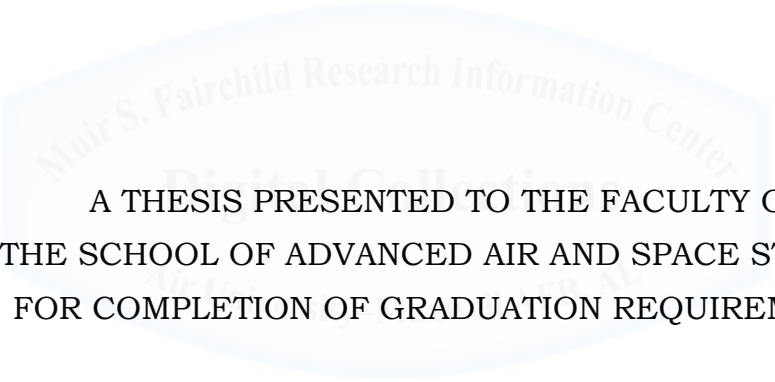


UNITED STATES GRAND STRATEGY:
IMPLICATIONS OF DECLINE AND RETRENCHMENT

BY

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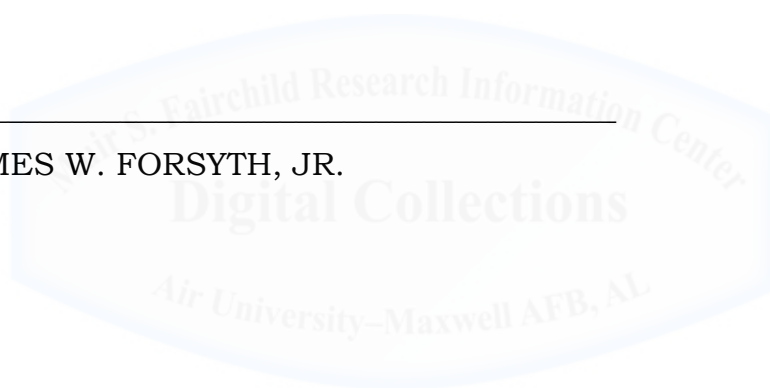
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APPROVAL

The undersigned certify that this thesis meets master's-level standards of research, argumentation, and expression.

Dr. JAMES M. TUCCI

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ABSTRACT

Given the fiscal reality and significantly altered international environment facing the United States, there is a great deal of debate regarding an appropriate grand strategy going forward. Inherent in this debate and in the strategic path chosen is a perception that the US is suffering from relative decline in the international system. Objective and subjective measures indicate this to be the case. One promising policy choice is retrenchment. Bounded in realism and supported by history, retrenchment is a broad imperative or mechanism to reconcile excessive foreign commitments with actual means by eliminating, shifting, or sharing burdens.

The US needs time and space to recapitalize itself if its leaders intend for it to sustain its preeminent status on the global stage or at the very least prevent hegemonic conflict during a period of acute relative decline. These needs, dictated by eroding prestige and economic power and general domestic war weariness, necessitate a change in strategy. Retrenchment provides the opportunity, the bridge, for the US to shift from a primacy grand strategy to a combination strategy of security cooperation, selective engagement, and offshore balancing. Reformed US military strategy and structure, increased reliance on allies, and military restraint in international disputes increase the possibility the US will maintain its ability to secure its interests into the future without extending the nation beyond its means.

In effect, retrenchment counters the systemic constraints of institutions, balancing dynamics, economic interdependence, and legitimacy while systemic activism minimizes the potential detrimental aspects of retrenchment. Together, they offer a way forward out of decline that is likely to reduce the paradox of US power, lowering the risk of counter-hegemonic actions by nations that fear a too powerful US has possible self-interest infringement or loss implications. Taken together, retrenchment as a method within an appropriate grand strategy is a prescient choice, suitable for the US today.

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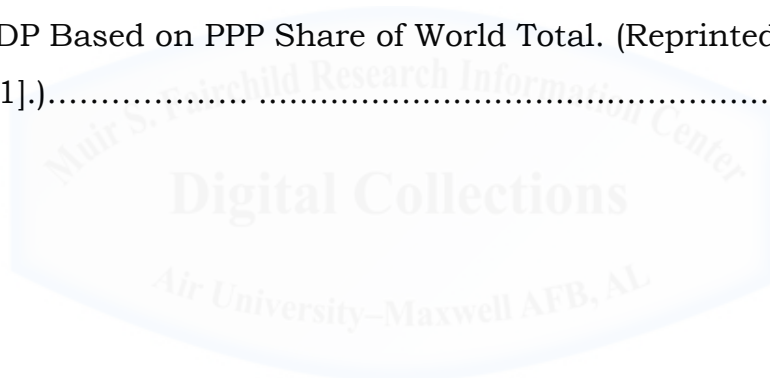
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INTRODUCTION

Do the global interests and the obligations of the United States today exceed the nation's power? In other words, does the US have the economic, political, and military resources to achieve its objectives or is it facing the dilemma posed by overstretch? Throughout history, the world's various hegemons have faced similar crossroads, whether it was the Pax Romana in the 4th century, or the Pax Britannica or the French Empire in the early 20th century.¹ Interestingly enough, critics posited that the US was strategically overextended concerning the Soviets in the Cold War and then again with Japan in the 1980s, only to rebound and shrug off indications and opinions of its decline. Is this time different? Does the challenge posed by a rising China herald the end of Pax Americana?

Power

For a concept so well known, ideas about what power is are ubiquitous. Borrowing from the ideas of Joseph Nye, "power is the capacity to do things and in social situations to affect others to get the outcomes we want."² Resources or behavior outcomes can define power. For the purposes of this report, power will reflect resources, as behavior outcomes based power is better suited for discussions for a particular situation, and this report covers broad periods of time. In this case, power as a resource will focus on tangible and intangible aspects as a means to compare different nations using the same categories of measurement. The nature of power describes what power in the

¹ Amy Chua, *Day of Empire: How Empires Rise to Global Dominance—And Why They Fall* (New York, Doubleday, 2007), 53 discusses the fall of the Roman Empire. Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*, (New York: Random House, 1987), 228 gave the approximate fall of the British Empire.

² Joseph S. Nye, Jr., *The Future of Power* (New York, Public Affairs, 2011), 11.

international context is, but this description is incomplete without discussing power in relation to other states.

The categories of tangible and intangible power provide a framework for analysis as Robert Gilpin and Joseph Nye imagined. Tangible power refers to the economic, military, and related capabilities of the state.³ The relationship between economic and the military (or security apparatus) is interactive and interdependent. Changes in one undoubtedly affect the other. The efficacy of both is required for long-term sustainment and growth of power. Closely related to these forms of power, is prestige and other forms of intangible power. Some scholars describe prestige as something separate from power, while others do not. According to Gilpin, “prestige is...the reputation for power, and military power in particular. Whereas, power refers to the economic, military, and related capabilities of a state, prestige refers primarily to the perceptions of other states with respect to a state’s capacities and its ability and willingness to exercise its power.”⁴ In this way, prestige is about the image of a nation, as others perceive it. Rather than separating prestige from power, as Gilpin does, intangible power in this report will include prestige because it, like all forms of power, is a capacity to affect others to get preferred outcomes. Intangible power is more comprehensive than this. In light of this, prestige becomes a bridge between the type of power Gilpin describes and the soft power Nye envisions. Soft power resources come from a nation’s culture, its political values, and its foreign policies, translating into attraction and persuasion.⁵ Other soft power resources include national unity and morale, the coherence of the governmental system, and the quality of leadership. If outside entities follow Sun Tzu’s dictum of knowing your enemy, these various resources should influence their behavior.

³ Robert Gilpin, *War & Change in World Politics* (Cambridge: Cambridge University Press, 1981), 31.

⁴ Gilpin, 30-31.

⁵ Nye, 84.

Together, tangible and intangible powers form the basis for discussing power in relation to a particular nation.

A declining nation in terms of absolute power must retrench or face the equivalent of going bankrupt or losing its sovereignty. In this case, the argument for retrenchment is rather easy and straightforward. The more difficult question arises when the perception is a nation's power is in decline relative to another nation, a rising challenger. The ability to determine when to retrench, if at all, is complicated with the addition of another nation, and it deals with perception rather than realities of one's tangible and intangible power. Power in the international setting, then, requires viewing it in relative not absolute terms and "what matters is the complex balance of forces in each particular power relationship."⁶

Painting the picture of Current US standing

Overlaying the power template – tangible and intangible resources – on the US in comparison to major powers is the first step in determining whether the US is suffering from a relative decline in power that should force a review of grand strategy going forward. This analysis will focus on the primary economic indicators, internal and external political dynamics, and state of prestige before looking at what makes the US's current standing different from two other instances of decline that had the critics declaring the nation's standing atop the global order was in jeopardy.

In terms of tangible power, the US's current standing is a mixed picture. Since the demise of the Soviet Union in 1991, the military of the US has stood alone, far outdistancing all rivals in both actual and potential capabilities. The number of uniformed and reserve military personnel is significant, but in comparative terms, the amount of money spent on defense is a better reflection of this fact. In 2012, the US

⁶ David Reynolds, *Brittania Overruled: British Policy and World Power in the 20th Century*, 2nd ed. (Harlow: Pearson Education Limited, 2000), 5.

military budget stands at \$692 billion dollars, more than the next 16 countries combined and more than seven times that of China, the next country on the list and one generally seen as a rising challenger.⁷ A comparative analysis of the last 20 years in this category ends with the same result, leaving the US military unchallenged in terms of quality and capability. Although the amount spent on the military dwarfs all others and has for a considerable time, it does not come close to impinging on the available economic resources of the country. The US, since the Carter administration, has kept its military spending under 5 percent of GDP.⁸ The ability to continue spending these sums on defense depends on economic power, a tangible source increasingly in question.

According to the World Economic Forum's 2011-2012 report, the US's GDP of over \$14 trillion is more than two times that of the next country, China, and its share of world GDP based on purchasing power parity (PPP) is roughly 20-22 percent, a figure that has remained consistently between 20 and 25 percent since 1980.⁹ Table 1 illustrates the changes GDP over time (1870, 1950, and 2001), and in the relative shares of world GDP and GDP per capita in those same three years.

Table 1: World Economy Historical Statistics

	1870			1950			2001		
	GDP(B)	%GDP	PerCap(K)	GDP(B)	%GDP	PerCap(K)	GDP(B)	%GDP	PerCap(K)
World	\$985.2			\$5,310.9			\$37,056.9		
UK	\$100.2	10%	\$3.2	\$347.9	6.5%	\$6.9	\$1,202.1	3.2%	\$20.1
France	\$72.1	7.3%	\$1.8	\$234.1	4.4%	\$5.3	\$1,258.3	3.4%	\$21.1
US	\$98.4	9.9%	\$2.4	\$1,455.9	27.4%	\$9.6	\$7,965.8	21.5%	\$27.9
China	\$189.7	19.3%	\$5	\$239.9	4.5%	\$44	\$4,569.7	12.3%	\$3.6

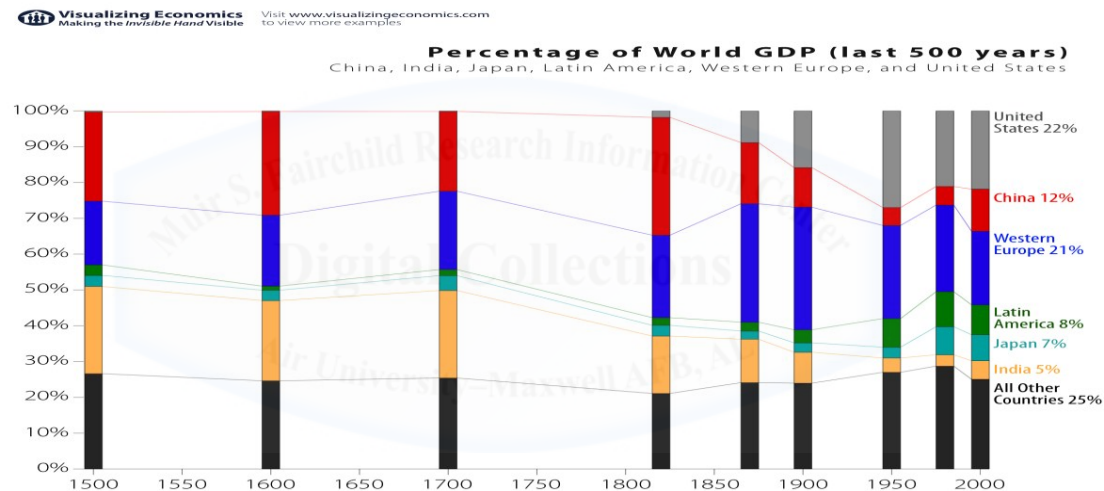
Source: Adapted from Angus Maddison, The World Economy: Historical Statistics, (Paris, OECD), 48-52, 84-89, 170, 174, 180, 184, 226.

⁷ Global Firepower, "2012 World Military Strength Ranking," <http://www.globalfirepower.com>.

⁸ Michael Mandelbaum, "America's Coming Retrenchment: How Budget Cuts Will Limit the United States' Global Role," *Foreign Affairs*, 9 August 2011, <http://www.foreignaffairs.com/articles/68024/michael-mandelbaum/americas-coming-retrenchment> (accessed 7 December 2011).

⁹ Xavier Sala-i-Martin, *The Global Competitiveness Report 2011-2012*, ed. Klaus Schwab, World Economic Forum Report (Geneva, Switzerland, 7 September 2011), 362.

In these absolute terms, the US economy is by far the most dominant on the global stage. In relative terms, the story is quite different as Figure 1 and 2 show. In particular, the rise of China's share of world GDP based on PPP has skyrocketed from about 2.5 percent in 1980 to over 12 percent. China's growth is indicative of the larger trend regarding the uneven growth each year with developing nations at or near 8 percent and developed at 2-3 percent. The recession of late 2007 and 2008 notwithstanding, this trend had continued unabated for the past decade.¹⁰ It is not just China; India, Brazil, Turkey, and other nations appear to be gaining on the US in relative terms.



Source: Angus Maddison, University of Groningen

Figure 1: The Percentage of World GDP over last 500 years. (Reprinted from Mulbrandon, [2008].)

¹⁰ International Monetary Fund. "World Economic Outlook Update: Global Recovery Advances but Remains Uneven." *International Monetary Fund*. January 2011, 1 <http://www.imf.org/external/pubs/ft/weo/2011/update/01> (accessed May 17, 2012).

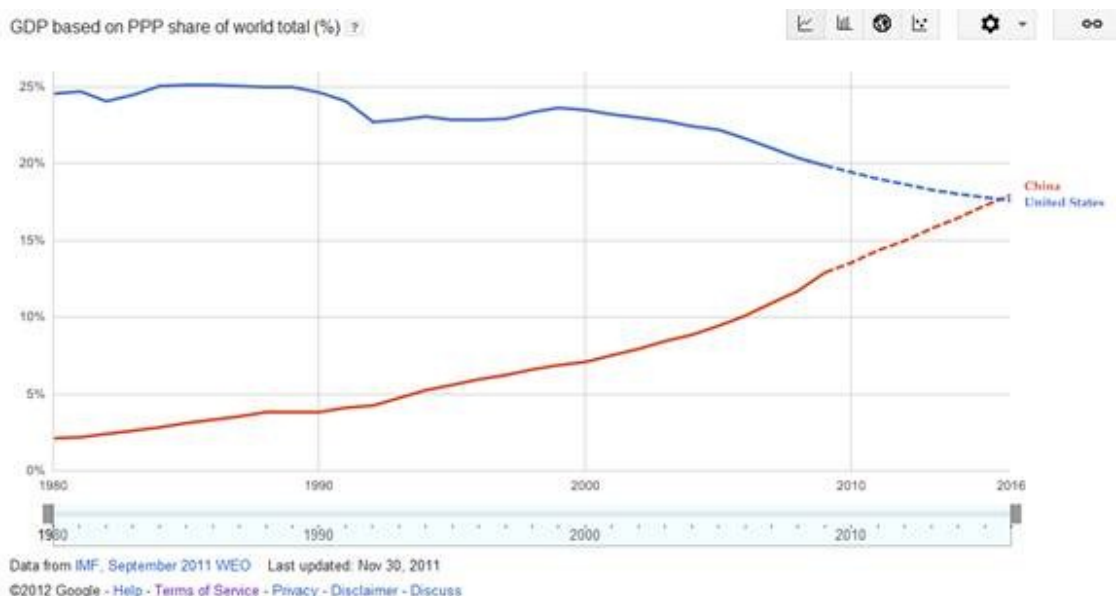


Figure 2: GDP Based on PPP Share of World Total. (Reprinted from IMF [2011].)

In terms of the global competitiveness index (GCI), the US has slipped from the number two position to fifth in just three years.¹¹ GCI is a “comprehensive tool that measures the microeconomic and macroeconomic foundations of national institutions, policies, and factors that determine the level of productivity of a country.”¹² The two indices used here, GDP and GCI; represent a general view of US relative economic decline.

An additional source of apparent decline stems from the “belief that the US has lost favor, and therefore influence, in much of the world, because of its various responses to the attacks of September 11.”¹³ Controversial actions and positions since then cultivate this belief. Specifically, the detainment facilities at Guantanamo, detainee abuse at Abu Grhaib, the use of torture interrogation techniques, the widely condemned 2003 Iraqi invasion, US refusal to participate in the Kyoto

¹¹ Sala-i-Martin, 362.

¹² Sala-i-Martin, 4.

¹³ Robert Kagan, “Not Fade Away: Against the Myth of American Decline,” Brookings Institute, 17 January 2012, 1-2, http://www.brookings.edu/opinions/2012/0117_us_power_kagan.aspx?p=1 (accessed 14 February, 2012).

environmental protocols, and the desecration of Taliban dead by US Marines. All these issues tarnish the American “brand” and put a dent in America’s “soft power” – its ability to attract others to its point of view.”¹⁴ Taken together these actions or inactions call into question US global leadership, diminish its prestige, and contribute to a loss of intangible power.

Some critics question the broad perception of decline as illustrated here. The argument’s evidence centers on three components. First, actual decline is very hard to discern from just a short time period of measurement. The foreign policy and military forays and the economic indicators highlighted above are recent phenomena. Critics argue that the US has persevered through similar difficult times – such as the prolonged economic crises in the 1890s, the 1930s, and the 1970s – and rebounded to be in an even stronger relative position. Additionally, US share of the world’s GDP has remained remarkably steady for the last four decades.

Second, the actual threat of the potential challengers may be premature or overestimated. Each of them, whether the European Union, China, India, or Brazil, still have several significant challenges of their own to overcome, particularly on the economic front. China, for instance, may have the fastest growing economy and predictions have it overtaking the US’s in overall GDP, but in terms of per capita GDP, the US’s \$47,284 dwarfs China’s \$4,382.¹⁵ This gap, if not insurmountable, will take many more decades to close. Furthermore, the US does not view the European Union (EU) and India as threats, ties and common interests make them strategic partners vice challengers.

A Chinese leader recently commented, “Military strength underpins hegemony.”¹⁶ Consequently, critics of American decline point out that

¹⁴ Kagan, 2.

¹⁵ Sala-i-Martin, 148, 362.

¹⁶ Kagan, 3.

the US has nothing to fear from these challengers. As previously noted, the US enjoys a nearly seven times advantage in military spending. Additionally, it is equipped with the most advanced weaponry and recent operations in Iraq and Afghanistan make it the most experienced in actual combat.

