult. At the same time, one scholar cautioned, if the United States and Europe did not step up to support Ukraine's reconstruction and development, China might be very happy to do so.

## **Interconnected and Contested: U.S. Leadership in the Indo-Pacific**

The conversation opened with a stark warning about the deteriorating state of security in East Asia. North Korea, which tested nuclear weapons nearly two decades ago, is now

moving toward an intercontinental ballistic missile capability that will enable it to directly target U.S. cities with large-yield thermonuclear warheads. That reality means that in case of conflict on the Korean peninsula, a U.S. president might face the nightmare decision of whether to risk the destruction of San Francisco or Seattle in order to defend Seoul.

Scholars noted that rising Chinese power did not necessarily signal an existential threat to the United States—China has no intention of destroying or occupying the United States. Indeed, even vaunted Chinese soft power should be seen in context. While the multi-trillion dollar Belt and Road initiative has increased China’s leverage on nearly every continent, few people around the world are eager to follow China’s model of political economy—there is little appeal to living under an authoritarian regime that uses pervasive surveillance and coercion to control its citizens. Scholars and members both noted that China’s current model might not be sustainable, as Chinese citizens themselves may push back against efforts by the state to control their lives, as was the case in Hong Kong in 2014 and in many Chinese cities in 2022. Yet if the United States adopts a “blockade” mentality toward denying Chinese access to technology and the global market, this will surely only strengthen support for the Communist party rulers’ confrontational position.

The hottest topic, though, was China’s growing military power, and the prospect of a U.S.-China confrontation over Taiwan, a scenario which members and scholars considered in detail. Scholars explained that China’s military power, particularly its advanced hyper-sonic missiles and vast navy, has reached a point where it is no longer clear that U.S. forces can move freely throughout the Pacific region. This, together with a more hawkish Chinese posture, and increasingly zero-sum relations between Washington and Beijing, were the backdrop to an assessment of the Taiwan issue as a potential flashpoint.

Members and scholars debated whether Taiwan was undertaking adequate efforts to defend itself, given the scale of the Chinese threat. Taiwan’s spending only 2.4% of GDP on defense, some argued, means the answer is no. Others asked whether the people and the leadership of Taiwan were prepared for conflict, and compared the situation to Ukraine on the eve of war. One scholar noted that, although most Taiwanese wanted to maintain the status quo and avoid conflict, if there was an invasion, strong wartime leadership and a strong will to fight were likely to emerge. Members reiterated their concerns that although U.S. leaders were right to stand up for Taiwan in their statements and visits, the norms that have prevented conflict for decades were quickly eroding.

Members also expressed deep concern about the costs of a potential U.S.-China conflict, which scholars suggested would be likely to amount to tens of thousands of U.S. military casualties within the first week of fighting, and countless more deaths if the U.S. attacked targets on the Chinese mainland, and China responded with strikes on the U.S. West Coast. The economic impact, they explained, could easily amount to \$1 trillion due to the loss of Taiwanese semiconductor manufacturing alone, while the cumulative effect of severing U.S.-China trade ties could amount to 10-15% of U.S. GDP, and up to a quarter of China's GDP.

With so much at stake, scholars cautioned, it is essential for both sides to pursue diplomacy. Several participants recalled that even at the height of the Cold War, the U.S. and the Soviet Union managed to cooperate on issues like space and scientific research. One scholar suggested that while the U.S. should work to keep China "in check," its top priority should be to avoid going to war. Others countered that avoiding war was important, but the priority should be to build a strong network of regional allies and partners, and to strengthen their ability—as well as that of Chinese citizens themselves—to push back on Beijing's authoritarian and aggressive policies.

### **Not Turning Away: U.S. Leadership in the Middle East and Africa**

Scholars offered a compelling context for the discussion of U.S. leadership in Africa and the Middle East. Two decades after 9/11, Washington remains principally focused on security challenges in its approach to the region. Together, the states of this region constitute close to half the membership of the United Nations, making mutually beneficial diplomatic and trade engagement with them essential for the future of global governance. Yet despite considerable natural resource wealth and youthful populations, the region has lagged on most development indicators. With notable exceptions like PEPFAR and the 2014 Ebola response, the overwhelming majority of U.S. investment in the region has been aimed at either energy extraction or security and counter-terrorism assistance, including direct U.S. military engagements in Somalia, Iraq, Afghanistan, Syria and Libya.

On the Iranian challenge, scholars recalled Henry Kissinger's famous quip, that "Iran must decide whether it is a nation or a cause," and noted that for now, the regime in Tehran holds firm to the latter view. With Iran at 84% enriched uranium today and the 2015 Joint Comprehensive Plan of Action (JCPOA) on life support, preventing the Islamic Republic from acquiring nuclear weapons is a clear priority. Yet another priority is containing Tehran's wider regional and even global malign actions, such as its interference in Lebanon, Iraq, Syria and Yemen, and its support for Putin's war in Ukraine. Finally, Iran threatens Americans directly, both by taking U.S. citizens hostage,

and by seeking to assassinate former senior U.S. officials in retaliation for the U.S. strike that killed Iranian Revolutionary Guard General Qasem Soleimani in Iraq in 2020. One path to long term change, scholars and members noted, would be if the Iranian people, who are nowhere near as anti-American as the regime, had more meaningful access to information and the ability to challenge the regime's aggressive policies.

Turning to the wider Middle East region, scholars suggested that efforts by Saudi ruler Mohammed bin Salman to modernize his country could move the region forward, but in view of the country's extreme inequality, could also trigger a revolutionary backlash as in Iran under the Shah. Were Saudi Arabia to follow the path of the UAE and Bahrain in signing a peace agreement with Israel and normalizing diplomatic, security and economic ties, that could be a game changer, not only for the Gulf, but for the wider world. Pakistan, Indonesia and other populous Muslim countries might quickly follow suit. At the same time, Israel's own domestic political tumult and the lack of progress in Israeli-Palestinian talks has increasingly made it a bone of contention in U.S. politics.

Scholars noted that in both the Middle East and Africa, U.S. domestic politics consistently thwarted the effectiveness of U.S. leadership. One reason is the inability of U.S. leaders to think about longer term development goals. With over 60% of Africans and 50% of Middle Easterners under the age of 25, this is a population looking for solutions for the next 50 years, not platitudes about the "rules-based order" of the past half century. Washington, as members acknowledged, is stuck "managing by crisis," allowing priorities to be dictated by the latest hot spot, rather than where U.S. strategic interests might be best served. Indeed, as one scholar explained, the U.S. spends roughly 13-17 times as much on crisis response in Africa and the Middle East as it does on crisis prevention. Instead, the scholar recommended, Washington would be wise to move forward on long delayed updating of Western-dominated international institutions, since African states increasingly vote and act as a block in these bodies, and will push for change with or without U.S. support.

As a result, Africans have dissented from the U.S. narrative in world affairs. As scholars recounted, Africans have heard Washington's rhetoric, but watched its behavior, and drawn conclusions with respect to vaunted U.S. values ("If you don't have oil you have to be democratic"); perceived double standards ("We should have said Tigray is in Europe"); and on the U.S. push for a wide international coalition on Ukraine ("We can't afford to pick sides.") To turn these perceptions around, members and scholars agreed, the United States must lead by solving real problems for people living in Africa and the Middle East—"meeting them where they are," not telling them where they need to go.

As one member put it, both regions offer not only low hanging fruit, but fruit to be "picked up off the ground." The United States, scholars explained, is the partner of first

choice for the overwhelming majority of states in both regions—they turn to China mainly when Americans are absent. Moreover, Washington has some very positive models for future action. PEPFAR, the program to combat AIDS launched by Republican President George W. Bush in 2003, and sustained by subsequent administrations and bipartisan majorities in the U.S. Congress, has been a resounding success. Members asked whether we could now identify another such opportunity, such as investment in long-term agricultural development in Africa, turning the continent into a global bread basket. Such a program might attract private sector support, particularly if the U.S. government and IFIs helped defray the costs of insuring what are still perceived as risky investments.

### **U.S. Economic Power and Global Leadership**

Scholars offered a crash course in the history of U.S. economic statecraft. The first U.S. Treasury Secretary, Alexander Hamilton, described financial credit as the cornerstone of U.S. power, and spearheaded the consolidation of states' debts into the federal debt, and the collection of customs duties in order to service that debt. Indeed, the near doubling of U.S. territory with the Louisiana purchase was itself funded by federal borrowing. By the mid-twentieth century, U.S. policymakers zig-zagged from imposing extreme tariffs intended to protect vulnerable U.S. producers during the Great Depression, to pioneering the first truly global trading system in the years immediately following World War II. Scholars estimated that the gains from trade liberalization in the wake of World War II amounted to some 10% of U.S. GDP in those years.

Acknowledging members' sensitivity about the costs of free trade for workers in the U.S. economy today, scholars explained that expanding trade can also be a vehicle for building up institutions of democracy and good governance. One compelling example was that of Mexico in the wake of the 1993 North American Free Trade Agreement (NAFTA), which facilitated the end to nearly a century of one-party rule by the Institutional Revolutionary Party. That increased democratic pluralism and good governance largely remains to this day, and benefits from the preservation and modernization of NAFTA under the U.S.-Mexico-Canada Agreement.

Scholars and members considered whether a Marshall Plan for Ukraine, or any other post-conflict or developing region, might be feasible today. For scale, scholars explained that the post-World War II Marshall Plan cost \$14.2 billion in 1940s dollars, which would be around \$160 billion today, or as much as \$1.2 trillion as an equivalent percentage of U.S. GDP. While these are vast sums, scholars pointed out, other countries can now contribute via IFIs, in which the U.S. typically contributes only around 14-15% of the capital.

North America, scholars argued, is the natural U.S. political, economic and even security “base” for dealing with the wider world. By solidifying free trade and strong institutions in North America, the United States can be far more effective in engaging the wider world, including in competition with China. China, in turn, might be incentivized by effective economic statecraft to cooperate on U.S. priorities, as it did in responding to the global financial crisis, the crisis in Darfur, and Iran’s nuclear program over the past two decades. Although the Chinese leadership may view Putin as a key authoritarian ally today, Beijing may even see economic benefits from pressuring Russia to deescalate the war and prevent the spiraling of an increasingly costly disruption to the global economy.

### **The Unbounded Domain: U.S. Leadership in Cyberspace**

The good news, scholars reported, is that despite pacing threats, the U.S. leads in cyberspace. At the same time, that leadership may not last forever, and it cannot always guarantee U.S. security. “Tech is everywhere, everything is going digital,” as one scholar put it, and that is a good thing, since productivity gains far outweigh the costs from cyber attacks. Yet with more and more business processes off-loaded to software service providers, that vulnerability and the potential costs of attacks increase. U.S. consumers, members and scholars were troubled to confirm, are happy to give away their data simply in exchange for getting services and moving faster. Yet the more consumers and businesses open their data to the world, and the faster they move, the harder it may be to defend privacy and to secure property. As one member put it, “if you’re not paying for the product, then you’re the product.”

Among the most capable threat actors are the principal U.S. geopolitical adversaries, including China, Russia, North Korea, and Iran. Companies that work hand-in-glove with these governments exacerbate and expand the threat to private sector targets. Meanwhile, criminal groups in these and other countries, from the former Soviet region to West Africa to Latin America, routinely target both companies and consumers with ransomware and other forms of cyber-enabled theft. Scholars noted that a growing threat vector is from groups of very young people online who target companies, individual executives, and their families, even creating dangerous real-world consequences like falsely reporting a kidnapping that could result in heavily armed law enforcement arriving at the home of a totally innocent person.

Keeping pace with threats is increasingly difficult. Offensive cyber actors, scholars explained, tend to enjoy a “first mover” advantage, leaving cyber defenders and the government to play catch-up. Meanwhile, the rise of large language models and generative AI, such as ChatGPT, as well as the impending capabilities of quantum

computing, are likely to make all current cyber security standards obsolete. Members asked whether big technology companies could be trusted to protect consumers, and whether they should be held responsible for losses from cyber attacks. Both scholars and members agreed that technology remained an under-regulated domain, in which the U.S. government was almost always several steps behind, if not whole generations out of date.

Scholars suggested that regulatory solutions could incentivize the private sector to take responsibility, to shift perceptions of cyber security from being a “cost center” and a distraction to being a core part of a company’s value proposition. Likewise, smart regulation could set broad guardrails, as the Bill of Rights did for individual liberties, while leaving the details to be interpreted and developed by courts and subject matter experts as individual cases arise over time. In this, members and scholars agreed, the European Union’s General Data and Privacy Regulation failed by overreaching, attempting unrealistically to anticipate and regulate every potential use of information technology. At a minimum, members and scholars agreed, companies should be required to report attacks, rather than quietly paying off attackers and sweeping problems under the rug.

On one level, scholars explained, the future of technology—and with it, U.S. economic, political and even security leadership—will depend on computing power, which depends in turn on the ability to manufacture semiconductors. Having recognized this, members and scholars agreed, Congress was right to pass the 2022 CHIPS and Science Act, but scholars warned that the Act focused too much on cutting-edge advanced chips, and left open the possibility that China would corner the global supply of so-called mature or legacy chips, which constitute the backbone (some 90%) of the technology market. Like steel or aluminum in manufacturing, such “foundational” chips might not be the latest and greatest tech, but without them, modern life would grind to a halt. The good news, scholars noted, is that plants to build foundational chips cost one-tenth what advanced chip manufacturing does, and the United States should be in a position to quickly scale up its own production, as well as that of partners and allies.

## **Conclusion**

Recalling the role of U.S. gunboats in securing access to the Panama Canal over a century ago, and with an eye to Washington’s recent groundbreaking provision of advanced artillery, air defenses, and armored vehicles to Ukraine, members and scholars recognized the enduring importance of hard power for U.S. global leadership. At the same time, they worried that soft power was too often limited by politics, and was chronically under-resourced—some objected to the distinction altogether, given that

both kinds of power depend on economic and technological strength. Without the strong U.S. dollar and U.S. credit, without reliable access to semiconductors and secure energy supplies, and without secure data, participants acknowledged, the United States cannot be a global power.

Over four days, the debate swung back and forth between greater and lesser willingness to more deeply engage on crises, hot spots and opportunities around the globe, yet it was clear to all participants that the United States can hardly expect to “pivot away” from any of the world regions discussed. On the contrary, with democracy under threat, and yet with impressive resilience on display from Ukraine to Colombia to the United States itself, now is not a time to take U.S. global leadership for granted. If, as many participants predicted and feared, the United States is heading for yet another conflict, perhaps with China, whose economic and military power exceeds that of any previous U.S. adversary, then this is a moment for bold, bipartisan leadership to deter, to prevent, and, ultimately, to survive.

## SCHOLARS' ESSAYS

### Midterm Review: Over-Reliance and Under-Funding of the Military

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The central deficiency of the Biden Administration's national security strategy is the absence of an economic vision that will allow the U.S. and other countries to reduce their dependence on Chinese products and markets. Lacking a robust economic pillar increases the weight other elements of Biden's strategy must bear, yet the Administration's military pillar has not been strengthened to carry that weight. Efforts to substitute diplomacy for military power have not yielded results. As a result of this imbalance, the Administration's strategy lacks credibility.

The Administration's national security [strategy](#) argues that "the biggest threats we face respect no borders or walls, and must be met with collective action." It posits China as the main challenge, the only country "capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to a stable and open international system." So the strategy is not executable without creating a united front with allies.

But the Administration ignores allied pleas for an American vision of how the country can reduce its reliance on China. China's neighbors do not want paeans to democracy or increased risk of war, they want a path to prosperity that does not rely on China. The President himself [acknowledged](#) the need for the U.S. and allied countries to "set the rules of the road instead of having China and others dictate outcomes." But the Administration cannot bring itself to return to the Asian trade pact negotiated when Biden was Vice President, cannot bring itself to develop a "[friendshoring](#)" trade policy that increases resilience by relying on allied countries in supply chains, they allowed

[trade promotion authority](#) to lapse ensuring no trade deals could get ratified by Congress, sustained most of the Trump Administration tariffs even on allied countries, and have [embittered allies](#) with subsidies to U.S. firms in the Inflation Reduction Act.

Commitment to a “foreign policy for the middle class” – that is, trade protectionism coupled with subsidies to U.S. companies – takes precedence. The Biden Administration’s defense, delivered by [Senator Manchin](#), was to tell Europeans they should welcome efforts to strengthen the U.S. economy. When China created the world’s largest free trade area last year, the U.S. responded with a vague Indo-Pacific Economic Forum that no one seems able to explain what it will do, since the Biden Administration does not appear to believe in free trade.

The absence of an economic policy that can create the scale of effect necessary to significantly contribute to the National Security Strategy’s objectives increases the weight shifting to other levers of national power to deliver. Despite “[integrated deterrence](#)” that is supposed to “align the Department’s policies, investments, and activities to sustain and strengthen deterrence – tailored to specific competitors and coordinated to maximum effect inside and outside the Department,” the lack of an economic line of effort has not been compensated for by increases in other government sources of policy activity.

The Administration has also made policy choices that necessitate increases in defense, such as the President’s repeated assertions that U.S. forces would [defend Taiwan](#). Calling into question the existing policy of constructive ambiguity could well [trigger a Chinese lunge for Taiwan](#), yet no changes were made to U.S. defense spending, force structure, stationing or deployment to account for that change in policy. Nor does the admirably aggressive Department of Commerce restrictions on Chinese entities appear to have been coordinated with Department of Defense (DoD) plans, even though commercial sanction could also affect Chinese war calculations. And while the Executive does not control the actions of the Legislative branch, the Speaker of the House’s 2022 trip to Taiwan is part of a predictably increasing Congressional activism that ought to require adjustments that plan for significant increases in tensions and potential military confrontation. [China](#) certainly has: the Pentagon describes dramatically increased risk to Taiwan “the new normal.”

Even before the President’s repeated statements changing Taiwan policy, the Indo-Pacific commander, Admiral Philip Davidson, testified before Congress that the window of maximum danger for a Chinese attack on or blockade of Taiwan is between now and [2027](#). The Director of National Intelligence called the threat of China attacking Taiwan between now and 2030 “[acute](#).” And the Central Intelligence Agency Director [concurs](#) in that judgment, saying “we know that he’s also instructed his military

leadership to be ready by 2027 to launch a war. And so I think the honest answer is, the further you get into this decade, the greater the risks of a military conflict.” National Security Advisor Jake Sullivan delivered the National Security Strategy by calling this “a [decisive decade](#) for shaping the terms of competition, especially with the PRC.”

Yet the Department of Defense activities reflect none of that urgency. The DoD budget includes [\\$109 billion](#) in spending that does not produce military power and that should be activity of other government departments, but is buried in the large DoD bill. The Administration’s first budget increased non-defense spending by 16%, raising spending in every other department, but as the [IISS assessed](#), “the submission makes clear that the Biden administration is not attempting to make significant changes to the spending trajectory, at least in this budgetary round, at the U.S. Department of Defense.” Biden’s second budget requested only a [1.5%](#) real growth increase, and no major shift in apportionment to bulk up forces in the Pacific – it did not even include funding for the Congressionally-proposed Pacific Deterrence Initiative. Congress found the Biden Administration’s budget so deficient that on a bipartisan basis it added \$28 billion to his first defense budget, and \$45 billion to his second.

Nor did the National Defense Strategy occasion a redistribution of capabilities to the strategy’s priorities. The Defense Department conducted a force posture review early in the Administration that resulted in [no meaningful changes](#) to posture; and what [marginal changes](#) they subsequently proposed are not occurring at a pace consistent with the threat. The DoD plan proposes to cut force structure in the near term to free up funding for a future force that does not begin fielding until 2035. That is, they are reducing our ability to carry out the strategy now in order to field a better force nearly a decade after their window of threat for the takeover of Taiwan.

The military is not the only lever of American power bearing increased load because the Biden Administration does not have a salient economic strategy. The Biden administration [committed](#) to “elevating diplomacy as our tool of first resort,” and increased diplomatic spending by [14%](#) in its first two years, expanding the Foreign Service by [500 people](#). State and USAID produced a solid joint strategic plan that establishes institutional priorities: mobilizing coalitions to address global challenges, promoting global prosperity, promoting good governance and human dignity, revitalizing its workforce, and consular support to Americans. Rare for America’s diplomatic corps, the plan situated institutional priorities in the security and well-being of Americans. It has the potential to reshape the institutional culture of the State Department, setting learning objectives and explicit accountability that have been lacking.

Unfortunately, there is little evidence the Department of State has yet much succeeded in its priority to “modernize alliances and revitalize international institutions.” State has been marginal to the major alliance successes of AUKUS and NATO support to Ukraine. The Australia, UK, U.S. defense agreement (AUKUS) was negotiated from the White House, and the state failed to even attenuate predictable French fury. The CIA Director is the emissary of choice in difficult diplomatic encounters, whether with Russia, Turkey, or Ukraine. The National Security Advisor appears to be China’s main interlocutor, and the diplomatic heavy when German truculence on providing tanks to Ukraine needs addressing. The Secretary of Defense holds monthly meetings abroad with 50 counterparts to orchestrate weapons support to Ukraine; where is the diplomatic equivalent of marshaling international support?

The 2021 democracy summit was [a bust](#), as was the “[year of action](#)” to strengthen democracies. Promoting global prosperity appears to be mostly advancing the President’s domestic economic agenda, or extolling things like U.S. technological leadership, which the State Department has little ability to affect.

