Introduction
Dr. Jones began by explaining that he had spent much of the last decade considering how the US understands and is adapting to the new powers on the international stage. He studied what roles these new powers play and what confidence they have in what is considered the international order. The concept of an international order is rather abstract as it has been used since the end of World War II but in general involves:

1. Freedom from Great Power conflict
2. The continuing spread and advance of free trade
3. The progression of democracy/freedom/human rights – the phrase has changed from time to time

However, there has often been some tension between the first and third concepts especially when one or more of the Great Powers have been authoritarian states

A Cascade of Events
Dr. Jones noted that his views were somewhat shaped by his being in Gaza during the Intifada, working for the UN on 9/10/2001, but had returned to New York by 9/11.

- He then closely watched how the US responded to 9/11, how the Middle East and emerging powers responded to the US responses, and how the US responded back.
- Result: This cascade of events and responses have shaped the international order over the last few years

While at the UN Dr. Jones also observed how the emerging powers responded to the Iraq war

- The emerging powers made their first forays into global politics
- BRICS (Brazil, Russia, India, China, South Africa) first began to push their views in the UN and later in the World Trade Organization (WTO) and World Bank
- Resulting view: How the international organizations would contribute appeared to be secondary to what US would do
Iron law of multilateralism: Nothing really gets determined without first considering what US policy will be – as has been the case for 70 years. Nothing really happens without the US setting the basic core of what is achievable in the international system.

- Bottom line: Jones “pivoted” away from the concept of multilateralism and toward studying Washington as the central player in the international order.
  - Worked on a project that was called “Managing the Global Order” for Brookings.
  - Changed the project name when it was pointed out that they were doing a very bad job of managing the global order.

- All happening at a time of serious turbulence throughout the world.
  - Russian aggression in Ukraine, Chinese aggression in the East China Sea, collapse of Middle East regional structures, Ebola, North Korea, etc.
  - Many are old challenges but of special interest are the new ones such as the collapse of order in the Middle East and recent Russian aggression.
  - But there has been no threat of a Great Power conflicts for 25 years:
    - In Kosovo, came within one hour of Russian forces firing on NATO forces, but that was the last time.
    - Lots of hostile engagements but no Great Power conflicts.
    - Numbers of wars have actually declined by 80%.
    - Also have had a huge drop in the number of people killed in wars.
  - In recent years over one billion people have risen out of poverty and there has been continuing growth of democracies.
  - Bottom line: all these advances were made possible by the lack of Great Power conflicts and the relatively benign hegemony of the US.
    - US is not dictatorial power.
    - US has a relatively benign, if expansive, foreign policy.
  - Problem: All of this progress is now in question or at risk.

Current Narratives Shaping US Foreign Policy

1. American Decline / Retrenchment – has been causing the disorder in the world.
2. Rise of the BRICS and the related tectonic shifts – have generated problems.
3. The Shadow of 1914 – brings up the concept that when one Power rises another automatically declines, necessarily causing conflict.
4. The Counter to 1914 – today’s situation is different from that of 1914 because of global interconnectedness.
   a. Especially since the emerging powers rose up economically in the system.
   b. Therefore, emerging powers have no stake in challenging the current order since they just want more space within the system.

American Decline/Retrenchment – not really there if you look at the facts.

- Look at where the US is positioned in many fields.
  - Economic recovery since the global financial crisis (not complete, but substantial) nearly back to 3% growth.
Paying down the huge debt US took on since crisis has been the fastest of any previous recovery from a crisis
  - Congressional Budget Office now says that the budget should be stable until about 2025
Good news also in many other fields
  - US percentage of global GDP is huge
  - Demographics – US has a young and growing population, which is not true of any of the other powers
  - Role of the dollar – remains the global reserve currency despite claims that the financial crisis would cause an erosion of its position
    - IMF recently reported that the dollar is now used by more countries since the crisis
  - The US energy revolution of the last few years
    - Sometime in the next year the US will overtake Saudi Arabia and Russia as the #1 energy producer in the world
    - Timelines might change a little if the Saudis continue to play with gas prices
      - But US reserves of gas and shale oil will ensure its lead
  - Global firms – US firms lead in the ways that are most important
    - Usually gauge wealth by comparing GDP – US now at 22% rather than 25% of world GDP
    - But US firms actually take in 47% of global profits for the companies that Forbes track
      - At about the 70% level for aeronautics, finance, software, etc.
    - From the business perspective, US has not lost anything in its share or dominance of world capitalism
  - Bottom line: concerns are overblown especially about US economy
    - Visiting Indian businessmen are blown away by the dynamism of American capitalism and the energy revolution
  - Psychology of decline remains even if numbers don’t back it up
    - One major area of concern is the dysfunction in Congress
      - This is a real problem but the situation is better than how it was being portrayed two years ago
        - There were fears that if the issues were not solved, the US would be unable to deal with the debt or unlock its industrial potential
        - Neither situation has occurred
      - Only problems occurred when it appeared that the government would not raise the debt ceiling causing some investors to pull back in the markets
        - If that situation is repeated, it could cause problems in the future
    - According to a BRICS ambassador, perceptions of decline seem to be more apparent to those in American think tanks than to people elsewhere in the world
Strength through Alliances