Third, critics argue that despite an apparent loss of influence to shape the international arena to suit its interests, the US could never actually get what it wants much of the time. This point relies on an understanding of nostalgic fallacy and uses evidence in the form of at least one major setback for every accomplishment like the Marshall Plan, the North Atlantic Treaty Organization (NATO) alliance, the United Nations, and the Bretton Woods economic system.¹⁷ Taken together, these three legs of the critic's argument are substantial but fail to take into account the increased complexity of the current environment and the particular differences that separate this era of perceived decline from those in the past.

This current era of perceived decline is different from the past instances in two key areas: economics and intangible power. On the economic front, this difference centers on national debt and deficit spending. The last two times the US was in apparent decline relative to a peer competitor, in the late 1970s to the USSR and in the late 1980s to a rising Japan, the US arguably rebounded to an even more powerful position, partly through increased borrowing. These instances and the actions precipitated by the most recent recession have had a cumulative effect to the point that federal spending is above 25 percent of annual GDP, increasing the federal budget deficit to an estimated 10.6 percent of GDP for fiscal 2009, both post-World War II highs.¹⁸ Deficit spending

¹⁷ Kagan, 5.

¹⁸ Stuart J. Kaufman, *Too Cheap to Rule: Political and Fiscal Sources of the Coming American Retrenchment*. Temple University Consortium on Grand Strategy (Philadelphia, PA: Temple University Press, October 2011), 5-6,

has continued virtually unbroken for decades driving the federal debt to new heights. In 1980, the federal debt was about 33.4 percent of GDP but through various legislative acts and economic cycles, the debt as a percentage of GDP soared to 64.1 percent by 1992 and 94.3 percent by 2009. On its current course, it will reach 150 percent by 2030.¹⁹ In roughly the same time increment, the amount of foreign-held US government securities increased from 4.3 percent to 22.7 percent, as the US looked overseas to fund its various recoveries.²⁰ Although this portends a greater degree of interdependence around the world, it also highlights the relative decline of the American economic machine. At the pace of peace and wartime spending indicated here, the US is quickly accumulating annual deficits and an aggregate national debt that indicates it may be reaching a tipping point, possibly going down the path of “France in the 1780s, where the fiscal crisis contributed to the domestic political crisis.”²¹ Has the US reached a point where it will not be able to borrow its way out of decline in order to rebound as it did in the 1980s and 90s? This question reflects only half of the contemporary picture.

The other half relates to a perceived loss of intangible power or as this quote, from David Kilcullen, refers to soft power.

International support for US initiatives has waned substantially since the immediate post-9/11 period, largely because of international partners’ dissatisfaction with US unilateralism, perceived human rights abuses, and the Iraq War. This implies that America’s international reputation, moral authority, diplomatic weight, persuasive ability, cultural attractiveness, and strategic credibility – its “soft power” – is not some optional adjunct to military strength...This in turn implies the need for greater balance

<http://www.fpri.org/telegram/201110.kaufman.fiscalrestraints.html> (accessed 24 October 2011).

¹⁹ Kaufman, 5-6.

²⁰ Kaufman, 5.

²¹ Kennedy, 527.

between the key elements (diplomatic, informational, military, and economic) of national power.²²

Kilcullen hits on an interesting point. Arguably, the US, since World War II, has enjoyed a very high level of international support and admiration due to its values, culture, and tangible power. Since 9/11, stated values and reasons are not corresponding to some actual actions, leading to hypocrisy abroad and, worse, a loss of prestige for the US's international role and power for good. Additionally, the Pew Global Attitudes Project 2008 report indicates a majority in 20 of 25 publics think the US economy negatively influences their respective country.²³ A combination of factors led to a majority of nations having an overall unfavorable impression of the US as shown in Table 2.

Table 2: Favorable Views of the U.S.

	1999/ 2000	2002	2003	2004	2005	2006	2007	2008
	%	%	%	%	%	%	%	%
Britain	83	75	70	58	55	56	51	53
France	62	62	42	37	43	39	39	42
Germany	78	60	45	38	42	37	30	31
Poland	86	79	--	--	62	--	61	68
Russia	37	61	37	46	52	43	41	46
Turkey	52	30	15	30	23	12	9	12
Egypt	--	--	--	--	--	30	21	22
S. Korea	58	52	46	--	--	--	58	70
India	--	66	--	--	71	56	59	66
Japan	77	72	--	--	--	63	61	50
China	--	--	--	--	42	47	34	41
Indonesia	75	61	15	--	38	30	29	37
Pakistan	23	10	13	21	23	27	15	19
Brazil	56	51	35	--	--	--	44	47
Mexico	68	64	--	--	--	--	56	47
Tanzania	--	53	--	--	--	--	46	65
Nigeria	46	76	61	--	--	62	70	64
S. Africa	--	65	--	--	--	--	--	60

²² David Kilcullen, *The Accidental Guerilla: Fighting Small Wars in the Midst of a Big One*, (New York: Oxford University Press, 2009), 14.

²³ Pew Research Center, *The Pew Global Attitudes Project*, (Washington D.C.: Pew Research Center, 2009), 27.

Source: Adapted from The Pew Global Attitudes Project, 21.

Although subjective, this data points to a relative decline in prestige and favorable attitudes toward America, and possibly increasing feelings of anti-Americanism. Although, the Pew survey's report an increase in favorable attitudes toward America since President Obama took office, recovering the lost ground is not complete.²⁴ Monti Datta takes this further. Using a fixed effects model, the author regresses "voting alignment within the UN General Assembly (UNGA) on cross-national, aggregate public opinion toward the United States from 1985 to 2007" and finds a statistically significant, positive relationship between attitude toward the US and UN voting alignment.²⁵ The author finds that anti-Americanism stemming from American unilateralism, "translates into votes against the U.S. within the context of multilateral bodies such as the UN or NATO."²⁶ Exacerbating the loss of economic power and intangible power is the political gridlock and general frustrations, both from a domestic and international policy perspective, characterized by the return of increasingly partisan politics, since the end of the Cold War. Charles Kupchan and Peter Trubowitz argue, this polarization extends from the public, into the political parties, and, thus, into Congress preventing substantial and meaningful governing, necessary domestic reform, and foreign policy consensus.²⁷ Kupchan and Trubowitz suggest restoring domestic consensus will likely require US leaders to choose "a more selective and discriminating grand strategy – one that brings the nations external commitments back into line with political and economic means."²⁸

²⁴ Pew Research Center, 1.

²⁵ Monti Narayan Datta, "The Decline of America's Soft Power in the United Nations," *International Studies Perspectives* 10, no. 3 (August 2009): 1.

²⁶ Datta, 5

²⁷ Charles A. Kupchan and Peter L. Trubowitz, "The Illusion of Liberal Internationalism's Revival," *International Security* Vol. 35, no. 1 (Summer 2010): 108.

²⁸ Kupchan and Trubowitz, 108-109.

The implication of the US's current standing is that the country will continue to exist in a period of limited resources that will not be enough to cover traditional commitments domestically or internationally. The result, due to the political climate of the right rejecting changes in law that would result in tax increases and the left resisting any cuts to domestic spending, is a "context in which defense spending emerges as the first and easiest target."²⁹ The same extends to spending on foreign commitments in general, especially as the US's two major conflicts of this new century continue to wind down. Similarly, Americans who perceive paying more for government but getting less from it and sense that an external threat like that of the Cold War or after 9/11 no longer exists will no longer be as generous in supporting the US' global role.³⁰ Reductions in defense spending and foreign commitments affect a state's security – "the threats it perceives, the way in which it confronts them, and the steps it takes to match ends and means" – and necessitate a revision of the nation's grand strategy.³¹

Grand Strategy

At its foundation, strategy is simply the manipulation of ways and means to achieve ends. However, this basic notion of strategy is too narrow and ambiguous. For instance, B.H. Liddell-Hart describes strategy as "the art of distributing and applying military means to fulfill the ends of policy."³² In this way, he stays true to the aforementioned basic definition of strategy, but he confines it within the military realm. There is no doubt that strategy exists at the military level but it encompasses much more at the national level. Colin Gray defines grand strategy as "the bridge that connects the threat and use of force with

²⁹ Kaufman, 6-7.

³⁰ Mandelbaum, 1.

³¹ Christopher Layne and Bradley A. Thayer, *American Empire: A Debate* (New York, Routledge, 2007), x.

³² B.H. Liddell-Hart, *Strategy: The Classic Book on Military Strategy*. 2nd ed. (New York: First Meridian Printing, 1991), 321.

policy or politics.”³³ This definition goes beyond Liddel-Hart by associating strategy with policy, but contributes to the blurring of grand strategy, military strategy, and foreign policy.³⁴ Edward Luttwak clarifies grand strategy as “the conclusive level of strategy as a whole.”³⁵ Luttwak elucidates, by stating that grand strategy is where “interactions of the lower, military levels yield final results within the broad setting of international politics, in further interactions with the nonmilitary relations of states.”³⁶ Although ethereal, his description of grand strategy encompasses a holistic approach. By extension, grand strategy, for the purposes of this project, is the vision for developing, orchestrating, and applying national instruments of power synergistically to achieve national interests and objectives. The national instruments of power refer to the diplomatic, information, military, and economic levers of power or capabilities. Distilling the definition of grand strategy to this revised version reflects the interrelated and inter-reacting nature of the elements of power and provides a starting point when discussing and comparing types of grand strategies.

Christopher Layne states, “American grand strategy is shaped not only by theories of international politics and by the ‘balance of power,’ but also by ideas. For the US, is security determined by power relationships and geography (the traditional criteria that great powers have employed in determining their strategies), or can the US be secure only in a world that shares its liberal democratic ideology?”³⁷ The dichotomy of beliefs regarding how to attain and maintain security is at the heart of American difficulties regarding grand strategy. Most

³³ Colin S. Gray, *Explorations in Strategy* (Wesport: Praeger Publishers, 1996), 8.

³⁴ Maj Travis A. Simmons, “On the Strategic Highwire: Airpower, Offshore Balancing, and American Security,” Research Report (Maxwell AFB, AL: School of Advanced Air and Space Studies, 2011), 4.

³⁵ Edward Luttwak, *Strategy: The Logic of War and Peace*, Rev. and enl. ed. (Cambridge, MA: Belknap Press of Harvard University Press, 2001), 208.

³⁶ Luttwak, 209.

³⁷ Layne and Thayer, *American Empire*, 53.

scholars agree that since the end of the Cold War, the US has struggled to articulate and enact a coherent and successful grand strategy. Sean Lynn-Jones, in the preface to *America's Strategic Choices*, points out that the containment grand strategy used by the US and its allies since 1940 was no longer an adequate guide for American policy and that successive administrations struggled to find the right combination of economic, diplomatic, and military instruments of power to protect and advance its interests.³⁸ In the 1990s, this struggle was evident in the perceived hesitation and uncertainty on display in sending troops to Somalia only to withdraw them quickly, reluctantly intervening in Bosnia to impose peace, not committing forces to prevent the genocide in Rwanda, and working to forge a new cooperative relationship with Moscow only to provoke their opposition with the enlargement of NATO.³⁹ Barry Ross and Andrew Posen concluded that the Clinton administration's grand strategy contained elements of each of the various basic grand strategy options as shown in Table 3 below, with the exception of offshore balancing which is an option argued for by Christopher Layne.⁴⁰

Table 3: A Comparison of Grand Strategies

	Primacy	Cooperative Security	Selective Engagement	Offshore Balancing	Neo-Isolationism
Primary Political Objectives	World dominance	International peace based on liberalism.	Maintain great power peace; Humanitarian concerns	Prevent the emergence of a regional hegemon	Freedom of action
Preferred World Order	Hegemonic	Interdependence	Balance of Power	Balance of Power	Distant Balance of Power
Forward Deployed Force?	Yes	Yes	Yes	Maybe	No
		Nearly			

³⁸ Michael E. Brown et al., *America's Strategic Choices* (Cambridge, MA, The MIT Press, 1997), ix.

³⁹ Brown et al., ix.

⁴⁰ Brown et al., xii. Christopher Layne's argument for offshore balancing appears in *American Empire: A Debate*.

Humanitarian Intervention	Yes	indiscriminate intervention	Yes	Maybe	No
Alliances	Maybe	Yes	Yes	Maybe	No
Unilateral or Multilateral	Unilateral	Multilateral	Both	Both	Unilateral
Force Posture	A two-power standard force	Reconnaissance strike complex for multilateral action	Two-MRC force	1-MRC force with add. power projection capes	Minimal self-defense force

Sources: Adapted from Christopher Layne, "From Preponderance to Offshore Balancing: America's Future Grand Strategy," *International Security* 22, no. 1 (1997), Barry R. Posen, "Finding Our Way: Debating American Grand Strategy," in *Solarium Strategy Series*, ed. Michèle A. Flournoy and Shawn Brimley (Washington, DC: Center for a New American Strategy, 2008), 84, and Robert J. Art, *A Grand Strategy for America*, Cornell Studies in Security Affairs (Ithaca, NY: Cornell University Press, 2003), 1.

Since the conclusion of the Cold War, both Layne and Bradley Thayer agree that the US has shifted and pursued a grand strategy of primacy.⁴¹ They differ on whether America should continue to pursue this course or choose a different one. If American decline is a reality, than pursuing a grand strategy of primacy with reduced defense spending yet maintaining existing commitments puts the US at higher risk against rising challengers.⁴² As shown above, the US is in fact in a period of decline and thus should pursue something different. Posen and Ross agree, "Primacy...is problematic, because it is unsustainable and ultimately self-defeating."⁴³ Neo-Isolationism is a choice, but again it probably would not be the right one. Retreating from the world stage may make sense in the short term but ultimately it will lead to a world that is less secure for US interests and imperil the interdependence and economic benefits the US enjoys from globalization. Without US military protection and sustainment of the status quo, other states would compete more aggressively for security, through either increased military robustness or allying with regional hegemony. Both courses of action lead to a higher probability of war, and of the US being in conflict to

⁴¹ Layne and Thayer, *American Empire: A Debate*, ix.

⁴² Kaufman, 7.

⁴³ Brown et al., xii.

secure its remaining interests, albeit with a much reduced military capability.

With primacy and neo-isolationism off the table, the remaining choices on the spectrum of grand strategies (selective engagement, cooperative security, and offshore balancing) are available. The trick will be to shift to something more successful than that of the 1990s, to something that continues to emphasize traditional idealistic visions of a US international role while balancing those commitments with a different set of resources.

Summary

Given the critiques of primacy and neo-isolationism and the magnitude of the political and fiscal realities, should the US put its relative power in balance with its commitments and adopt a retrenchment policy as a means to transition to a more effective grand strategy? Along the spectrum of grand strategies, with primacy at one end and isolationism at the other, a transition such as this invariably moves the US away from primacy and toward a grand strategy along the lines of cooperative security, selective engagement and offshore balancing. Does this type of policy foster an environment for preserving US relative and absolute power, and what are the implications of doing so?

CHAPTER 1

THE CASE FOR RETRENCHMENT

In the world of international relations, retrenchment is a divisive and, often times, a misunderstood concept. Thus, this chapter bounds retrenchment through an offense and defense conceptual lens as a pretext and foundation to describe essential details of and various perspectives on the concept.

Switching from Offense to Defense

“Being the two elements of military strategy, both offensive and defensive strategies must also be subservient to grand strategy. Although it is easier to discuss offensive and defensive strategies separately, they are mutually dependent on each other and so intertwined that, in actuality; one is ultimately not successful without the other.”¹ The defense provides one the advantage of determining the positions and dispositions of the adversary. In this way, the defender can “wait for the opportune moment when the enemy falters or displays uncertainty in his actions.”² Once the enemy falters, displays uncertainty, or otherwise culminates, transitioning to the offensive secures the advantage in the new reality. Whereas defense has a passive or negative purpose – preservation, the attack or offense has a positive one – conquest.³ The offense typically provides one the advantage of initiative, in determining when and where to engage. However, offense requires caution lest resources, forces, and systems be “thrown away in ill-considered offensives.”⁴ In this light, primacy as a grand strategy, one

¹ John J. Klein, *Space Warfare: Strategy, Principles, and Policy* (New York: Routledge, 2006), 69.

² Klein, 75.

³ Carl von Clausewitz, *On War*, ed. and trans. Michael Howard and Peter Paret (Princeton, NJ: Princeton University Press, 1976), 358.

⁴ Klein, 74. The quotation is a paraphrase of Corbett. Julian S. Corbett, *Some Principles of Maritime Strategy*, 2nd ed. (Annapolis: United States Naval Institute, 1988), xxviii. Original citation from a bound lecture volume, from the Corbett Papers collection, p. 22/137.

many scholars agree has dominated US security in the last decade, is an offensive strategy, while retrenchment signals a shift toward a more defensive strategy.

In fact, “the intellectual foundation for primacy is what is known as ‘offensive realist’ theory.” John Mearshimer argues that offensive realism is the best strategy to gain primacy and doing so ensures survival in the “dog-eat-dog world” of great power politics.⁵ Layne counters that the logic for offensive realism vis-à-vis a US primacy strategy does not hold, because the US faces no serious existential threats and is already secure.

Although less important in the missile age, geography still plays a critical role in providing US security. Furthermore, its nuclear and conventional military capabilities, weak neighbors, and no immediate peer rival contribute to the case that primacy is not necessary for security.⁶ Going further down the primacy path only serves to elicit actions by other powers to balance against the US because a powerful US with an aggressive military is perceived as a threat to other states’ security or interests. In addition to the logic of balance of power realism, primacy causes further insecurity for the US in three respects. First, US heavy-handed tactics in the Middle East and support for authoritarian regimes there fuel anti-American sentiment and groups like Al Qaeda. Second, it sets the US on a collision path with China and Iran. Third, liberal-Wilsonian philosophy that challenges the legitimacy of nondemocratic regimes only serves to exacerbate potential conflict with China, Iran, and others. Perhaps too much offensive realism will only serve to undermine US security, thus, opening the door for retrenching to a more defensive approach.

⁵ Christopher Layne and Bradley A. Thayer, *American Empire: A Debate* (New York, Routledge, 2007), 62.

⁶ Layne and Thayer, *American Empire: A Debate*, 63.

As the title of his seminal work implies, in Carl von Clausewitz's *On War*, grand strategy is not necessarily the focus. His important points relating to the strategy of war are salient, though, and crossover to the discussion of grand strategy. In the realm of grand strategy, the context will determine prudent courses of action. Consequently, there are times that a strategic defensive posture is advantageous as compared to an offensive one. As in war, the defense can be a more effective form of grand strategy. Clausewitz illustrates how, operating from a defensive strategy imbues the defender with the advantage of interior lines and the ability to concentrate forces more rapidly than the attacker.⁷ With these advantages in mind, defense is stronger than attack, but the defender must be careful. If he remains immobile relative to the attacker for too long, he becomes susceptible to turning and envelopment.⁸ The defender must be prepared for “a sudden powerful transition to the offensive – the flashing sword of vengeance – is the greatest moment for the defense.”⁹ This corresponds with Clausewitz’s dictum that the “defensive form of war is not a simple shield, but a shield made up of well-directed blows.”¹⁰ The benefits of the defensive extend beyond the operational and tactical levels when considering one’s inherent right of self-defense. If attacked, he enjoys the additional benefits of the moral authority and possibly international security agreements and collective self-defense clauses.¹¹

From a grand strategy perspective, one cannot overlook these points. A nation can benefit from a less offensive approach but must be ready to switch from a defensive to offensive posture, or at the very least maintain offensive capabilities, to take advantage fully of the opportunities for “well directed blows.”¹² Continuing with offensive-realistic actions in the form of a primacy strategy will only serve to create

⁷ Clausewitz, 368.

⁸ Clausewitz, 366-367.

⁹ Clausewitz, 370.

¹⁰ Clausewitz, 357.

¹¹ Klein, 76.