And whether the State and USAID plan translated into budgetary priorities and effective action remains to be seen. At the midpoint of President Biden’s administration, they have an ambitious strategy with contradictory elements they have not untangled conceptually or compensated for with significant advances in military or diplomatic strength. The inability of the Administration to fashion an international economic policy impedes the achievement of its central objective of organizing an effective international coalition to counter Chinese predations and tips the balance of importance away from both economy and diplomacy toward military power, something the Administration explicitly sought to redress and to which it is not providing either the funding or the forces to carry.

## U.S. Leadership in the Western Hemisphere

**Cynthia Arnson**

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In its October 2022 National Security Strategy, the Biden administration affirmed that “no region impacts the United States more directly than the Western Hemisphere.” It cited \$1.9 trillion in annual trade (the bulk of it is with Mexico and Canada), shared values and democratic traditions, and familial bonds, referencing the “deepening economic cooperation” between the United States and Latin American countries that would ensure inclusive development and recovery from the COVID-19 pandemic. “The security and prosperity of the United States hinges on that of our neighbors,” the document stated, indicating that the region’s prosperity, security, and democracy contribute to “national, regional, and global stability.”<sup>1</sup>

How effectively has the Biden administration demonstrated that the Americas matter as a global U.S. priority? The record is decidedly mixed. The administration has restored the centrality of diplomacy in relations with the hemisphere, emphasized multilateralism to meet shared challenges such as climate change and migration, and looked to partner with the U.S. private sector and financial institutions such as the Inter-American Development Bank to promote the region’s economic recovery and development. It has worked to establish broad frameworks—the American Partnership for Economic Prosperity and the U.S.-Caribbean Partnership to Address the Climate Crisis 2030—to provide a long-term vision for U.S.-Latin American collaboration.

After a slow and diplomatically costly start, it has donated over 70 million COVID-19 vaccines to Latin America, provided hundreds of millions of dollars in food assistance to offset soaring global food prices, and worked with Congress and the U.S. private sector on a massive program to address the root causes of migration from Central America. It has implemented small but significant shifts in policy on Venezuela (including by granting Temporary Protected Status to approximately 323,000 Venezuelans in the United States), and relaxed restrictions on family travel and remittances to Cuba. Senior U.S. officials, including Secretary of State Antony Blinken, National Security Adviser Jake Sullivan, and Department of Homeland Security Secretary Alejandro Mayorkas have visited the region. And in late 2022 the White House named former Senator Chris Dodd, with extensive Latin America policy experience, to serve as a

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<sup>1</sup> The White House, *National Security Strategy*, October 2022.

Special Presidential Advisor for the Americas. Throughout, the administration has emphasized core values of democracy, the rule of law, and sustainable, equitable growth.

These initiatives have been welcomed by the United States' democratic allies in the hemisphere, but overall, U.S. leadership in the region has waned. The reasons are multiple and include: 1) China's dynamic growth in the early 2000s and voracious demand for Latin America's commodities, coupled with massive lending and infrastructure investment; 2) a deterioration in the U.S. image abroad, a trend that accelerated during the Trump administration; 3) a failure by successive administrations to match ambitious goals with commensurate financial resources; 4) rising protectionism in both political parties, which hinders market access by Latin American countries without a free trade agreement with the United States; and 5) democratic erosion throughout the hemisphere, reflected in open defiance of the United States by authoritarian and/or populist governments, a curtailment of political, institutional, and media freedoms, and direct attacks against civil society organizations, journalists and activists.

## **The Regional Context**

No region of the world suffered more from the COVID-19 pandemic. With about eight percent of the world's population, Latin America suffered some 28 percent of global deaths. The region also experienced the greatest economic contraction in 2020 of any emerging market area. By 2022, over 32 percent of the population lived in poverty, reversing substantial gains made in the first decade of the 2000s during the commodities boom. With Russia's invasion of Ukraine and rising interest rates in the developed world, Latin America is now experiencing what the UN Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL) has called a "cascade of crises."<sup>2</sup> High inflation, soaring food and energy prices, and high debt-to-GDP ratios have reduced regional growth prospects to between 1.3 and 1.7 percent in 2023. All this has "exacerbated the inequalities," according to ECLAC, in what was already the world's most unequal region.<sup>3</sup>

Even before the disruptions of COVID-19, democracy was under stress in many parts of the region. Millions of demonstrators poured into the streets in late 2019 after a decade of depressed growth, expressing grievances about the lack of social mobility and quality employment, the poor quality of public services, and corruption—symbolized by the bribes paid by Brazilian construction giant Odebrecht that affected 10 Latin American and Caribbean countries. Vanderbilt University's Americas Barometer reported in 2022

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<sup>2</sup> CEPAL, "Poverty Rates in Latin America Remain Above Pre-Pandemic Levels in 2022, ECLAC Warns," November 24, 2022.

<sup>3</sup> Data drawn from the IMF, November 2022; CEPAL, December 2022; Bloomberg Línea, January 2023; and Economist Intelligence Unit, 2022.

that support for democracy was “weak but stable,” but that satisfaction with democratic performance had plummeted over the course of a decade. In 2021 Santiago-based Latinobarómetro found that fully 70 percent of citizens were dissatisfied with how democracy functioned. Most sobering, albeit perhaps unsurprising, was Vanderbilt’s finding that over half of the region’s citizens in 2022 would trade elections for a basic income and services.<sup>4</sup>

At election time, these attitudes translated into strong demands for change. Voters seemed less motivated by ideology than the desire to punish incumbents by electing rivals or leaders outside the existing political system.

## **The Role of China**

To understand the urgency of crafting a positive U.S. response to the region’s current political and economic turmoil requires first understanding what China has meant to the region.

For the United States, China is, among other things, a source of predatory lending, illegal fishing, and technology investments in areas such as 5G that constitute a strategic threat to the region and the West.

Some Latin American leaders agree with elements of the U.S. view. But for most, China represents a huge economic and development opportunity and a chance to diversify international partners, reinforcing Latin America’s strategic autonomy.

There is certainly an ideological element in China’s choice of partners: between 2010 and 2013, fully 64 percent of China’s new lines of credit were to Venezuela (an amount that began to fall sharply following the election of Nicolás Maduro).<sup>5</sup> But the resources available from China have appealed to Latin American leaders across the political spectrum.<sup>6</sup> Chinese firms won the contract to build the subway in Bogotá, Colombia during the presidency of conservative U.S. ally, Iván Duque. Ecuador’s center-right government concluded negotiations on a free trade agreement with China in January 2023 and Uruguay’s center-right president also seeks an FTA with China, its largest

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<sup>4</sup> Overview from Cynthia J. Arnson, “Economy and Politics in Latin America, *Baltic Rim Economies*, October 2022; See also, International IDEA, *The Global State of Democracy 2022: Forging Social Contracts in a Time of Discontent*, and Michael Reid, “A region caught between stagnation and angry street protests,” *The Economist*, June 16, 2022.

<sup>5</sup> Stephen B. Kaplan and Michael A. Penfold, “China-Venezuela Economic Relations: Hedging Venezuelan Bets with Chinese Characteristics,” in Cynthia J. Arnson, ed., *Venezuela’s Authoritarian Allies: The Ties That Bind?* Wilson Center, 2021,

<sup>6</sup> Between 2006 and 2021, Costa Rica, Panama, El Salvador, the Dominican Republic, and Nicaragua all switched allegiance from Taiwan to China. Taiwan has eight remaining regional allies, all but one in Central America and the Caribbean.

trading partner. Notably, both countries have expressed interest in an FTA with the United States, only to be rebuffed.

Trade between China and the region exploded in the first decade of the 2000s. As China grew over 10 annually, it turned to Latin America for energy, food, and mineral resources to fuel its industrialization and feed its population. The value of trade expanded from \$10 billion in 2000 to \$257 billion in 2013, growing to a record \$450 billion in 2021, with the bulk of trade in a handful of commodities—oil, copper, soy—and with large Latin American producers such as Brazil, Chile, Peru, and Argentina.<sup>7</sup>

Chinese loans averaged over \$10 billion annually, reaching \$34.5 billion in 2010 alone.<sup>8</sup> In multiple years, Chinese loans exceeded the combined lending by the World Bank, Inter-American Development Bank, and Latin American Development Bank (CAF).<sup>9</sup> Twenty Latin American and Caribbean countries have joined China's long-term, multi-billion-dollar infrastructure project known as the Belt and Road Initiative (BRI).

However, at a time of great political and economic volatility in Latin America and China's own economic slowdown, China has acted defensively to shore up its position in the region. Official Chinese lending dropped to zero in 2020, a trend that continued in 2021 and 2022.<sup>10</sup>

## **U. S. Tools of Influence**

U.S. efforts to compete with China have been hampered not only by a worsening of the United States' reputation in the region but also by limitations in the tools themselves and a consistent mismatch between discourse and financial resources.

### *1) The U.S. Image in Latin America*

Polls by the Pew Research Center in advance of the Summits of the Americas held in 2015 and 2018 demonstrate the precipitous decline in U.S. favorability ratings from Obama to Trump. According to Pew, in 2015 (just before the seventh Summit of the Americas in Panama) a median of 66 percent of respondents in the six largest countries of Latin America had a favorable view of the United States.<sup>11</sup> That number fell by nineteen percentage points in the first year of the Trump administration, when a

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<sup>7</sup> Cynthia J. Arnson and Jorge Heine, *Reaching Across the Pacific: Latin America and Asia in the New Century*, Wilson Center, 2014; Felipe Larraín and Pepe Zhang, "China's Evolving Presence in Latin America," *Americas Quarterly*, January 3, 2023; "What does China's re-opening mean for Latin America?" *The Economist*, January 18, 2023.

<sup>8</sup> Boston University and Inter-American Dialogue, "China-Latin America Finance Database."

<sup>9</sup> Stephen B. Kaplan, *Globalizing Patient Capital: The Political Economy of Chinese Finance in the Americas*, Cambridge University Press, 2021.

<sup>10</sup> Boston University and Inter-American Dialogue, "China-Latin America Finance Database," 2023.

<sup>11</sup> The countries surveyed were Mexico, Chile, Colombia, Peru, Argentina, Brazil, and Venezuela. Pew Research Center, "Fewer People in Latin America See the U.S. Favorably Under Trump," April 12, 2018.

median of 47 percent reported having a favorable view. These percentages were considerably worse than Pew’s global medians. In the weeks after Biden’s election in November 2020, Pew reported that “Trump’s unpopularity has had a significant negative effect on America’s overall image.”<sup>12</sup>

The U.S. image appears to have improved under the Biden administration, but recent data are lacking. According to Vanderbilt University, in 2018 40.8 percent in the region described the United States as “somewhat” or “very” trustworthy. That figure rose to 53.5 percent in 2021, the second year of the Biden administration.

The failure to confirm U.S. ambassadors to major hemispheric countries has also eroded U.S. standing. Prior to the June 2022 Summit of the Americas in Los Angeles, Chile had had no U.S. ambassador for four years; nor was there a U.S. ambassador in Brazil, Panama, Uruguay, El Salvador, Haiti, or the Organization of American States.<sup>13</sup> By September 2022, ambassadorial vacancies in the region totaled nearly a dozen.<sup>14</sup> Neither was there a U.S. executive director to the Inter-American Development Bank. The absence of senior appointees undermines policy effectiveness and sends a perverse message about the importance of the region to the United States.

## 2) *The Resource Gap*

The continuing resolution passed by Congress in December 2022 did not specify total foreign aid for Latin America and the Caribbean. To respond to COVID-19, Congress supported \$539 million for USAID funding in the region, including funds for 70 million vaccines.<sup>15</sup> In addition, at the Summit of the Americas in Los Angeles, USAID announced \$331 million for emergency food security programming and longer-term food security and resilience measures.<sup>16</sup>

Foreign assistance is a critical foreign policy tool. But Latin American countries need investment and financing to address the historic economic challenges they currently face.

- a) The limitations of designating countries as “middle,” “upper-middle,” or “high” income:

Development institutions including the World Bank, Inter-American Development Bank, the U.S. International Development Finance Corporation (DFC), and U.S. Trade Development Agency are mandated to focus on low- and lower-middle income

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<sup>12</sup> Pew Research Center, “The Trump era has seen a decline in America’s global reputation,” November 19, 2020.

<sup>13</sup> Similarly, there was no U.S. ambassador in Bolivia or Cuba. See Andrés Oppenheimer, “U.S. can’t claim to care about Latin America when it has so few ambassadors there,” *The Miami Herald*, April 28, 2022.

<sup>14</sup> Carmen Sesin, “Almost a dozen U.S. ambassadors to Latin America and the Caribbean are still not in Place,” NBC News, September 16, 2022.

<sup>15</sup> Mark P. Sullivan, “Latin America and the Caribbean: U.S. Policy Overview,” Congressional Research Service, December 29, 2022.

<sup>16</sup> USAID, Office of Press Relations, June 9, 2022.

countries. In 2020, only five Latin American and Caribbean countries fell into that category: Haiti, Bolivia, El Salvador, Honduras, and Nicaragua. Eight countries—Chile, Panama, Uruguay, and several Caribbean nations—are considered “high income.” For the purposes of the DFC and other U.S. agencies, this makes them ineligible for support without a presidential waiver.<sup>17</sup>

At the same time, all Latin American countries have pockets of high poverty and all are facing severe external shocks. Basing decisions on per capita income leaves little discretion for addressing urgent needs. Chile, for example, is officially a “high income” country, but is the only one whose GDP is expected to shrink in 2023. The World Bank and Inter-American Development Bank (IDB) have begun internal discussions about how to unlock additional concessional resources to countries facing multiple crises. No concrete decisions have yet been made.

#### b) Discourse vs. action

Countries with geographical proximity to the United States have attempted to capitalize on pandemic-induced supply chain disruptions to attract manufacturing from Asia to the U.S. ‘near abroad’ (The main beneficiary of so-called “nearshoring” has been Mexico). Decisions about relocating manufacturing facilities depend mostly on corporate assessments of labor and energy costs, infrastructure, and rule of law issues. These are areas in which many countries are deficient. And the Biden administration’s focus on bringing jobs to the United States (“reshoring”) is in tension with its commitment to “make democracy deliver” in Latin America and the Caribbean.

A case in point is the Alliance for Development in Democracy (ADD), formed by the Dominican Republic, Costa Rica, and Panama in 2021, and now including Ecuador. A Memorandum of Understanding signed by the State Department in July 2022 established a “consultative dialogue” on supply chain issues but mostly referenced actions by the U.S. private sector to “identify key opportunities, challenges, and areas for collaboration.”<sup>18</sup> The U.S. Chamber of Commerce and IDB are undertaking a survey of nearshoring opportunities for U.S. firms. But to the chagrin of ADD countries, the U.S. government has not identified financial resources to support their experiment. Similarly, the Build Back Better World (B3W) initiative, launched with great fanfare at a June 2021 meeting of the G-7 to address physical and digital infrastructure gaps, has morphed into the Global Partnership for Investment and Infrastructure, but specifics about resources are lacking.<sup>19</sup>

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<sup>17</sup> Congressional Research Service, “U.S. Foreign Assistance to Latin America and the Caribbean: FY 2021 Appropriations,” Updated January 11, 2021.

<sup>18</sup> U.S. Department of State, “Signing of Supply Chain Memorandum of Understanding with ‘Alliance for Development in Democracy’ Countries: Dominican Republic, Costa Rica, Panama,” July 25, 2022.

<sup>19</sup> Charles Kenny and Scott Morris, “America Shouldn’t Copy China’s Belt and Road Initiative,” *Foreign Affairs*, June 22, 2022.

The United States has more free trade agreements (FTAs) with countries of the Americas than any other region. Nonetheless, some key allies are left out. Two of Ecuador’s principal exports—flowers and tuna—lost preferential access to the U.S. market with the expiration of the Andean Trade Preferences and Drug Eradication Act (ATPDEA) in 2013. Moreover, the Biden administration launched the Americas Partnership for Economic Prosperity (APEP) at the 2022 Summit of the Americas. Eleven participating nations will soon hold formal talks.<sup>20</sup> APEP is intended to build on existing (not new) FTA’s and bring in issues of supply chain resilience, climate, and sustainability. The APEP dialogue is important. But what, if any, resources will be available in support of its goals?

A number of policy options flow from the discussion above:

- 1) At a time of profound regional crisis, reform congressional mandates of institutions such as the DFC and work with the Inter-American Development Bank and World Bank to make concessional financing available to middle- and even high-income countries, to overcome persistent gaps. Reducing debt burdens is also essential;
- 2) Centralize U.S. government information concerning resources available to the region from multiple U.S. departments and agencies—State, Commerce, Energy, DFC, USAID, etc.—in support of climate, green energy, health, food security, and infrastructure goals;
- 3) Provide robust financing, in partnership with regional development banks, for global public goods such as climate mitigation that have cross-border benefits;
- 4) Make the use of ‘holds’ to tie up ambassadorial nominations a rare, not frequent occurrence, and devise new procedures to overcome obstructionism;
- 5) Recognize that forcing Latin American and Caribbean countries into a binary choice between the United States and China is a losing strategy: most countries want productive relations with both global powers;
- 6) In the absence of appetite for new free trade agreements, expand market access for allies such as Ecuador and Uruguay through a renewal of the ATPDEA or the Generalized System of Preferences;
- 7) Capitalize on the bipartisan support for the USMCA and broaden it to new partners, to expand nearshoring opportunities and supply chain resilience;
- 8) Leverage U.S. prowess in technology, science, and engineering in support of a massive expansion of scholarships and research partnerships, building out the region’s human capital in 21<sup>st</sup> century fields critical to growth;

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<sup>20</sup> David J. Lynch and Karen DeYoung, “U.S. to launch talks on partnership with 11 Western Hemisphere nations,” *Washington Post*, January 27, 2023.

- 9) Recognize that South America, with 40 percent of the world's copper and 60 percent of lithium, is essential to the global energy transition, but creates upstream opportunities for processing and manufacturing beyond extractive industries.

# **Russia's Challenge to the U.S. Leadership in Latin America**

**Vladimir Rouvinski**

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Russia is at war. This statement could be heard from Russian officials long before the start of the invasion of Ukraine in February 2022. In fact, as of today, Russian law prohibits organizations and individuals from calling the combats in Ukraine “war.” Instead, in Russia, it is required to use the expression “special military operation.” Hence, when Putin’s officials refer to war, they talk about Russia’s multidimensional confrontation with the United States and other Western nations in many domains and geographies. From this perspective, the war in Ukraine is one of many waged by Russia since the second part of the 2000s, i.e., when Putin decided to challenge the post-Cold War rules of the game in the international arena.

In addition to “hot” wars in Georgia, Syria, and Ukraine, the Kremlin started an information war in the domestic and global information environments. Furthermore, energy wars are fought by state-controlled giant corporations like Gazprom and Rosneft. And last but certainly not least important, there is an ideological war launched in the name of constructing a new multipolar world order, an alternative to the liberal world order led by Washington and the US allies around the globe. To a lesser or greater extent, each of Russia’s many wars has an important impact on Latin America and the Caribbean, which experts and the general public often underestimate. Moreover, the evidence suggests that Moscow devotes a critical role to this part of the world in its vision of the future of global affairs.

## **The Wars Russia Wages Globally**

War means engaging in hostilities instead of searching for a negotiated settlement, and it aims at imposing the will of a more powerful rivalry over its enemy. This is how Vladimir Putin and contemporary Russian elites view the current state of the world and, being aware of Russia’s relative weakness in terms of technology, innovation, and conventional military power, sought to direct the confrontation to those areas and geographic locations where the Kremlin perceives to have a comparative advantage over

the United States and its Western allies: natural resources, information, and, ideology. In other words, Moscow wants to wage wars only when the Russian leadership is convinced Russia can win.

Regarding energy wars, Russia does not hesitate to use the dependency many nations have on its natural resources as a weapon of war to compensate for the lack of other kinds of tools. Following the invasion of Ukraine, however, some of the most important Moscow clients, like Europe, are looking to end their dependency on gas and oil produced in Russia. Yet, as for now, the energy battle seems to be far from over. Moreover, while the presence of Russian energy companies in the Latin American region is limited— with a notable exception in Venezuela – their actions impact energy prices worldwide, including the entire Western hemisphere, because of the role those companies play in the global energy market.

Regarding information warfare, Russia Today and Sputnik media outlets are the most visible but not the only elements of information warfare taking place in social networks, the educational sector, and with the support of Russian diasporas abroad. Although in the Western countries, Russian state-owned media did not succeed in acquiring any significant share of media markets, in Latin America, *RT Actualidad* and *Sputnik Mundo* are now considered by many people as legitimate alternative sources of information, in addition to millions of followers of Russia-linked influencers in social networks in Spanish like YouTube, Facebook, TikTok, and Instagram.

There is also an emerging revival of Soviet-style educational programs destined for Latin American students and innovative engagement of Russian-speaking diasporas. Indicatively, key influential public figures, including Putin's press-secretary Dmitry Peskov and RT's editor-in-chief Margarita Simonyan, often refer to the confrontation in information space as war. Moreover, in 2017 Russia's Ministry of Defense announced the establishment of special information forces as part of the Russian Armed Forces and placed uniformed men and women to execute the tasks of information warfare.