Any discussion of American strength and influence must also take into consideration what the US gains from its alliances and partnerships.

- **US** has about 50 allies/partners, of whom about 24 are serious allies.
  - Genuine exchanges go on with them and include operational exercises.
  - These nations share the US values, more or less.
- Alliances are particularly important when discussing issues related to the Shadow of 1914 concept.
  - Declining powers lose allies while rising powers gain allies but this is not what is happening today to the US.
  - About 15 of the top 20 allies are very close and the rest are non-adversaries.
- Some US allies are in a slump but so are its adversaries.
- **Compare American allies to those of China.**
  - China only really has North Korea and Cambodia.
  - Anytime China starts getting aggressive, there are even more calls from the region to the US for strengthening its involvement there – even by Vietnam.
- US and its allies produce 70% of world GDP.
  - The international system is still predominantly a western system.

Less Good News about the BRICS

- **Russia** should not be lumped together with China, India, and the other emerging nations in BRICS.
  - Russia is not a rising power and it has deep problems since it is inward looking and dysfunctional as it has been for 400 years.
  - It is considered rising only because of recent history:
    - Between the 1989 Soviet Union GDP and the 1992 Russian Federation GDP there was a 90% contraction.
    - So now that it is doing somewhat better (perhaps a 60% recovery) it looks like Russia is rising.
- **South Africa** is in the BRICS for political reasons so that there would be an African element.
  - Plays some roles in the UN and in Africa but not that much.
- Really the BRICS should only be India, China, and Brazil.
  - They have growing economic power.
  - China does have growing military clout.
  - Russia for political and tactical reasons is included in BRICS summits.
    - May not matter much to Russia.
    - But its presence does matter in developing strategy and foreign policy.
- **Two years ago the China Bubble was the central theme when discussing BRICS.**
  - Morgan Stanley’s Emerging Markets Team has noted China’s obstacles.
  - China is suffering from a middle income transition.
    - When a population starts at an income of $1,000 a year per capita, it is easy to increase wealth to the next higher level.
    - Largely done by taking advantage of low wages and selling cheap things cheaply to the rich West.
China has done this extraordinarily well in the last few years
  • When the income is $4000-$6000 a year per capita, it becomes difficult to sustain growth because of structural inflation
    o Wages are no longer cheap since workers are demanding more
    o Need innovation, higher education, lack of corruption to continue to compete
      o US has been good at this but China has not
    o Korea and Japan have succeeded in doing this but few others have
  • China has been worrying about its rate of growth
    o No economists really believe the 10-12% annual GDP growth number that China has claimed
    o Their growth now is only coming from pumping debt into the economy so that national debt is now 240% of GDP
      o No country in modern history has had such a ratio without then suffering a financial crisis or an acute economic slowdown
    o China’s economic slowdown is probably the major reason for the current drop in oil prices
      o Prediction: China may be able to maintain a 5-6% level of growth for the next decade
      o China recently passed the US in the measurement of purchasing power parity
        o But this is generally considered a meaningless measurement especially in China
      o Need to use national GDP for comparisons since that is what determines what can be bought on the world market
        o China’s goal currently is to reach 50% of US GDP
  • Bottom line: China is big and growing but it is not an unstoppable growth machine