¹² Clausewitz, 357.

instability and insecurity for the US. It is time for the US, to avoid significant decline, to look to the inherent advantages of the defense as laid out by Clausewitz. A retrenchment policy offers the avenue for this approach.

Retrenchment

Grounded in realism, retrenchment invariably comes into the discussion when costs, in this case commitments, exceed power as a means of reestablishing balance. Before moving ahead with a discussion on why retrenchment is a good course for the US, a clear definition of retrenchment is necessary to set the stage for further debate.

Definition

According to Robert Gilpin, a declining power has three choices in an attempt to maintain the status quo. The first solution is to increase its resources, either through economic stimulation (increased taxation or decreased taxation to increase revenues) domestically, exacting tribute or favorable trade imbalances, or through increased internal efficiency. The second solution is expansion, and the third is to reduce foreign policy commitments. This final choice includes retrenchment.¹³ Retrenchment is “A policy of retracting grand strategic commitments in response to a decline in relative power.”¹⁴ Essentially, it means redistributing resources away from peripheral commitments toward core commitments. Inherent in these characteristics of retrenchment is the question of commitments or interests that come out in policy options categorized as economizing expenditures, reducing risks, and shifting burdens.¹⁵ Elements of retrenchment are three-fold. First, the most direct method is abandonment of some of a state’s economic, political, or military commitments beyond its borders. Second, is to facilitate

¹³ Robert Gilpin, *War & Change in World Politics* (Cambridge: Cambridge University Press, 1981), 187-192.

¹⁴ Paul MacDonald and Joseph M. Parent, “Graceful Decline? The Surprising Success of Great Power Retrenchment,” *International Security* 35, no. 4 (Spring 2011): 11.

¹⁵ MacDonald and Parent, 11.

alliances with or seek rapprochement with less threatening powers in order to consolidate attention and effort toward the rising power. Finally, the third element is to make concessions or appease the ambitions of the rising power.¹⁶ Within this framework, we need next to assess the pros and cons of retrenchment.

Perspectives on Retrenchment

Retrenchment critics argue that such a policy outwardly shows weakness and invites attack or, at the very least, prompts and promotes international structural instability. For example, Robert Kagan, states, “A reduction in defense spending...would unnerve American allies and undercut efforts to gain greater cooperation.”¹⁷ Likewise, Robert Kaplan argues, “Husbanding our power in an effort to slow America’s decline in a post-Iraq and post-Afghanistan world would mean avoiding debilitating land entanglements and focusing instead on being more of an offshore balancer. ...While this may be in America’s interest, the very signaling of such an aloof intention may encourage regional bullies. ...The disruptions we witness today are but a taste of what is to come should our country flinch from its international responsibilities.”¹⁸

Paul McDonald and Joseph Parent counter these pessimistic criticisms of retrenchment in their article, *Graceful Decline? The Surprising Success of Great Power Retrenchment*. In their study, they question the logic and evidence of retrenchment pessimists by looking at the cases of 18 states in relative decline.¹⁹ Of these, a range of 61-83 percent chose peaceful retrenchment, eviscerating the myth that self-induced retrenchment is uncommon. Using a business analogy, firms who live beyond their means go bankrupt. Likewise, states that are overextended are open to predation and ultimate demise. However, “Like firms, states are capable of recovery if they make astute adjustments”

¹⁶ Gilpin, *War and Change in World Politics*, 192-193.

¹⁷ Quoted in MacDonald and Parent, 7.

¹⁸ Quoted in MacDonald and Parent, 7.

¹⁹ See Appendix A for full listing.

and in the case of states this can manifest in the form of a retrenchment policy.²⁰

In neorealist thought, states acting rationally have two choices: internal or external retrenchment. Internal retrenchment takes shape in the form of cutting back defense expenditures, decreasing the size of militaries, and increasing the efficiency or effectiveness of a state's forces and economy. Internal retrenchment is preferable to external retrenchment because its success relies solely on the state enacting the policy. External retrenchment, in the shape of forming or reforming alliances to handle overseas commitments, is less desirable because of the risks involved with relying on another state to fulfill its side of the bargain without succumbing to interests that may run counter to the retrenching state.²¹ External retrenchment also includes actions to shed some overseas commitments completely without another entity (state, sub-state actor, IGO, or NGO) assuming the responsibility. Their study produced key findings. The most relevant are that "Great powers facing acute decline tend to slow or shrink the growth in their military forces and avoid using force in their disputes with rival states...[G]reat powers suffering large declines rely much more heavily on alliance partners when implementing a policy of retrenchment than those grappling with moderate or minor downturns."²² Departing from a structural determinist position, states may also look to retrench in other ways: "they may attempt to bargain away their commitments or bluff in the face of new challenges," raise taxes, cut spending, or implement some combination of domestic fiscal reform.²³ In chapter 4, these findings come into play in terms of the choices the US should make. Moving away from the "how" states retrench we shift to the "why" they retrench.

²⁰ MacDonald and Parent, 19.

²¹ MacDonald and Parent, 19-20.

²² MacDonald and Parent, 33.

²³ MacDonald and Parent, 21.

In neorealist terms, states retrench because it is a rational course to take in the face of relative decline. MacDonald and Parent stipulate that a state adopt a retrenchment policy for two reasons, to lay the foundation for future recovery or to soften an inevitable decline.²⁴ A third reason, also from neo-realism theory, is that it can lessen the chance for other states to balance against the original state, especially if that states' grand strategy is primacy. Many scholars argue that the balance of power theory explains other states' actions in response to the US led invasion of Iraq in 2003. Traditional steadfast allies, France and Germany, joined numerous other nations in opposing the invasion. Speculating beyond moral imperatives about sovereignty and proper justification, many thought these countries were acting to counter hegemonic actions of a nation becoming too powerful. Another example comes from perceived hegemonic aspirations in space. Again, France and Germany have sought to offset American advantages through relationships with a potential US rival. Joan Johnson-Freese argues, "Closer ties with China benefit countries not only for the potential lucrative market and space program options it offers, but as a potential counterweight to American power, seen as increasingly unilateral since Operation Iraqi Freedom."²⁵

A Chinese stakeholder investment of \$259 million dollars in Galileo, "a European radio-navigation satellite program" and alternative to the US-run GPS, is another "example of international cooperation to counterbalance the American aerospace advantage."²⁶ India and Israel have also agreed to Galileo participation. Following a retrenchment course of action will shift some of the concerns that US grand strategy will impinge on these states' interests. It will reduce the image of the US as a lone ranger. Thus, it will lessen the tendency for states to engage in

²⁴ MacDonald and Parent, 26.

²⁵ Joan Johnson-Freese, *Space as a Strategic Asset*, (New York: Columbia University Press, 2007), 13.

²⁶ Johnson-Freese, 13, 15.

balancing actions against the US. Two relevant case studies illuminate the merits of retrenchment and offer insight into a possible US course of action in regards to its current situation.

Methodology/Discussion of case studies

The case studies of Britain and France post-World War II are instructive in relation to future US policy choices for two primary reasons. First, both countries were great powers facing a powerful rival in Germany and relative economic, international, and imperial decline. The British case is eerily similar to the current US position in that both are insular countries and societies, both relied or rely on an open international economic framework, and both were or are the leading global power. Second, the particular retrenchment policies of Britain and France have some similarities but are noticeably different. The combination offers insightful lessons for the US in today's context. From the different point of view, the British responded to their decline "by constructing a close alliance with the Americans and only joined the European Community [EC] belatedly and reluctantly," while the French "were assertive anti-Americans and calculating pioneers of the EC."²⁷

The analysis of these two case studies in the following chapters will use a common framework. This framework consists of context, the application of retrenchment, and the results of retrenchment. The factors included in the context are the historical geopolitical environment as it relates to the respective state, corresponding interests, and how the subject state's position relates to the current US position. The retrenchment application section will identify the political and military strategic elements of retrenchment relevant to that case. Finally, the results section will identify the effect of these measures.

²⁷ David Reynolds, *Britannia Overruled: British Policy and World Power in the 20th Century*, 2nd ed. (Harlow: Pearson Education Limited, 2000), 32.

Summary

Retrenchment is often a misunderstood concept, leading to adverse reactions and criticisms. Illuminating the foundations of the concept, the philosophy behind it, and demonstrating the frequency and regular success of its implementation in history provide the necessary groundwork for its consideration in the case of contemporary US decision making. Clausewitz's teachings regarding the offensive and defensive elements of war provide a further theoretical backdrop for potential grand strategy choices. Determining the validity and appropriateness of retrenchment through two detailed case studies affords additional analytical reasoning for it as a policy worthy of US attention as the nation moves forward in the 21st century.



CHAPTER 2

CASE STUDY 1 – UK: POST WWII

*Here's to Queen Victoria
Dressed in all her regalia
With one foot in Canada
And the other in Australia*

-- Anonymous Canadian Poet

Pax Brittanica, much like the US in the late 20th century, was a world power in that it had interests and capabilities to act on a global scale. Giving it scope is not without difficulty. In the latter half of the 19th century, Britain, with just 2 percent of the global population controlled over a fifth of its land surface, maintained half its warships, and accounted for 40 percent of its trade in manufactured goods.¹ At its geographical zenith in 1933, “the British Empire covered nearly a quarter of the earth’s land surface,” spanning from Canada to Australia, “and embraced a similar proportion of its population, over 500 million in all.”² Even the Roman Empire paled in comparison to the influence Britain wielded at its epoch. The vast British Empire, for centuries the leading global power, has gracefully retracted to a shadow of its former grandeur, but Britain remains, and will remain, a wealthy, secure state for many years to come, much as the Roman Empire did before her.

Context

Although opinions vary, most historians agree that the British Empire’s decline was due to a combination of factors: “the crippling costs of World Wars I and II, escalating government spending on the welfare state; a crushing foreign debt burden; the devaluation of the pound; the relative stagnation of British industry; and the increasing

Epigraph quoted in David Reynolds, *Brittania Overruled: British Policy and World Power in the 20th Century*, 2nd ed. (Harlow: Pearson Education Limited, 2000), 9.

¹ Reynolds, 31.

² Reynolds, 23.

costs of maintaining control over far-flung colonies, especially” those witnessing rising nationalism, ethnocentrism, or religious fervor.³ The particular context following World War II drove the British government to pursue a different grand strategy; austerity measures domestically while simultaneously retrenching from commitments overseas. Using the tangible and intangible power framework, the state of British decline is clear.

Tangible power, as described earlier, includes military and economic power. The measurement of these two indices is not a hard and fast science. Qualifying and quantifying military strength in relation to power is difficult, if not impossible, in absolute terms. Even in relative terms it is problematic due to the various perspectives possible in viewing the strength of one’s military power. In this report, three categories of analysis will be used, military manpower, expenditures, and power projection capabilities, because they are easily comparable with other nations. Even these categories are found wanting, because there is not a direct correlation between them and the quality of the military force or its capabilities. Despite these shortcomings, they come closest for our purposes. From its peak at the end of World War II, British armed forces have drastically reduced from over 3.5 million to just over 400,000 (this number reflects the loss of imperial contributions and includes regular reserves).⁴ Although this reduction portends a decline in military power, numbers alone do not hold the answer to Britain’s relative power. Britain has taken distinct steps through periodic reviews, detailed below,

³ Amy Chua, *Day of Empire: How Empires Rise to Global Dominance—And Why They Fall* (New York, Doubleday, 2007), 228.

⁴ 3.5 million figure taken from “WW2 People’s War: An Archive of World War Two memories - written by the public, gathered by the BBC,” (London, BBC, 2005), <http://www.bbc.co.uk/ww2peopleswar/timeline/factfiles/nonflash/a6648078.shtml?sectionId=0&articleId=6648078> (accessed 21 February 2012). 400,000 figure adapted from two sources; “Table 2 - Strength of UK Armed Forces,” (1 November 2011) and “UK Defence Statistics 2010” (1 April 2010), *Defence Analytical Services and Advice: UK Armed Forces Monthly Manpower Statistics*, <http://www.dasa.mod.uk> (accessed February 21, 2012).

to offset this perceived decline to remain “one of the world’s five second-rank military powers (with only the US in the first rank).”⁵ In terms of defense expenditures, Britain reduced spending from a high of 46 percent of GDP during World War II to roughly 2.4 percent in modern times.⁶ This massive reduction is consistent with other great powers as they drew down after war, attempted to capitalize on the ‘peace dividend’ following the Cold War, and adapted to contemporary geopolitical factors. From a power projection perspective, which includes strategic bombardment and sea power capabilities, Britain ended the war second only to the US, a position she would lose during the Cold War but regain after the demise of the Soviet Union.

Although her military forces remained potent, the economic leg of the power triad began to wobble from its zenith during Queen Victoria’s day. As evidence, Table 1 shows Britain’s share of the world’s GDP decreasing from 10 percent in 1870 to approximately 3.2 percent in 2001. Table 4 and 5 go further to illustrate Britain’s economic slide. In 100 years, her share of total world manufacturing output shrank over 18 percent, coinciding with her reduction of over 25 percent in terms of a percentage of world exports of manufactured goods.

Table 4: Relative Shares of Total World Manufacturing Output

	1880	1900	1913	1928	1938	1953	1963	1973	1980
UK	22.9	18.5	13.6	9.9	10.7	8.4	6.4	4.9	4.0
France	7.8	6.8	6.1	6.0	4.4	3.2	3.8	3.5	3.3
USA	14.7	23.6	32.0	39.3	31.4	44.7	35.1	33.0	31.5

Source: Adapted from Reynolds (2000), p 11.

⁵ Malcolm Chalmers, “Looking into the Black Hole: Is the UK Defence Budget Crisis Really Over?” Royal United Services Institute, September 2011, 18, <http://www.rusi.org/downloads/assets/RUSIBriefingPaperSept2011.pdf> (accessed February 21, 2012).

⁶ Robert Self, *British Foreign & Defence Policy since 1945: Challenges & Dilemmas in a Changing World* (Hampshire: Palgrave MacMillan, 2010), 26, 177.

Table 5: Percentage of World Exports of Manufactures

	1899	1913	1929	1937	1950	1960	1970	1980
UK	33.2	30.2	22.4	20.9	25.5	16.5	10.8	9.7
France	14.4	12.1	10.9	5.8	9.9	9.6	8.7	10.0
USA	11.7	13.0	20.4	19.2	27.3	21.6	18.5	17.0

Source: Adapted from Reynolds 2000, p 11.

Paralleling the current US position, Britain in 1930 faced a similar debt burden, holding an aggregate state debt equivalent to 190 percent of GDP.⁷ Reflecting these drastic circumstances, Britain followed a retrenchment course, as detailed in the next section, to stem the outward flow of its share of the world's wealth, restore economic prosperity, and maintain a top-tier GDP and GDP per capita position in the world.⁸

The erosion of prestige, and intangible power in general, following World War II contributed to British decline by destroying its principal pillar for sustaining its empire. Reflecting its personality stemming from insularity, Britain and her peoples had long maintained a general aversion to large standing military forces and, instead, her international leadership relied heavily on her prestige and moral influence abroad to create and sustain the empire. However, experiences in World War II and afterwards thwarted any chance of regaining this critical lever of power. In February 1942, 130,000 British troops surrendered at Singapore and with that, the British prestige that held their Far East Empire together shattered.⁹ Furthermore, the trials of World War II forced Britain to break its Golden Rule of 'masterly inactivity' in its quest for national survival. On the one hand, active intervention in indigenous politics by way of increased "regulation of agricultural production and prices, the arbitrary use of forced labour to meet production and

⁷ Stuart J. Kaufman, *Too Cheap to Rule: Political and Fiscal Sources of the Coming American Retrenchment*. Temple University Consortium on Grand Strategy (Philadelphia, PA: Temple University Press, October 2011), 2, <http://www.fpri.org/telegram/201110.kaufman.fiscalrestraints.html> (accessed 24 October 2011).

⁸ Xavier Sala-i-Martin, *The Global Competitiveness Report 2011-2012*, ed. Klaus Schwab, World Economic Forum Report (Geneva, Switzerland, 7 September 2011), 384.

⁹ Reynolds, 29.

recruitment targets, and the imposition of higher taxes” were necessary to mobilize all available resources for the war effort.¹⁰ On the other hand, these measures forced colonial governments into unpopular actions, increasing nationalism sentiment and accelerating the pace of political change. The adverse effects of these necessary, albeit harsh, tactics incurred a loss of both prestige and moral influence. Despite a return to normal practices shortly after the war, the damage was irreversible, forcing the British to choose between increasing amounts of effort and resources, which it did not have, in order to maintain its empire or to retrench from costly overseas commitments.

Since the late 19th century, the distribution of power had decidedly gone against Britain and her empire, but it took the better part of a century for its demise to be complete. In 1883, its navy possessed 38 battleships while the rest of the world combined had 40. In a mere 14 years, the ratio changed dramatically, “Britain was outnumbered 62 against 96.”¹¹ This one example illustrates the erosion of its relative power in general as Germany, Japan, Russia, and the United States surged forward. Faced with so many rivals, Britain focused on those that posed the greatest threat: Germany and her allies in the World Wars. By the end of the Second World War, Britain and her allies had eliminated the principal threats to her existence but at great cost. As if these costs were not enough, “the Cold War and nuclear arms race hastened Britain’s eclipse by, and dependence on, powers with greater resources than itself.”¹² The threat of the massive conventional Red Army drove Britain to rely on American nuclear support for its defense, not allowing it to hold on to its global position as it had after World War I.

¹⁰ Self, 41.

¹¹ Reynolds, 18-19.

¹² Reynolds, 22.

Retrenchment Applications

In response to these crippling factors, policymakers in Great Britain chose to retrench to create a better balance between fiscal realities and foreign commitments. This retrenchment policy came in the form of particular conscious political and military decisions and actions.

Political Decisions/Actions

Since the dawn of the Empire, the nature of British defense policy in respect to foreign policy was always two-fold. Existential threats to Britain herself were the top priority, while the second priority focused on its vast overseas commitments and the vital and associated interests inherent in those commitments. For much of the Empire's history, Britain's geographically insular position, the world's most powerful Navy, and long periods of European continental weakness properly addressed the first priority. These conditions proved advantageous in regards to the ability to focus interest, resources, and capabilities toward the second priority. Britain's weakened position after World War II and the changed geopolitical landscape posed by the Cold War necessitated a reappraisal of the division of focus between these priorities. This recognition did not come immediately or easily, driving two phases of retrenchment.

First Phase

The period from 1945-1953 saw British grand strategy and foreign policy as compared to their relative power and capabilities, that were not in concert with each other. Foreign policy dealt with the reality of power decline by divesting the country of expensive commitments, while grand strategy aimed at reclaiming a global empire. Characterizing the first phase was the recognition and action of policymakers to shift grand strategy toward retrenchment after the war, until the mid-1950s. Noticeably lacking from this phase was the defense community's support and the foreign policies to match. Rather than moving in lock step, it appears the military desperately sought to hold on to the imperial strategy. As the first phase culminates, the strategy was mired in

historical precedent and not reflective of the contemporary context of the post-war world. It was not until the mid-1950s that the British government as a whole concluded that a major reappraisal of its strategies and policies in relation to its overseas commitments was imperative. The Suez crisis of 1955 and a string of Ministry of Defense White Papers served notice that the disjuncture between grand strategy and military strategy could not stand. Consequently, in phase two they took deliberate actions to recalibrate and synchronize its strategies, foreign policies, and military capabilities going forward.

Facing crippling economic and international pressures, such as a US insistence that Europeans divest colonial possessions and rising nationalism in these colonies, leaders in Britain chose to rid themselves of many foreign entanglements in a manner that would preserve as much prestige as possible on the international stage.¹³ At the stroke of a pen the Far East Empire, built over centuries, was no more.