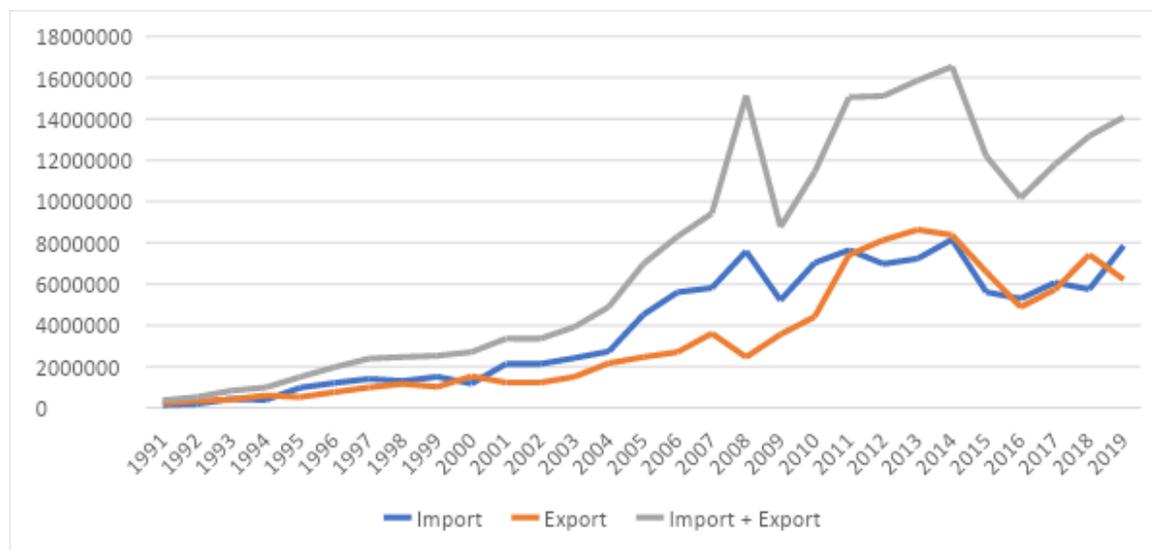
At the same time, the most important theater of war for post-2022 Russia is the ideological one. This is because Vladimir Putin and his inner circle, further consolidated in the wake of events in Ukraine, are convinced that it is in the ideological realm that their ultimate goal can be achieved: the establishment of a new world order where Russia can play a decisive role by defining the new rules of the game. In this war, at stake is once again the proper idea of liberal democracy.

### **Why Latin America Matters to Russia**

The interest of post-Soviet Russia in Latin America had been growing in parallel with the evolution of its foreign policy towards the point of no return in February 2022. The

first years of Russia’s presence in the region could be considered part of the attempts to bring Moscow back to the international realm as a player with global reach. The growth of economic collaboration has also been impressive if compared with the times of the Soviet Union. However, it remains very low compared to Russian trade with China and the European Union and with China’s trade with the region (Figure 1 and Table 1):

Figure 1. Russian-Latin American Trade, 1991-2019.



Note: In thousand U.S. dollars. Source of data: WITS (1991-2018), ITC Trade Map (2019).

Table 1. Change of China and Russia’s positions as trading partners of key Latin American countries

Country	Exports				Imports			
	2000		2017		2000		2017	
	China	Russia	China	Russia	China	Russia	China	Russia
Argentina	6	32	3	32	4	28	2	29
Brazil	12	23	1	15	11	23	1	13
Chile	5	54	1	19	4	32	1	51
Mexico	19	50	4	42	6	26	2	25
Peru	4	37	1	36	9	34	1	23

Source: Comtrade: <https://comtrade.un.org/data/>

At the same time, the Kremlin's engagement with the region in other areas of influence is far more impressive, and it is heavily marked by the logic of reciprocity shared by even those elites that may not fully support the idea of advancing the Russian global agenda by launching open hostilities in diverse aspects of economic and ideological confrontation

The fact is that after the collapse of the USSR, the core Russian elites decided that Russia's most important neighborhood was the territory of the former Soviet Union, labeling it as "near abroad" to differentiate these areas from the rest of the world, what was called "far abroad." Both pre-Putin and current Putin's elites are convinced that Moscow has the right to have special interests in its "near abroad" and that these interests must be taken into consideration by all other governments. Indicatively, long before the latest attack on Ukraine, Moscow had been justifying its right to intervene in the former republics of the USSR by the narrative of protecting the Russian ethnic population and people who considered themselves part of the Russian world.

From the above perspective, the growth of tensions with the United States had much to do with what the Kremlin perceived as an "unfriendly" policy of Washington in Russia's neighboring countries, be that military assistance to Georgia or backing of the opposition in Belarus and, of course, the support to the democratic governments in Ukraine. In its turn, Moscow had been paying more attention to Latin America, which Russia views as a "U.S. near-abroad" and the geographic setting to carry out reciprocal actions in response to Washington's European policy. Yet, the tangible resources that could be allocated to support Russian strategy towards Latin America had been limited, and reciprocity remained mostly symbolic albeit quite efficient regarding Moscow's long-term objectives.

Against the above background, making illiberal ideology the key pillar of its foreign policy in the aftermath of the war in Ukraine has led to a revision of strategies and priorities of Russia's engagement in the Western hemisphere to the south of the Mexican-U.S. border. That is because, in Latin America, the confluence of ideas, values, and practical agendas, as opposed to liberal democracy, has deep roots in the colonial period. It is on the rise in many parts of the region, while the support for democracy as the preferred form of governance has been declining systematically over the last decade. In part, this scenario can be explained by unfulfilled promises of social inclusion and economic development that people started associated with how democracies work.

The growth of discontent and dissatisfaction in this part of the world is closely linked to the issue of political support for democracy and the weak performance of many democratic political regimes in enormously unequal Latin American societies. From this perspective, the autocracies from outside the region, like Russia, share an illiberal substratum with hybrid regimes and populist governments in their respective

conservative and radical left versions found in contemporary Latin America and the Caribbean.

### **Forging Synergies between Russia and the Authoritarian Regimes in Latin America**

Paying attention to the particular features of Russia-promoted illiberal ideological framework allows for explaining the convergence between Russia – which today has more embassies in the region than in the days of the former USSR – and several Latin American countries, which have experienced trends towards authoritarianism in the 21st century. The synergies between chauvinism, Caesarism, statism, and anti-Americanism, found in Russian and Latin American political traditions, are notorious. In a practical direction, illiberal personalist regimes, such as those of Russia, Venezuela, and Nicaragua, have strengthened dialogue, collaboration, and mutual support manifested by the dynamism of their political relations. Their political practices converge in the progressive elimination of democratic institutions and actors, such as opposition parties, critical media, and civil society organizations. In parallel, these governments have ensured a strong state presence in the economy based on patronage and neo-patrimonial relations.

One of the solid illustrations of the above observations is the links built by Russia to Venezuela. At the beginning of the government of Hugo Chávez, Venezuela became a reliable partner of the government of Vladimir Putin, first of all, because both leaders shared an illiberal stand in domestic policy realms. The relations have strengthened later to include the foreign policy realm as well after Russia was subjected to sanctions by the U.S. and other Western countries following the annexation of Crimea in 2014 and the beginning of the low-intensity war between Ukrainian military forces and pro-Russian separatists in the east of the country.

Today, Russian illiberalism appears as a soft but highly effective ideology that seeks to penetrate the media space and is promoted by intellectuals and think tanks that serve as the vehicles of Russian influence in the region. The case of Russian-Venezuelan relations can again serve as an example since it is here where illiberal narratives enjoy a maximum degree of acceptance and significantly impact a broader Latin American panorama. This scenario is possible because the shared Russian-Venezuelan ideological approach emphasizes illiberal domestic political values and directly challenges the U.S.-led liberal global order. Moreover, this ideological offer finds fertile ground among like-minded elites and the general public sympathizing with *Chavismo* within Latin America. Notably, compared to other extra-hemispheric autocracies that seek to strengthen their presence here, Russia's more developed and malleable ideological tools

**LATIN AMERICA AT THE UN: RESOLUTIONS CONCERNING THE RUSSIAN INVASION OF UKRAINE**

	SECURITY COUNCIL 02-26-2022 ON ENDING RUSSIAN MILITARY AGGRESSION IN UKRAINE	HUMAN RIGHTS COUNCIL 03-04-2022 THE ESTABLISHMENT OF AN INDEPENDENT INTERNATIONAL COMMISSION OF INQUIRY ON THE SITUATION OF HUMAN RIGHTS IN UKRAINE	GENERAL ASSEMBLY 04-07-2022 RUSSIA'S SUSPENSION FROM THE HUMAN RIGHTS COUNCIL	HUMAN RIGHTS COUNCIL 12-05-2022 ABOUT INCREASING THE MONITORING OF THE DETERIORATION OF FUNDAMENTAL GUARANTEES IN UKRAINE	GENERAL ASSEMBLY 12-10-2022 MEMBER STATES ARE ASKED NOT TO RECOGNIZE THE ILLEGAL ANNEXATION OF THE UKRAINIAN TERRITORIES OF DONETSK, KHERSON, LUGANSK, AND ZAPORIJIA BY RUSSIA	GENERAL ASSEMBLY 14-11-2022 RUSSIAN FEDERATION IS DEMANDED TO PAY WAR REPARATIONS TO UKRAINE	GENERAL ASSEMBLY 05-12-2022 THE RUSSIAN FEDERATION IS REQUIRED TO COMPLY WITH THE UN RECOMMENDATIONS ON HUMAN RIGHTS AND ACT IN ACCORDANCE WITH INTERNATIONAL LAW IN THE OCCUPIED TERRITORIES OF CRIMEA AND SEVASTOPOL (UKRAINE)
<b>ARGENTINA</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>BOLIVIA</b>	Not a member	<b>ABSTENTION</b>	<b>AGAINST</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>
<b>BRAZIL</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>
<b>CHILE</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>COLOMBIA</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>
<b>COSTA RICA</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>CUBA</b>	Not a member	<b>ABSTENTION</b>	<b>AGAINST</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>	<b>AGAINST</b>	<b>AGAINST</b>
<b>ECUADOR</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>EL SALVADOR</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	Did not vote	<b>IN FAVOR</b>	<b>ABSTENTION</b>
<b>GUATEMALA</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>HONDURAS</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>	<b>ABSTENTION</b>
<b>MEXICO</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>
<b>NICARAGUA</b>	Not a member	Not a member	<b>AGAINST</b>	Not a member	<b>AGAINST</b>	<b>AGAINST</b>	<b>AGAINST</b>

<b>PANAMA</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>PARAGUAY</b>	Not a member	<b>IN FAVOR</b>	<b>ABSTENTION</b>				
<b>PERU</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>ABSTENTION</b>
<b>URUGUAY</b>	Not a member	Not a member	<b>IN FAVOR</b>	Not a member	<b>IN FAVOR</b>	<b>IN FAVOR</b>	<b>IN FAVOR</b>
<b>VENEZUELA</b>	Not voting because of not paying its membership fees						

Source: United Nations; this table is elaborated by Armando Chaguaceda

have allowed the Eurasian country to turn the region into a battlefield of ideological warfare as part of its strategy of reciprocity in the U.S. "near abroad."

### **The Other Latin America**

In 2023, the tangible presence of Russia in Latin America is much smaller than that of China, another robust autocratic regime from the "European bloc." Yet, the illiberal ideological affinity regarding the official Russian narratives is likely to be more prominent and influential within public opinion than that associated with China. The projection of the sharp power of Moscow, consisting of the diffusion of ideas, symbols, and messages adverse to political pluralism, social diversity, and the rule of law, goes in the direction of recruiting more and more associates for Russia's quest to redesign the international system. The capacity of Russian propaganda to shape the opinion of a large part of the Latin American population should not be underestimated. In particular, thanks to either the direct support of the allied political regimes or the negligence of others regarding the true objectives of Moscow, the Russian media has been working hard to reinforce their presence as a source of disinformation in Latin America.

As a result of the successful use of the tools of ideological warfare by Putin's Russia, only a few Western-aligned governments, both from the left and the right of the political spectrum, have consistently condemned the Russian invasion and acknowledged its humanitarian costs. In many other cases, however, it is possible to observe the emergence of "calculated ambiguity" –instead of a clear condemnation or defense – as a prevailing attitude of various governments, parties, and segments of the Latin American intellectuals and population in the face of the aggression against Ukraine, as demonstrated, among other things, by the outcomes of the voting in the United Nations (Table 2). This ambiguity serves Russian interests perfectly since it allows Moscow to continue fishing in the troubled waters of the international system in crisis.

## **Key Challenges to the U.S. Leadership in the Western Hemisphere**

- Russia views Latin America and the Caribbean as the U.S. “near abroad.” Moscow uses the logic of reciprocity to design its policy toward the region in response to the U.S. support of democratic governments and opposition to authoritarian regimes in Russia’s “near abroad.”
- The Russian leadership is convinced that Latin America continues to be a priority for Washington because of the region’s geographical proximity to the United States, and the government of Vladimir Putin is determined to maintain and expand Russia’s influence in the region.
- The majority of Russian actions in the region are directed against U.S. interests. The Kremlin aims to diminish the U.S. influence in the region by incentivizing local elites and the general public to question the capacity of U.S. leadership and liberal democracy as the system of governance.
- Due to the shortage of tangible resources that could be allocated to support its policy in Latin America, Russia chose to use the tools of ideological warfare, propaganda, and disinformation, which proved to be cost-effective in terms of reaching the desired results.
- By 2023, Moscow is confident that should it be necessary to increase its influence in the region and further attack the U.S. interests and the democratic way of governance, it has the knowledge and the capacity to do so.

# Ukraine and the Return of Multipolarity

**Emma Ashford**

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At the Munich Security Conference, mere days before the Russian invasion of Ukraine, the newly minted German Foreign Minister Annalena Baerbock argued that Europe faced a stark choice: “Helsinki or Yalta... The choice, in other words, between a system of shared responsibility for security and peace...or a system of power rivalry and spheres of influence.”<sup>21</sup> By March, European Commissioner Ursula von der Leyen was able to claim that the West had made the right choice. “Putin,” she argued, “is trying to turn back the clock to another era — an era of brutal use of force, of power politics, of spheres of influence, and internal repression. I am confident he will fail.”<sup>22</sup>

Von der Leyen is hardly alone in arguing that the remarkable success of the Ukrainian military in pushing back the Russian onslaught — enabled by Western arms and funding — marks a clear repudiation of power politics and spheres of influence in world affairs. Indeed, the predominant view in Washington and various European capitals these days is that the war in Ukraine marks the resurgence of global support for liberal democracy, as well as a clear sign that the United States retains its place as the world’s most prominent state.

Yet this view of events in Ukraine represents a relatively blinkered, Euro-centric view, at odds with clear signs of emerging multipolarity elsewhere. Outside of Europe and North America, many states are sitting on the fence. Whether by refusing to condemn the Russian invasion in international forums (as many African states have done), continuing to coordinate with Russia on trade (as the Gulf States have done through OPEC+), or simply buying up cheap Russian oil (as America’s erstwhile partner India has done), there has been far less of a global consensus on the war than commonly assumed.

More problematically, the assumption that the war in Ukraine represents the rejection of a multipolar system of overlapping spheres of influence is flawed. Recent decades

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<sup>21</sup> German Ministry of Foreign Affairs, “Speech by Foreign Minister Annalena Baerbock at the Panel ‘Unlearning Helplessness: Meeting Global Challenges’ at the Munich Security Conference,” February 18, 2022, <https://www.auswaertiges-amt.de/en/newsroom/news/baerbock-msc/2512728>.

<sup>22</sup> “Remarks by President Biden and European Commission President Ursula von Der Leyen in Joint Press Statement” (The White House, March 25, 2022), <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/03/25/remarks-by-president-biden-and-european-commission-president-ursula-von-der-leyen-in-joint-press-statement/>.

have conditioned us to think of these questions through the lens of morality; many would argue that spheres of influence are an immoral way of dividing up the world between rival great powers. The reality is far simpler: a sphere of influence is simply a place where one great power asserts its interests and another declines to fight it, whether through inability, disinterest, or a rational fear of escalation.

The war in Ukraine marks an end to the unipolar moment – the period of American global dominance that followed the collapse of the Soviet Union – precisely because it shows that there are limits to America’s ability and willingness to defend the whole world as its global sphere of influence. The Biden administration has wisely chosen to pursue a policy that is supportive of Ukraine but avoids direct conflict with Russia.

As multipolarity returns to the international system after a period of U.S. global dominance, we will face such dilemmas more often. We are entering a new period of contestation over the borders of the Western sphere of influence. The war in Ukraine – and America’s response – offers valuable lessons for how policymakers should think about interactions between small states and emerging great powers like China, and how we approach ambiguity, grey areas, and ‘spheres of influence’ going forward.

### **What is a Sphere of Influence?**

For Americans, the best-known case of a ‘sphere of influence’ is probably the Monroe Doctrine, in which the young United States issued a decree – in reality, mostly a bluff – placing all the Americas off-limits to European imperial powers. Such decrees were common during the 18<sup>th</sup> and 19<sup>th</sup> centuries, during which the great powers often engaged in a delicate diplomatic dance to try to determine a priori which steps might – or might not – be considered a violation of another great power’s sphere of influence. This is clear from one of the earliest instances of the phrase itself, used by the Russian Foreign Minister in an 1869 letter to the British Foreign Secretary, reassuring London that it could intervene in Afghanistan, which lay “completely outside the sphere within which Russia might be called upon to exercise her influence.”<sup>23</sup>

The layman is also likely to associate the idea of ‘spheres of influence’ with the summits at Yalta and elsewhere during World War II, at which Winston Churchill, Josef Stalin, and their American counterparts effectively divided up Europe into different blocs, each side recognizing the other nations claim to a sphere of influence. As a result, American policymakers have become allergic to the concept; as Secretary of State Condoleezza

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<sup>23</sup> “What’s Missing in the Debate Over Spheres of Influence by Dr Evan N. Resnick,” Americas’ Global Role, accessed November 18, 2022, <https://americas.chathamhouse.org/article/whats-missing-in-the-debate-over-spheres-of-influence/>.

Rice put it, America instead sought a world “in which great power is defined not by spheres of influence, or zero-sum competition, or the strong imposing their will on the weak.”<sup>24</sup>

Such statements typically assume that a sphere of influence is created by a conscious choice: that a great power is choosing to extend its rivals a courtesy, giving them free reign to impose their will on smaller, more vulnerable states. It implies imperial high-handedness, suggesting that great powers should simply carve up the world between them. The amorality of this approach sits poorly with observers today and has contributed to the idea that spheres of influence are something to be resisted.

In reality, however, this is a fundamental misunderstanding of the idea of a ‘sphere of influence.’ Most often, a sphere of influence is not created by some conscious process of dividing up countries, as Churchill and Stalin did. Instead, it is a fact created in the process of other foreign policy decisions. At the simplest level, a sphere of influence is a place where one state asserts dominance, and another is afraid or unwilling to challenge it because the balance of power or interests is in its adversaries’ favor. A sphere of influence is, therefore, simply a measure of the practical limitations of a state’s military power and political influence. Spheres of influence are also an unavoidable byproduct of multipolarity.

### **From One Sphere To Many**

The widespread distaste for the notion of spheres of influence in today’s debate often tends to suggest that the West has moved past such antiquated, colonialist ideas into a more enlightened era. The truth is more mundane. Over the last thirty years, America’s overwhelming global power advantage – which political scientists describe as the ‘unipolar moment’ – meant it did not need to concern itself with the question of spheres of influence. As political scientist Graham Allison succinctly put it, “U.S. policymakers had ceased to recognize spheres of influence... not because the concept had become obsolete. Rather, the entire world had become a de facto American sphere.”<sup>25</sup>

Thus when Russia asserted, during NATO’s Kosovo intervention in 1997, that the former Yugoslavia fell within its sphere of influence – going so far as to send Russian paratroopers on a quixotic quest to seize the Pristina airport – the United States was able to largely brush off the complaint. It was clear that Russia, whose paratroopers at

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<sup>24</sup> U.S. Department of State, “Secretary Rice Addresses U.S.-Russia Relations At The German Marshall Fund” (Department Of State. The Office of Electronic Information, Bureau of Public Affairs., September 18, 2008), <https://2001-2009.state.gov/secretary/rm/2008/09/109954.htm>.

<sup>25</sup> Graham Allison, “The New Spheres of Influence,” *Foreign Affairs*, June 10, 2020, <https://www.foreignaffairs.com/articles/united-states/2020-02-10/new-spheres-influence>.

the airport were forced to beg their NATO counterparts for food and supplies, did not have the power to back up its assertions.<sup>26</sup>

Likewise, when China engaged in saber-rattling with Taiwan in the mid-1990s, the United States responded with a massive show of military force, sailing a carrier group through the Taiwan strait, and effectively forcing “China’s leadership to confront the fact that there was little to nothing they could do to stop the U.S. from coming to Taiwan’s assistance.”<sup>27</sup> Washington’s insistence in recent decades that spheres of influence should not exist was as much a declaration of its own global reach and primacy as anything else.

Yet the balance of power does not stay static for long; the unipolar moment is ending, and a multipolar order is emerging. In a multipolar system, there are multiple competing states, each with some level of power and influence in their region or globally. With the rise of China and India, growing Russian revisionism, and the financial strength of Europe and East Asia, the world is rapidly moving towards multipolarity. The United States – though still ahead of the pack – no longer enjoys the unchallenged global predominance it did during the 1990s and 2000s.

The result has been growing dissatisfaction among rising powers with many elements of the existing order, from international institutions to trade arrangements. But it has also manifested as growing contestation over the limits of America’s sphere of influence close to Russia and China’s borders.