Psychology among the BRICS
  • Primarily that of Beijing, New Delhi, Brasilia, and to some extent Moscow
  • All rose within in the established international economic order of free trade, etc.
    o All are aware of this and that the security on the high seas permitting free trade is maintained by the US Navy, which they don’t pay for
  • However, some of the BRICS aren’t ready to just allow the situation to continue without challenging US power
    o There is an impulse toward rivalry opposing the impulse toward restraint
  • China is especially sensitive since it sees recent history as a century of humiliation
    o They were on the wrong side of the decision-making tables in the international organizations
    o Even at the UN decisions tend to be made mostly by the US with help from the UK and to a lesser extent France
    o Now China believes that “This is our time”
      o People need their goods now giving them economic space
      o It is time to have more say compelled by the impulse toward rivalry
  • Thesis: Opposing dynamics (an impulse to not challenge the useful existing system and an impulse toward rivalry) are operating at the same time along a spectrum
- Brazil remains on the restraint side
- There is no consensus about the role of India
- China is moving toward rivalry
- Russia is way over on the rivalry side with little concern for the consequences

- Bottom line: The on-going effort to balance these dynamics will be the basis of foreign policy
  - Fierce debates now going on in Beijing and New Delhi about their roles
  - China recognizes its need for constraint especially in economics
    - Realizes it needs the US for the security of the seas the Navy provide, its markets, and its innovations
      - Can’t do what they need to do next without US involvement
    - But it is also willing to be aggressive in the South and East China Seas
      - Does not want to be pushed around or encircled
    - The principle debate is between the private sector and the military
      - Different actors with very different views
  - See the same sort of debate in India and to a greater degree with Russia
    - Russia provided early indications with Georgia in 2008 and is pushing harder with eastern Ukraine now

**Complications from Transnational Threats, Terrorism, Energy, et al**

- The emerging states are not that interested in pursuing transnational threats because of their own internal problems
  - They don’t want to see feral states across the Middle East
  - But they also must worry about their soft edges where weaker parts of their states overlap with Muslim populations
  - So they are happy to see US/allies handling the problem
    - Still get some cooperation now even from Russia
- A New York University conference debating Afghanistan’s issues looked rather like a meeting for the Great Game with representatives from the UK, Russia, etc.
  - No Afghani representatives were present
  - Putin’s envoy was asked whether his strategy was to have NATO take care of al-Qaeda or hope that al-Qaeda would bleed NATO dry
    - Answer: Why not both?
    - China has a similar attitude since they are the last ones to want a turbulent Middle East because of their oil needs
- Energy is a big element in these issues
  - Maps would show just how important energy is
    - 50% of China’s energy must pass through the Strait of Hormuz and 95% through the Strait of Malacca
      - Both are primarily protected by the US Navy and China knows it
    - China is pushing its efforts to increase its Naval capabilities since it well remembers what happened to its energy supplies in 1939-1940
      - The US could cut off China’s energy supply in the same way
China remembers this more than the issues of 1914
  - China is also buying access to North American energy production
    - Bottom line: China has no other short term option except cooperating with the US on energy
    - Also, as the US increases its gas production, it will be in direct competition with Russia over energy
      - Russia would see it as a direct strategic competition while the US would see this as a normal competition in the energy market

Other issues: Similar patterns can be seen related to the recent Syria and Iranian situations
  - Russia may be blocking on some UN votes but they are helping elsewhere
  - Do get yes votes from China and troops from Brazil and India to help with stability operations
  - Bottom line: These countries are not taking advantage of every crisis that arises to confront the establishment
    - Will confront the West where there are direct competition issues
    - May need to worry about the return of proxy wars

Doubts about Parallels with 1914
  - History shows that the rise of powers may be more nuanced that is usually assumed
    - A rising power does not necessarily resort to hostility automatically
  - However, the #2 and #3 powers may more likely come into conflict with each other
    - See Russia vs. Europe tensions over Ukraine
    - See China vs. Japan tensions over the East China Sea islands
  - Big questions:
    - Would the US go to war over piles of rocks in the East China Sea?
    - Would the US go to war over Latvia under Article 5 of the NATO agreements?
    - However, walking away would not be good for alliance relations and the US being considered a trusted ally

The Idea that the “International System Is Open”
  - There has been rhetoric from all administrations, but it really isn’t true
  - No one is seeking to extend full alliance security guarantees to China
    - US has had some complex relations talks with Russia over the last 20 years about NATO expansion and what it would mean for them
    - Now there is debate whether NATO expansion was a wise strategy or not
  - The core alliance structure is not open
  - Financial structures are generally open, but must look at who is setting up the rules of the game
    - Involves very truculent negotiations
    - G-8 would meet and set the rules for global economy and then would meet with China, Brazil, India, Mexico, and Russia
      - Then the G-8 would meet again without them for the final decisions
      - The others would be left with a lingering feeling of humiliation
G-8 restructured to become the G-20 to get the help it needed from the rest to work their way out of the global financial crisis
  - Did not reform the World Trade Organization (WTO) or other organizations
  - US finally got the G-20 to agree to changes but then Congress would not ratify them
    - The Indians see little difference in where the blockage was
    - Bottom line: They still don’t have a seat at the table
  - US always needs to balance between rivalry and constraint