The longevity of the British Empire had as much to do with the particular style of intervention chosen in dealing with indigenous populations as it did with military means for conquest. “The golden rule of British colonial administration had been to let well alone as far as possible to avoid alienating local opinion; a philosophy enshrined in what John Darwin aptly describes as a ‘policy of masterly inactivity’.”¹⁴ As the demands from WWII escalated, the British were forced to break this golden rule; producing “shortages, inflation, the dislocation of markets, famine, and a sharp increase in the scope of government regulation and interference.”¹⁵ The effects of these necessary steps were increased agitation, animosity, and resentment toward foreign rule in many of her colonies.

¹³ Self, 45.

¹⁴ Self, 41.

¹⁵ Self, 43.

In India, these conditions along with actions to undermine the Indian Congress by supporting Muslim separatists, led to an utterly impossible situation and incipient civil war. Rather than cutting all ties, Prime Minister Attlee made a calculated risk. On February 1947, the Cabinet set a firm date for independence by June 1948 on the condition that the Indian Congress accepted partition between the Muslim and Hindu dominated areas. The gamble worked, and the date for independence moved up to 15 August 1947. Similar conditions and actions on the behalf of the British government led to the independence of Burma in January 1948 and Ceylon, later known as Sri Lanka, in February 1948. All but Burma accepted Britain's offer to join a Commonwealth and set the stage for a new global system.¹⁶ The Commonwealth system was an attempt to change the rules of the game but not the game itself. British colonies could realize their dreams of independence but remain in an unofficial empire of sorts, and the home island could maintain its influence in the global arena. This interlocking alliance "can be seen as an effort by a declining power to reinforce dependent relationships with former colonial possessions."¹⁷ Ultimately, it failed to sustain an 'empire-like' level of actual value.

The issues in Palestine "were very similar to those in India, in that the imperial power confronted irreconcilable communal differences and an escalating pattern of violence against a background of chronic economic crises at home," prompting Britain to respond in much the same way.¹⁸ The difference was two-fold. First, Britain made mutually contradictory promises for independence to the Arabs and Jews that resulted in the loss of any legitimacy and opposition from all parties involved.¹⁹ Second, there was a bewildering combination of

¹⁶ Self, 44-45.

¹⁷ Paul MacDonald and Joseph M. Parent, "Graceful Decline? The Surprising Success of Great Power Retrenchment," *International Security* 35, no. 4 (Spring 2011): 32.

¹⁸ Self, 45.

¹⁹ Self, 45.

countervailing pressures immediately after WWII ended. The global impression left over from the Holocaust experience produced worldwide sympathy and guilt, inducing pressure for an independent Jewish state, while at the same time a well-armed and well-organized Jewish underground army and other “terrorist organizations forced an escalating spiral of violence which tied down 100,000 British troops, a tenth of the empire’s total military manpower.”²⁰ The result was a complete withdrawal rather than a slower retrenchment, producing a source of instability and enduring conflict to this day.

Other examples of retrenchment and withdrawal abound, as seen in Table 6, as the home island attempted to shift from an empire to a commonwealth model of imperialism in a bid to retain influence on the international stage.

Table 6: The Road to Colonial Independence - phase I, 1945-1958

February 1946	Mutiny in Indian navy and air force
March 1946	Transjordan gains independence (Jordan from 1949)
July 1946	Irgun and Haganah blow up British Army HQ at King David Hotel in Jerusalem
August 1946	‘Great Calcutta Killing’
February 1947	Britain abandons Greece and Turkey leaving America as world balancer
March 1947	British Troops withdraw from Egypt to the Canal Zone
April 1947	Palestine mandate referred to the UN
August 1947	India and Pakistan gain independence
November 1947	UN vote for partition of Palestine prompts British decision to withdraw
May 1948	British leave Palestine
June 1948	Malaya emergency begins against communist guerillas; independence for Burma (Myanmar from 1989), Ceylon (Sri Lanka from 1972) and Palestine (Israel)
1949	Ireland withdraws from Commonwealth
1950	India becomes first republic to join Commonwealth
October 1951	Egypt denounces 1936 Anglo-Egyptian Treaty
December 1951	Libya gains independence
October 1952	State of emergency declared in Kenya to suppress Mau Mau uprising
1953	Nyasaland, Northern and Southern Rhodesia form Federation

Source: Adapted from Robert Self (2010), p 49 and David Reynolds (2000), p 159.

²⁰ Self, 46.

One example in particular signaled the transfer of the role of world balancer to the United States. In 1948, succumbing to escalating turmoil abroad and economic despair at home; Britain abandoned its support of anti-communist efforts in Greece and Turkey. The United States stepped in and expanded its role, assuming the defense of Europe as a whole by committing itself to a North Atlantic alliance and the Marshall Plan, relieving "Britain of the burdens of Western Europe security which it had previously assumed alone."²¹ NATO, established in 1949, along with two other treaties signaled the end of any pretensions of a British unilateral global role. The Southeast Asian Treaty Organization (SEATO); consisting of the United States, United Kingdom, Thailand, Australia, France, New Zealand, Pakistan, and Philippines; was signed in 1954. The treaty accomplished two objectives. Political leaders looked beyond the regional context and saw it as a way to maintain part of Britain's global role.²² In light of retrenchment, the pact also fulfilled a long-standing desire to commit the United States to the security of the area. The military aspect concerned the spread of Indo-Chinese disputes, particularly to areas of British interest, like Thailand and Malaya. Similarly, the Central Treaty Organization (CENTO), originally designated the Middle East Treaty Organization or the Baghdad Pact, was signed in 1955 by the United Kingdom, Iran, Iraq, Pakistan, and Turkey. Originally arousing more attention than SEATO, leaders thought CENTO was critical from two vantage points. First, the region was a major provider of oil to Britain and secondly, it was home to the strategic line of communication between the home island and its Far East interests.²³

These collective defense alliances were instrumental for three reasons. First and most practically, they allowed a modicum of

²¹ Reynolds, 160.

²² Phillip Darby, *British Defence Policy East of Suez, 1947-1968* (London: Oxford University Press), 63.

²³ Darby, 26.

assurance to counter the perceived worldwide Communist threat. Second, they allowed Britain to balance its ends and means more efficiently, given the context of the day and the related power distribution predicament. Third, they allowed Britain to maintain a global influential role, although reduced, maintaining its position as a great power.

Second Phase

As the first decade following World War II ended, the British government's attempts at retrenchment were largely unsuccessful. One particular event, the Suez crisis, crystalized this fact, setting in motion a series of actions designed to synchronize grand strategy, characterized by retrenchment, and foreign policy. In phase two, as time went on, the whole idea of a commonwealth system to sustain international influence lessened in importance, replaced instead by designs to cultivate the special trans-Atlantic relationship with the US and the role Britain should play in Europe. Evolving beyond a foreign policy driven by imperial and commonwealth concerns, Britain sought international economic, military security, and Cold War diplomatic interdependence.

Robert Self calls the Suez crisis of 1956 the last blast of imperialism.²⁴ Others parallel this line of thought, calling Suez a watershed moment for the Commonwealth.

Britain's prestige plummeted in its Middle Eastern 'informal empire' with Iraq, suggesting that it should be expelled from the Baghdad Pact, while Jordan abrogated its 1953 defence treaty with Britain and both Syria and Saudi Arabia broke off diplomatic relations. The Commonwealth reaction was little better. Only Australia and New Zealand supported Britain, while Canada, India, and Pakistan were prominent in condemning it; the first depressing sign that the Commonwealth would not become a kind of substitute empire enhancing Britain's authority on the world stage.²⁵

²⁴ Self, 50.

²⁵ Self, 55.

In the end, the Suez crisis influenced the pace and scale of British decolonization, as seen in table 7.

Table 7: The Rapid Dissolution of the British Empire - phase II, 1954-1997

1954	New Anglo-Egyptian Treaty signed allowing for the evacuation of the Suez base
1955	Start of the Greek Cypriot EOKA terrorist campaign
January 1956	Sudan gains independence, Mau Mau rebellion suppressed
November 1956	Anglo-French military expedition to recapture control of Suez Canal
1957	Gold Coast (Ghana) and Malaya (part of Malaysia from 1963) gain independence
1958	West Indies Federation formed
1960	Macmillan's 'wind of change' speech in South Africa; British Somaliland, Cyprus and Nigeria gain independence; UN Resolution 1514 calling for rapid end of colonialism (December)
1968	Nauru, Mauritius, and Swaziland gain independence
1969	Northern Ireland 'Troubles' begin
1970	Tonga and Fiji gain independence
1971	Bahrain, Qatar, United Arab Emirates and Bangladesh (seceded from Pakistan) gain independence
1973	Bahamas gain independence
1974	Grenada, Papua and New Guinea gain independence
1976	Seychelles gains independence
1978	Solomon Islands, Ellice Islands and Dominica gain independence
1979	St Lucia, Gilbert Islands, Saint Vincent and the Grenadines gain independence
1980	Lancaster House settlement over Southern Rhodesia (Zimbabwe); New Hebrides (Vanuatu) gains independence
1981	Belize, Antigua and Barbuda gain independence
1982	Falklands War (may-June); Maldives gain independence
1983	St Kitts and Nevis gain independence
1984	Brunei gains independence; Sino-British agreement on Hong Kong
1985	Britain isolated over sanctions against South Africa
1987	Fiji leaves Commonwealth after military coup
1990	Independence of South-West Africa (Namibia) recognized
1994	After multi-racial elections, South Africa rejoins Commonwealth
1995	Bermuda votes to remain a colony; Nigeria suspended from Commonwealth
1997	Hong Kong returned to the People's Republic of China under a one government, two systems framework

Source: Adapted from Robert Self (2010), p 57.

Riding the momentum created by the Suez crisis, Harold Macmillan rose to the premiership in 1957 with an agenda focused on colonial withdrawal. In the subsequent nine years, 22 colonial territories gained

independence, far outpacing the first phase of retrenchment.²⁶ Can the Suez crisis and Macmillan's rise account wholly for the rapid dissolution of the empire? Instead, they were part of a complex context that included increased domestic and international opposition for colonialism, economics, and the power of local nationalism.²⁷ The reasons are important but not critical. Instead, the relevance of decolonization opened the door for increased ties with the US, quickly becoming the cornerstone of British foreign policy.

Although the genesis of the 'special relationship' has its roots in the World Wars, it did not come into fruition until the late 1950s and early 1960s. Remaining a global power by proxy was a shrewd maneuver to maintain influence. This relationship was instrumental to and enhanced by Washington's nuclear support, the mutual use of Britain's overseas chain of bases, shared anti-communism, and coalitions in support of operations in Iraq, the former Yugoslavia, Afghanistan, and Libya, and the global fight against terrorism. Whether through shared culture, values and history, or through shared interests this relationship has weathered vicissitudes, developing into something genuinely reciprocal. It is not a one-way street. Otherwise, successive British governments would not still believe the 'special relationship' is the "necessary precondition for its ability to exercise a significant influence on the international stage."²⁸ This does not portend the British putting all their eggs in the 'special relationship' basket, as that would have unacceptable costs associated.

Bucking historical precedent, the British government concluded that its global role depended on European interdependence. This conclusion was not readily apparent to the British after World War II, a time when the rest of Europe "was mired in economic depression, social

²⁶ Self, 55.

²⁷ Self, 59.

²⁸ Self, 111.

strife, and political instability.”²⁹ After two decades, attitudes evolved and the impetus to join a unified European future increased due to three factors. First, the amount of trade between Britain and the Commonwealth precipitously declined. Between 1950 and 1970, exports and imports between the two fell nearly 50 percent.³⁰ Second, trade with continental Europe blossomed as the veil on the true area of growth lifted. Rather than the presumed area of growth, residing in the Commonwealth it was much closer to home. For example, West Germany’s share of the total value of world manufacturing exports grew from 7.3 percent in 1950 to over a fifth of the entire pie by the 1970s, surpassing even the US in the process.³¹ Finally, fearful of its interdependent relationship with the US becoming too dependent, especially given its roller coaster nature, Britain looked elsewhere for interdependence.

Having missed the boat to join and shape what would become the European Economic Community (EEC) after the war and reap the benefits of such an association, Britain’s policies and actions towards the continent bordered on outright obstructionism leaving a sour taste and feelings of distrust that were hard to overcome. In fact, the EEC denied their entry on their first and second attempts in January 1963 and December 1967 respectively.³² The third time was the charm but did not live up to expectations. Finally, on 1 January 1973 Britain joined the EC (formerly EEC) only after considerable and costly concessions. Adding insult to injury, “Britain joined just as the long European boom was tailing away, amid the oil crisis of 1973-4, into inflation and recession.”³³ Although decidedly focused towards a European solution to its decline since 1973, its preference for selective engagement and late entry has left

²⁹ Reynolds, 181.

³⁰ Reynolds, 209.

³¹ Reynolds, 195.

³² Reynolds, 207 and Self, 126.

³³ Reynolds, 224.

Britain in an organization whose architecture, rules, and norms “had been devised by continental Europeans pursuing markedly different national interests.”³⁴

Military Decisions/Actions

The debate surrounding British defense policy since World War II centers on addressing the increasing gulf between overseas obligations and its defensive capabilities, a problem exacerbated by historical baggage; economic decline; increasing rates of technology change and costs; and a rapidly changing international context. Consequently, retrenchment in the military realm has met with mixed success.

From 1945 to 1956, Britain’s grand strategy was to reduce its footprint abroad while simultaneously contracting defensively. Moral obligations to former colonies and pop-up international hot spots prevented the military from moving completely in this direction in line with the strategy. As a result, military force was called upon for the Malayan Emergency (1948), the Korean War (1950-52), the Mau Mau rebellion in Kenya (1952-56), and the Suez Crisis (1956); stretching the do-more-with-less force to the brink.³⁵

Although the majority of defense thinking was concerned with global war, certain lines of thinking developed to contend with the problems of overseas defense. The most important of these developments “was the plan for a central strategic reserve which could be airlifted to overseas theatres” as needed.³⁶ Army and air force strategists promoted this concept as a means to reduce army manpower, minimize army deployments abroad, and reduce dependence on overseas bases that were quickly disappearing as retrenchment policies took effect. However, conflicting decisions regarding the maintenance of the old system of bases and garrisons, and the continued heavy burden of Britain’s

³⁴ Self, 150.

³⁵ See Table 6 and 7.

³⁶ Darby, 76.

overseas commitments resulted in a strategic reserve that remained principally in conceptual form and an army sprawled all over the world.³⁷ Although not fully developed into a capability, the idea of an air mobility and central reserve capability shows that the military was at least trying to reshape itself in the face of decline.

Britain's entrance into the collective defense framework – represented by NATO, SEATO, and CENTO – represents a paradox of sorts. In one sense, it alleviated concerns of the existential threat posed by Communism. Feeling the home island was secure, these treaties opened up maneuver space for resources to flow abroad to slow the decline of Britain's overseas commitments and transition to a focus on the critical strategic assets. The diversion of interests, however, led to the existence of separate service strategies. The Air Force had its eyes on Russia and nuclear deterrence and only peripherally on defense of the empire; “the navy was dispossessed of its old role and in search of a new; and an army in practice concerned with one thing and in theory concerned with another.”³⁸ As the military contracted after World War II and the dissolution of Britain's imperial reserve continued with the loss of its colonies, it sought to offset a smaller size with efficiencies through new theories of employment and the development of a nuclear deterrent.

In the period from 1953 to 1957, various government White Papers point to a realization that defense must be prioritized at two distinct levels to deal with the stress on the military infrastructure and fiscal austerity measures. The first level was concerned with a direct Communist threat “and had two aspects: the build-up of the deterrent and the strengthening of the forces for global war should the deterrent fail.”³⁹ The second tier related to Britain's overseas commitments and consequently the resources and manpower stagnated for these remnants

³⁷ Darby, 77.

³⁸ Darby, 93.

³⁹ Darby, 69.

of the empire while attention firmly focused at the first level. This effort culminated with Sandys White Paper, *Defence: Outline of Future Policy*, name for the Minister of Defence Duncan Sandys, in 1957. In it, three strategic themes dominated: “the immediate danger of global war had been replaced by the need to prepare for the long haul,” advances in military technology – particularly thermonuclear warheads and missiles – necessitated Britain attain an appreciable element of nuclear deterrent power, and “this reorientation of priorities was to be achieved at the direct expense of conventional forces.”⁴⁰ In practice, the policies stemming from the Sandys paper did result in a drastic reduction in service personnel, from 702,000 to 423,000 in the projected five-year period and “expenditure as a percentage of GNP did fall by 1964.”⁴¹ Personnel and financial savings aside, any reduction in commitments did not accompany these cuts.

The development of a nuclear capability met with greater success than the idea of a strategic reserve. Although heavily dependent on American support, Britain attained a nuclear deterrent force after it became clear in 1951 that defense expenditures required drastic reduction.⁴² A nuclear capability offered two solutions. First, it provided hope that a strategic deterrent to Soviet aggression was possible at an overall reduced defense cost provided primarily by a reduction in conventional armed forces, similar to the line President Eisenhower took in the US. Coupled with the concept of a strategic reserve, a nuclear deterrent capability offered the chance to balance commitments with declining resources. Second, it provided increased influence within NATO and, in particular, with the US as a means to shape thinking and events on terms favorable for Britain. In light of these purposes, the development of a nuclear deterrent capability was largely successful. It

⁴⁰ Self, 163-164.

⁴¹ Self, 164.

⁴² Darby, 46.

did help in deterring Soviet aggression and lent weight to the Anglo-American relationship. When seen in the context of Britain's complete foreign policy picture, the nuclear capability contributed to a mixture of convoluted service strategies and regional foreign policies. This trend would continue.

Moving forward from the 1960s, every new government – Thatcher, Major, Blair, Brown and now Cameron – came into office and published new defense reviews and white papers calling for reduced expenditure, force draw downs, and cuts to infrastructure. In this vein, the moves were successful. By the end of Major's term, defense expenditure was down to 3.5 percent of GDP, the lowest since the 1930s, and, by 2008, it would be down to a sustained 2.4 percent.⁴³ In an ideal world, this may have worked, but sustained or increased military activity due to international events and a desire to cling to an imperial past led to a smaller, less capable, and overstretched military. Tripped up by events like the Falklands War (1982), the Gulf War in (1990), the Balkans (late 1990s), Afghanistan (2001 to present), the War in Iraq (2003-2011), and Libya (2011), not to mention a number of humanitarian and peacekeeping operations; the British government still finds itself with military capabilities insufficient to meet existing commitments.

Results

True, Britain has lost power, but the concept of power since World War II has changed. "British policy has been slow to adapt to both developments – slow to abandon a world role and to accept the imperatives of interdependence." It now resorts to play its power role within larger groupings – NATO and particularly the EC – using tangible and intangible levers of power to influence the international arena.

Today, the British military has fashioned itself into a mobile expeditionary force capable of global projection. A noted military website,

⁴³ Self, 172, 177.

Global Firepower, uses population, manpower, finance, logistical resources, geography, and military hardware as factors to deduce Britain's military strength, and ranks the UK's military fifth in the world.⁴⁴ It is the second largest military in the European Union and has the third largest defense budget in the world. Only the US and China have larger defense expenditures.⁴⁵ Britain maintains an arsenal of 225 nuclear weapons and is one of only eight recognized and unrecognized nuclear powers. Its navy is "one of only three blue-water navies in the world and is considered to be second only to the US in its ability to project power globally." The UK along with the US are the only countries building super carriers, and it has new Type 45 destroyers, "believed to be the most technologically advanced air-defence destroyers in the world."⁴⁶ Despite overstretch and fiscal austerity, Britain's incredibly potent military capability keeps the country at the Great Power table.