In the case of Russia, this has been expressed as protracted disagreement over the extent of NATO – and European Union – expansion, and the fate of the “in-between states,” the former Soviet republics now stuck in the no-man’s land between Russia and NATO.<sup>28</sup> This growing contestation has produced at least three wars, including the current world-shaking invasion. In Asia, there is similar unease about the question of Taiwan. In Beijing, that unease is with the notion that Taiwan may move decisively towards independence and towards the American alliance system; in Washington, there are concerns that Beijing will use military or economic coercion to force reunification with the island. Yet military buildup in the region could risk provoking the very conflict both sides wish to avoid.

In short, as multipolarity takes hold, America will increasingly face a similar set of dilemmas in different regions: asserting U.S. interests in areas geographically close to other great powers – helping smaller states to remain outside a Chinese or Russian

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<sup>26</sup> John Norris, *Collision Course: NATO, Russia, and Kosovo* (Westport, Conn: Praeger Pub, 2005).

<sup>27</sup> “Could China Seize and Occupy Taiwan Militarily?,” *ChinaPower Project* (blog), May 17, 2016, <https://chinapower.csis.org/can-china-invade-taiwan/>.

<sup>28</sup> Samuel Charap and Timothy J. Colton, *Everyone Loses: The Ukraine Crisis and the Ruinous Contest for Post-Soviet Eurasia*, Adelphi Series 460 (Abingdon, Oxon: Routledge, 2017).

sphere of influence – carries a growing risk of catastrophic great power war. Threading that needle will be the core challenge for policymakers in the 21<sup>st</sup> century.

## **Ukraine As Precedent**

Luckily, despite all the talk of Ukraine as a refutation of the notion of spheres of influence, Ukraine itself offers a useful and instructive precedent in how future policymakers can strike a balance among these concerns.

Start with the basics: in practice, Washington has already accepted the idea that Ukraine falls outside its no-longer global sphere of influence. In refusing to intervene with direct military force in the current war – or in the 2014 war – U.S. policymakers have implicitly drawn a clear boundary between current NATO members and Ukraine. But Ukraine also demonstrates that such a decision does not necessarily mean abandoning small states to their fate. The role of the United States and its allies in arming, funding, and assisting Ukraine – all without American boots on the ground – has been pivotal in allowing the country to resist the Russian invasion.

It is a common refrain that spheres of influence elide the agency of small- and medium-powers to make their own choices. And it is certainly true that smaller states close to great powers will always have more limited options in foreign policy than others. For this reason, the Biden administration’s promise in the National Security Strategy to support “every country, regardless of size or strength, in exercising the freedom to make choices that serve their interests” is almost certainly unachievable in practice.<sup>29</sup>

But the example of Ukraine suggests that even in a period of growing multipolarity, small states can thrive. These states can build their own deterrence posture, using support from the United States and others to make themselves an unappetizing meal for aggressive neighboring states. The relatively balanced approach the United States has taken in Ukraine can be applied more broadly, particularly in the case of Taiwan, where the growth of Chinese power in recent years, and apparent growing determination in Beijing to achieve reunification with the island poses similar dilemmas.

China is certainly a greater challenge than Russia, militarily, economically, and politically. But the underlying issues are similar: America’s Cold War-era policy of strategic ambiguity was designed to place Taiwan in a grey zone where neither Beijing nor Taipei had the incentive to push the issue. Should the U.S. maintain its

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<sup>29</sup> “National Security Strategy of the United States of America” (The White House, October 2022), <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

long-running ambiguity on this question and risk being unprepared for Chinese action? Or should it adopt a firmer stance to demonstrate support for Taiwan – what some have described as “strategic clarity” – and risk a Chinese response? As in Ukraine, an attempt to clarify the fact that Taiwan is outside Beijing’s sphere of influence – and to deter military action by China – could end up provoking the war that we wish to avoid.

Ultimately, accepting that America’s sphere of influence is no longer global will be a difficult pill to swallow. And it will necessarily place smaller states near other great powers at the pointy end of the spear. But in an era of growing multipolarity, the reality is that there is an extremely narrow path between asserting U.S. interests in areas geographically close to other great powers and avoiding great power war. Embracing the less provocative and more hands-off approaches that have been successful in Ukraine can bridge that gap, preparing small states to defend themselves while minimizing the risks of great power war.

# **U.S. Leadership in a World in Conflict: Europe and Eurasia**

**Michael Kimmage**

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Since 1945, the United States has been a crucial guarantor of European security. From 1945 to 1991, U.S. security guarantees extended to Western Europe, and Eastern Europe was under Soviet control. When the Soviet Union collapsed in 1991, a new period of openness began, during which the United States welcomed many new countries in the NATO alliance and the European Union grew to include much of central and Eastern Europe. In 2008, Russia began to push in the opposite direction first by invading Georgia, then by annexing Crimea in 2014 and installing its troops on the territory of Eastern Ukraine. This was the backdrop to Russia's massive invasion of Ukraine in February 2022, which has resulted in a European environment that is both more fluid and more dangerous than it was in the Cold War. Dealing with this war and with its aftereffects will be a generational challenge for the United States, one that is likely to last for decades.

In Europe, the United States faces three intersecting challenges. The first is the preservation of Ukrainian sovereignty and independence in the midst of a terrible war. The second is the management of regional insecurity, since the war has already had many ripple effects around the globe, but most acutely in those European states that neighbor Ukraine. The third is handling of the relationship with Russia, one of the world's major nuclear powers and a lynchpin of international politics. To succeed, the United States should do three things in response. It should give Ukraine maximum advantages in its battle for survival. It should do what it can to define its interests and commitments in Eastern Europe without letting the war in Ukraine escalate into a direct U.S.-Russian confrontation. Finally, policy makers should make sure that they have the full support of the American people. This will matter significantly in what is prone to be a long conflict.

## **CHALLENGES:**

### **Ukraine**

Since January 2022, U.S. support for Ukraine has been crucial. It began with raising international awareness of the coming war and with highly effective intelligence sharing. Once the war began, the United States has provided essential military backing, and it has been at the center of a transatlantic and global alliance, which has levied formidable sanctions on Russia. The success of this project became visible in September 2022, when Ukraine started to take back large areas of territory held by Russian forces. The remaining challenges are not small. By no means has Russia given up on the war. It will be difficult to dislodge the Russian military from its current positions in Ukraine, and the will to mount further offensive attacks is certainly there in Moscow. (Whether the capacity is there is another question.) Ukraine's valor in response to invasion and the leadership skills of Volodymyr Zelensky are known to the world. Yet the Ukrainian economy has been devastated by the war. The number of Ukrainian refugees and internally displaced people is immense, and in the past two months Russia has been doing what it can do to degrade Ukraine's critical infrastructure. Ukraine does not just need military support. It needs support to sustain itself as a society, as a culture, and as a polity.

### **Europe**

Europe has been jolted into a new era by the war. Not so long ago, in 2009, the European Union sponsored the Eastern Partnership program for Ukraine, Belarus, Moldova, Armenia, Azerbaijan, and Georgia. This program assumed the gradual integration of these countries into a larger Europe and a Europe at peace. In the winter of 2022-2023, what Europe has instead is a sprawling, full-scale war, not on Europe's periphery but within Europe itself. Europe is wrestling with two basic dilemmas. One is remaining unified when European countries do not have the same interests or perspectives regarding Ukraine. For Portugal the war is far away. For Poland it could not be closer. The European Union is an imperfect vessel for maintaining unity, because it tends to be slow and bureaucratic, and because it has only very limited military capacities. The second dilemma is more philosophical. Where does Europe end? If Europe includes Ukraine, something about which most Europeans would now agree, does it also include Belarus (a client state of Russia's)? Does Europe have a hard stop? Does it have a border in the East? Or is it an evolving, undefined entity, as it was in the 1990s? In this sense, contemporary Europe has little resemblance to the Europe of the Cold War, which had geographic boundaries to its West and its South (the Atlantic Ocean and Mediterranean Sea) and political border separating East from West, the iron

curtain. This made Europe much easier for the United States to defend. Today's Europe will be harder to defend in part because it is harder to define.

## **Russia**

Putin's Russia is an enormous problem for the United States. For the time being, Putin has a firm grip on power with no opposition movement or parties to worry about. The Russian economy generates substantial resources for the Russian state, and the state has devoted a major portion of these resources to military modernization. Putin sees the United States as Russia's enemy. First and foremost, this concerns Ukraine, where Putin is eager to assert Russian control and to push back against Western military influence. Putin also sees the United States as hemming Russia in in Europe – through its military presence and through the NATO alliance. This is one of several incentives for Russia to partner with China and to create with China a rival international order to the one led by the United States. The tensions between Russia and the United States in Ukraine (ongoing since 2014) should be seen not just in a European but in a global light. Russia has interests of its own in Latin America, Africa and the Middle East; they do not always concern the United States. But Russia would also like to roll back U.S. power and influence globally, to contribute where it can to setbacks for the United States and to use what means it has (covert and public) to establish a counter-narrative, if not a narrative that flatters Russia then at least one that implies American arrogance, hypocrisy and, most importantly, American decline. The problem-within-a-problem for the United States, where Russia is concerned, is that Russia cannot simply be countered or ignored. The United States has to pay close attention to Russia's nuclear weapons, its partnership with China, its partnership with Iran, its presence in the Arctic and the role it plays in global warming. Russia's war against Ukraine has not made paying attention to these issues more difficult, but it has complicated productive diplomatic engagement on these issues.

### **POLICY INITIATIVES:**

#### **Ukraine**

The United States does not need a new policy for Ukraine. In many ways, the United States is achieving its objectives in Ukraine. Emphasis should fall on the long-term achievement of these objectives, which are grounded in Ukraine's sovereignty and independence. Ukrainian resilience beyond the battlefield cannot be taken for granted. Support for Ukraine must mean the preservation of "normal life" to the extent that this is possible in wartime, from the provision of electricity and water to the education of

children. Making such resilience possible – by working with the Ukrainian government and with Ukraine’s many partners – should be understood as a U.S. interest on par with making Ukraine’s military resilience possible. Since the U.S. taxpayer will play an important role here, both the White House and Congress should be active in explaining the stakes of Russia’s war against Ukraine. Twice the United States had to fight world wars because Europe had descended into chaos. Beyond military affairs, peace and stability in Europe are very beneficial to the United States, enabling large-scale trade and commerce. If Ukraine were to lose its war with Russia, peace and stability in Europe would be seriously compromised. These points should be worked into arguments for the long-term support of Ukraine. Zelensky may not achieve something that can be called victory in the next several years. He has in Russia a formidable foe. The American public should be ready for this eventuality, and it should not be cause for frustration or despair.

## **Europe**

The fundamentals of U.S. policy in Europe are strong. Although it has been possible to detect friction in the transatlantic alliance, and although some countries that are U.S. partners have been reluctant to go against Russia (Turkey, India and Brazil for example), the big story of the war has been the smooth functioning of the transatlantic and global coalition behind Ukraine. Historically, one could argue that the transatlantic coalition has been much less rocky during the Ukraine war than it was during World War II, when many personalities clashed and when there were harsh disputes over strategy. What will help to keep the transatlantic reliance united will be the development of clear aims, and in this, it will be necessary to work out certain core definitions. A maximalist aim would be “all of Europe” in the European Union and NATO, including Ukraine, Belarus, Moldova, Azerbaijan, Armenia, and Georgia, a fulfillment of the Eastern partnership program of 2009. A minimalist aim would be sovereignty and independence for that portion of Ukraine that can be completely defended by Ukraine and its partners. A wide spectrum lies between these two aims. Precisely because there is disagreement within Europe, where maximalist aims are more widely held in the East and minimalist aims more widely held in the West, U.S. leadership will be crucial. With Kyiv, Washington will have to figure out what its positive goals are, not just countering Russia but the kind of Europe that can be adequately defended against Russia will neither disappear nor moderate its ruthlessly maximalist goals for Ukraine and for Europe.

## **Russia**

The best precedents for a viable policy toward Russia derive from the Cold War. What U.S. strategists like George Kennan and U.S. policy makers (presidents from Eisenhower to Reagan) achieved during the Cold War was a three-fold approach to the Soviet Union. Step one was containment, the establishment of a perimeter or line of contact between the United States and the Soviet Union. Where the Soviet Union encroached on this line of contact the United States would respond with force or with the threat of force, as for example it did during the Berlin airlift of 1948. Secondly, in part because the Soviet Union was a nuclear power, the United States found ways to communicate with the Soviet Union, often through arms control but through other mechanisms as well. Thirdly, to the American people the U.S. government never promised outright victory in the Cold War, which would have been the Soviet Union's unconditional surrender. It merely promised to contain Soviet power. This history is useful at the present moment. Ukraine may not be able to expel Russian troops from all of Ukraine, and Russia has the resources to prosecute its war against Ukraine for a long time. Already, though, the United States has helped Ukraine to contain Russian military power. This has mattered in Ukraine, and it has had a demonstration effect. It has bolstered the security of the Baltic Republics, Poland and many other NATO allies of the United States. As for the second point, the United States still communicates with Russia, and these efforts are important. They should not be based on the impatient desire for a "negotiated settlement" in Ukraine: that is a possible but unlikely outcome of the war. Instead, diplomatic communication should be organized around avoiding unwanted escalation, on the discussion of red lines and on those issues (nuclear non-proliferation, the Arctic, climate change, etc.) that are of bi-lateral consequence and may not be directly tied to the war in Ukraine. Third, it should be made clear, as it was by the architects of the early Cold War, that unconditional victory over nuclear powers is improbable to the point of being impossible. So long as Putin or a Putinist leader remains in power in Russia, Russia will not surrender. It may pause its war in Ukraine, but most likely it will not end the war. Nor will Russia give up on its project of undermining and minimizing a U.S.-led international order. The United States will have to pursue its interests without a Hollywood- or World War II-style victory on the horizon. This is the world we live in, and the more patience we can muster, even in the rapid-fire era of social media, the more effective the United States will be.

## **Conclusion**

The 1990s was a decade of unbridled optimism. The problem of Europe was solved! Democracy was on the march! Globalization was knitting the world together! Major wars were a relic of the past! Much of this optimism was unfounded. The problem of

Europe and especially of Eastern Europe, a site for centuries of imperial conquest and war, had not been solved. Russia gestured toward democracy in the 1990s and with Putin it ended up as a dictatorship. Globalization did not knit the world together: China used it to advance its own interests and eventually to launch a rivalry of its own with the United States. And a major war began on February 24, 2022, a war that shows no signs of winding down. Catastrophic as this war has been, the pendulum should not swing too far in the other direction – toward pessimism about Europe or about democracy. Over the past year, the United States has once again shown its skill in alliance building, in being Europe’s major security guarantor and in working together with fellow democracies, the most important of which is Ukraine. If the United States can build on this momentum, if it can help to keep Ukraine afloat, if it can be clear-headed about the scope (and the limits) of its interests in Europe and if it can contain Russia without seeing the war spin out of control, the United States will have a winning policy for the long term. If so, winning will look messy, but for the American people it will pay many real-time dividends.

# Allied Response to a More Dangerous Asia

**Jennifer Lind**

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East Asia is growing more dangerous due to the growing threat of Chinese power and North Korea's progress in its nuclear and missile programs. How is this affecting America's alliances? I argue that rising threat perception in Japan and South Korea is leading both countries to take or consider dramatic shifts in national security policy. Two positive moves include: 1) a recent historic Japanese decision to increase its defense budget and activities and, after years of chilly relations; 2) increased Japanese and South Korean trilateral security cooperation with the United States. A third trend, however, represents both a significant challenge for stated U.S. interests and for the U.S.-ROK alliance: (3) a growing South Korean debate about acquiring an independent nuclear arsenal.

## **East Asia's Growing Dangers**

The United States and its East Asian allies face a more dangerous security environment. China has engaged in a major conventional and nuclear buildup. China has acquired sophisticated air and naval forces and now has the world's largest navy (measured in terms of tonnage). Japan feels this threat keenly as China engages in frequent military incursions into Japanese waters and around disputed islands. Chinese military forces also increasingly menace Taiwan. The Chinese Communist Party indoctrinates the people in anti-Japanese nationalism. Furthermore, illiberal Chinese leadership at home and abroad threatens Japanese ideas about a "Free and Open Indo-Pacific."

North Korea has also grown more threatening. Pyongyang has steadily improved its nuclear capabilities, conducting six nuclear tests since 2006, with a seventh expected soon. North Korea has improved its arsenal from a handful of fission weapons to developing reliable thermonuclear weapons, with vastly more destructive power.<sup>30</sup> North Korea has also stepped up the pace and diversity of its missile testing; more

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<sup>30</sup> Sang-Hun, Choe, Victoria Kim, and John Yoon. "North Korea's Arsenal Has Grown Rapidly. Here's What's in It." *The New York Times*, November 18, 2022, <https://www.nytimes.com/article/north-korea-arsenal-nukes.html>.

missile tests have been conducted under Kim Jong Un's rule relative to all testing under his father and grandfather.<sup>31</sup>

Recent tests have particularly alarmed Japan and South Korea. Last fall, North Korean missile tests that passed over Japanese air space triggered sirens and emergency alerts, sending Japanese people fleeing underground.<sup>32</sup> In October, Pyongyang carried out numerous missile launches to simulate the use of tactical battlefield nuclear weapons to “hit and wipe out” South Korean and American targets.<sup>33</sup> “They are rehearsing for nuclear war,” commented analyst Ankit Panda.<sup>34</sup> North Korea continued to test multiple times in November. Amid all of these tests, Kim Jong Un continues to issue nuclear threats. Upon his October missile tests, Kim Jong Un said that if South Korea and the United States used force against North Korea, they would “pay the most horrible price in history.”<sup>35</sup>

## Japanese Responses

Japan's reactions to East Asia's growing dangers have been stunning: a marked departure from its longtime national security restraint. Its recent actions support American interests and reflect a strong US-Japan alliance.

*A Reticent Ally.* Since the disaster of World War II, which Japan blamed on its military leaders, Tokyo has avoided military statecraft. Japan has the world's third largest and highly technologically sophisticated economy. Yet Japan has not developed military power commensurate with its potential, and has confined its military activities to the US-Japan alliance (first signed in 1951). Several taboos formed around power-projection and offensive capabilities (e.g., aircraft carriers, amphibious forces, long-range

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<sup>31</sup> Christian Davies, et. al., “North Korea's Evolving Nuclear Threat: Too Great to Deter?” *Financial Times*, January 7, 2023,

<https://www.ft.com/content/3c350cc2-0711-456c-a649-311eb57b0d03?shareType=nongift>

<sup>32</sup> Motoko Rich and Choe Sang-Hun, “North Korea Fires Powerful Missile, Using Old Playbook in a New World,” *New York Times*, October 3, 2022,

<https://www.nytimes.com/2022/10/03/world/asia/japan-north-korea-missile.html>

<sup>33</sup> “North Korea Confirms a Simulated Use of Nukes to ‘Wipe Out’ its Enemies,” Associated Press, October 10, 2022,

<https://www.npr.org/2022/10/10/1127796517/north-korea-confirms-a-simulated-use-of-nukes-to-wipe-out-its-enemies>

<sup>34</sup> Quoted in Yoonjung Seo, et. al., “North Korea fires two more missiles in a record year for launches,” CNN.com, December 18, 2022,

<https://www.cnn.com/2022/12/17/asia/north-korea-missile-test-intl-hnk-ml/index.html#:~:text=North%20Korea's%20last%20known%20missile,Ad%20Feedback>

<sup>35</sup> “North Korea Threatens to Use Nuclear Weapons During South Korea, US Drills,” PBS Newshour, November 1, 2022,

<https://www.pbs.org/newshour/world/north-korea-threatens-to-use-nuclear-weapons-during-south-korea-u-s-drills>

missiles).<sup>36</sup> Furthermore, since 1958, Japan has respected a ceiling on defense expenditure of one percent of GDP.

During the Cold War, the United States frequently pressured Japan to spend and do more, and some leaders of the dominant Liberal Democratic Party (LDP) favored boosting defense capabilities. But such calls were often thwarted by opposition parties on the Left, and by the public, which disliked “guns” and enjoyed its “butter.” Sometimes, however, responding to rising regional threats, Tokyo shifted its thinking about offensive versus defensive military forces. For example, after North Korea test-fired a missile over Japan in 1998, Tokyo acquired military satellites (previously considered an unlawful militarization of space). Over time Japan created a Marine Corps, and acquired F-35 fighters, refueling aircraft, and small aircraft carriers. Tokyo passed legislation to allow participation in rear-area support missions within the alliance, and in multilateral peacekeeping missions.

*Historic Changes.* Growing regional dangers are leading Japan to break two longstanding taboos. As announced in a new national security strategy in December, Tokyo plans to double defense spending to 2 percent of GDP; from its current \$54 billion to over \$80 billion by 2027. This catapults Japan from #9 in the world to #3: below only the United States and China (surpassing Russia, India, and the European major powers).

Secondly, Tokyo has announced plans to develop a “counterstrike” capability. In the event of a war in Korea or Taiwan, the adversary would likely target Japanese bases, to destroy airfields used by American forces. Given growing missile threats, Japanese Prime Minister Fumio Kishida and other Japanese leaders fear that Japan’s missile defenses no longer provide adequate protection. A counterstrike capability would enable Japan, if hit by enemy missiles, to retaliate against enemy missile launchers and command-and-control sites, to thwart further attacks. Kishida has requested (and Washington has approved) that the United States sell Japan 500 Tomahawk missiles.