What Should the US Do?
- The US needs to be ready for an intensely competitive environment
  - We have been in an era of no constraints on the use of US power from others so competition is new
  - At least there will be competition with constraints which will sometimes transition to hostility as it has with Russia lately
  - Don’t expect the Putin/Crimea/Ukraine problem to go away
  - Expect more conflict and must find ways to engage Russia
- Smart Power – or Dumb Hard Power
  - US must use its Coalitional Power – only the US could pull together 132 nations to fight Ebola in West Africa in the course of one week
    - US can mobilize efforts through institutions, alliances, international organizations, coalitions
    - US has unparalleled ability to mobilize efforts
  - It is important that the US can coalesce the efforts of others when it tries to
  - There was a lot of criticism about the concept of “leading from behind” during the Libya crisis
    - Some complained that the US was giving up leadership
    - But, US got many other nations to agree with it in the UN Security Council
    - US was able to get its allies to do 80% of the airstrikes
  - Bottom line: This sort of bringing the power of others to bear on a situation is important and a good move which should be a strategy that is used often

US Mistakes
- Once Gadhafi was eliminated in Libya, there was no power structure put in place to replace him
  - Results and what we see now were entirely predictable
  - A matter of “Snatching defeat from the jaws of victory”
- US was operating under the concept of “responsibility to protect” a population that is not being protected by its own government, but this caused international debate
  - Western allies generally claim this is part of human rights protection
  - Rising powers saw these actions as interventionist
  - For Libya the decisions at the UN Security Council were:
    - 15-0 in support of the responsibility to protect concept
- When voted on actual military action the vote was 10-0-5 with mostly the rising nations abstaining
  - Then Brazil offered a diplomatic paper saying that some of what the UN is doing is not good
    - NATO should be ready to accept responsibility while protecting
      - Meant that while conducting bombing operations, NATO should try to protect civilians
      - NATO believed they already did that
    - Brazil wanted to enshrine the concept diplomatically and wanted NATO to report to the Security Council once a month
      - NATO did that during Bosnia without any problems
  - The problem:
    - Brazil’s document stated given that we now accept the responsibility of protection concept therefore...
    - US did not like having a BRICS country try to tell it how to run NATO operations and dismissed the document
  - The major diplomatic mistake: The US accepted the support of a BRICS country that was embracing a central Western principle, and then dismissed the principle because it came from the BRICs country
    - US could, but did not negotiate about elements that it did not like
  - Result: further angered Brazil over its treatment by the US
    - US made several other similar unfortunate moves
    - Brazil was trying to assert itself on the international stage and the US appeared to push it away
      - Could only make them and other rising nations angry
    - Recommendation: US should look for moments when it can work with rising nations
      - Could call this coalitional power, which the US needs to work on

US should expand multilateral institutions and relationships
- There is room to work with India, Indonesia, and other second tier rising nations
- Should especially consider areas related to issues like climate, environment, energy, cyber, where the rules aren’t yet set
- Russia and especially China would then find it hard to stand apart when so many others are getting involved
- Recommendation: US should build up patterns of cooperation with second-tier powers to help with current problems and with relations with China/Russia

Relations with Russia and China
- Relations with Russia require separate handling from those with China
  - China’s concept of new Great Power relationships should be taken seriously
  - China believes this means they now get to:
    - Ignore international rules the way the US does
    - Push around those in their region the way the US did in the 1840s
• China must be shown that:
  o International standards do exist and that China’s interests can be accommodated with negotiation especially involving financial matters
  o Acquisition of territory by force will not be permitted
    ▪ If the US lets this concept go, then we will see a decline in the international order
    ▪ US must stand up to the situation in Ukraine, but may be further away from taking a position as it has with China in the East China Sea
    ▪ Such actions will have implications for the US defense structure
  o The US needs to be open to finding areas where there are no rules where everyone can work together to develop the rules
    ▪ US must get out of the mind set of “We set the rules”

Conclusion
Current state of US relations varies by country among the BRICS
• US has some space to work with India and Brazil
• US and Russian relations may already be heavily damaged
• The situation with China is a big open question
  o Need to recognize China’s issues and rivalry
  o Need to be careful how China is approached

Even as an optimist (had to be one to work at the UN), Dr. Jones noted the current relevance of an old Russian joke about the difference between an optimist and a pessimist
• The pessimist looks out at a black situation and says: “It can’t get any worse.”
• The optimist responds, “Oh, yes, it can.”