True, today Britain no longer holds the number one position in the international economic arena, but it effectively rebounded from the contextual factors of its decline. By 1965, Britain's aggregate state debt was down over 90 points, just under 100 percent of GDP, and by 2006, it was all the way down to 42.2 percent.⁴⁷ Despite its 21st position in terms of population and the loss of its overseas empire following WWII, Britain still commands the world's sixth largest GDP, according to IMF's 2011 World Economic Outlook.⁴⁸

⁴⁴ Global Firepower, "2012 World Military Strength Ranking," <http://www.globalfirepower.com>.

⁴⁵ Wikipedia, "British Armed Forces," Wikipedia, 4 http://en.wikipedia.org/wiki/British_Armed_Forces (accessed 21 February 2012).

⁴⁶ Wikipedia, , "British Armed Forces," 5.

⁴⁷ Stuart J. Kaufman, *Too Cheap to Rule: Political and Fiscal Sources of the Coming American Retrenchment*. Temple University Consortium on Grand Strategy (Philadelphia, PA: Temple University Press, October 2011), 2-3, <http://www.fpri.org/telegram/201110.kaufman.fiscalrestraints.html> (accessed 24 October 2011).for the 1965 numbers and Stephen G. Brooks and William C. Wohlforth, *World Out of Balance: International Relations and the Challenge of American Primacy* (Princeton: Princeton University Press, 2008, 32 for the 2006 number.

⁴⁸ Sala-i-Martin, 384-385.

Summary

A key lesson from the British experience is the importance of congruity between the context, foreign policy as an aggregate, and defense commitments, as a subcomponent of foreign policy. British foreign policy more or less aligned with the contextual pressures to decolonize and balance ends and means, but defense arrangements remained out of tune from 1947-1968.⁴⁹ “For a period of almost twenty years defence policy was out of phase with colonial and foreign policy, and commitments remained broadly constant while capability progressively declined.”⁵⁰ The pivotal year was 1947, “With India, Pakistan, Burma, and Ceylon launched on their independent courses, the time had come for reappraisal.”⁵¹ It was not until the Suez crisis that the government took deliberate actions to solidify the force structure and doctrine more appropriately to the post-imperial world.⁵² Marginal efforts in the form of the airlifted strategic reserve, a limited war role for the navy, and the development of a nuclear deterrent capability allowed Britain the flexibility to retrench despite seemingly overwhelming defense establishment desires to maintain the global focus. These measures coincided with retrenchment efforts in the form of the NATO and SEATO alliances. Given a more congruent defense policy, how much more effective would Britain’s retrenchment policy have been? Was the British retrenchment policy a success?

After successfully fending off the hegemonic bids for power of Germany and Japan, Britain successfully completed the transfer of the responsibilities of arbiter of the international system to the US, and also managed a transition from empire to commonwealth, yet still retained the status of a Great Power. In doing so, through a conscious use of retrenchment applications, she made it possible for the continuation and

⁴⁹ Darby, 327.

⁵⁰ Darby, 331.

⁵¹ Darby, 328.

⁵² Darby, 332.

growth of the international system, a system Britain built and within which continues to thrive.

The sustainment of her great power status, as indicated by the impressive elements of tangible and intangible power described above, without resorting to a hegemonic conflict with the rising United States challenger as predicted by Gilpin, over the last 75 years reflects the success of Great Britain's retrenchment efforts.



CHAPTER 3

CASE STUDY 2 – FRANCE: POST WWII

French foreign policy since World War II, many argue, is a continual pursuit of *la gloire et la grandeur de la France*, to re-establish its position in world politics.¹ Despite devastating political, economic, and foreign policy setbacks following the end of the two world wars, French leaders have fought to pursue this goal by utilizing various retrenchment mechanisms to achieve a better balance of overseas commitments with their new position and keep their seat at the Great Power table.

Context

Second only to the British, the French colonial empire after the war was still immense and global. It spanned over one tenth of the earth's surface, nearly five million square miles, and consisted of over 110 million people.² The war, however, marked the turning point for the French Union, the name of the empire after the war. The French, like their counterparts across the channel, emerged from World War II on the side of the victorious. The feeling of victory, however, was hollow. France did not win in the traditional sense of an overpowering military defeat of its adversary; the American, British, Canadian, and Russian forces liberated the nation only after military defeat in the first six weeks of the war led to German occupation. The experience of occupation, collaboration, and resistance left France a legacy of division and bitterness. For all practical purposes, France suffered through a civil

¹ Pernille Rieker, "From Common Defense to Comprehensive Security: Towards the Europeanization of French Foreign and Security Policy," *Security Dialogue* 37, no. 4 (2006): 515.

² Wikipedia, "List of Largest Empires." *Wikipedia*.
http://en.wikipedia.org/wiki/List_of_largest_empires#cite_note-Gordon-9 (accessed 19 March 2012).

war.³ Beyond the emotional devastation, the economic and physical destruction was palpable.

In terms of tangible power, France's economic and military strength following the war was suspect at best. In 1946, the franc stood at one sixth of its 1939 value and there were virtually no reserves of gold or foreign currency to fall back on.⁴ To compound the problem, its entire national income was half that of 1938.⁵ Much of its infrastructure was in ruins due to four years of German plunder, the necessary but harsh bombings that preceded the 1944-Allied invasion, and the subsequent battles to push the Germans back to their pre-war borders. The war hit the railway network especially hard, as evidenced by the 1,340 locomotives imported from the United States in the two years following the war.⁶ The loss in lives, and thus labor, transcended the physical costs with more than 610,000 dead, including 360,000 civilians.⁷

Stemming from the massive internal damage, loss of precious lives and resources, and political disruption created significant implications for French power on the international stage. From a tangible power perspective, France has witnessed a significant economic and military decline. As evidence, Table 1 shows the French share of global GDP shrunk from over 7 percent in 1870 to just over 3 percent in 2001. Tables 4 and 5 illustrates this further, in 100 years, France's share of total world manufacturing output shrank 4.5 percent, coinciding with her reduction of over 4 percent in terms of a percentage of world exports of manufactured goods. World War II exacerbated the pattern of this economic decline. The result of the emotional, economic, and physical devastation from that war left the French political system in ruins.

³ Phillip Michael Hett Bell, *France and Britain, 1940-1994: The Long Separation* (New York: Addison Wesley Longman, Inc., 1997), 69.

⁴ Bell, 70.

⁵ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*, (New York: Random House, 1987), 366.

⁶ Bell, 71.

⁷ Bell, 70.

Militarily, the numbers at the end of the war appeared strong at 1.25 million members. This relatively large number, however, belies the condition and capability of France's forces. It was essentially an ad-hoc assembly of resistance fighters and former Vichy forces. Since that time, the French government reduced the number of military personnel to 360,000 active members and 400,000 reserve members with an annual defense budget of \$44 billion euros.⁸

From an intangible power perspective, France's prestige suffered mightily during and after the war. The German military juggernaut swept aside the French military in a mere six weeks, forcing capitulation. An ardent member and supporter of the Allied cause, Vichy France was reduced to neutrality after capitulating to the Germans and eventually directly fighting its former allies. Nearly five years of continuous war precipitated a crushing blow to its economic and military elements of power. After the war, French efforts in regards to its colonies resulted in widespread condemnation, further reducing its prestige and its ability to have influence on the global stage.

Retrenchment Applications

In the face of these daunting tangible and intangible power setbacks, France set out to create a new regime, the Fourth Republic, to steer the nation back into prominence and glory. In doing so, the nation embarked on the first of two distinct retrenchment phases. Survival, reconstruction, and reconciling ideological conflicts within a new international system characterize the first phase. In the second phase, France divorced the notion of power from traditional economic and military sources. Cultivating alternative avenues for global influence and power, such as nuclear weapons and utilizing Europe as a power multiplier for French security interests, characterize this second phase. Throughout the two phases, the gulf between commitments and

⁸ Global Firepower, "2012 World Military Strength Ranking," <http://www.globalfirepower.com>.

resources drove various French political and military retrenchment applications to regain and maintain influence on the global stage.

Political Decisions/Actions

First Phase

The phase of survival and ideological reconciliation consists mainly of the Fourth Republic, its creation in 1947 on one end and its demise in 1958 at the other. The two reigns of Charles De Gaulle further bound this period. The three main themes that permeate this phase are collective defense, European construction, and colonial possessions.⁹ Representing these themes clearly are the three overarching French foreign policy objectives of this period: existential defense from a resurgent Germany and Soviet Union, economic prosperity and long-term security through a federated Europe, and the preservation of “overseas possessions with the authoritarian and centralized French Union.”¹⁰ Similar to the British experience prior to the Suez crisis, the actions in pursuit of these objectives only partially addressed the French need for retrenchment and, in some cases, conflicted with each other so that by the time Charles De Gaulle returned to its leadership in 1958, drastic changes were necessary to balance properly their ends and means.

The French provisional government, under the leadership of General Charles De Gaulle, inherited the precarious task of rebuilding the country after World War II, including the establishment of a new government to replace the Vichy regime that aligned with Germany. An excerpt from his *Memoires* captures this daunting task:

First of all, before a central authority can function normally, it must be able to obtain information, have its orders arrive at their destination, supervise their execution. But, for many weeks, Paris was without the means regularly to communicate with the provinces. Telegraph and telephone lines had been cut in innumerable places. Radio stations

⁹ Guy de Carmoy, *The Foreign Policies of France, 1944-1968*, trans. Elaine P. Halperin (Chicago: University of Chicago Press, 1970), 176.

¹⁰ Carmoy, 181.

had been destroyed. There were no French planes suitable for communications work on the deeply-pitted airfields. The railways were to all intents and purposes at a halt. Of our stock of 12,000 engines only 2,800 remained...As for the roads, 3,000 bridges were down; hardly 300,000 vehicles were roadworthy out of the former total of three million, but the dearth of petrol made a car journey an adventure in any case.¹¹

This picture epitomized the severity of the conditions facing the entire country. Having virtually no resources from which to draw, the political leadership turned to various agreements and treaties to secure survival. De Gaulle did not stay on to see through the necessary reforms as he abruptly resigned in January 1946, feeling the only way to stay in office was as a captive to the Communist-Socialist majority.¹²

As the Fourth Republic came into being, it had the undesirable task of rebuilding the country while simultaneously attempting to maintain French identity and its citizen's sense of the nation. However, many of its first steps ran counter to the latter purpose. Contrary to their strong sense of independence, "the French had to do as the British did, and ask for American help" after the war.¹³ The French-American agreement, the so-called Blum-Byrnes accord, resulted in the American writing off nearly 2 billion dollars of Lend-lease aid, providing additional low-cost loans, and in providing payment for Canadian agricultural produce.¹⁴ In a serious affront to national pride, the agreement required "the opening of French cinemas to American films; an agreement to end trade quotas and colonial preferences; and that the franc should be made convertible within two years."¹⁵ This agreement, along with other gifts and the Marshall Plan, provided the foundation for French sustenance in

¹¹ Herbert Tint, *French Foreign Policy Since the Second World War* (New York: St Martin's Press, 1972), 12.

¹² A. W. DePorte, *De Gaulle's Foreign Policy, 1944-1946* (Cambridge: Harvard University Press, 1968), 276.

¹³ Bell, 71.

¹⁴ Bell, 71 and Tint, 15.

¹⁵ Bell, 71.

the immediate years following the war. Based on the condition “that the nations of Europe were committed to a policy of mutual assistance,” the Marshall Plan laid the foundation for greater unified European coordination.¹⁶ Providing for the French people and rebuilding economic infrastructure would prove to be insufficient due to the looming potential external threats on the horizon.

Not one to engage in alliances that cast themselves from a position of weakness, France overcame this aversion to create a sense of security from existential threats. Fearful of a resurgent Germany, France and Britain signed the Treaty of Dunkirk on 4 March 1947. Essentially, an anti-Germany alliance, the treaty bound the two countries together “in the event of Germany adopting a policy of aggression” and to consultation “in the event of Germany failing to carry out the economic obligations imposed upon her.”¹⁷ This was France’s first attempt at carving out a niche and influence independent of the two superpowers, but it is reflective of the deep-seated animosity between France and Germany. This particular attitude would be difficult to overcome, but overcoming it would later be essential to rebuilding Europe as a whole and creating a bastion of defense against rising Communist aggression. As the strategic landscape shifted, so did France’s foreign policy, especially regarding Germany.

The perceived threat posed by the Soviet Union solidified greatly in the years after World War II. France recognized that her principal threat was no longer the historic enemy on her eastern border, but a growing internal Communist movement and the greater threat of invasion by the Soviets. Although a staunch anti-Communist, De Gaulle was predisposed to focus principally on Germany as the primary enemy. His abrupt departure in early 1946 opened the door to changing attitudes and eventual reconciliation with Germany. Protecting herself and

¹⁶ Carmoy, 75.

¹⁷ Bell, 80.

Europe as a whole from Communist aggression required this. As such, France, along with other Western European nations and the United States, created NATO in April 1949 to provide a collective defense.¹⁸ The treaty was the first significant step for France that reflected the shifting of attitudes regarding Germany. It provided for the establishment of a new federal republic, allowing Germany to remain a whole nation despite many in France, including De Gaulle, who advocated for a multiple city-state framework to prevent that country from ever posing a significant threat. It was also the precursor for German rearmament, as indicated by Edmond Michelet, De Gaulle's representative in the French Assembly. He "voted for [treaty] ratification but advocated a strategy that provided for the defense of the European continent east of the French borders – in other words, in Germany. The strategy was adopted; and it was this that led to German rearmament."¹⁹ The creation of NATO and the employment of the Marshall Plan fostered, albeit with United States influence, the idea of a united Europe.

The first independent European mechanism that contributed to this idea was the Organization for European Economic Cooperation (OEEC), created in April 1948.²⁰ Comprising 16 Western European countries, the OEEC was designed "to establish and implement a joint recovery program" to reconstruct Europe.²¹ The OEEC was the political framework that made additional collaborative efforts possible and was the genesis for genuine European integration. From this springboard, France and others pursued additional steps toward integration. Although all were not French-directed initiatives, leaders soon saw the potential in them for the achievement of national goals and objectives.

Furthering reconciliation with Germany were economic and diplomatic maneuvers designed to fulfill two national goals. The first

¹⁸ Carmoy, 26.

¹⁹ Carmoy, 27.

²⁰ Carmoy, 77.

²¹ Carmoy, 77.

goal was to subjugate German potential military might into a web of interdependence, and the second was to increase French economic capacity or, at the very least, forestall her neighbors' greater economic potential. The creation of a Franco-German coal and steel pool was the tool to pursue these goals. It is also reflective of the reality that France could no longer rely on her own capacities to undergird an independent military capability to thwart her historical opponent. The European Coal and Steel Community (ECSC) was the first supranational organization, patterned after the federal conception of the relations between states.²² Although it amounted, in the eyes of critics, to a loss of French sovereignty, it was necessary for a broader political motive. Some argue that this motive was for a greater European political union, while others saw that such an organization, and other similar initiatives, could be key mechanisms to exercise French influence in a continental system in which France no longer had material superiority.²³ Regardless, the ECSC was the principal pillar for an enlarged economic solidarity movement, which fueled initiatives for defense and political solidarity as well. In particular, the ECSC was the springboard for debate on establishing the Common Market in Europe, which culminated with the creation of the EEC in March 1957.²⁴ The creation of the EEC "contained the seeds of a revolution in the economic life of France and continental Europe."²⁵ The EEC became the forerunner to today's European Union.

One of those defense initiatives, mentioned above, was the European Defense Community (EDC) in which Europeans could exercise military action independent from NATO and, many argued from the United States as well. This appealed to many nationalist voices, especially in France, who wanted to maintain traditional freedom of action in European affairs, albeit within a federalized framework. The

²² Carmoy, 73.

²³ Tint, 49.

²⁴ Carmoy, 100-101.

²⁵ Carmoy, 101.

EDC eventually fell apart due to disagreements regarding how to rearm Germany, but it was the first manifestation of an idea for a European Security and Defense Identity (ESDI), directed by France, which reflects the referral of French ambitions to the European level.

Emerging from the Second World War, France laid claim to vast colonial possessions in pursuit of reclaiming its former glory, prestige, and influence. Although the Fourth Republic and the French Union's new constitution attempted to make a break from the past, it still resorted to an authoritarian and centralized organization, particularly in regards to colonies.²⁶ In this highly centralized system, "it was very difficult to reconcile the need of the overseas people for autonomy with the need for unity under the aegis of metropolitan France."²⁷ At best, the mechanisms established in the new constitution provided instruments to delay action affecting internal autonomy, resulting in two failures, one partial success, and one total success.

The two failures coincided with the two instances that France chose full-scale war, to re-conquer Indochina and to suppress the rebellion in Algeria. Leaders made these choices primarily to preserve prestige and influence globally, rather than for economic gain, and ultimately led to the dispersal and diffusion of precious resources at a time when the mother country desperately needed them. In Indochina, the decision to negotiate with Bao Dai over Ho Chi-minh, the absence of any specific war aims, the lack of adequate resources, and the lack of skillful leadership in the field drove the French to failure.²⁸ In the Algerian case, the French National Assembly failed to state its strategic goals so that by 1958, the government, although somewhat successful militarily, was unable to secure a complete victory or to negotiate a

²⁶ Carmoy, 168.

²⁷ Carmoy, 168.

²⁸ Carmoy, 169.

withdrawal.²⁹ In contrast to preserving prestige and influence, the military and political debacle of Indochina and the political failure in Algeria contributed negatively to the international position of France.

France's decolonization efforts in Tunisia and Morocco resulted in partial success. Government leaders resisted reform for a long time, but the lack of vital interests, public support, and resources due to the ongoing conflicts of Indochina and Algeria prompted decisions granting internal autonomy for Tunisia and independence for Morocco, before Algeria-like rebellions broke out. France's lone decolonization success came from French Tropical Africa. The experiences of Indochina and North Africa provided instructive lessons that informed the French Tropical African leaders' decisions to implement universal suffrage and other sensible reforms.³⁰ The result was a less violent and orderly transition to eventual independence.

France enacted decolonization policies without full appreciation of their new relative position following the war or of the changing international context. Inadequate capabilities abroad forced France to divert precious resources outward, hampering "her efforts to adapt her economy to the requirements of the Common Market."³¹ These actions hampered a robust reconstruction effort and industrial modernization program. Within her alliances, France's decolonization policies forced a withdrawal of troops from NATO, forcing a greater reliance and dependence on American aid. Furthermore, the Suez crisis in 1956 produced tension between France and the US; this in turn engendered suspicion of NATO in France³². Combined these turn of events, fostered an environment ripe for those advocating for more independence and freedom of action for France. From a broader perspective, the French misread the tide of change, in the form of surging nationalism and self-

²⁹ Carmoy, 169.

³⁰ Carmoy, 153.

³¹ Carmoy, 171.

³² Carmoy, 54, 62.

determination, sweeping across the globe. The result was general condemnation from nations the world over, a loss of prestige and influence, and a diffusion of vital resources. The combined loss of tangible and intangible power had lasting implications.