Previous Japanese officials proposed counterstrike as well as raising the defense budget, but were blocked by opposition parties and public outcry. No longer; today the region is different, and so are Japanese politics. Even the LDP’s coalition partner, Komeito – which identifies as pacifist—agrees on the need for counterstrike.

Overall, recent changes in Japanese security are profound, and should be cheered by Washington. After a long delay, Tokyo is stepping up to contribute its resources and

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<sup>36</sup> Interestingly, over the years numerous Japanese leaders have made statements that nuclear weapons are defensive in nature and therefore permissible according to the Constitution.

talents to enhancing regional security. The U.S.-Japan alliance has never been stronger, due to decades of security cooperation and shared fears of a more powerful China.

## South Korean Responses

Growing threats are also leading Seoul to consider changes in security policy. One of these changes (trilateral security cooperation with Japan) is a highly positive trend. However a second development— an intensifying discussion in Seoul about acquiring an independent nuclear capability—has the potential to create a major rift in the U.S.-ROK alliance.

*Trilateral Cooperation.* Washington has long sought to encourage security cooperation between its two key Asian allies. Japan has hesitated because Tokyo fears entanglement in a war on the Korean peninsula, and is broadly apprehensive about collective security. South Korea's participation is shaped by two key factors: the first being longstanding resentment of Japan because of its annexation and mistreatment of Korea in the early 20<sup>th</sup> century. Such resentment over history (and over the Dokdo/Takeshima territorial dispute) is fanned by South Korean politicians seeking to score political points. The latest dispute started with a 2019 South Korean Supreme Court verdict related to wartime forced labor that ruled against Japanese firms, which led Tokyo to retaliate with trade restrictions.<sup>37</sup>

Second, in the dawning security competition between China and the United States, Seoul has pursued a hedging strategy. It seeks to remain close ties with its treaty ally, the United States, and also with China, its #1 trading partner. (China also holds key influence, to the extent anyone has it, over Pyongyang.) Trilateral security cooperation alarms Beijing; historical rancor and distance from Tokyo allows Seoul to reassure Beijing that South Korea is not joining a counter-China balancing campaign.

Recent North Korean missile activity and shared threat perception are pushing Seoul and Tokyo closer together. South Korea's president Yoon Suk-yeol supports trilateral cooperation. He has declared his support for returning to GSOMIA (General Security of Military Information Agreement), an intelligence-sharing agreement that previously died amidst controversy.<sup>38</sup> Yoon and Kishida, meeting at an international summit in Phnom Penh, agreed to share "real-time missile warning data."<sup>39</sup> Access to intelligence

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<sup>37</sup> Jennifer Lind, "The Politics of the Present," *The Diplomat*, November 1, 2019.

<sup>38</sup> Ji Da-gyum, "Yoon Suk-yeol pursues 'peace through strength' on the Korean peninsula," *Korea Herald*, February 27, 2022, <https://www.koreaherald.com/view.php?ud=20220227000098>

<sup>39</sup> Gabriel Dominguez, "U.S., Japan and South Korea step up bid to counter Pyongyang's missile threats," *Japan Times*, November 24, 2022, <https://www.japantimes.co.jp/news/2022/11/24/national/japan-south-korea-us-missiles/>

from radars at all angles would provide valuable tracking data and make missile defenses of all countries more effective.

The countries have conducted trilateral naval exercises in response to North Korean missile tests. In the “Pacific Dragon” drills in August 2022, the three countries conducted ballistic missile defense exercises off the coast of Hawaii for the first time since 2017. In October, warships from the U.S., Japan, and South Korea conducted ballistic missile defense exercises in the Sea of Japan that featured “almost instantaneous sharing of information among the three navies.”<sup>40</sup> One U.S. official commented, “I cannot think of a period . . . where we have been as closely lashed up and synced with [South Korea] and Japan as the past two years.”<sup>41</sup>

These trends in Japan-ROK relations are highly positive, but Americans should be cautiously optimistic. Their relations (and trilateral cooperation) tend to ebb and flow. Recent cooperation does not mark a brand-new era of close Japan-ROK ties; rather, it represents a peak before we will (in all likelihood) drop down into the next trough. Largely due to Seoul’s desire to mollify Beijing, South Korea will likely treat Japan with caution, and trilateral security cooperation will likely be at best sporadic. American officials should continue to try (as they have done in the past) to help broker cooperation when conditions are favorable.

*An Independent Nuclear Arsenal?* Another trend in South Korea represents a significant challenge for the U.S.-ROK alliance. South Korea’s increased threat perception vis-à-vis Pyongyang has led to an intensifying debate about acquiring an independent nuclear weapons arsenal.

North Korea’s development of intercontinental-range missiles (tested in 2017) mark a game-changing moment in the alliance. North Korea previously lacked the ability to hit American cities. But if North Korea possesses the ability to destroy American cities, this raises questions about the credibility of the U.S. nuclear umbrella. In a war on the peninsula, if North Korea were to threaten nuclear escalation – or if it used nuclear weapons against South Korea – would the United States actually respond with overwhelming force? In the past – when North Korea could not target American cities – South Koreans believed it would. But we are now entering an era in which U.S. retaliation could lead to the destruction of American cities: i.e., the destruction of American society as we know it. South Koreans are understandably asking whether this is something any rational leader would do.

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<sup>40</sup> Dan Sneider, “While North Korea Tests, South Korea and Japan Walk a Narrow Bridge to Restore Relations,” KEI, October 17, 2022, <https://keia.org/the-peninsula/while-north-korea-tests-south-korea-and-japan-walk-a-narrow-bridge-to-restore-relations/>

<sup>41</sup> Quoted in Davies, et. al., “North Korea’s Evolving Nuclear Threat.”

Given these new conditions (caused by North Korea's ability to strike the United States), more and more South Koreans are calling for acquiring an indigenous nuclear arsenal. This would require South Korea to withdraw from the Nuclear Non-Proliferation Treaty. The treaty's Article X grants a member the right to withdraw if "extraordinary events, related to the subject matter of this [t]reaty, have jeopardized the supreme interests of its country." In other words, Article X allows a country to legally withdraw from the NPT if its government decides that continued adherence threatens national security.

The debate over nuclear weapons acquisition has progressed quite far. Over 60 percent of the public support the move, and the conversation has shifted from fringe to mainstream, with both conservatives and progressives (for very different reasons) supporting the move. South Koreans are sensibly debating both their concerns about the U.S. nuclear umbrella as well as the numerous costs that would likely result. In particular, people worry that China will retaliate (as it often does and has done in the past against Seoul) with coercive economic measures.

American leaders need to be aware of the extent to which this debate has progressed, need to independently discuss ways to alleviate South Korea's concerns about the U.S. nuclear umbrella, and need to discuss them with South Korea and other allies. Americans should also understand that ultimately Seoul may make the decision to go nuclear, and if so, the U.S. should have a carefully thought-out response.

We have been here before. In the mid-1950s, the Soviet Union first began to deploy bombers that could reach the U.S. homeland, and a few years later the USSR began to build their first intercontinental-range missiles. By the early 1960s the Soviets had built a large and diverse nuclear arsenal. As Daryl Press writes, "The once-credible U.S. nuclear commitment was now in question: why would the United States retaliate to a Soviet invasion of Europe with a nuclear strike, which would lead to a massive Soviet retaliatory blow against the U.S. homeland?" French President Charles de Gaulle bluntly asked U.S. President John F. Kennedy if the United States would really "trade New York for Paris."<sup>42</sup>

NATO allies responded differently to the growing Soviet threat, and within their choices lie options for South Korea. These include: peacetime U.S. nuclear deployments to the Korean peninsula, nuclear sharing, and independent nuclear capabilities. The second option – a version of the United States's NATO nuclear sharing program – probably is

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<sup>42</sup> Memorandum of Conversation, General de Gaulle and President Kennedy, May 31, 1961. <https://history.state.gov/historicaldocuments/frus1961-63v14/d30> For discussion see Jennifer Lind and Daryl G. Press, "Five Futures for a Troubled Alliance," *Korean Journal of Defense Analysis*, 2021, <https://www.kida.re.kr/frt/board/frtNormalBoardDetail.do?sidx=706&idx=2600&depth=3&searchCondition=&searchKeyword=&pageIndex=1&lang=en>

the most promising. To be sure, Washington wants none of those options – however the alternative to the first two might be the third. In sum, the crux of the problem that the United States is facing with South Korea today closely mirrors the problem that NATO faced from 1955-65. Americans need to ponder, and discuss with South Korea, which if any of the approaches that NATO employed during the Cold War might be plausible options for the deterrence needs on the Korean Peninsula today.

To conclude, security conditions in East Asia are worsening due to North Korean missile and nuclear developments and China's continued military buildup. These pressures are pushing Japan and Washington closer together (and even perhaps will encourage security cooperation between Japan and South Korea). However North Korea's development of intercontinental-range missiles is a development that will pose a serious challenge for the U.S.-ROK alliance.

## Keeping China in Check

**Robert Daly**

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*“Those who are prone, by temperament and character, to seek sharp and clear-cut solutions of difficult and obscure problems, who are ready to fight whenever some challenge comes from a foreign power, have not always been right. On the other hand, those whose inclination is to bow their heads, to seek patiently and faithfully for peaceful compromise, are not always wrong. On the contrary, in the majority of instances they may be right, not only morally, but from a practical standpoint. How many wars have been averted by patience and persisting good will! Religion and virtue alike lend their sanctions to meekness and humility, not only between men but between nations. How many wars have been precipitated by firebrands! How many misunderstandings which led to wars could have been removed by temporizing!” ~ Churchill, *The Gathering Storm*, 1948*

*“My gut tells me we will fight in 2025.” ~ Gen. Michael A. Minihan, January 28, 2023*

In broad outline, the China challenge is a conventional story: China’s power has increased and other countries are reacting in defense of their interests. As the status quo power, the United States leads those efforts. The question of whether America should aim to defeat China or balance against it is now under debate.

The U.S. and its partners began to counter China earlier than they otherwise might have—and with greater urgency than seemed possible until recently—due to four factors: (1) the Trump administration’s launching of a trade war in 2018, (2) China’s handling of the COVID-19 pandemic, (3) Xi Jinping’s support for Vladimir Putin’s invasion of Ukraine, and, above all, (4) China’s illiberal actions. Beijing’s treatment of Hong Kong, Xinjiang, and Taiwan, its construction of a surveillance state, its military buildup, and its coercion of Asian, European, and North American countries have convinced many nations that China is a threat.

## A New Cold War?

For the United States, the China challenge is shaping up as a new kind of cold war, although the Biden administration rejects the term. In a May 2022 speech on China policy that is the most authoritative statement of the United States' position to date, Secretary Blinken asserted that “We are not looking for conflict or a new Cold War. To the contrary, we’re determined to avoid both.”<sup>43</sup>

Declaring a cold war would, of course, make the United States sound like a bad guy. To engage in a new cold war would also seem retrograde. We thought we were better than this; it is depressing to find we were wrong.

But even as the President denies that we are in a cold war, most Americans recognize that the U.S. is engaged in a trade war and a technology war with China. The Department of Defense calls China its “pacing challenge” and warns of imminent conflict over Taiwan. President Biden paints U.S.-China competition as a historic struggle between democracy and authoritarianism. With economic, tech, military, and ideological frictions at a fever pitch, and with the likelihood that this high stakes, dangerous, profoundly wasteful competition will last decades, is it time to opt for the clarity and urgency of those two syllables: cold war? The new House Select Committee on China thinks so. In a January 2023 interview with *Politico*, Congressman Mike Gallagher, the committee chair, said that he and his colleagues would be asking about “the long-term investments we need to make to win this new cold war with Communist China.”<sup>44</sup>

Before investing we should be clear about what is at stake—what the cold war is *about*—and what would constitute *winning*—what we are aiming for. We know what the rivalry means for the United States. The U.S. goals are to maintain pre-eminence such that its security, prosperity, and values are upheld and to preserve a global system conducive to those ends. Washington’s claim is that China threatens every aspect of this agenda—our pre-eminence, security, prosperity, values, and the liberalism of the rules-based international order. Some American leaders believe the China threat is *existential*.<sup>45</sup> In July 2020, then Secretary of State Pompeo said that “if we bend the knee now, our children’s children may be at the mercy of the Chinese Communist

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<sup>43</sup> <https://www.state.gov/the-administrations-approach-to-the-peoples-republic-of-china/>

<sup>44</sup> <https://www.politico.com/news/2023/01/10/house-china-select-committee-00077312>

<sup>45</sup> The claim has been made, for example, by Senator Mitt Romney (<https://www.romney.senate.gov/we-cant-look-away-chinas-existential-threat/>), General Mike Holmes (<https://www.afr.com/world/north-america/china-an-existential-threat-to-us-and-allies-general-202109-02-p5801d>), and Ambassador Robert Lighthizer (<https://www.youtube.com/watch?v=nfRw6xy60Iw>),

Party.”<sup>46</sup> Senator Barrasso has stated that “China is not in the cooperation business. It’s in the global domination business.”<sup>47</sup> While the harshest analyses of China’s intentions are offered by Republican politicians, their views are widely shared by Democrats. Countering China is a bipartisan cause.

## **What China Wants**

But has the U.S. accurately assessed China’s strategic goals? Neither U.S. deterrence of China nor U.S. diplomacy toward Beijing and the rest of the world will succeed if the country misjudges China’s intentions and beliefs. To design China policy effectively, the U.S. should first consider China’s point of view, even if it does not accept it. I have been discussing China’s take on its role in the world with Chinese friends and opponents for over thirty-three years. Nearly all of these interlocutors make one central claim and ask two related questions that have caused me to rethink my positions on U.S.-China relations continually.

The claim is that, as China rises, it is merely behaving as any rising country in its position would behave. It is a vast, ancient, proud, aggrieved, wealthy civilization state. It is home to the world’s largest group of middle class consumers and, perhaps, its biggest talent pool. It is the world’s pre-eminent trading nation. Any country in this position, the claim goes, would seek to translate its wealth into power to guarantee its security. It would push its defensive perimeter outward. It would want to shape the international environment to be more amenable to its goals. It would develop worldwide interests and protect them. The United States, Japan, and the European powers all did these things. Why expect China to be different, especially when it was poor and weak for so long and until so recently?

Up to this point, China’s claim must be accepted as historically accurate. Any Chinese government would have to import large quantities of energy, raw materials, and food to provide for the needs of its people. Any Chinese government would need access to foreign, markets, technology, and information. The United States has no grounds for criticism of China’s generic great power ambitions. The difficulties derive from the specific conditions of China’s rise and some of the particular purposes to which China directs its power.

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<https://cl.usembassy.gov/secretary-michael-r-pompeo-remarks-communist-china-and-the-free-worlds-future/>

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<https://www.bloomberg.com/news/articles/2022-10-26/xi-s-vow-of-world-dominance-by-2049-sends-hill-through-markets>.

China has risen well—faster and on a larger scale than ever before. But China rose late. Its great misfortune is that—unlike the UK, Japan, and the U.S.—when China was ready to spread its wings it found itself in a world in which every space on the geopolitical chessboard was occupied by a sovereign nation state within a Westphalian system. It found itself in a world in which information it could not control reached a skeptical world constantly and instantly, a world in which a body of legal principles and international laws was already widely accepted, and in which a global superpower with considerable legitimacy and tremendous strength was already entrenched. China has the same urges as nations that declared Manifest Destiny, took colonies, and enforced spheres of influence, and it arguably has greater needs. But it cannot exercise its ambitions as easily as they did. In its frustration with these strictures, it is prone to feel disrespected by the resident powers.

The first tricky question which my Chinese interlocutors ask in their frustration is “Where is it written?” Where is it written that the United States alone may have a global military presence, the exorbitant privilege of dollar dominance, unrivaled ability to shape global norms and institutions, unprecedented soft power, and discourse power that allows it to tell the world’s stories and define the character of other nations for a global audience and do so largely in its native language? Where is it written that the United States can enjoy such status and China cannot?

The second poser I have heard over the decades from Chinese officials, artists, and cabbies may be even more damning: Would you willingly share power with us on an equal basis if we were what you call a liberal democracy instead of a Communist state?

The answer to the first question is easy: it is not written anywhere that the U.S. alone gets great power, but why would the U.S. relinquish it? If you want it, China, you will have to wrest it from the U.S. The second question is harder: No one knows how the U.S. would react if it were eclipsed, or feared that it might be eclipsed, by a fellow democracy. So I admit that I am not sure.

This is my Chinese interlocutors’ “gotcha moment.” If the U.S. would try to keep even a fellow democracy down to maintain its preeminence, then American talk of universal values and human rights is a cynical sham. The U.S. is all about power. U.S. principles only are tools to that end.

Much of China’s critique of the United States is reasonable and much of China’s frustration—which is shared by other nations—is merited. It has been the irony of American China policy for forty-plus years that, if China adopted all of U.S. advice for good governance and social and economic management, and if U.S. prescription for human flourishing is universally applicable, then China would surpass the U.S. in all

indices of power more rapidly than it would under a Communist Party (CCP) dictatorship.

China's questions also reveal a widespread Chinese sense that it will overtake the United States as a matter of historical destiny. The CCP describes this as a righteous drive to attain comprehensive national power (综合国家实力) that secures its sovereignty, maximizes its scope for global maneuver, and strengthens its ability to influence global systems. China has long studied and been subject to the kind of multidimensional power the United States wields and would now like to try it on for size.

It is at this point that conversation with Chinese interlocutors becomes difficult. The question for the United States and a growing list of third countries—a question most Communist Party members and supporters either do not see or ignore—is not *whether* China has a right to develop, enjoy sovereignty, and try to influence its environment—of course it does—the question is *how* it defines its sovereignty, how it projects power, and how it impinges on the interests of other peoples. China wants to focus on its *right* to rise while the outside world worries about the *results* of Chinese power.

For the United States, there are two major problems with the way China defines its sovereignty. The first is that Beijing's conception of its sovereign territory comprises an Indian state, Arunachal Pradesh, and nearly all of the Western Pacific within the First Island Chain, an area which includes the world's most important shipping lanes, roughly 1.2 million square miles of international waters, numerous contested land features, and, most importantly, Taiwan. Within this region, the United States and China face a true security dilemma stemming from irreconcilable ideas about international law.

The second difficulty is that China believes its sovereignty is absolute, meaning that no action the CCP takes within its borders can be questioned by foreign governments, private citizens, or media. Criticisms of Beijing's domestic actions based on supposedly universal standards of human rights are illicit and offensive. They may result in coercion of the sort that China used to attack Australia after it called for a scientific investigation of the origins of the coronavirus or in the kinds of retaliation Beijing took against the European parliament after it condemned China's treatment of the Uyghurs. The CCP view is that because all nations have a sovereign right to select their mode of governance, all forms of government are therefore equally valid, morally neutral, and beyond reproach.

Against this background, what China seeks from the rest of the world is *deference through dependence*. That is the formula for its diplomacy. As noted above, China's reasonable desire for continued development requires its global integration. It must attain food, energy, raw material, markets, capital, and technology from beyond its

borders. But the CCP tolerates no international criticism that might threaten its monopoly on power within China, so it wants to reshape the global system such that it can attain what it needs *without obstacle and without objection*. It leverages its wealth to achieve this, through selective opening of its domestic markets, through trade, and through infrastructure lending under the Belt and Road Initiative (BRI). It expects countries which it benefits economically to tow Beijing's line, or at least to get out of its way. When thwarted, it becomes a self-righteous bully, but not because it wants to dominate the world in the manner of the Soviet Union or Third Reich. China does not want to rule the world. It does not care enough about the world beyond China to want to take on its burdens, and it does not care if other countries are democratic, theocratic, or socialistic as long as China gets what it wants from them with relative ease. China is almost entirely self-interested and self-reifying; it does not want to take risks or incur costs to defend a global system.

It is a mistake to think that China is bent on the United States' destruction. It is true that Enlightenment values espoused by the U.S. pose an existential threat to the dictatorial CCP, but China has no desire to enslave Secretary Pompeo's grandchildren. In fact, China's principal objection to the United States is that the United States objects to China so loudly and often. But China does not oppose American democracy *for America*. When I asked a local China scholar whether the PRC wanted to take over Australia, he said "No. China doesn't even *see* Australia. It just wants the ores and education that happen to be here. It wants our compliance."

## **The Order Competition**

Accepting that China seeks deference, not dominance, does not mean that the U.S. and the rest of the world face no danger from China's rise or that this is not a cold war. For one, China itself claims that it is blamelessly behaving like any emergent great nation, and history teaches us that what great nations seek is prone to change: the appetite for political power grows with feeding.