QUESTION & ANSWER SESSION

Re: Future Prospects for the US versus China
• The US has problems but is still way ahead of China in many fields especially advanced education even if there are a lot of issues to tackle
• The concentration of wealth is another problem that both the US and China face
  o Solutions would be much easier for the US to find than those that the Chinese need to develop
• The US economy may be suffering from some flabbiness but the Chinese economy is certainly not growing at the 10% rate that was claimed in the past

Re: Militant Islamist Threat
• Right after 9/11 there was a common threat to all the Powers
  o Some differences of course, but they were willing to work together to some extent
  o There was a shared threat of terrorism
• Changes in attitude came with the war in Iraq
  o China and Russia saw no reason to take out Saddam since he was keeping the lid on problems in Iraq
    ▪ Would only raise the price of oil which would hurt China
The US was damned for going in and then super-damned for leaving

A new moment of cooperation came with the threat from the Islamic State in Syria

- Some indecision existed about whether the US was a stabilizing force or not
  - US has not tried very hard to bring others into a coalition effort
- The global rise of extreme Islam has been seen as a problem everywhere
  - Including the threat from the potential return of foreign fighters
    - Numbers still are very small
- More important is the collapse of order and security structures in the Middle East
  - Many more wars could occur there

Re: Syria

- Assad was doing a bad job of “keeping the lid on” in Syria
- The US did not create the Arab Spring or the Syrian uprising or Assad’s response
  - Also not involved in Mubarak’s problems nor the decision to get rid of him
- Bottom line: The US should be more modest about what it can actually influence in various parts of the world
- What should Syrian policy be?
  - Jones could talk himself into believing the US should do more or do what we have done – but he is not a policy-maker with other demands to consider
  - American policy has not been clear and that has had major ramifications
    - Potential partners are not sure what to expect from the US
  - The US is currently in the process of reconsolidating the coalition over ISIS
    - But some of the unsavory “partners” may use operations to take out their own problems and the US will need to turn a blind eye

Overall situation:

- Policy about the Middle East is a mess
- Syria is only one part of the Middle East problem
- Need to ask who profits if the US gets involved in the Middle East
  - China, Russia, India don’t profit if the US gets entangled
  - They are more worried that the US will not get it right

Re: Russia

- Can consider Russia the equivalent of Pakistan but with a greater nuclear weapons arsenal
  - Has about the same population size
- A dysfunctional, deteriorating Russia would be a worse challenge in the short term
- In the long term, a highly successful China might be more destabilizing
- Sanctions on Russia were probably the right thing to do and are creating internal problems
  - But sanctions must work quickly to avoid problems, otherwise highly nationalistic Russians just get angry
  - Putin’s only card to play is to dial up the escalation to spur nationalistic feelings
  - Dr. Jones has no recommendation to solve this
• Expect there to be a long, tough conflict with Putin – much more intense than what has happened in Ukraine

Re: Need for an Overarching Policy
• No good phrase works for the current situation as concepts like containment did in the past
  o Brookings is working on a project to find an overarching strategic narrative
• Can think about concentric circles of cooperation starting with the US at the center
  o Next would be US allies and those willing to work with the US like India who don’t really want to be allies
  o Doesn’t eliminate working with China
• US wants to organize alliances/coalitions to deter China from using military force
  o At the same time US needs to maintain economic, financial, and other communications lines for a balance of constraint and rivalry

Re: Complications of Russian Nuclear Weapons
• Russia is currently in a very dysfunctional state
• Politico.com has recently published a story on Putin’s Coup discussing his use of Ukraine to consolidate his power – noting that Putin:
  o Is not insane
  o Has been aggressive at consolidating his domestic power
  o Will continue to explore what he can get away with in the international realm
  o Gets daily reports to see how the US and the West are responding and then he responds to exploit the diplomatic chinks he finds
• As Putin consolidates his power, he is likely to be more aggressive toward the US
• Sochi was his breakpoint when he started to be willing to act aggressively
• Since Putin is not insane he won’t go nuclear over Latvia
  o The Great Power counterinsurgency problems are probably more of a concern than the nuclear threat
• Both China and Russia are experimenting with salami tactics – cutting and taking a little more and then a little more – almost using counterinsurgency tactics
  o US does not have the tools it would need to defeat this sort of threat