Overall, the Fourth Republic's record was positive: France had asserted itself but the regime still disappeared.³³ Despite historic notions of grandeur and freedom of action, France successfully overcame the ideological conflict inherent in subjugating some sovereignty to a US-led alliance and European-federated institutions. Bowing to the realities of their situation provided real security from the existential threats of Germany and the Soviet Union and helped restore a modicum of economic prosperity. Dissonance, however, came from the decisions and actions designed to pursue the third objective, preserving overseas possessions. Rather than shedding their colonial obligations peacefully, as the British generally had done, the French fought two expensive and lengthy conflicts. The dispersal of scant resources constrained the nation's ability to restore itself more fully following World War II. Furthermore, the French colonial policy provoked ideological controversy at home and abroad. This particular objective could not be reconciled with national and international democratic ideology, particularly in terms of the right of self-determination.³⁴ The result was an imbalance between overall objectives, resources, and ideology that was not commensurate within the new international structure. The relative poor state of its economic recovery, as compared to other European nations, the subjugation of French sovereignty, and the ideological conflict of its colonial policy all interacted to produce discontent within the Fourth Republic. The election of Charles De Gaulle with a mandate to rewrite the constitution signaled the end of the Fourth Republic. The second phase, starting with the promulgation of the French "exception" idea, was

³³ Carmoy, 184.

³⁴ Carmoy, 182.

an attempt to rectify the imbalance between obligations and resources bequeathed by the Fourth Republic and to restore France's prestige and freedom of action.

Second Phase

The path of the Fifth French Republic provided the framework for the second phase of French retrenchment. The foreign policy of this republic started out as the foreign policy of one man, Charles De Gaulle. In simple terms, his foreign policy boiled down to actions designed to give France more independence, "that evidence of power and claim to glory."³⁵ To reach this end, De Gaulle and his successors pursued nuclear weapons, pushed for ESDI shaped and directed by France, and fostered a more united Europe in which France was the 'first among' European 'equals.'³⁶ These three themes continue, but the pursuit and importance of each as political tools has varied widely with time and different political personalities.

When De Gaulle returned to office in 1958, he had two variables to contend with in his foreign policy pursuits. The first positively affected his chances, while the second worked against him. Although masked by the Fourth Republic's political instability and foreign policy inconsistencies, economic growth by 1958 was considerable. Between 1950 and 1958, the gross national product of France rose by 42 percent, significantly enhancing De Gaulle's position. He would use this political and economic strength to embark on new foreign policy directions.³⁷ In the latter variable, De Gaulle contended with the remnants of the defunct decolonization policy of the Fourth Republic.

Although an ardent supporter of re-conquering colonies and regaining the French empire, De Gaulle shrewdly recognized that to pursue his greater ambition, France must sever the last strands of the

³⁵ Carmoy, 469.

³⁶ Adrian Treacher, "Europe as a Power Multiplier for French Security Policy: Strategic Consistency, Tactical Adaptation," *European Security* 10, no. 1 (2001): 28.

³⁷ Bell, 165.

imperial anchor. The most important and difficult concerned the rebellion in Algeria. The longer the Algerian situation persisted, the more tied his hands were concerning greater political goals. Retrenching from Algeria would not be easy. It took nearly four years to negotiate the French withdrawal in 1962. Much like the US in Vietnam a decade later, the result was widely perceived as a French defeat; “and yet paradoxically” the end “opened the way for [D]e Gaulle to reassert the status of France as a great power.”³⁸

For De Gaulle, the French future intertwined with the West European federation but beyond that, his memoirs shed light on his other aims. His “design consisted...in disengaging France, not from the Atlantic Alliance, which I intended to maintain as an ultimate precaution, but from the integration realized by NATO under American command; in forging with each of the states of the Eastern bloc...relations aimed at détente, then at entente and cooperation;...finally, in providing us with nuclear power of such force that nobody could attack us without risking terrible wounds.”³⁹ Essentially, his foreign policy had three objectives; furthering the united European framework, carving out an independent space between the two superpowers and the bi-polar structure, and developing nuclear weapons.

De Gaulle’s intentions vis a vis the newly established EEC differed considerably from his predecessors and those that would follow him. Rather than merely integrate France into the new Europe, he preferred to dominate it. In a 1962 private communication, De Gaulle revealed this preference, “if France sets out to become the leader of the Six...she will be able to use that position like the lever of Archimedes...Europe is the means for France to become again what she has not been since Waterloo:

³⁸ Bell, 164.

³⁹ Wilifrid L. Kohl, *French Nuclear Diplomacy* (Princeton: Princeton University Press, 1971), 355.

the first in the world.”⁴⁰ The ‘Six’ refers to the original six countries that established the EEC: France, Germany, Italy, Belgium, the Netherlands, and Luxembourg. This preference is a shrewd retrenchment policy, because it attempts to reconcile national interests and commitments beyond French-only capability. If France could not dominate the EEC, De Gaulle would steer Western Europe away from integration and towards the lesser form of organization, cooperation. From 1960-1962, De Gaulle and his counterparts in the EEC sped up the evolution of the industrial Common Market and the implementation of a common agricultural policy by reducing tariffs. In doing so, the EEC, through a multilateral conference in 1961, became the principal trade partner of the US. The success of the Common Market, however, did not convert De Gaulle's belief into an integrated conception of Europe. Instead, he took actions to weaken both the ECSC and the Euratom, “on the one hand, and on the other, the efforts to create among the Six a political union of states, were indications of the general's deep attachment to a European policy based on national sovereignty.”⁴¹ This idea of national sovereignty and toward more independence coincided with De Gaulle's actions to bar England's entry into the Common Market. Fearful of the influence of America through England on the Common Market, De Gaulle twice vetoed England's entry, the latest coming in the latter part of the 1960s. “What France had wanted to achieve, and had achieved...is a truly European entity.”⁴² France's decisions to remain independent extended beyond her economic decisions.

For France, the bi-polar international structure only perpetuated the status quo in Europe and relegated her to remain dependent and never to become a first-rate power.⁴³ To gain freedom of action in such a world, De Gaulle set out to drive a wedge of space for France between the

⁴⁰ Quoted in Bell, 165.

⁴¹ Carmoy, 375.

⁴² Carmoy, 401.

⁴³ Carmoy, 474.

two superpowers. Creating this space required three primary crafty political maneuvers: the Tripartite Proposal of 1958, a European-only defense system, and the withdrawal of France from NATO's integrated military command structure.

Shortly after taking office, De Gaulle sent a memorandum dated September 17, 1958 to President Eisenhower in which he advocated a three-party (American, British, and French) organization to make joint decisions on global issues.⁴⁴ In essence, the memorandum illustrated three main objectives. First, De Gaulle was dissatisfied with the current Anglo-Saxon monopoly for decisions on areas of global interest to the detriment of French interests. Second, a tripartite organization would succeed in elevating France to an equivalent rank with the US and Britain. No longer would French national interests fall subordinate to a US dominated alliance system that did not reflect French historic notions of its place in the world. Third, the memorandum, if declined, provided the pretext for French withdrawal from NATO. De Gaulle wanted equal footing on issues that threatened to draw France into conflicts on the global stage due to the Atlantic Charter's collective defense clause and on those issues that directly affected defense of the homeland.

By advocating for an alternate European defense framework via the 1961 Fouchet Plan, De Gaulle sought to "increase the pressure on the United States to revise NATO's structure in order to give the Europeans a more balanced representation and influence...France, naturally, would be at the centre of this new Europe."⁴⁵ Not having as much success in this venture as he had envisioned, De Gaulle began to distance France from NATO, "first loosening the integration of French Forces within the NATO command structure."⁴⁶ This "loosening" took the form of not integrating French tactical fighter aircraft into NATO, opposing the

⁴⁴ Kohl, *French Nuclear Diplomacy*, 70-71.

⁴⁵ Treacher, 25.

⁴⁶ Bell, 166.

installation of Intermediate Range Ballistic Missile launch sites on French soil, and withdrawing French naval units from NATO's Mediterranean command.⁴⁷ France officially withdrew from NATO as an organization in 1966.⁴⁸ Although Germany did not follow France, as the General had hoped, the withdrawal from NATO provided increased latitude for France to implement its will in areas around the world commensurate with its resources. Although the impetus behind the Fouchet Plan was increased European influence within the NATO framework, it illustrates De Gaulle's desire for more European control and, thus, more French control of European affairs. Sensing NATO was no longer that vehicle, De Gaulle continued to press for a West European confederation, stressing cooperation vice integration, as an alternative to NATO. Central to this notion was an independent nuclear capability.

Extensive research and resources for nuclear weapons went back to the Fourth Republic, but under De Gaulle, momentum for a nuclear capability received a fresh infusion. Going beyond the primarily military reasons envisioned by his predecessors, De Gaulle also saw nuclear weapons for the political weapons that they were becoming. A nuclear weapon capability added weight for "coequal status with the Anglo-Saxons in a Western global strategic directorate."⁴⁹ Beyond parity, "the French nuclear force became an instrument to preserve France's freedom of action and support her intention to refuse participation in any defense activities of the Atlantic alliance with which she did not directly concur."⁵⁰ The creation of the *force de frappe*, as the French nuclear deterrent force was and is called, in 1960 with the explosion of its first atomic weapon in the Sahara desert, ensured some parity with its Anglo-Saxon partners and granted influence among its continental neighbors.

⁴⁷ Kohl, French Nuclear Diplomacy, 86.

⁴⁸ Bell, 166.

⁴⁹ Kohl, French Nuclear Diplomacy, 95.

⁵⁰ Kohl, French Nuclear Diplomacy, 142.

Nuclear weapons influenced the belief in a separate ESDI, albeit one under French control. Working primarily among the Six countries of the EEC, France sought “an all-European grouping of states independent of the two superpowers,” a grouping that held the keys for Europe to become a third superpower.⁵¹ With France having the only nuclear force, she would become the absolute guarantor of West European defense. This concept ultimately failed to compete successfully with other defense arrangements, notably NATO, but limped along to see a revival in the 1980s within the Western European Union (WEU) construct and later within the European Union.

Following the failure of a West European defense system led by France, De Gaulle turned east. Aided by France’s withdrawal from the NATO military hierarchy in 1966, he attempted to carve out a place for French influence between the two superpowers. Thawing the East-West tensions “aimed at détente, entente, and cooperation with the Soviet Union and the East European states, and eventually some kind of pan-European political and security arrangements.”⁵² However, the Soviet invasion of Czechoslovakia in 1968 proved this shift was premature, if not irrelevant. The invasion, coupled with domestic economic concerns, forced De Gaulle to retrench his rather ambitious nuclear plans and to look once again toward the Western alliance for its security and defense needs.

In retrospect, the pursuit of the *force de frappe* was the prerequisite for all three of De Gaulle’s foreign policy objectives: the Tripartite Alliance, a separate ESDI, and the withdrawal from NATO. Coincidentally, it also weakened the conventional military, which had nearly pulled off a coup d’état against De Gaulle after his decision to withdraw from Algeria. Although not particularly successful at face value, the French nuclear policy “may have helped to hold the French

⁵¹ Kohl, French Nuclear Diplomacy, 142.

⁵² Kohl, French Nuclear Diplomacy, 360.

army and the French people together psychologically in the difficult period following the Algerian crisis by giving them a sense that France could still be a great and respected nation.”⁵³ From a strategic perspective, the prestige allotted a nuclear power such as France gave it more influence on Atlantic and Western European political and security discussions, in European-only defense arrangements, and in an eventual East-West solution. The imperative that nuclear armament was less expensive than robust conventional forces also played a role in going nuclear. This thinking was in line with an overall retrenchment policy. Giving priority to nuclear armament and concluding the Algerian war allowed France to get by with weakened conventional forces, slashing its military forces from over a million men in 1961 to about 332,000 in 1967.”⁵⁴ Forced from office in 1969, the legacies from the Gaullist regime continued to influence French defense and foreign policies long after President De Gaulle stepped down.

The 1970s saw a continuation of Gaullist direction in regards to defense and foreign policies as the country searched for a “flexible compromise between independence and solidarity, sovereignty and integration.”⁵⁵ In this search, French visions for restored grandeur and international rank still relied on Europe as a crucial instrument, as a “surrogate for France’s lost empire and become what France could no longer make of itself.”⁵⁶ Two French initiatives clearly demonstrate this sentiment.

The 1983 creation of the *force d’action rapide (FAR)*, a 46,000-person highly maneuverable contingent, was a visible demonstration of national ambition for an autonomous ESDI.⁵⁷ Its operational concepts of flexibility, surprise, and independence produced a highly maneuver-

⁵³ Kohl, French Nuclear Diplomacy, 369.

⁵⁴ Kohl, French Nuclear Diplomacy, 200.

⁵⁵ Treacher, 26.

⁵⁶ Treacher, 26.

⁵⁷ Treacher, 27.

capable force, and it continues to be a major pillar of French military strength.⁵⁸ It represented a significant investment in an autonomous capability for operations in support of NATO and independent operations alike. Coinciding with the creation of the *FAR* was the 1984 reactivation of the WEU. Originally designed, in the 1940s and 50s, for intra-western arms control and to prevent a resurgence of German aggression, France looked to transform the WEU into a more effective European political and defense alliance, originally as a stand-alone entity and later within the EC.⁵⁹ In the French vision of common Western European security embodied by the WEU, a supranational orientation does not replace a nationally orientated cooperative. Again, we see a French preference for cooperation, not integration or federation. Whether it is the *FAR*, the WEU, or the 1988 Franco-German Defence and Security Council, France's "objective was a distinct European security and defence role which was institutionalized, visible, and endowed with a military component."⁶⁰ The French course of action to create a credible ESDI failed to take root, due primarily to many fellow European nations' continual reliance on the American-backed and influenced NATO arrangement.

France was not content to rely strictly on military and defense initiatives to further its pursuit of international prestige and influence. Particularly in the late 1960s, France turned to an intangible source of power, its culture, as an instrument of foreign policy. This impetus stems from a "belief that France has something uniquely valuable to contribute to the world as a whole."⁶¹ The French government's efforts consisted of establishing more cultural agreements with various

⁵⁸ Theodore R. Posner, *Current French Security Policy: The Gaullist Legacy* (Westport: Greenwood Publishing Group, Inc., 1991), 57.

⁵⁹ Posner, 90.

⁶⁰ Treacher, 27.

⁶¹ Tint, 164.

countries around the world, increasing scholarships for foreigners in France, and exporting the French language.

Bi-lateral cultural agreements increased dramatically after World War II, as evidenced by agreements with the Soviet Union, Bulgaria, India, Cuba, Syria, and Ethiopia. Magnifying these efforts, France signed a multilateral agreement on 20 March 1970 with 20 other French-speaking countries for further collaboration.⁶² Most of these various agreements included provisions for scholarships and the inclusion of French teachers abroad. In 1946, the number of scholarships granted to foreign students was a measly 600; by 1968, the number exploded to over 15,000.⁶³ By 1968-69, the deliberate efforts of French policymakers tripled the number of French teachers abroad from nine years earlier to 33,814.⁶⁴ The General Directorate of Cultural Relations at the Ministry of Foreign Affairs captured the essence of this overall pursuit in a 1970 report:

The spreading of her language, her culture, and her ideas, the attraction of her literature, science, technology, and art, the merits of her ways of forming men, all these are for France essential means of action in her Foreign policy through the influence she exercises because of them. Cultural action is closely linked with political and economic action, both of which it precedes. Cultural action therefore directly contributes to the power of our country in international affairs.⁶⁵

The significance of France's cultural exportation is hard to measure but undoubtedly contributes to her influence internationally.

The advantage of working between the two superpowers to create independent political space eventually ended. The collapse of the Soviet Union served as a catalyst for those realizing the French "exception" was not producing tangible political results. The independent space so craved by French leaders since De Gaulle was rapidly drying up as the

⁶² Tint, 173.

⁶³ Tint, 166.

⁶⁴ Tint, 167.

⁶⁵ Tint, 166.

French position was exposed. Perceiving their independent position as weak, in terms of shaping the post-Cold War environment, France shifted the direction of its foreign policy. The creation of Eurocorp, France's return to NATO, and the general realization that France must "Europeanise its diplomacy and its security and defence policy" characterizes this shift.⁶⁶ In this case, nationalism via cooperation took a back seat to federation via integration. In doing so, France "abandoned the hope of a French-dominated unified and powerful Europe," at least for the time being.⁶⁷

With the creation of the EU in 1991, via the Maastricht Treaty, the ESDI took on a quasi-hybrid nature. The WEU was to be the defensive arm of the EU but also the means of strengthening the European pillar of NATO. Additionally, in 1992 France, Germany, Luxembourg, Belgium, and Spain created Eurocorp.⁶⁸ The nucleus is the Franco-German brigade, created in 1987. Originally designed as answerable to Europe, in the guise of the WEU, outside of NATO, Eurocorp became a multinational standing army available for both the EU and NATO.⁶⁹ Eurocorp has participated in operations in Bosnia, Kosovo, and in Afghanistan. Furthering the belief that "Europeanization" of French interests was the prudent path, France rejoined NATO in 1995. The Chirac/Juppe administration realized that for France to have any real influence on Europe in the future it had to be integrated at all levels of NATO, so in 1995 the French foreign minister "announced his country's full return to the non-integrated military bodies of the alliance."⁷⁰ The French willingness to turn to a system of partnerships and alliances reflected a belief that "the priority was to raise the collective stock of

⁶⁶ Treacher, 30.

⁶⁷ Treacher, 30.

⁶⁸ Wikipedia, "Eurocorp," *Wikipedia*, <http://en.wikipedia.org/wiki/Eurocorps> (accessed 26 March 2012).

⁶⁹ Treacher, 30.

⁷⁰ Treacher, 32.

‘Europe’ even if this meant toning down the impulse to act alone.”⁷¹ In doing so, France and others resurrected the idea of a freestanding ESDI, by giving it the necessary time and shelter to develop.

In 1997, France and six other European nations presented a joint document on the gradual integration of the WEU into the EU, in order to give the EU a genuine military and defense capability. Following this in 1999, France and Germany announced plans to remodel Eurocorp into a rapid reaction force within the EU.⁷² Finally, in 2008 and 2009, the European parliament voted to incorporate Eurocorp into the EU as its standing army.⁷³ Implicit in all these moves, is the desire to develop Europe’s capacity to act autonomously from NATO, and indirectly from American influence.

It is still unclear whether France is pursuing its own interests through a united Europe concept or has been co-opted by “Europeanization.” It is clear that Europe has become a platform to project its national aims to a higher level. “Ultimate French unwillingness to alter the defense dogmas of uncertainty, freedom of decision, and national sanctuary” has given way to cooperation and integration.⁷⁴ Perniele Rieker argues further that the shift in the French security approach, through a process of adaptation and learning within the EU, indicates, “the idea of the EU as a postmodern security actor focusing on comprehensive security is supported also by France.”⁷⁵ Europe is a force multiplier, a mechanism by which to augment France’s global standing and prestige, despite lacking the material and military strength to do so by itself.

⁷¹ Treacher, 39.

⁷² Treacher, 36-37.

⁷³ Wikipedia, “Eurocorp.”

⁷⁴ Robert Grant, “French Defense Policy and European Security,” *Political Science Quarterly* 100, (Fall 1985): 426.

⁷⁵ Rieker, 525.

Military Decisions/Actions

As indicated above, going nuclear in 1960, combined with the nuclear and general defense umbrella provided by the US, afforded France the opportunity to redesign its military apparatus. Its focus shifted from conventional to nuclear primacy in order to address resource shortfalls. The military reorganization implemented under the Fifth Republic clearly illustrates this retrenchment application. Writing in 1971, Wilfrid Kohl discussed how France opted to group its armed forces into three broad categories: “The first, which has clear priority, is the nuclear force responsible for nuclear deterrence. The second, *les forces de manoeuvre*, are intervention forces charged with the task of opposing an enemy attack against France or one of her allies. The forces of *la defense operationnelle du territoire*, the third category, have the mission of resisting an enemy invader within the national territory.”⁷⁶ This basic structure remains unchanged. Beyond the nuclear forces, this military structure emphasizes maneuverability and mobility as indicated by the creation of the rapid reaction forces of the *FAR*, the Eurocorp, and the general “lightening” of its heavy forces in the regular army, including a dramatic increase in the use of helicopters. The French invested heavily in rotary-winged aircraft in the 1980s and 1990s, securing nearly 25 percent of the NATO total. Combined with the partial American withdrawal from Europe in the 1990s, following the fall of the Soviet Union, and the predicted further American withdrawal in recent times, these French forces stand to increase their relative weight among the European collective ESDI. This increase portends an increase in influence on overall European military, defense, and political matters.