More concretely, we already know that, in its quest for an obstacle- and objection-free world, China is attempting to shape a global order in which its determinedly illiberal domestic governance methods are viewed as legitimate alternatives to the (more) liberal norms established after the Second World War. Unsurprisingly, the CCP's instinct and policy preference is to treat the people of the world as it treats the Chinese at home. The CCP is far from indifferent to its people's welfare. Its vision for its people is that they enjoy a high degree of material and technological well-being, that they be healthy, educated (in the Chinese sense), globally integrated, entertained, happy, and wholly compliant with the goals and beliefs the CCP sets for them. Beyond its orders, China is

glad to see foreigners enjoy the same goods but, as the Singaporean diplomat Bilahari Kausikan put it:

“China does not merely want consideration of its interests. China expects deference to its interests to be internalized by (other nations) as a mode of thought; it wants the relationship to be defined not just by a calculation of (other nation’s) interests vis-à-vis China, but by “correct thinking” which leads to ‘correct behavior.’”<sup>48</sup>

The price for incorrect behavior is steep. China’s recent coercion of Canada, Australia, South Korea, the Philippines, Lithuania, the Czech Republic, Sweden, and Norway; its policy of hostage-taking; its support for Russia’s invasion of Ukraine; its military buildup on the Sino-Indian border; its establishment of secret police stations in Europe and North America; its extraterritorial rendition of Uyghurs; its 2020 coverup of the early stages of COVID-19 and its 2023 coverup of the pandemic’s toll on the Chinese population all underscore the continuity between the CCP’s domestic and international models of leadership.

The questions which China’s behavior compels Americans to ask, are, then: *Do we wish to live in a world that is more amenable to a CCP that is increasingly repressive at home and aggressive abroad? And If not, what are we prepared to do about it?* Most other countries ask the same questions. Developed nations that want to continue selling to China and nations of the global south which depend on Chinese infrastructure loans are nevertheless resistant to increased Chinese influence.

The United States should therefore prioritize winning the Order Competition with China and treat the technological, economic, and military competitions as means to that end. It will find a receptive global audience if it emphasizes what we already know about China’s vision for world order:

- China supports the *forms* of democratic multilateralism, but its preference is for hierarchical relations and top-down decision making by great powers (大国) which hold sway within their spheres of influence;
- China’s instinct is nearly always to operate in secret;
- China regards freedom of speech, unregulated NGOs, individual rights, scrutiny of leaders, and political pluralism as conducive to “chaos” and color revolutions;

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<sup>48</sup> Kausikan, Bilahari, *Dealing With an Ambiguous World*, 2016, World Scientific Press

- China's conceptions of sovereignty, security, and citizenship require the construction of surveillance states which enable leaders to collect data on citizens' movements, communications, purchases, social circles, health, and financial records.

Despite pervasive and growing global doubt about the implications of Chinese power, Beijing is a formidable rival in the Order Competition. It is the economic lodestone of the eastern hemisphere and a great trading, investing, and lending nation. It is building its network of strategic partners, which already includes Russia, Iran, and North Korea, through vigorous diplomacy in parts of the world which the United States has long ignored: Africa, Latin America, Central and Southeast Asia. It is also gaining influence in the Middle East through transactional relations that are unburdened by involvement in the region's sectarian hostilities. Worldwide perceptions that the U.S. is weakening, divided, and isolationist also strengthen China's claim to global leadership.

### **What Does Success Look Like?**

If America's rivalry with China is best understood as a new kind of cold war centered on competition to shape global order, what outcome might satisfy the United States? The best answer I have seen was provided by Jude Blanchette of the Center for Strategic and International Studies (CSIS) for an unpublished report which the Wilson Center delivered to the Department of Defence (DoD) Office of Net Assessment in late 2022. Blanchette thinks the U.S. should aim for:

“A new equilibrium in which U.S. security and prosperity are ensured, the global order remains primarily – if imperfectly – liberal and rules-based, and China is satisfied to the extent that it remains peaceful and not openly hostile to the status quo.”<sup>49</sup>

This is a rough outline for an achievable steady state that does not require the destruction of China or the collapse of the CCP, neither of which the United States can bring about through peaceful means or at an acceptable cost. The framework also allows scope for change. Both superpowers will evolve over the course of their rivalry and their threat perceptions may shift. There is no swift or final victory for the United States in this conception of success; it requires that China modify its global ambitions gradually, which China might do for a host of reasons. In this vision, the United States is fine and functional at the end of the cold war, but it hardly stands triumphant.

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<sup>49</sup> Quoted with the author's permission.

The key to achieving this outcome is vigilant gradualism—the kind of strategic temporizing that Churchill described in *The Gathering Storm*. Cold wars, which occur when deeply hostile powers are determined to avoid armed conflict, are essentially plays for time. In this case, what is needed is time for China, the United States, and the global environment to change, peacefully, in ways that cannot now be foreseen.

## **Policy Recommendations**

Thousands of unforeseeable policy adjustments will be needed over this decades-long struggle. I therefore offer only four suggestions for course corrections the U.S. could put in place now.

1. **A more balanced approach:** If there is merit in this assessment of U.S.-China relations, then America's response to Chinese power projection has been overly militarized. The United States has greatly increased its military budget; formed AUKUS to advance U.S.-UK-Australian cooperation on nuclear-powered submarines and hypersonics; bolstered the Quad to counter China throughout the Indo-Pacific; persuaded NATO to add a China-facing component to its mission; encouraged Japan to raise its defense expenditure to 2% of GDP and commit to the defense of Taiwan, convinced partner nations to increase their freedom of navigation operations in the Western Pacific; and shelved the One China policy in favor of closer security cooperation with Taiwan. The Marine Corps is being redesigned to do battle with China in the Pacific. STRATCOM is developing new doctrines for trilateral nuclear deterrence. It is not that any of these initiatives is misguided, necessarily; the problem is that our military response to China has not been met with equal energy on the diplomatic and economic fronts. The U.S. has not matched our investments in DoD with comparable investments in the State Department. The U.S. finds it impossible to consider joining CPTPP or to negotiate trade agreements that would signal serious American interest in the prosperity of the Indo-Pacific. Most of the U.S. efforts go into a military response to China, even though it is more expensive and escalatory than diplomatic or economic activism. This sends a troubling message to the U.S. friends and allies.
2. **Domestic messaging:** Americans should be prepared for a long contest with China. Guns-and-butter trade-offs will rain down throughout the new cold war and American communities, corporations, universities, and other institutions will bear costs throughout the contest. If the United States is to succeed, moreover, it will have

to work with allies, as the Biden administration recognizes, and it will have to offer them enhanced access to U.S. markets if it wants them to defy China in ways that result in economic coercion. The Executive and Legislative branches must therefore develop a new vision for America's active engagement in the world—a new form of globalization—which explains to the American people why they should cooperate with allies, open their markets, pay higher prices, and make other sacrifices. They cannot be asked to suffer for the rules-based order. It is too abstract. A compelling case for vigorous American leadership must be made and it must be able to survive political cycles. If the commitment to countering China is as firmly bipartisan as Democrats and Republicans say it is, this can and must be done. If Americans and the rest of the world are whipsawed between global activism and isolationism every four years, even the limited success that Blanchette described may be out of reach.

3. **International messaging:** Rather than telling the world that the United States wants to defend the rules-based order, the U.S. should take a page from Xi Jinping's book and say that it wants to work with every nation to develop an order that reflects a transformed world, that is fair, democratic, transparent, and resilient, and that guarantees peace and prosperity for every nation. "Defend" sounds defensive. It gives the impression, which China and Russia amplify through propaganda, that the United States is blind to the many epochal changes at work in the world and that its priority is to guard its prerogatives.

Rather than attacking China's authoritarianism—which China counters by contrasting its system's purported effectiveness with the assumed chaos and decline of American democracy—American diplomats and politicians should criticize the CCP for its *secrecy*. Secrecy is the CCP's crack cocaine and greatest weakness. It cannot function without it, either domestically or internationally, but aversion to transparency is much harder to defend on the global stage than one party rule. For example, rather than saying that BRI is nothing but debt trap diplomacy (which is not true), U.S. diplomats should persuade opinion leaders and journalists in host countries that all BRI contracts should be made public and be openly debated before they are signed.

4. **U.S. public diplomacy in China:** At least since the 2016 presidential primaries, the United States has lost interest in engaging the Chinese people in respectful dialogue about bilateral relations, the nature of governance, and solutions to common problems. Today, the Chinese people hear little from Washington but threats and insults to their homeland. During the Engagement Era (1979 to 2012) American public diplomacy tried to ensure that Chinese elites understood the rationale for American policies based on historical and cultural knowledge of the U.S. The U.S. made patient arguments to the Chinese public about new ideas and

shifting global dynamics. The U.S. paid to translate influential articles and books into Mandarin and to get them onto bookshelves and the Internet. Xi Jinping has cut off many of the U.S. channels for communication, but the U.S. has also stopped making a serious effort to get itself heard, and to listen. If the cold war is to remain cold, and if the U.S. finds a way to emerge from it and again form constructive relations with the PRC, it should remain as engaged as possible with China throughout the contest and resume its conversation with interested Chinese, who number in the hundreds of millions.

## What the U.S. Gets Wrong about Iran

*(This essay was originally published by the [New York Times](#) on August 12, 2022)*

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Ibn Khaldun, the 14th-century North African scholar, wrote that empires tended not to last beyond three generations. The founders of the first-generation are rough men united by hardship, grit and group solidarity, a concept he called *asabiyyah*. The next generation preserves the achievements of their forebears. By the third or fourth generation, however, the comforts of wealth and status erode ambition and unity, leaving them vulnerable to a new generation of power seekers with fire in their bellies.

In the 1979 Iranian revolution, religious fundamentalists with fire in their bellies transformed the country into an anti-American Islamist theocracy. Today Iran is still led by one of its first-generation revolutionaries — 83-year-old Supreme Leader Ayatollah Ali Khamenei, who has ruled since 1989. Among the reasons for Mr. Khamenei's longevity is that he rules Iran with the hyper-vigilance and brutality of a man who believes that much of his own society, and the world's greatest superpower, aspire to unseat him.

Under Mr. Khamenei's leadership, anti-Americanism has become central to Iran's revolutionary identity, and indeed few nations have spent a greater percentage of their finite political and financial capital to try and topple the U.S.-led world order than Iran. On virtually every contemporary American national security concern — including the Russian invasion of Ukraine, Chinese threats against Taiwan, nuclear proliferation, and cyberwarfare — Tehran defines its own interests in opposition to the United States.

As I explained to U.S. lawmakers recently, one need only look at how Vladimir Putin's brazen military adventures in Georgia, Crimea, and Syria convinced him he could invade Ukraine with impunity, to understand how the Islamic Republic operates. The country's successful entrenchment of powerful proxies in Iraq, Syria, Lebanon and Yemen, coupled with America's humiliating withdrawal from Afghanistan, have further convinced Iran of its own success as well as America's inevitable decline. This dynamic has hampered the Biden administration's attempts to revive the 2015 Iran nuclear deal that Donald Trump withdrew from.

Although the nuclear program has easily cost Iran over \$200 billion in lost oil revenue and has not deterred Israel from reportedly carrying out brazen assassinations and acts of sabotage against Tehran's nuclear sites, the more committed the United States has been to diplomacy, the lesser Iran's sense of urgency to compromise. Even if the nuclear deal is revived, Tehran's worldview will endure.

Multiple U.S. administrations have attempted to coerce or persuade Iran to reconsider its revolutionary ethos, but have failed. The reason is simple: U.S.-Iran normalization could prove deeply destabilizing to a theocratic government whose organizing principle has been premised on fighting American imperialism.

Herein lies the conundrum. By and large, the United States has sought to engage a regime that clearly doesn't want to be engaged, and isolate a ruling regime that thrives in isolation. Yet over time, the Iranian regime has shown it's too influential to ignore, too dogmatic to reform, too brutal to overthrow, and too large to fully contain.

A sound U.S. policy must reconcile the short-term objectives of countering Iran's nuclear and regional ambitions without hampering the long-term goal of a representative Iranian government that is driven by the national interests of its people, rather than the revolutionary ideology of its rulers.

“At the beginning of the revolution the rank and file of the regime consisted of 80 percent indoctrinated believers — ignorant of global realities — and 20 percent charlatans, and chameleons” a professor inside the country, whose students rose to senior official positions, told me. “Today it is the opposite: 20 percent are believers, and 80 percent are charlatans who flock around officials for wealth and privilege.”

U.S. policy toward Iran has for years faced a paradox that has been poorly understood: The coercive policies needed to counter the Islamic Republic's nuclear and regional ambitions — i.e., sanctions — may inadvertently serve to strengthen, not weaken, the regime's grip on power.

When Mr. Trump tried to entice Kim Jong-un with a vision of the riches his country could have — “You could have the best hotels in the world right there” — the North Korean president wasn't moved to end his nuclear program. There is often a fundamental tension between the self-interest of dictatorships and the well-being of the people they rule.

Although sanctions force adversarial nations to pay a high cost, they do not, on their own — with the possible exception of South Africa — have a strong track record of unseating authoritarian regimes from power. Indeed, some even benefit from their political isolation.

The actor Sean Penn, who had met the late Cuban dictator Fidel Castro, once told me over a dinner we were both attending that “Fidel likes to joke that if America were to ever remove the embargo against Cuba, he would do something provocative the next day to get it reinstated. He understands his power is best preserved in a bubble,” sequestered from international capitalism and civil society.

Like Castro, Mr. Khamenei too understands that the greater danger to his theocracy is not global isolation but global integration. When that isolation becomes too debilitating, Mr. Khamenei is willing to consider a tactical deal to serve as a release valve. For Mr. Khamenei, the ideal position is just the right amount of isolation. Mr. Khamenei wants to be neither North Korea nor Dubai. He wants to be able to sell Iran’s oil on the global market without sanctions, but he doesn’t want Iran to be fully integrated in the global system.

The former president of Iran, Mohammad Khatami, once told me that Mr. Khamenei used to tell him that the Islamic Republic needed enmity with America. Mr. Khamenei has never hidden his cynicism about the United States. “With regard to America” he said in 2019, “no problem can be resolved and negotiations with it have nothing but economic and spiritual loss.”

While Mr. Khamenei’s animosity toward the United States is no doubt earnest, it is also in his self-interest. His commitment to the revolution’s core principles has been ironclad. Compromising any of these principles could erode the group solidarity that Ibn Khaldun long ago observed is central to the longevity of any regime.

Eric Hoffer, the American philosopher put it succinctly in his book, “The True Believer: Thoughts on the Nature of Mass Movements”: “Hatred is the most accessible and comprehensive of all unifying agents,” adding, “Mass movements can rise and spread without belief in a god, but never without belief in a devil.”

**If Iran’s revolutionary elite have thrived in relative isolation**, why doesn’t the United States simply restore relations with Iran? Built into this question is the assumption that America has the power to unilaterally normalize relations, and Iran has no agency whether to accept or decline.

In contrast to the Cold War, when the United States had a continuous diplomatic presence in Moscow and thousands of trained Russia specialists, the U.S. government has been absent from Iran since the 1979 seizure of the U.S. Embassy in Tehran, and boasts of little in-country expertise.

This estrangement and lack of understanding has fueled what the former U.S. National Security adviser H.R. McMaster has called “strategic narcissism,” the tendency to

perceive world events solely through the prism of U.S. behavior. Liberals often argue that engaging Iran could soften its revolutionary ideology or empower regime moderates. Conservatives have argued a tougher U.S. approach could either force Iran to abandon its ideology or risk the implosion of the regime. Neither approach, on its own, has worked.

Since 1979, every U.S. administration — save for that of George W. Bush — has attempted to improve relations with Iran. Jimmy Carter’s administration tried to build confidence with Iran’s new revolutionary regime by sharing intelligence, which would go unheeded, that Iraq’s Saddam Hussein was planning to invade Iran. Ronald Reagan sent three unanswered letters to the Iranian government. George H.W. Bush’s inauguration speech included a message — “goodwill begets goodwill” — for Iran. Bill Clinton hoped to meet Iran’s reformist president Mohammad Khatami at the United Nations in 2000.

Barack Obama wrote multiple private letters to Mr. Khamenei whose response was to suggest ways America “could stop being an imperialist bully,” as Mr. Obama recalled in his latest memoir. Even Donald Trump — whose administration assassinated Maj. Gen. Qassim Suleimani of Iran in 2020 — made at least eight requests to meet with President Hassan Rouhani, according to an Iranian official.

By contrast, there is not a single known example of Iran’s supreme leader initiating a public or private dialogue with U.S. officials in the hopes of normalizing relations. Most recently, he has forbidden his diplomats to meet U.S. officials working on renegotiating the nuclear deal. Mr. Khamenei recognizes that rapprochement with the United States poses far more of an existential threat to him than continued Cold War.

**To be clear, the United States has also made catastrophic errors.** The 2003 Iraq war spread Iran’s Shia theocracy to Iraq, and facilitated Iran’s regional ascent. The main outcome of the Trump administration’s unilateral 2018 withdrawal from the nuclear agreement is an Iran with a far more advanced nuclear program.

If U.S. attempts to engage Iran have gone largely unreciprocated, and U.S. attempts to coerce Iran have largely backfired, where does that leave us?

There is no silver bullet that can transform the nature of the Iranian regime or the U.S.-Iran relationship. Few examples exist of Iran agreeing to meaningful compromise, but nearly all of them have been under similar circumstances: a combination of sustained global pressure and rigorous U.S. diplomacy, to achieve a specific resolution. In the case of the nuclear deal, that means restraining, rather than eliminating it. And that same formula should be applied to limit — although not eliminate — Iranian influence in the Middle East.

Robert Cooper, a decorated European diplomat who negotiated with Iran, urges

strategic patience. “Revolutionary powers don’t think the way others do,” he told me. “They don’t want a different place in the world; they want a different world. It’s no good thinking you can change them, but a moment may come when they begin to doubt or to get over their revolution ... then you can start something.”

Mr. Khamenei has not publicly exhibited any doubts, but he has at times shown an ability to make tactical compromises when he has feared his regime’s existence is at stake, and there is a safe path of retreat.

William J. Burns, the director of the C.I.A., and one of the diplomatic architects of the 2015 nuclear agreement with Iran, wrote that the agreement was spawned by “tough-minded diplomacy, backed up by the economic leverage of sanctions, the political leverage of an international consensus, and the military leverage of the potential use of force.” Today diplomacy has not been tough-minded, sanctions are not enforced fully, international consensus is more difficult to obtain and Tehran appears convinced that President Biden has no interest in another military conflict in the Middle East.

**The clerical regime that has ruled Iran** over the last four decades is terminally ill, yet it continues to endure, in part due to a lack of viable alternatives. It cannot meaningfully reform, out of well-founded fears that doing so would hasten its death. The four horsemen of Iran’s economy — inflation, corruption, mismanagement, and brain drain — are endemic. The common denominators between Iran and its regional spheres of influence — Syria, Lebanon, Yemen, and Iraq — are insecurity, economic failure, and profound unhappiness.

Crane Brinton, the author of the seminal book “The Anatomy of Revolution,” argued that most revolutions experience a radical period, the “reign of terror,” before normalcy eventually sets in. Although revolutionary fervor long ago subsided in Iran, normalcy has been elusive, partly because of powerful entrenched interests in the status quo.

The goal of Mr. Khamenei and his revolutionary cohorts — the remaining true believers — is to avoid a normal Iran, and normalization with the United States, which would deprive the Islamic Republic of the external adversary that has helped maintain the cohesion of the security forces, the *asabiyyah* that Ibn Khaldun wrote about. Although this is a losing strategy in the long run, the octogenarian Mr. Khamenei’s time horizon is limited. Mr. Khamenei’s priority has never been about Iran’s national interest, but it’s to keep his regime united and the international community divided.

If the four-decade history of the Islamic Republic is any guide, Mr. Khamenei may be unwilling or incapable of marshaling an internal consensus to revive the nuclear deal with the United States unless he feels regime solidarity is faltering, and societal

exhaustion is beginning to fuel a new generation of power seekers. The paradox of the Islamic Republic is that it tends to compromise only under severe pressure, yet that same external pressure and isolation help keep it alive.

It is a game Mr. Khamenei has been perfecting for decades.

# **Not Turning Away: U.S. Leadership in Africa and the Middle East**

**Gayle Smith**

*CEO, The ONE Campaign*

The Global Trends 2040 report recently issued by the DNI finds that the Middle East and North Africa during the next five years will face wide-ranging challenges that overwhelmed governments will be ill-equipped to address, while sub-Saharan Africa will – hopefully – begin to reinvigorate the upward momentum which was reversed by the COVID-19 pandemic.

Together, these two regions represent almost 25% of the world’s population, and how they navigate this period of global volatility will determine their progress – or regression – for at least the next decade. This is a critical moment for U.S. leadership and one that demands that the United States muster the bipartisanship needed to play the long game; take greater account of the dangers of transnational threats; prioritize development and human security; and marshal the resources needed to secure a more stable world and a global economy that delivers returns not just to GDP but also to citizens.

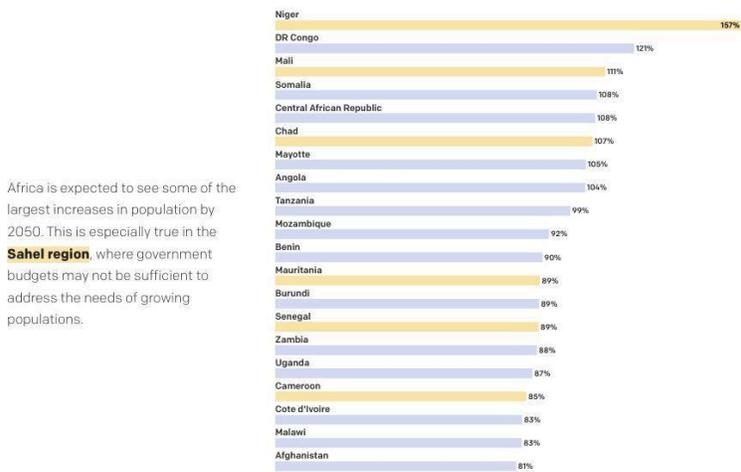
## **Playing the Long Game**

There is growing concern about the rising influence of China across multiple regions and growing criticism – including from countries in these regions – of China’s Belt and Road Initiative. The critique aside, what is notable is that China is pursuing a long-term strategy, one rooted in a desire to access new markets to support its own economic growth.