In 2008, France published its latest defense and security white paper. It detailed the reversal of decades of French security policy, previously focused on a Cold War-style invasion scenario, shifting focus

⁷⁶ Kohl, French Nuclear Diplomacy, 150-151.

to counterterrorism and intelligence, and reintegrates France with NATO.⁷⁷ In essence, it calls for a military force capable of rapid projection anywhere in the world for immediate crisis or intervention purposes. The doctrine puts greater emphasis on cooperation within Europe circles, but also with the US, and “represents a reorientation rather than a curbing of French ambition.”⁷⁸ No longer at risk of direct invasion, France feels its military forces will participate in the stabilization of regions or zones in crisis.⁷⁹ In the end, the White Paper seeks to broach France’s inability to maintain significant forces abroad with global ambitions by developing a rapid, mobile, and deployable force capable of insertion anywhere in the world.

Results

As with the British case study, it is true that France has lost power since World War II, but the concept of power has changed. That change manifests itself in the growing amount of interdependence and the consequent importance of being in a position to influence the various frameworks of interdependence. Although France has vacillated between cooperation and integration within many of these interdependent frameworks, it has positioned itself well to shape the direction many of these bodies take. In doing so, France continues to have a platform to pursue national objectives and interests without the traditional hegemonic military and economic elements of power. Having veto power on the United Nations Security Council, holding a prominent leadership position within the EU, and playing a major role within NATO illustrate the relative power France maintains. As the solidarity of the EU evolves beyond economics, France is in a choice position to gain greater military and political influence on the European and global stage.

⁷⁷ Moran, Michael, "French Military Strategy and NATO Reintegration," *Council on Foreign Relations*, March 12, 2009, 1-2, <http://www.cfr.org/france/french-military-strategy-nato-reintegration/p16619#> (accessed March 27, 2012).

⁷⁸ Moran, 3.

⁷⁹ Moran, 5.

From the tangible power perspective, the French military continues to be formidable. It is a highly maneuverable, mobile, and expeditionary force capable of projection to take part or lead globally. Although subjective, one source uses population, manpower, finance, logistical resources, geography, and military hardware as factors to rank France's military eighth in the world.⁸⁰ It is the largest military in the EU and has the fourth largest defense budget in the world at \$61 billion.⁸¹ Only the US, China, and the UK have larger budgets. It is one of only five recognized nuclear powers. Despite overextension at the end of World War II with its colonial interests, the French military has retrenched purposely over the years to get in line with fiscal realities. This regression took the form of focusing primarily on existential threats following the end of the Algerian conflict. Today, the smaller military force is attempting to reorient its focus outward to project and protect French interests on a global scale.

In economic terms, France regained its top-tier status and remained remarkably consistent. Despite its relatively modest population base and the gradual loss of its colonial empire, France still maintains the world's fifth largest GDP, according to the IMF's 2011 World Economic Outlook.⁸² The economic might of France combined with its military capabilities warrant consideration of sustaining its great power status.

Although just one component of intangible power, cultural attractiveness is a significant part of a country's overall ability to influence. The efforts by the French governments in the 1960s and 70s to export its culture have paid off. As evidence of this, France currently enjoys over 76 million visitors from around the world, outdistancing the

⁸⁰ Global Firepower.

⁸¹ Moran, 2 and Stockholm International Peace Research Institute, "The SIPRI Military Expenditure Database" Stockholm International Peace Research Institute, <http://milexdata.sipri.org/result.php4> (accessed 27 March 2012).

⁸² Sala-i-Martin, 384-385.

second place US by nearly 20 million, making it the number one tourist destination in the world.⁸³ Exploiting this intangible source of power is a key component of French foreign policy to offset declining resources since World War II.

Summary

The analysis of the French case following World War II highlights a singular key theme, establishing and maintaining its international position and influence on the global stage. The mechanisms to do this over the years, as successive French governments struggled to deal with economic, political, and military devastation wrought by World War II, varied, but the realities of their situation made it imperative to adopt a retrenchment policy.

In the first phase of retrenchment, France's efforts to reconstruct and provide security for its interests following the war led to participation in long-standing political, economic, and military alliances and partnerships. Developing and joining NATO, OEEC, ECSC, and the EEC required significant shifts regarding beliefs in sovereignty, restrictions on freedom of action, and rapprochement with historic enemies. In regards to these retrenchment steps, the French were successful. However, its actions regarding its overseas empire counterbalanced these successes, leading to the fall of the Fourth Republic.

The Fifth Republic under President De Gaulle moved quickly to remove the colonial deadweight in order to pursue a different avenue of approach to achieve freedom of action and prestige. In this period, we see a concerted effort to use Europe as a force multiplier and stage for achieving national interests, while still maintaining a sense of nationalism and independence. Although not entirely successful across all fronts, the Fifth Republic was able to carve out operating space between the two superpowers and, in the process, gain forums for

⁸³ Infoplease, "The World's Top Tourist Destinations," *Infoplease*, <http://www.infoplease.com/ipa/A0198352.html> (accessed 27 March 2012).

influence on a grander scale despite reduced resources and capabilities. Accomplishing this required the development and political use of nuclear weapons, the pursuit of an independent ESDI, and flexing its still potent intangible power.

Today, France enjoys considerable global influence and prestige, a robust and capable military, and a top-tier economy, primarily due to a successful retrenchment policy. Despite its stark position after the war and various missteps along the way, all of these tangible and intangible power factors combine to keep France at the great power table.



CHAPTER 4

IMPLICATIONS AND CONCLUSION

Retrenchment is a concept few nations, especially great powers, get excited about. The prevailing attitude is that nations do not retrench often, and if they do, it is not a choice but a requirement. Contrary to this notion, the British and French case studies provide two examples, of the many possible, of nations successfully following a retrenchment course to maintain great power status in the face of dramatic security challenges. Both were near the top of the international order before World War II and have since garnered nuclear weapons capabilities and UN Security Council permanent seats, making them parallels to their former WWII allies, the USSR and the US. Analysis and synthesis of these case studies reveals informative and enlightening implications for the US, should its leaders choose to retrench. “Choose” is the operative word, because although the US suffers from relative decline, similar to but not as steep as Britain and France before, its share of the world’s distribution of power is so great that a rising challenger will not likely surpass it for some time. A US retrenchment policy will be different. Prescriptions for US retrenchment are global and regional, as well as tangible and intangible in nature, and involve critical implications for US grand strategy.

Case Study Analysis and Synthesis

Following World War II, Britain and France faced similar contexts and obstacles regarding the maintenance of power on the international stage. Both encountered crippled economies, reduced military strength, substantive losses to their people and intangible power, and overwhelming commitments. Inadequate resources of power put them on the horns of a dilemma: continue to pursue an increasingly difficult grand strategy of primacy or retrench to a strategy more consistent with

their diminished means. Historical beliefs of their place in the world made this decision extremely difficult. Neither was ready to forego the influence they had come to enjoy but neither were they capable of pursuing influence in the same manner as in the past.

The course chartered by these two countries after the war illuminates similarities in aim and differences in execution that are relevant to the discussion on what the US should do in the current context. The true value for the US lies in the realm of similarities of aim. Three in particular stand out: the need to shed overseas commitments, to replace lost tangible power through greater reliance on interdependent and largely international frameworks, and to cultivate intangible power.

Coming out of the war, Britain and France possessed extensive overseas commitments. Although useful in the departments of sources of wealth, influence, and prestige, they exacerbated the precarious positions of these two countries. Full recognition of this fact did not come easily, resulting, in the case of Britain, in a split between grand strategy and foreign policy and, in the case of France, in a delayed program for decolonization in their respective first phases of retrenchment. The expenditure of precious resources (money, personnel, time, and prestige) at a time of restricted access to resources was the result. A realization of a new place in the world also contended with the rising tide of an international and domestic sense of the right to self-determination. Britain and France eventually rid themselves of colonial constraints, but not before attempting to recast colonial ambition in a new light. For the British, it was the Commonwealth of Nations and for the French, it was the French Union. Although both were ultimately failures, the attempts are a notable lesson for the US. Reframing overseas ambition is a sensible course of action but requires consideration of potentially changing attitudes, perceptions, and beliefs of domestic and international audiences.

The Commonwealth of Nations, the French Union, and the creation of a more federated Europe are also examples of attempts to change the structure of the international system for advantage. These forums represent new mechanisms to maintain or, in the case of Europe, to raise national ambitions and interests to an international platform. Doing this requires subtle manipulation in order to gain a greater degree of influence within these organizations. France did this with early participation and influence regarding the creation of NATO, the ECSC, the EEC, and the EDC. Britain joined the European game a bit later with their inclusion in the EEC in the 1970s, but participated and influenced the genesis of NATO, SEATO, and CENTO. Since then and through the evolution of the EEC, the WEU, the EU, and the ESDI, both countries worked to create an alternate hegemonic power, first, in the bipolar Cold War world and, now, in a unipolar world dominated by the US, but increasingly challenged by a rising China and growing or recovering regional powers.

Although the Royal Family, the Beatles, and James Bond contribute, the *deliberate* cultivation of intangible power is less apparent in the British case study, while the French made a concerted effort to create a broad affinity for its culture, language, and beliefs through foreign exchange student programs, bilateral cultural programs, and the exportation of the French language. Their efforts to leverage culture as a foreign policy tool paid off in the sense that it produced an attractiveness and persuasiveness for many things French. Doing so increases French soft power, as described by Joseph Nye and, thus, their intangible power.

From this analysis, three critical retrenchment lessons emerge. First, retrenching from overseas commitments is difficult and requires an integrated and in-synch grand strategy, which in turn unites a coherent foreign policy and a realistic and affordable military structure. Second, maintaining influence is possible by offsetting tangible power decline through the elevation of national ambitions and interests to an

international level through careful manipulation and shaping of particular international and interdependent frameworks. Third, emphasizing and focusing on intangible power growth pays dividends as an additional source for offsetting declining tangible power.

Implications for US

At the most basic level, the US is already following a retrenchment path, cutting costs and reducing, or at the very least, shifting overseas commitments. In the face of the domestic economic difficulties previously discussed, the easiest targets for cost reductions are those funds directed to overseas interests. Since American foreign policy commitments are arguably military-centric, the military stands to suffer greatest from attempts to rein in costs. This is already happening, as evidenced by the 2011 Budget Control Act. It cuts nearly \$450 billion from the Department of Defense's base budget over the next ten years, with an additional \$450 billion at risk due to the sequestration clause triggered in November 2011.¹ Experiencing a potential \$900 billion cut over the next 10 years, will certainly reduce military capability and put the US in danger of repeating British and French mistakes of the past.

Beyond cutting costs, senior US policy makers are indicating that the government cannot pursue the entirety of its global interests at contemporary levels of effort. This realization recently forced an evaluation of foreign policy interests and priorities. The results of this evaluation are evident in recent speeches, articles, and executive-level documents. Secretary of State Hillary Clinton makes the case, in a November 2011 article in *Foreign Policy*, for America's number one priority: "One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment -- diplomatic, economic, strategic, and otherwise -- in the Asia-Pacific region. The Asia-Pacific has become a key driver of global

¹ David W. Barno, Nora Bensahel, and Travis Sharp, "Pivot but Hedge: A Strategy for Pivoting to Asia While Hedging in the Middle East," *ORBIS*, (2012), 6.

politics.”² Likewise, the Department of Defense’s (DOD) *January 2012 Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* executive document states, “we will of necessity rebalance toward the Asia-Pacific region.”³ Half of the world’s population, dynamic economic growth, and the home waters of the US’s potential near-peer rival make this region increasingly important to US interests. In 2010, the US exported 61 percent and 72 percent of its worldwide goods and agricultural exports respectively to the Asia-Pacific region.⁴ These numbers are predicted to grow in the future. Consequently, any disruption to the Asia-Pacific vulnerable and “widening web of prosperity” will certainly damage the American and global economies.⁵ These factors are shifting focus to that part of the globe.

Reading between the lines, the DOD report indicates that the Middle East will also remain a top priority, second only to the Asia-Pacific, while Europe will decline in priority.⁶ Specifically, the report states, “Most European countries are now producers of security rather than consumers of it...this has created a strategic opportunity to rebalance the US military investment in Europe.”⁷ Secretary of Defense Leon Panetta suggests this rebalance will consist of a manpower reduction in Europe of nearly 13 percent and the closure of 23 facilities, including V Corps – one of the army’s war fighting headquarters – and two Air Force squadrons.⁸ In total, this rearrangement or balancing of

² Hillary Clinton, “America’s Pacific Century,” *Foreign Policy*, November 2011, 1, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century?print=yes&hidecomments=yes&page=full (accessed 9 November 2011).

³ U.S. Department of Defense, *Sustaining US Global Leadership: Priorities for 21st Century Defense*, (Washington D.C.: Government Printing Office, January 2012), 2.

⁴ Barno, Bensahel and Sharp, 3.

⁵ Barno, Bensahel and Sharp, 3.

⁶ U.S. Department of Defense, *Sustaining US Global Leadership: Priorities for 21st Century Defense*, 2-3.

⁷ U.S. Department of Defense, *Sustaining US Global Leadership: Priorities for 21st Century Defense*, 3.

⁸ Julian E. Barnes, “U.S. To Cut Europe Forces in Remake,” *Early Bird*, 17 February 2012, 1, <http://ebird.osd.mil/ebfiles/e20120217870096.html> (accessed 17 February 2012).

priorities between Europe and East Asia establishes a new foreign policy framework for the US and indicates some degree of retrenchment, but not necessarily, the level required to balance resources with the remaining commitments.

Given its current situation, the US would be wise to remember a line from a famous 20th century Pearl Jam lyric, “he who forgets...will be destined to remember” to avoid becoming a “nothingman.” Recalling the lessons from the British and French experience with retrenchment, the US has an opportunity to reap the benefits of such a policy while working to offset the usual detriments. Given that the US’s current domestic political difficulties and economic challenges will probably persist, its leaders will look elsewhere for relief. The cuts to the defense budget in 2011 exemplify this course of action. Rather than adopting a pessimistic and antagonistic outlook, the US can utilize the competition offered by rising challenges to spur self-improvement and efficiency, and it can prolong its global hegemonic role, provided it combines its current retrenchment steps within a broader retrenchment policy and new grand strategy. Doing so, as the MacDonald and Parent study reveals, is a regular occurrence, has the potential to arrest decline, and can lead a nation back to former glory.⁹

Earlier, Robert Gilpin’s work on retrenchment illuminated three broad options: abandoning some or all of a state’s commitments beyond its borders, facilitating alliances with or seeking rapprochement with less threatening powers, and/or making concessions with or appeasing the ambitions of a rising power.¹⁰ Despite the case made here for US decline, the amount of decline relative to Britain and France following World War II is much less. The US global lead in absolute economic and military terms will last for some time on current projections, and the decline it

⁹ Paul MacDonald and Joseph M. Parent, “Graceful Decline? The Surprising Success of Great Power Retrenchment,” *International Security* 35, no. 4 (Spring 2011): 44.

¹⁰ Robert Gilpin, *War & Change in World Politics* (Cambridge: Cambridge University Press, 1981), 192-193.

currently suffers from is arguably only in actual power, not in latent power. Therefore, extreme retrenchment is not called for, but a measured dose would seem prudent, creating the breathing room to address the noticeable decline in actual tangible power that currently afflicts the US. Failing to retrench in a timely manner can be catastrophic as the USSR demonstrated in the 1980s. Of the Gilpin retrenchment options, the shifting of burdens, through alliances and international frameworks while cutting costs, offers the most prescient path toward recovery and hegemonic sustainability.

The reduction in military spending and the re-balancing of priorities is a good start, but the projected foreign policy still remains on par with past levels of commitment. This unbalance will most likely lead to overextended and less capable forces. The US should not wait for its version of a Suez crisis or Dien Bien Phu before it incorporates the lessons from the British and French experience into its strategy. Unless the US revises its grand strategy to complement the new foreign policy direction and the future reduced capabilities of the military, overall efforts are at risk of being out of sync. More retrenchment is necessary within the bounds of a new grand strategy.

In *Pure Strategy*, Dr. Everett Dolman defines strategy as “a plan for continuing advantage.”¹¹ Expanding on this definition and moving from the theoretical to the practical application, the grand strategy definition from chapter one requires modification. Grand strategy is two-fold – a process and a product. The process entails continuously assessing the international environment (context) along with ends, ways, and means, to create the conditions for continuing advantage, thereby producing an approach (the product) for developing, orchestrating, and applying all the national instruments of power synergistically to achieve national interests and objectives.

¹¹ Everett C. Dolman, *Pure Strategy: Power and Principle in the Space and Information Age*, (New York: Frank Cass, 2005), 18.

Beyond current issues of a decline in power, an assessment of the international environment today, as compared to the late 1980s, reveals dramatic changes, demanding a complete review of grand strategy. The end of the Cold War and the “sustained geopolitical challenge by a great-power peer rival” dramatically altered the international environment we live in today.¹² President Obama’s 2010 National Security Strategy (NSS) and Brooks and Wohlforth’s book, *World Out of Balance*, clearly articulate the security challenges of this new environment. Together they describe a world beset by terrorism, nuclear weapons proliferation, ethnic and religious conflict, damage to our environment, public health concerns, and an increasing divide between have’s and have not’s.¹³ Devoid the USSR counterweight, the militarization of American foreign policy was inevitable, as the nation struggled to deal with these less-well-known national security issues. While not new, this criticism portends a greater devotion of resources toward diplomacy, economic, information, and intangible instruments of power. A new grand strategy is necessary to strike the right balance between the use of soft power and hard power, reflecting the new assessment of the international environment, context, and economic means of the US. Identifying the need for a grand strategy revision does not solve the larger question of what that entails.

Pulling back from a primacy grand strategy, the path the US has arguably been on, will entail a level of retrenchment. Reducing costs and prioritizing interests is a good start, but commensurate changes in grand strategy must accompany it. Along the spectrum of grand strategies with primacy at one end and isolationism at the other, a transition such as this invariably moves the US away from primacy and toward cooperative security, selective engagement, and offshore balancing. Given the costs

¹² Stephen G. Brooks and William C. Wohlforth, *World Out of Balance: International Relations and the Challenge of American Primacy* (Princeton: Princeton University Press, 2008), 214.

¹³ Brooks and Wohlforth, 214 and White House, *National Security Strategy, 2010* (Washington D.C.: Government Printing Office, 2010), 1.

and recent public dismay and frustration with the nation-building interventions in Iraq and Afghanistan, the attainment of future foreign policy objectives will require, out of necessity, different applications of the military instrument and more reliance on non-military levers of power.

Retrenchment on a global scale does not equate unilaterally across the board. Areas that rank higher on the priority scale of interests require a greater amount of steadfastness and commitment, while others require greater levels of restraint. This recognition drives a closer look at a grand strategy that relies on unilateral action via selective engagement for issues of vital interest and combines burden sharing elements of cooperative security and burden shifting elements of offshore balancing for issues of lesser, but still major, importance. Cooperative security comes from a Liberal Institutionalism foundation, while selective engagement and offshore balancing are rooted in the Realist tradition. Together, this grand strategy will steer the US toward conditions for continuing advantage but will require different approaches and weights of effort depending on the scope and location of the issue. Additionally, the approaches will vary in regards to military and non-military instruments of power balance.