By contrast, the U.S. is constrained by plans that are defined by four- or eight-year increments driven by our election cycle. This precludes the U.S. from pursuing the kind of long-term vision that drove the Marshall Plan – which invested the equivalent of \$220 billion in rebuilding Europe, or PEPFAR, the initiative launched by President George Bush to end the HIV/AIDS epidemic.

Long-term vision matters because Africa and the Middle East are home to the youngest populations in the world. In Africa, 60% of the population is under the age of 25; in the Middle East, the number is approaching 50%. These rising youth populations will help determine the fate of the global system in the 21<sup>st</sup> century and beyond; and today they believe that China delivers more for them than the West. This begs an important question: Is American foreign policy playing into that reality – or is it too focused on preserving the status quo?

Projected population growth between 2022 and 2050



Africa is expected to see some of the largest increases in population by 2050. This is especially true in the **Sahel region**, where government budgets may not be sufficient to address the needs of growing populations.

This chart shows countries with the highest expected population growth (%) between 2022 and 2050.

Sources: [UN World Population Prospects](#)



The challenge is to move beyond policies that build incrementally on policies of the past 50 years, and to instead drive policies designed to shape the next 50 years. Playing the long game requires more than money. As was the case with the Marshall Plan and is true with PEPFAR today, it requires robust bipartisan or, in fact, non-partisan support. Even during an era of rising partisanship, Democrats lined up behind President Bush when he announced PEPFAR; Republicans supported President Obama’s proposal to increase funding; and Democrats and Republicans worked together to ensure that the U.S. commitment was maintained during the Trump Administration and have, again, supported President Biden’s budget request for PEPFAR.

While it is important to factor U.S. security and economic interests into any foreign policy decision, there is risk in under-estimating the impact of policies that, like PEPFAR, are rooted in a united American commitment to global leadership and the projection of American values. Regardless of which party may be in power, people across the world know that it was and remains America that stood with them when it

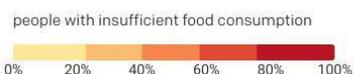
was clear that the HIV/AIDS epidemic threatened to destroy their economies and communities. There is today a hankering for that same American leadership – more American than of a particular party.

## Managing the Global Threats Undermining Both Regions

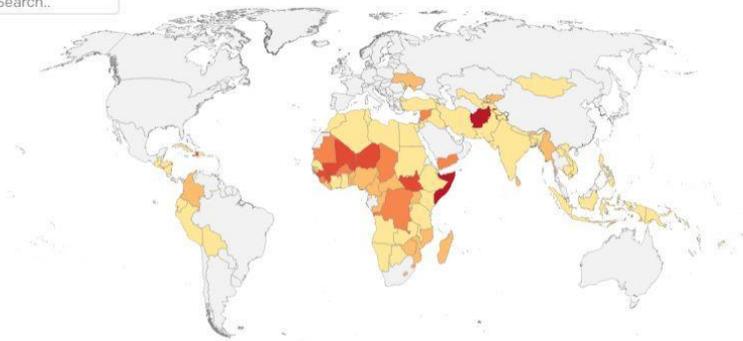
The backdrop for both the Middle East and Africa today is a world buffeted by transnational threats and an international system struggling to manage an increasingly volatile global economy. Too often, however, both regions are afterthoughts in considerations of managing that volatility – the Middle East as an outlier, factored in only on the basis of its oil production, and Africa as an object, a poor continent in need of assistance, rather than as a potentially massive and largely untapped market.

As the COVID-19 pandemic and shocks to the global food system make clear, we can no longer afford to focus almost exclusively on nation-states and must also focus on the transnational threats and opportunities that are today shaping the global economy and body politic. Africa and the Middle East were hit hard by the pandemic, with Africa seeing the reversal of positive trends in poverty reduction and the Middle East seeing stagnating economies weakened further. And now, rising food insecurity is fueling even greater economic insecurity with countries like Egypt, for example, ramping up borrowing for food imports and facing a 30% increase in the cost of food.

Where do people not have enough food?



Search...



The COVID-19 pandemic, war in Ukraine, and years of climate-driven crop failures have driven up undernourishment.

As of 05 Jan 2023 there are **614 million people** with insecure food consumption.

*This chart shows people with insufficient food consumption as a percent of the population.*

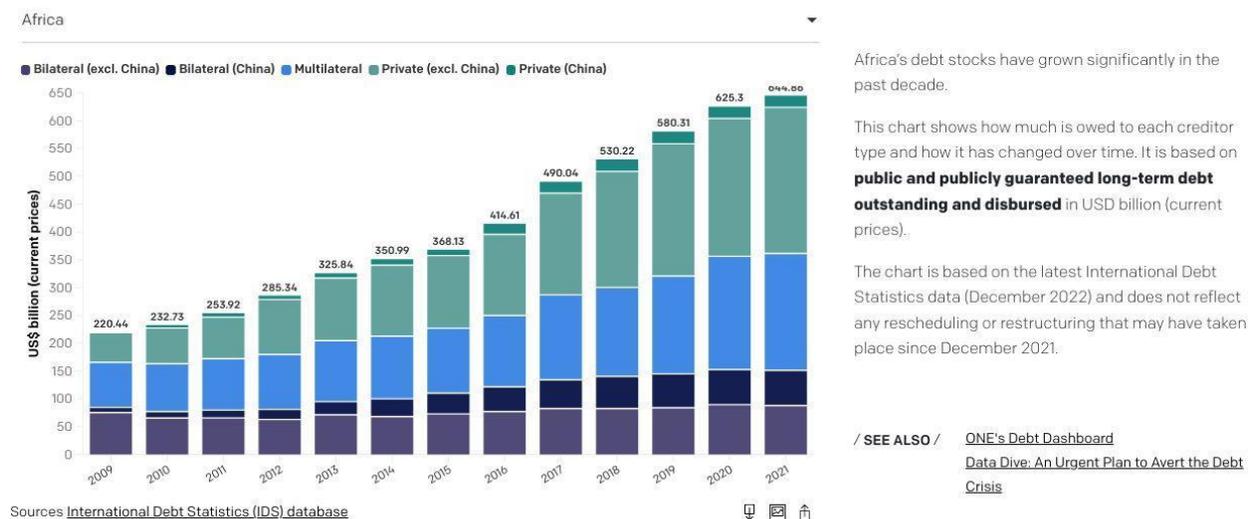
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Sources [WFP HungerMapLive](#)



The looming debt crisis illustrates the impact of global, transnational threats. At present, sixty countries representing roughly a quarter of the world’s population – many of them in these two regions – are at some risk of debt distress, including possible default. While economic mismanagement is a part of the problem, the true driver of the debt crisis is the ongoing pandemic. Unlike wealthier countries that have been able to turn to central banks, stimulus spending and supplemental budgets, poorer countries lack the access to capital that can provide that kind of resilience. Individually, most of the countries at risk are relatively small economies; however collectively, the danger to regional stability and to the global economy of a cascade of debt defaults (and demand for emergency funding after the fact) is substantial.

Total debt owed by African countries



The fact is that both regions need urgently to build their resilience to exogenous shocks, and it is in the interests of the United States to invest in that resilience.

## Get (More) Serious about Sustainable Economic and Political Development

Today, 89.3 million people are struggling to survive after being forcibly displaced, 698 million live in extreme poverty and 1.8 billion struggle to live on less than \$3.20 per day. 244 million children and youth between the ages of 6 and 18 were missing out on an education in 2021, almost half the world’s population lack access to the health services they need, and as many as 20 million people have died in a global pandemic that the world’s governments have yet to bring under control. 614 million of the world’s people

are food insecure, dozens of countries are either in debt distress or at high-risk of becoming so, and Africa alone will need to create 18 million jobs annually to support its people. Unchecked, these trends will accelerate the conditions that undermine a rules-based global order as people lose faith in governments, unrest increases, and massive human suffering reinforces the increasingly common view that there is no common humanity and that it is now every man for himself.

In its 2022 report, the Institute for Democracy and Electoral Assistance revealed more alarming trends: over half of the world's democracies are in decline. Between 2016 and 2021, twice as many countries moved towards authoritarianism than towards democracy; and authoritarianism deepened in many countries while many democracies experienced significant backsliding. The Fund for Peace's annual report on fragile states, meanwhile, identified over 70 countries at elevated risk and almost 30 at some stage of alert – two of the five countries marking the greatest decline are Burkina Faso and Lebanon. Recent research by the Pew Research Center notes an increase in popular dissatisfaction with how democracies are working, and that the strongest predictor of that dissatisfaction is the state of national economies. While there are numerous credible theories that may explain these trends, these analyses underscore the need to build capacity in effective governance and ensure that democracies deliver.

U.S. opportunities to foster sustainable political and economic development play out differently in the two regions, however. Both regions face a staggering demand for job-creation to meet the demands of a growing youth demographic – a demand that is on the minds of most African leaders but is a less evident priority in the Middle East. In Africa, there is a solid foundation upon which to build: most African leaders have for some years prioritized economic development and, at a continental level, the region's economic development is the top priority. Under the auspices of the African Union, the continent has adopted a long-term development plan, Agenda 2063; negotiated a common position at the level of heads of state on the Sustainable Development Goals; ratified an agreement for a Continental Free Trade Area; and, faced with the pandemic, built its own supply chain for medical imports and established the Africa Vaccine Acquisition Trust, which procured half the vaccines that were required.

To be sure, challenges remain – an uptick in democratic backsliding, weak institutions, chronic conflicts, and a burgeoning debt crisis to name but a few. The obstacles to generating development momentum in the Middle East, however, are far greater. There is no meaningful regional economic agenda or plan, leaders tend to invest less political capital in social, economic, and political development than do their counterparts in Africa, and the economies driving its aggregate growth are rentier states that produce little other than oil and gas and are subject to market volatility. Based on Freedom House rankings, most of its countries and territories – Egypt, Iran, Iraq, Jordan, Oman,

Qatar, Saudi Arabia, Syria, the UAE, West Bank and Gaza and Yemen – are defined as “not free.”

At the simplest level, the development imperative for the U.S. in its relations with Africa is getting to scale; in the Middle East, it is simply putting development on the agenda. The recent U.S.-Africa Leaders Summit laid the ground for moving the ball forward in and with Africa, including through the agreement of the United States to design a long-term partnership to maximize the potential of the continent’s agricultural sector. While progress has slowed, Power Africa – an Obama-era presidential initiative codified in law through the Electrify Africa Act that aims to double access to electricity on the continent – provides another opening. And transitioning the African Growth and Opportunity Act, a trade preference program launched by President Clinton with bipartisan support, to regional free trade arrangements could have a dynamic impact on the continent and derive benefits for the U.S.

Making development a priority in the Middle East is a tougher challenge. U.S. assistance to that region, while substantial, has been largely transactional and driven by security rather than developmental priorities. Since 1946, for example, the United States has provided Egypt with well over \$85 billion in assistance. Today, one-third of Egyptians live in poverty, and it has just finalized agreement on its fourth financial support package from the International Monetary Fund in six years. To be sure, U.S. engagement with the Middle East will and should continue to focus on the security issues that have dominated policy to date. But if the Arab Spring taught us anything, it is that the failure of states to deliver to their citizens invites instability. Recalibrating our assistance away from a near exclusive focus on security and towards a much greater emphasis on development, institution-building and democratization is likely to yield more sustainable returns.

### **Marshal the Resources to Invest in Sustainable Security**

The United States has consistently supported a robust defense budget. Ironically, the strongest support for increasing our civilian budgets comes from the military. As James Mattis said as he ended his leadership of the Central Command, “If you don’t fund the State Department fully, then I need to buy more ammunition.” Said former Secretary of Defense Robert Gates, who has for long been a proponent of maintaining a strong defense while also ramping up our investments in economic development as was done after the second World War: “What is clear to me is that there is a need for a dramatic increase in spending on the civilian instruments of national security – diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development.”

The numbers today suggest different priorities. The U.S. defense budget for FY22, exclusive of supplemental funding for Ukraine, topped \$728 billion, while funding for civilian operations – including diplomacy and development, came in at just over \$56 billion for the same year. The U.S. spends thirteen times more on defense than it does on those capabilities that can reduce the need to call in the military. In that same budget, \$2.6 billion is allocated for democracy promotion – and humanitarian spending stands at \$10.9 billion. That means that the United States is spending four times as much on responding to crises and conflicts than it is on promoting the systems and capabilities that can play a large part in preventing them from occurring.

This is not to suggest that the United States should forgo either defense or humanitarian spending, but that consideration should be given to the fact that the United States is investing far more taxpayer money in defending and responding than it is in building and preventing. A dramatic increase in the civilian budget for development and diplomacy is critical to reversing that trend.

The U.S. can also do much more to leverage additional and significant capital from outside of the U.S. budget. Today, a decision is pending in Congress on whether the U.S. will share its Special Drawing Rights (SDRs) – a reserve currency issued by the IMF to countries in proportion to their shareholder status – with low- and middle-income countries. China and several European countries have already pledged to do so, while in the U.S., the decision is being held up over the understandable concern that the IMF could reallocate SDRs to countries that the U.S. does not wish to support. That concern can be addressed, as the U.S. can stipulate country-designation conditions for its contribution. The reallocation of SDRs would, globally, put an additional \$100 billion on the table for low- and middle-income countries, many of them in Africa and the Middle East.

An additional and even more impactful move would be to reimagine and modernize the world's multilateral development banks – an area where there is now real momentum for change. These are powerful institutions that can deliver urgently needed capital for development, post-conflict reconstruction and capacity building, but most, including the World Bank, have not been significantly updated since the 1960s. Their performance during the pandemic, for example, was widely seen as inadequate – less because of incompetence and more because these institutions are slow-moving and ill-equipped to respond to global threats or demands for public goods. An independent commission mandated by the G20 last fall presented to that body its Capital Adequacy Framework report, comprised of five recommendations which, taken together, could unlock between \$400 billion and \$1 trillion dollars in capital.

Getting behind these reforms would lead to a huge win for the United States. It would leverage the capital that the U.S. provides as the major shareholder at the World Bank, for example, and generate additional resources from outside the U.S. budget. It could yield the capital needed to build the resilience that poorer countries need to develop their economies while simultaneously addressing the combined threats of pandemics, climate change and food insecurity. And it could yield a significant democracy dividend by generating the resources needed to invest in nascent democracies that, to flourish, must also deliver.

### **Securing a More Stable Future**

Longstanding conventional threats will still emanate from both Africa and the Middle East, and the United States will need to respond to and manage those challenges. But with only a real-time focus, progress is likely to be incremental at best. By also adopting a long-term vision and making the necessary investments, the United States can play a global leadership role in solving some of the underlying problems that constrain political and economic stability in both regions and achieve more sustainable security and economic and political benefits. Failing to do so would mean that any progress achieved will be pulled under the waves of global threats and challenges we know are coming – reversions that will deny hundreds of millions of young people, the world economy, and the United States the global stability, order, and freedom they seek.

# **Enhancing Leverage and Deterrence Over China: A Comprehensive Chips Strategy**

**Dmitri Alperovitch**

*Co-Founder and Executive Chairman, Silverado Policy Accelerator*

## **Chips as a National Security Resource**

Across the past four decades, the United States has laid the foundation of its economy and national security atop an inch-wide piece of silicon: semiconductors or chips. The average American interacts with hundreds of these Lego-sized technologies on any given day: in their smartphones, microwave ovens, cars, televisions, vending machines, grocery store kiosks, and TVs. Chips support the technologies that we cannot live without—smartphones, airplanes, the modern electrical grid, and the Internet itself—and the ones we count on to keep us living: MRI machines, water treatment plants, and advanced weapons systems. As our world grows increasingly “smart,” it will be semiconductors that will help deliver the next generation of innovative technologies that drive our society and economy forward. The “intelligence” in artificial intelligence? Chips. Modeling of new medical treatments for diseases? Chips. Hypersonic missile advancements? Faster chips. It is often said that chips are the oil of the 21st century. In fact, even that statement may underrate the importance of semiconductors to the global economy, since, unlike chips, there are alternatives to oil.

Yet not all chips are created equal. Chips are generally categorized into one of three categories based on their function: logic chips, the highly sophisticated chips that serve as the “brains” of complex electronic products; memory chips, the chips that store the information and data necessary for computation; and analog/discrete chips, which perform a wide range of basic functions like voltage regulation and data conversion. Within those types of chips industry experts recognize two different classes of chips: “leading-edge” or “advanced” chips — typically those with smaller node sizes — and “mature” or “legacy” chips, or those with larger node sizes. (The size of a chip’s node originally referred to the distance between specific elements of the electrical circuits measured in nanometers, but the term has come to refer to specific generation of chips made with a particular technology).

## **Importance of Foundational Chips**

In recent years, leading-edge chips have garnered significant attention in the media and in Washington for their role in enabling cutting-edge technologies like artificial intelligence, supercomputers, and advanced electronics. But contrary to conventional wisdom, from an economic and national security perspective, mature chips are actually just as important, if not more important, than their leading-edge counterparts.

Although “mature” chips are so named because they have been produced for longer than their leading-edge counterparts, a better term for them is “foundational” commercially dominant chips. These chips make up the vast majority of the global semiconductor market — close to 90 percent, by some estimates — and are a critical component of every piece of modern electronics like cars, cell phones, and cloud computing technologies. As an example, a typical smartphone may contain two advanced chips — the processor, its computational brain, and memory. On the other hand, it will also contain dozens of foundational chips that control power management, perform voltage conversion, connect to cellular networks, enable peripherals and perform many other tasks.

Manufacturers could build a somewhat slower smartphone using older chips for processor and memory, but they would not have a smartphone at all without foundational chips.

One useful way to think about the difference between advanced and commercially dominant chips is to compare them to new generations of building materials — such as carbon fiber — and foundational ones like aluminum and steel. Despite significant advancements in material science that have resulted in the development of cutting-edge products like carbon fiber, manufacturers and builders continue to need huge amounts of aluminum and steel, even for advanced applications. Take, for example, the Boeing Dreamliner 787, the first commercial aircraft made largely out of carbon fiber. Even with this advanced aircraft, 20 percent of the material contents of the Dreamliner is made out of aluminum, and 10 percent is steel. Those foundational materials are simply never going away as they are a better fit for numerous purposes — and neither will foundational chips.

Compared to leading-edge chips, these commercially dominant chips are cheaper to produce, and — much like steel and aluminum — more reliable to use. Reliability is key, especially when it comes to chips used in national security applications. When the military implants a chip in an advanced weapon system, for example, it is critical that the chip can reliably function in high-heat and

high-pressure environments. They are also crucial for many radio frequency (RF) applications, such as cellular antennas, radar, and radios.

### **Limitations of Current U.S. Chips Policies**

Recognizing the indispensability of semiconductors to its economic and national security, the United States has adopted a series of ambitious policies to boost domestic chip manufacturing, diversify supply chains for semiconductors, and curtail China's access to chip manufacturing technology. However, the overriding focus of these policies has been on leading-edge chips rather than foundational node sizes — in large part due to the mistaken belief that only leading-edge chips will help the United States win the global technology race. Of the \$52.7 billion included in the CHIPS and Science Act for semiconductor research, development, and manufacturing, only \$2 billion was earmarked for foundational chips. (The Department of Commerce, however, has signaled that it may allocate more than that to support R&D for foundational chip production (U.S. Department of Commerce, 2022)).

Meanwhile, the new export controls adopted by the Department of Commerce in October will restrict China's ability to purchase and produce manufacturing equipment for high-end chips — primarily those used in military applications — but they do not uniformly limit its access to the technology needed to make foundational chips. The CHIPS Act itself also includes a “guardrail provision” that prevents covered entities from engaging in “significant transactions” involving semiconductor manufacturing in China or other foreign countries of concern, but the provision does not extend to investments in the production of foundational chips, defined as larger than 28 nm for logic chips.

Both the CHIPS Act and the recent export control measures are critical steps toward securing the United States' semiconductor supply and curtailing China's semiconductor industry seizing a larger global market share of chips production, and Congress and the administration should be applauded for taking them. However, if the U.S. is going to win the global chips race, it will need to double-down on foundational chips as well as leading-edge chips. Consider, for example, the potential future scenario in which the United States and its allies have successfully diversified supply chains for advanced chips away from China and Taiwan — which currently produce over 90 percent of leading-edge chips — but in which China remains the world's largest producer of foundational and commercially dominant semiconductors. From a technological and geopolitical point of view, this would not be unlike a situation in which China controls the global supply of steel and aluminum: It doesn't matter if the U.S. is able to produce a lot of carbon fiber. Without steel and aluminum, you can't build much.

Indeed, there are some preliminary signs that leading semiconductor companies — including TSMC, the world’s single largest manufacturer of semiconductors — are beginning to shift their focus away from foundational chips and toward more advanced leading-edge chips. The reasons for this shift are twofold: first, the profit margins for leading-edge chips are larger than the margins for older chips, making them a more attractive investment for chip manufacturers; and second, China continues to offer significant subsidies to its domestic producers of foundational chips, making it increasingly difficult for foreign companies to compete in the global market.

In this respect, China is pursuing a similar economic strategy to the one it deployed in the 1980s to secure dominance over the market for rare-earth elements: subsidize domestic production, drive competitors out of business, and then consolidate control over a strategically-important market (Hijazi and Kennedy, 2020). Four decades later, this strategy has given China both an economic and a geopolitical edge. In recent years, China has hinted at the possibility of restricting the export of rare earth minerals that are crucial for the manufacture of American F-35 fighter jets and other sophisticated weaponry (Yu and Sevastopulo, 2021).

## **The Path Forward**

The United States and its allies must learn the lessons of history and secure their access to both advanced and foundational chips. There are several steps that Congress or the administration could take to advance this objective. First, the U.S. needs a determined policy to prevent China from achieving significant levels of indigenous production of chips at every node. Slowing China’s production of foundational node sizes will be challenging given the extent of the U.S.’s current dependence on Chinese chips, but it is possible.

As a starting point, the U.S. and allies should establish a policy that (1) prioritizes the delivery of orders of semiconductor manufacturing equipment for companies based in the allied nations rather than in China, and (2) constrains Chinese companies ability to acquire the semiconductor manufacturing equipment needed for production of both foundational and advanced nodes.

By focusing exclusively on preventing China from acquiring the equipment that produces the most advanced nodes, the U.S. is allowing China to become more self-sufficient by mass producing chips using market-distorting government subsidies that allow Chinese companies to undercut U.S. and allied chip producers in the global market.

Moreover, Congress could expand rules that prevent U.S. citizens and permanent residents from supporting the development and production of advanced and foundational chips at Chinese factories. Most importantly, the U.S. must convince allies to follow its lead in boosting investment in the domestic production of foundational chips, along with advanced chips.

Solidifying allied control over the global market for all types of semiconductors would not only bolster the economic security of the United States — it would also give the U.S. and its allies significant geopolitical leverage over China and boost deterrence against Chinese aggression. If China were to launch a large-scale invasion of Taiwan, for instance, the United States could restrict the export of all types of chips to China, just as it has done with Russia following the invasion of Ukraine. These export controls have curtailed some of Russia’s ability to produce industrial goods, although China has stepped in to fill some of Russia’s needs. But in the future, export controls would be much more effective if China, lacking sufficient indigenous manufacturing capacity, couldn’t turn to another country to bail it out.

It is essential for the United States to adopt a strategic policy that obtains it more leverage over China by increasing their dependence on Western countries for advanced and foundational chip imports. The U.S. national security —and the security and freedom of the Taiwanese people —may very well depend on it.

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# U.S. Leadership in Cyberspace: Managing Risk Across an Unthinkably Complex Digital Ecosystem

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*“Cyberspace. A consensual hallucination experienced daily by billions of legitimate operators, in every nation, by children being taught mathematical concepts... A graphic representation of data abstracted from banks of every computer in the human system. Unthinkable complexity. Lines of light ranged in the nonspace of the mind, clusters and constellations of data. Like city lights, receding...”*

– William Gibson, *Neuromancer* (1984)

## **Setting the Stage**

Almost forty years ago, American science fiction and futurist William Gibson coined the term “cyberspace,” first printed in the pages of what is considered the best example of cyberpunk science fiction. In the intervening four decades, the term has become mainstream, and the United States has been instrumental in shaping not just how cyberspace has grown but the direction in which it will take us forward.

The benefits of an increasingly digitized and interconnected economy and society are undeniable. The most profitable American businesses are all tech companies, charging forward in an exploding digital economy. Consider the iPhone, the most advanced smartphone commercially available, was only first introduced in 2007. Fifteen years, fifteen models (allowing for variations within versions), and 2.2 billion devices later, life without an iPhone (or equivalent smart device) is unthinkable.

It is not just smart phones. In 1980, Microsoft founder Bill Gates famously declared that his mission was to put a Personal Computer (PC) in every home and on every desk. Now, whether it is a laptop, desktop, tablet, Virtual Reality headset, or other computing device, Gates’s vision has been more than achieved. We work from home, shop from home, attend school from home. Add on smart TVs, thermostats, lightbulbs, washer dryers, refrigerators, and the list goes on. Everything around us is connected. Hardware

engineering marvels on their own, these devices are the physical manifestation of millions and billions of ones and zeros strung together across seemingly never-ending lines of code. Code assembled and compiled into software, the digital nervous system for the devices. As Venture investor Marc Andreessen wrote in 2011, “software is eating the world<sup>50</sup>.” In other words, software runs everything around us.

This leads us to the most incisive part of Gibson’s description, musing about “The Unthinkable Complexity” of cyberspace. It is not just the devices we connect, it is the software that powers those devices, it is the data that is generated and flows across the endless digital landscape. This complexity is overwhelming in its scope and scale. All this technology around us creates opportunity and societal benefit, democratizing access to information and education, connecting people and communities around the world, collapsing geographic boundaries that have historically kept us apart. And yet this proliferation of technology and connectivity offers opportunity of another kind, for exploitation, influence, theft, disruption, and destruction. This opportunity space is enabled by an attack surface of ever-expanding scale, as software has eaten the world, it has become more and more complex to understand, manage, and secure.

## **Technology Insecurity**

Information security expert Daniel Miessler best captures the dichotomy of opportunity and risk in stating that “software remains vulnerable because the benefits created by insecure products far outweigh the downsides. Once that changes, software security will improve – but not a moment before.”<sup>51</sup> Further explaining why software – and by extension the broader technology domain – remains insecure, he continues: “the existence of insecure software has so far helped society far more than it has harmed it.” (citation) This plainly stated reality is jarring not just because of its simplicity, but also due to the implication underlying it. Despite all our drum beating and back-patting about increasing cybersecurity funding, awareness, agency building, to date we are still more willing to accept the harms of our insecurity than absorb the costs associated with meaningfully securing everything around us. At times it seems as if we are okay with school ransoms, stolen government secrets, pilfered sensitive intellectual property, and disrupted critical services. We might not like it, but we are not yet willing to seriously take on the charge of achieving real cybersecurity risk management.

In a perfect world, technology is secure and easy to deploy right out of the box. In reality, technology is imperfect, and there are various players involved in developing, deploying, and maintaining, with varied sophistication and ability to do so. In part this variety is due to cost, and cybersecurity is not free. When technology is conceived, it is

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<sup>50</sup> [Why Software Is Eating the World | Andreessen Horowitz \(a16z.com\)](#)

<sup>51</sup> [Why Software Remains Insecure - Daniel Miessler](#)

designed to work, and ideally not kill you. When technology is released, the faster to market, and the faster to start generating revenue and returns for initial investors (e.g., Marc Andreessen), the better! First to market tends to win the segment. Security is not a differentiator in consumer products anymore than it is in commercial products. When was the last time you looked at packaging or a product description for a statement on the security of the product? And if you could look at the source code, the average person could not make heads or tails of it. This is further complicated by the fact that there is no common evaluation standard for describing how secure a product is. There is no Energy Star or Underwriters Laboratories equivalent.

### **More Threats Than We Can Handle?**

What has manifested is a broadly vulnerable ecosystem attractive to a wide range of malicious actors, from sophisticated state actors to opportunistic cybercriminals. Historically, we have considered Russia and China as the apex adversaries in cyberspace. In the next tier, we find Iran and North Korea. Unfortunately, there are even more nations developing cyber capabilities. It is a safe bet going forward that nearly every country is committing resources to develop cyber offensive capabilities for espionage, domestic surveillance, industrial espionage, disruption, and destruction of networks and systems. The threat landscape will only get more active in our lifetimes, and in some sense, we will have to accept a basic environmental level of threat.

Accordingly, Congress should continue to evaluate the requirements to empower civilian, defense, and intelligence agencies to meet their mission. Funding should enable agencies to hire, train, equip, engage, and operate into the foreseeable future. Investment should be predicated on an understanding that the threat landscape is only going to get more complicated because the opportunities for the bad guys are only going to increase due to our pathological need to digitize and connect everything to the internet. Perhaps we will reach a “digitization stasis” at some point in the distant future, but until then, the opportunities for bad actors will only expand in our lifetimes.

### **Imperfect Information Results in Imperfect Decisions**

When considering options for solving the broader cybersecurity problem, our policymakers are hamstrung by an incomplete view of the challenge. With ransomware, for example, we do not know the number of victims, the ransom amounts paid, the cost of disruptions, the number of criminal actors, the capabilities across investigators, and just how vulnerable our businesses and organizations are. On the number of victims, only this past year did Congress grant the Federal government authority to mandate businesses to report incidents (to CISA, and the rulemaking process has months left to

go prior to enforcement). The U.S. should continue to develop its understanding of the challenges to respond appropriately.

When countering national security threats, often we look not to our private sector, but our federal government. Unfortunately, the threat from state and non-state actors against domestic networks are growing at a scope and scale faster than our defensive-focused agencies can keep up. Federal agencies that we have entrusted to protect our government and private sector networks rely on an underwhelming and mainly reactive set of authorities for enabling defenders and government counter and defensive actions. The bread and butter of government cyber agencies like the Cybersecurity and Infrastructure Security Agency (CISA) is public private partnerships, while the Federal Bureau of Investigations (FBI) relies on a law enforcement set of authorities. These partnerships require proactive participation on the part of the private sector, leaning forward to engage with the government to take in. Where they do interact, legal concerns and mistrust continue to pose barriers to real operational coordination. Two voluntary initiatives are currently underway that may change this equation: CISA's Joint Cyber Defense Collaborative<sup>52</sup> and the NSA's Cybersecurity Collaboration Center.<sup>53</sup>

## **Regulate Smarter**

In contrast to the wealth of voluntary partnership efforts in the U.S., there is currently no unified theory of regulatory or other market interventions by the federal government. And yet (at least in the near term), broad-based regulatory intervention across the economy should not be the desired outcome for multiple reasons, ranging from uneven efficacy, limited cost-effectiveness, stifling innovation, and just a mismatch in pace of government action and technology adoption. Moreover, strict regulatory programs – particularly in cybersecurity – typically devolve to checklist compliance activities, diverting already scarce resources to audit and compliance rather than investment into security.

Instead, perhaps a more effective approach is to identify those segments and functions critical to the continuity of the economy, along the lines of CISA's National Critical Functions set.<sup>54</sup> The firms, organizations, and agencies instrumental in the continuation of those services could be designated, and the relevant Sector Risk Management Agency, or CISA directly, authorized to engage those organizations for the purpose of improving their cybersecurity and resilience posture. Ideally, those firms already meet some level of security and resilience sufficiency, but for those that are lacking, they receive dedicated support from civilian agencies and other incentives (both encouragement and

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<sup>52</sup> [Joint Cyber Defense Collaborative](#)

<sup>53</sup> [Cybersecurity Collaboration Center](#)

<sup>54</sup> [National Critical Functions | CISA](#)

penalties) to harden their cybersecurity posture. Congress should consider improving and reintroducing legislation from last session, the Securing Systemically Important Critical Infrastructure Act,<sup>55</sup> which would accomplish many of the objectives outlined above. At the same time, the executive branch should strive towards more coherence and alignment of existing regulator programs across departments and agencies.

## **Cleaning Up Our Own House First**

For our federal civilian networks (not including Department of Defense or the Intelligence Community), a vast sprawling estate of technology that encompasses more than 100 Departments and Agencies, we need to rethink how we deploy and manage information technology. The U.S. needs drastic reform across provisioning, contracting, workforce management, and governance. First, common information technologies should be centrally deployed, managed, and monitored. By centrally I mean a core agency across all agencies in a shared services model hosted by a U.S. Digital Services Agency. No agency should manage its own email, the scalability of the cloud-based email lends itself to centralized deployment with focused servicing at the agency-level. Each agency would bring its requirements to the Digital Services Agency, and the agency would work with a technology provider to provision and deploy the service.

Along the way, the federal government could achieve significant cost savings in how we buy and manage IT systems, an increasing area of risk in Federal government operations. According to the Federal Government's IT Dashboard, Fiscal Year 2023 non-classified IT spending exceeds \$63 billion.<sup>56</sup> Estimates for the Department of Defense include another approximately \$38 billion. In the wake of January's Federal Aviation Administration Notice to Air Missions system outage, reportedly caused by a database update mistake in updating a 30-year-old system, it is clear that legacy and outdated systems pose a significant risk to critical systems throughout the Federal enterprise.

## **Going on the Offense**

No discussion of U.S. cybersecurity is complete without reflecting on its greatest strength- offensive cyber capabilities. Obviously, much of U.S. programs are sensitive and classified, which is both essential and a limiting factor. It is essential to protect U.S. tactics and methods so that the country preserves the capabilities for when it best needs them. However, U.S. adversaries tend to think its capabilities are effective, with the

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<sup>55</sup> [Katko, Spanberger Lead Major Effort To Secure Systemically Important Critical Infrastructure - Committee on Homeland Security | Republicans \(house.gov\)](#)

<sup>56</sup> [IT Portfolio Dashboard | IT Dashboard](#)

Chinese delegation to the March 2021 U.S.-China high-level talks in Alaska calling the U.S. the “champion” of cyber-attacks.<sup>57</sup> U.S. secrecy is a constraining factor as it limits the ability to display its prowess and deter attacks out of fear of a powerful response. Some actors, including criminal actors, may not respect U.S. capabilities because they do not know what it is capable of. This limited understanding applies to U.S. state adversaries as well. However, the counter argument is that the mystique built up around U.S. cyber capabilities (amplified by comments like the Chinese remarks in Alaska) can play to the U.S. advantage – building up a specter of dazzling and highly capable teams spread through the Department of Defense, law enforcement, and Intelligence Community.

The public released cyber warfare doctrine elevated in the Trump Administration of Persistent Engagement and Defend Forward puts additional detail around what the U.S. tries to accomplish offensively in cyberspace.<sup>58</sup> Specifically, through persistent engagement the country seeks to be in constant contact with its adversaries. The U.S. wants to go to *them*, rather than wait for *them* to come to *us*. This creates several advantages: first, the U.S. keeps them “over there,” rather than waiting for them to come here. Second, the U.S. can observe them using new tools or techniques, sometimes before those tools are used against targets here. Third, as the U.S. hits them closer to home, it can disrupt core operations – putting “sand in their gears” to slow its adversaries down, force them to repair, rebuild, and rethink their strategies.

This more aggressive strategy promoted by Cyber Command Commanding General Paul Nakasone is already paying dividends. In recent elections, U.S. cyber operators have engaged foreign adversaries intending to interfere with free elections, frustrating their efforts. In addition, by discovering targeting priorities of U.S. adversaries, Cyber Command and CISA can share key defensive information with domestic partners, including state and local election officials, enabling risk-informed investment decisions. Congress should continue to support the Defend Forward doctrine, encouraging information flow between Cyber Command and CISA then on to the nation’s critical infrastructure defender community.

## **Conclusion**

The U.S., as one of the most advanced economies in the world with one of the highest rates of digitalization, represents one of the most attractive target-sets in the world. The reality is that outside of a few hundred highly capitalized organizations in the banking and finance, telecommunications, energy, and national security community, that target set offers up accessible, vulnerable targets ripe for the taking. So, in effect, societal level

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<sup>57</sup> [U.S.-China Meeting Quickly Descends Into Bickering | Time](#)

<sup>58</sup> [How to Compete in Cyberspace | Foreign Affairs](#)

cybersecurity is dependent upon individualized decisions made within each organization that makes up the fabric of the American economy.

The U.S. should commit to changing this dynamic, making it harder for its adversaries to find success in its networks. That will require continued empowerment of the U.S. federal agencies to understand and deter malicious actors. Those agencies should continue to develop close operational partnerships between government and industry. Some of these partnerships may require more focused regulation (smarter not necessarily more regulation), both on the technologies the U.S. uses and the critical companies that power its economy. The U.S. should also continue to take stronger action against its adversaries by depriving their ability to even launch attacks. There is no single silver bullet solution that will overcome U.S. current challenges in cyberspace. The United States, however, has a range of built-in advantages economically, technologically, and diplomatically that can make sense of this complexity and maintain its global leadership.

## **POLICY ACTION MEMORANDUM FOR MEMBERS OF CONGRESS**

*Note: This is what we call a “policy action memo” from the recent congressional conference in Colombia. It is intended to be a resource for Congressional participants and the aim is simply to list policy ideas that emerged in the conversations. We want to re-emphasize that our role is as a neutral convener, and we are not advocating any of these policies; we are merely cataloging the ideas that came forth.*

### ***Reflections on the U.S. Foreign Policy Strategy:***

- The current U.S. foreign policy strategy draws a hard rhetorical and political line between democracies and non-democracies. U.S. foreign policy should pivot from scolding autocracies to identifying areas of potential cooperation with them in line with broader U.S. national interests. The Chinese are already pursuing this strategy.
- The U.S. has an ambitious foreign policy that puts the country at the forefront of global conflicts—“from crisis to crisis.” To break this cycle, policymakers should rethink security priorities and delegate more responsibilities to allies.
- The current national security strategy prioritizes military power, heading toward a \$1 trillion defense budget. However, the U.S. should reduce its dependence on the military and focus on economic statecraft, which is more efficient. Tax codes, for example, can incentivize allies and partners.

### ***Europe and Eurasia:***

- The war in Ukraine demonstrated that the U.S. is a primary problem solver internationally. However, European allies can also defend themselves and increase their support to Ukraine. The U.S. should delegate more, if not primary, responsibilities to Europe in this fight.
- Policymakers should think about three potential outcomes of the war in Ukraine: a stalemate, Ukraine’s victory, or Russia’s victory. In any case, Russia, even without Putin, is unlikely to transform into a democracy or an ally. The U.S. should encourage NATO and the EU to rethink their roles in a post-conflict Europe without assuming that Russia will change.

### ***Indo-Pacific:***

- U.S. China policy should seek to balance deterrence and cooperation, which means identifying and addressing shortcomings to effective deterrence while continuing cooperation in different areas, such as climate change.
- China is a well-governed authoritarian state with a huge population, which makes the country's transition to democracy highly unlikely. Framing the competition with China as *autocracy vs. democracy* is not a winning strategy in this case, and it should be reframed.
- China adheres to its "One China" policy, while Taiwan wants to maintain the status quo. The primary goal of the U.S. should be to avoid war with China over Taiwan, which requires abstaining from provocative moves that can threaten the status quo.
- China is no longer just a copycat. It has developed the full capacity to research, innovate, and produce advanced technologies. The U.S. should focus on investing more in research and development to maintain a technological advantage over China.
- Countries want to cooperate with both China and the U.S. The U.S. should not make its allies choose in this zero-sum way.

### ***Middle East and Africa:***

- Today's Iran prioritizes revolutionary ideology over building a successful state. The U.S. should: (1) mobilize significant multilateral pressure against Iran to revive the nuclear arms deal before it has entirely collapsed; (2) counter Iran's domination and ambitions to be the most powerful country in the region; (3) support political change that the protesters have already started; (4) prevent Iranian assassination attempts of U.S. officials; (5) counter Iran's support to the Russia's war in Ukraine; (6) promote peace, security, and democracy in the region.
- The U.S. needs to pivot from aiding African countries to cooperating with them. Economic statecraft should be a main driver of U.S.-African relations. For example, Africa is rich with critical minerals, which has been long recognized by the Chinese. Policymakers should incentivize the American private sector to invest in the continent. History shows that the U.S. is successful where U.S. businesses are successful.
- The U.S. should take a lead in revamping Western-dominated international institutions. Otherwise, African states increasingly vote and act as a block in bodies like the UN, and could push for change with or without U.S. support.

### *Western Hemisphere:*

- The U.S. is the most preferred partner for the countries in the Western Hemisphere and beyond. While the U.S. scolds many countries for the lack of democratic rule, the Chinese recognize their strategic importance. The U.S. should boost its cooperation with the Americas and not allow Chinese dominance in its backyard.
- The U.S. underestimates the significance of cooperation with its southern neighbors. Chile and Argentina, for example, are rich with lithium, which is a critical mineral for rechargeable electric batteries. Locals are interested in American companies building lithium battery factories on the ground. The U.S. government should incentivize the private sector to make such an important investment, as it can make battery production cheaper and faster to import.

### *Cyberspace:*

- The COVID-19 pandemic and the rise of generative AI have accelerated the world's digitalization and increased public and private platforms' susceptibility to cybercrimes. To address this issue, legislators should start with regulating cloud computing, the back-end of software that is crucial for artificial intelligence and machine learning.
- Policymakers should develop privacy policies. The EU adopted the General Data Protection Regulation (GDPR) in 2018, and other countries are increasingly introducing privacy policies. Meanwhile, in the U.S., the privacy bill has failed in every Congress. Policymakers should resolve this issue soon to keep up with its allies.
- Semiconductors are crucial for America's global competitiveness. Today every technology operates with mature or advanced chips. The U.S. significantly depends on chip imports from Taiwan, which produces 90% of advanced chips and 50% of all other chips. The U.S. should think about decoupling with Taiwan to avoid the disruption of its chip supply chains in case of uncertainty and encourage market diversification.
- Out of \$52 billion funding for chips, \$50 billion goes to advanced chips and \$2 billion goes to foundational ones. Considering that foundational chips are more widely used, the U.S. should significantly increase the funding for their production.
- The Biden administration's new restrictions on China's access to advanced semiconductors and the equipment used to make them can slow the growth of China. However, the Chinese have doubled down on their mature chips production. They can still generate significant income with exports and manufacture weapons systems, including chips exported to Putin's Russia. A better strategy is needed to counter China.