Regional Political and Military Applications

As the newfound focus of America's strategic interest, the Asia-Pacific region requires the most attention. This attention, however, should not herald an overly military-centric foreign policy. China is rising but most predictions do not forecast a change at the top position for economic or military power for decades. This forecast assumes current rates of growth remain stable. Although the US and its Asian allies view China's military modernization as increasingly aggressive, these predictions indicate that the US has time to work political solutions to a potential scenario with China as the enemy and direct

threat to national interests.¹⁴ Consequently, most security interests in this region are in the mid- to long-term category.¹⁵ Reflecting this reality, the US has already begun hedging. Completing new trade agreements, such as the one with South Korea, and military agreements, including the basing of 2,500 US Marines in Australia, are examples of US desires to balance its approach to the region. However, the magnitude of the budget cuts affecting US defense capabilities necessitates additional non-military focus.

Paralleling the Anglo-American 'Special Relationship' that developed after World War II, the US should strive to develop something similar in the Pacific or Indian Ocean. The most likely candidate is India, given its democratic history and tradition, relatively open market economy, common language and British colonial history, and similar regional interests. India's trajectory is similar to China's and stands to become and remain a regional power in its own right. In this role, India will offer a natural counterweight to China in the region, provided the US shapes the relationship and provides necessary support when needed. This support would cover the entire range – diplomatic, economic, military, and informational. In this role, the US would continue to influence the region within an offshore balancing strategy.

Coming from the cooperative security strategy perspective, the US should develop an East Asia security institution could bring together the major powers – “China, Japan, South Korea, Russia, and America among others – for ongoing discussions about regional issues.”¹⁶ The impetus for such an organization could be global terrorism and nuclear proliferation. The Chinese and Russians have already shown an inclination for establishing transnational organizations based on these common interests with the creation of the Shanghai Cooperation

Organization (SCO) in 2001.¹⁷ The SCO binds six central Asian nations to “mutually support each other against terrorism, separatism and extremism, and other activities.”¹⁸ Bringing China and Russia into the fold of an organization like this will serve to ameliorate some of the security concerns among the major parties with interests in the region.

In contrast, the Middle East region’s threats and interests exist in the near- to mid-term.¹⁹ This area of the world contains 51 percent of proven global oil reserves and the Strait of Hormuz, which sees 35 percent of the world’s seaborne-traded oil.²⁰ It is a region from which most of the world’s Islamist-inspired terrorism springs and is a significant area of concern regarding nuclear proliferation. The democratic-inspired Arab Spring and US support of Israel, a permanent ally and pillar of regional security strategy, tug at the nation’s core philosophical values and beliefs. Collectively, these vital interests and critical threats require steadfast focus and effort, requiring a military-centric foreign policy for some time. Given budgetary constraints and domestic and international opinions, the foreign policy will not and cannot translate into a return to the interventionist, nation building, and counterinsurgency methods of the past decade. Instead, retrenchment in this region will increasingly resemble military approaches to preserve regional security through a favorable balance of power, keeping trade routes open, and preventing and eradicating terrorist bases of operations.²¹ A long-term solution for stability in this region rests on resolving the Israel-Palestine conflict; the US must endeavor to advance this goal or at the very least appear to be doing so. Beyond that, US initial actions in Afghanistan offer a potential military option for embracing retrenchment within this critical region of interest, and falls

within the selective engagement or offshore balancing grand strategies. It represents an example of operationalizing the retrenchment concept within these grand strategies.

Routinely called the Afghan model, the contemporary combination of special operations forces (SOF), indigenous proxy forces, and airpower represent an additional and powerful option in the US foreign policy toolkit. Although not without criticisms and limitations, the model has proven effective with substantially lower costs. In response to the terrorist attacks of September 2001, his National Security Council provided President George W. Bush two courses of action. The conventional plan, offered by the Joint Chiefs of Staff, involved several army divisions and months of preparation. The second, offered by the Central Intelligence Agency, involved rapidly overthrowing the Taliban regime with a combination of airpower, US SOF, and the Afghan rebels of the Northern Alliance.²² By this time, “the fusion of better information and increased accuracy of precision-guided munitions (PGMs)” overcame the obstacles facing this type of military application, evidenced by operations in Vietnam among others, allowing small SOF teams to achieve unprecedented lethality and effect.²³ President Bush chose the second option, due most likely to the intense pressure to respond and avenge the terrorist attacks, the geographical and diplomatic obstacles to a heavy conventional operation in Afghanistan, and the fear that a large invasion force would engender a prolonged guerilla war.²⁴ In the end, the SOF-directed main effort, utilized indigenous forces and precision airpower “to launch direct attacks on the enemy army’s main strength.” This combination afforded the Northern Alliance mobility without significant rear areas or lines of communication while negating the same advantage to the Taliban. The Northern Alliance could concentrate when

and where necessary to engage and defeat the superior – in numbers, training, and equipped – but dispersed Taliban forces.

A comparable combination of events and context led the US to utilize a similar plan in Northern Iraq in 2003. Instead of the Northern Alliance, SOF teams worked with Kurdish rebels to employ precision airpower to engage and eventually defeat the more powerful Iraqi conventional forces in the area.²⁵ The success of this effort in Northern Iraq dispelled many of the critics that said the Afghan model could not work anywhere else. Despite these two successes, the Afghan model is not the panacea for all foreign policy security situations. Tailoring the application of the model to the nature of the proxy forces (skill and equipment) and to their relative motivation to pursue US objectives is the vital consideration for possible success. Consequently, the nature of the proxy and their motivation is important but it is the nature and motivation relative to the plan of operation that ensures this model is capable of working in other situations.²⁶

The Afghan model offers three distinct advantages in relation to retrenchment. First, it significantly reduces the costs associated with war. In the two examples cited, the alternative plans called for heavy divisions of US forces, tens of billions of dollars to support them, and significant US casualties.²⁷ Although a snapshot in time, operations in Afghanistan by 2006 cost the US \$54 billion and 125 lives while overall operations in Iraq cost \$125 billion and 1,660 US deaths.²⁸ Taken together, these figures and the model they represent, “offers the US an opportunity to use military power, increasing the strategic utility of force.”²⁹ Second, the use of the Afghan model should decrease insurgency. Relying on indigenous forces increases the chances that the

center of gravity in guerilla warfare, the population, remains tied to US objectives, simply by the fact that the proxy force is constituted from the very people from which an insurgency would develop. Furthermore, a light US footprint is less likely to engender feelings of an occupation force.³⁰ An implication of the first two, the final argument for the Afghan model is the potential to strengthen US diplomacy.³¹ This model offers a middle of the road option between full-scale conventional war to pursue goals or simply abandoning them. A cheaper option, in terms of blood and treasure, the Afghan model's recent success increases the chances that adversaries will have more to fear from US threats, thus making them and other diplomatic efforts more credible. Since Andres, et al., wrote their convincing article regarding the Afghan model in 2006, the deteriorating situation in Afghanistan calls into question the validity of their implications for the model. To answer this question, one could surmise that the benefit and relevance of the Afghan model is in situations of limited objectives. In situations that call for regime change and a subsequent moral obligation to rebuild the nation, the US is less likely to be successful with the Afghan model. However, in instances of limited goals to exact punishment or to even the odds between regime and rebel forces, the model offers reduced cost and commitment advantages. It would be particularly useful in a time of retrenchment in the Middle East region or other locations.

The European region will continue to be of critical importance to the US. Along with the North American Free Trade Area, the Euro zone represents the world's two largest trading blocs. By 2015, however, analysts expect East Asian countries to bypass these blocs in terms of trade.³² The shift east and the reduction in forces alluded to by Secretary Clinton and the DOD report reflects this trend, and the need for a

different balance in regards to US levers of power. As the shift takes place, the military realm will see the biggest retrenchment. The reduction in forces already alluded to coincides with the direction of future military engagement. Operation's Odyssey Dawn (OOD) and Unified Protector (OUP) in Libya offer a glimpse of this future. Secretary Gates alluded to this in his June 2011 statement, "While the operation has exposed some shortcomings caused by underfunding, it has also showed the potential of NATO, with an operation where Europeans are taking the lead with American support."³³ The US is likely to be the first responder (OOP), given its overwhelming global military capabilities, but will look to transition lead responsibilities to regional coalitions quickly (OUP), once that structure is capable. In Europe, the shifting and sharing of burdens will only be possible if the other NATO nations develop credible capability and capacity. The US will continue to pressure European nations, as Secretary Gates has done, to increase their military capabilities, getting off the sidelines and fully participating in both kinetic and non-kinetic operations.³⁴ This pressure is likely to grow now that some US capability is leaving the theater for the US or the Asia-Pacific region.

Putting a different face on a military operation, as the US did with OUP, favors not only the retrenchment policy but also allows some of the world's spotlight to dim. The main international relations (IR) theories – realism, institutionalism, constructivism, and liberalism – identify external or systemic constraints that serve to undermine the value of a US primacy grand strategy.³⁵ The primary systemic constraints to the US, according to these IR theories, are international institutions, balancing dynamics, global economic interdependency, and legitimacy.³⁶ Since 2001, one could make the case that perceptions of US primacy and

unilateral action triggered these very constraints. Utilizing the Libyan model in the future for wars of choice offers the opportunity to decrease this perception and the possible systemic constraints that come with it.

Substituting Intangible Power: Shaping the Global Landscape

How can the US retrench without suffering from some of the criticisms of the policy, namely perceptions of weakness or potentially encouraging regional bullies? One potential course of action resides in the lessons from the British and French case studies and focuses on substituting intangible power for the loss of economic power. To counter perceptions that the US is weakening and, thus, invite regional bullying or challenges the US should embark on a journey of systemic activism and intangible power cultivation.

Transnational terrorism, nuclear weapons proliferation, and global environment and health issues will require cooperative approaches to mitigate their impacts. Lesson two from the British and French case studies is particularly relevant to this discourse. As the reigning hegemon, the US is the target at the top of the list for many of these problems and it must champion efforts to solve these national interests at the international level. Doing so, will require careful manipulation of current international frameworks and potentially new ones, much the like the British and French did with the Commonwealth, French Union, and various European organizations. Sharing the burden within these cooperative frameworks is consistent with an overall retrenchment policy, but it runs the risk of falling prey to the dangers of retrenchment. Therefore, the US cannot simply work within these frameworks, but must actively work to shape them or develop new ones to offset the risks of retrenchment. Channeling Thucydides in his classic study, Robert Gilpin assumes states will “attempt to change the international system if the expected benefits exceed the expected costs.”³⁷ Many scholars

³⁷ Gilpin, 10.

contend that for the contemporary US the expected benefits do exceed the expected costs.

In the Brooks and Wohlforth book, the authors advocate a systemic activism position, an alternative to the status quo that many IR scholars indicate is the best course of action for the US. Throughout the book, they debunk the traditional constraints – institutions, balancing dynamics, economic interdependence, and legitimacy – to such activism based on the single premise that they are all based on a bi- or multi-polar international order, not the unipolar world in which we live in today. Instead, the US has such an inordinate share of world power and that “legitimizing its hegemony, institutionalizing its preferred solutions to problems, and furthering the globalization of economic activity” will not come at the price of these strong constraints.³⁸ Their argument is persuasive and includes the findings of the three-year Princeton Project on National Security (PPNS). The final report of the project, authored by John Ikenberry and Anne-Marie Slaughter, rests on a fundamental acknowledgement; the current world lacks a single organizing principle for foreign policy like anti-fascism or anti-communism, thus outlining a new national security strategy, “tailored both to the world we inhabit and the world we want to create.”³⁹ Their report offers two insights relative to systemic activism and retrenchment in general.

The authors stipulate that “the system of internal institutions that the United States and its allies built after World War II and steadily expanded over the course of the Cold War is broken” and requires major reform.⁴⁰ For example, the type of reform required in the UN includes: “expanding the Security Council to include India, Japan, Brazil, Germany, and two African states as permanent members without a veto;

³⁸ Brooks and Wohlforth, 216.

³⁹ G. John Ikenberry and Anne-Marie Slaughter, “Forging a World of Liberty under Law: U.S. National Security in the 21st Century,” *The Princeton Project on National Security*, (Princeton: Woodrow Wilson School of Public and International Affairs, September 2006), 6.

⁴⁰ Ikenberry and Slaughter, 7.

although unlikely, ending the veto for all Security Council resolutions authorizing direct action in response to a crisis, and requiring all UN members to accept ‘the responsibility to protect’.”⁴¹ If the reform of the UN and other major institutions is not adequate, the report advocates the creation, by the US and its allies, of a global “Concert of Democracies” to “strengthen cooperation among the world’s liberal democracies.”⁴² This “Concert” would provide an alternative to the UN to address security challenges and, if necessary, to provide a legitimate forum for the authorization of force.⁴³

In the decades between the World Wars, E.H. Carr eloquently speculated that in a rapidly shifting multipolar world, a belief in remaking the international world was utopian, because it did not sufficiently take into account the distribution of power.⁴⁴ Contrary to that notion, Brooks and Wohlforth’s analysis suggests that the ability of the US to remake the international order is indeed possible, given the unipolar distribution of power existing today.⁴⁵ This condition provides the necessary foundation for the PPNS report specifically and systemic activism in general, showing that the US “can push hard and even unilaterally for revisions to the international system without sparking counterbalancing, risking the erosion of its ability to cooperate within international institutions, jeopardizing the gains of globalization, or undermining the overall legitimacy of its role.”⁴⁶ The systemic activism advocated by the PPNS report, and Brooks and Wohlforth, has the potential for greater effect than the British and French attempts at systemic activism in their respective spheres of influence. Whereas the British and French were attempting to manipulate various international frameworks from a position of weakness relative to the US and Russia,

⁴¹ Ikenberry and Slaughter, 7.

⁴² Ikenberry and Slaughter, 7.

⁴³ Ikenberry and Slaughter, 7.

⁴⁴ E.H. Carr, *The Twenty Years Crisis*, 2nd ed. (New York: Palgrave, 2001), 216-217.

⁴⁵ Brooks and Wohlforth, 218.

⁴⁶ Brooks and Wohlforth, 217.

the US today operates from the undisputed position of global superpower. The implications of this difference should be obvious – the US can have a greater effect at shaping the international system and its various institutions with its ample remaining power in ways that benefit its interests and prolong its hegemony. It is likely, that doing so will decrease the perception of US decline and weakness, and offset the usual detriments of retrenchment. Remembering Gilpin, and given the overwhelming power position of the US, if Brooks and Wohlforth are wrong about the effect of systemic constraints on the US, the US will still have adequate time to realize that the expected costs of system change are exceeding the benefits.

It may seem odd and counterintuitive to suggest systemic activism in conjunction with a general policy of retrenchment. The two, at face value, seem problematic to one another. Systemic activism takes advantage of the current international position of the US and takes place on the diplomatic stage of international relations. Successful systemic activism, such as US efforts following World War II, can lead to greater US prosperity, influence, and power, obviating the need for large amounts of retrenchment. Retrenchment actions among US foreign policy commitments can and should run in parallel with systemic activism actions to increase the perception that the US will resort more to political and diplomatic instruments of leverage, instead of military, in its international interactions. Retrenchment also offers a hedge against systemic activism failing and puts the US in a better position in terms of its ends, ways, and means.

A subtle means of substituting intangible power for any perceived or real decline in tangible power comes from the French case study. France's successful exportation of her culture around the globe in the 1960s continues to have residual benefits today. The deliberate management and exploitation of US culture can have similar effects. English and the dollar are already the global standard for business. This

is a distinct advantage for the US, but is not something set in stone and only exists today because of US economic dominance. As perceptions of US economic decline remain, maintaining the advantage in the business world is difficult, but not impossible. Setting aside some money saved from the reduced military capability and foreign commitments during retrenchment for further culture exploitation is prudent. Increased student exchanges, English teachers abroad, and bi-lateral cultural agreements are low cost alternatives that are likely to establish and continue to foster long-term cultural ties with other nations. This approach acts as a hedging element of the overall grand strategy – spreading American culture and language while its attractiveness is strong will further cement American influence abroad in places it is already critical, but also in other areas that become important in the future. As retrenchment policies go into effect, the image of a threatening US will soften. Retrenchment coupled with internal economic reform should lead to a subsequent economic rebound. Taken together, retrenchment and a reinvigorated economy will increase US soft power appeal and attractiveness, allowing for further cultural inroads abroad.

Conclusion

This journey began as a quest to determine the answer to three distinct but related questions. Is the US suffering from power decline? Is retrenchment a viable policy to address decline? If the US is suffering from decline and if retrenchment is a viable solution, how should the US go about implementing retrenchment and what does that mean for grand strategy. Consideration of retrenchment hinges on the perception that the US is currently suffering from a relative power decline. The evidence provided shows that the amount of recent tangible decline is comparable with past US experiences that had pundits calling for the end of Pax Americana. The difference this time centers on the much higher levels of annual deficit and accumulated national debt, and the significant loss of

intangible power. From this information, the reality of US decline is clearer. Beyond the discussion of US decline, the past twenty-plus years of primacy grand strategy and the lukewarm results suggest a change.

Retrenchment offers the path for that change. Although many perspectives regarding retrenchment are negative, an analogous consideration of Clausewitz on offense and defense, combined with the persuasive findings from the McDonald and Parent article, demonstrate the efficacy of such a policy to soften an inevitable decline or lay the foundation for future recovery. To bolster these findings, a closer look at the British and French experiences with retrenchment following World War II was illuminating. The British and French case studies are uniquely suited to the position the US finds itself in today and offer actionable lessons to guide US retrenchment, avoiding past mistakes, and capitalizing on successes. The key lessons to emerge from the case study analysis are threefold. First, retrenching from overseas commitments requires an integrated and in-sync grand strategy, foreign policy, and military structure. Second, maintaining influence is possible through the elevation of national ambitions and interests through careful manipulation and shaping of particular international frameworks. Finally, emphasizing and focusing on intangible power growth pays dividends as an additional source for offsetting declining tangible power.

To address the palpable decline in relative power, the US retrenchment policy is only possible with a change in grand strategy in order for the two to remain harmonious and balanced. On the spectrum of possible strategies, retrenchment becomes the mechanism for the US to shift from primacy to a combination of cooperative security, selective engagement, and offshore balancing. The application of retrenchment and this new grand strategy would have different variations, matched regionally but retaining a global perspective. In this new framework, retrenchment has a twofold benefit. First, it is likely to reconcile the current gap between commitments and resources, providing balance and

the vital breathing space to reduce internal inefficiencies and reconstitute actual tangible power relative to other nations. Second, it serves to dampen the global perception of a threatening US bent on hegemony through unilateral action. In effect, retrenchment counters the systemic constraints of institutions, balancing dynamics, economic interdependence, and legitimacy while systemic activism minimizes the potential detrimental aspects of retrenchment. Together, they offer a way forward out of decline that is likely to reduce the paradox of US power, lowering the risk of counter-hegemonic actions by nations that fear a too powerful US. Taken together, retrenchment with an appropriate grand strategy is an option suitable for the US today.



APPENDIX A

CASES OF ACUTE RELATIVE DECLINE SINCE 1870

Year	Country	Depth of Decline	Ordinal Rank	Challenger	Extent of Retrenchment
1879	Russia	0.36	3	Germany	low
1873	France	0.91	3	Germany	low-no
1926	United Kingdom	0.95	2	Germany	low
1908	United Kingdom	1.41	2	Germany	low-no
1872	United Kingdom	1.46	1	United States	low-no
1883	France	1.98	3	Germany	no
1930	United Kingdom	2.17	2	Soviet Union	medium-low
1956	United Kingdom	2.36	3	West Germany	high
1935	United Kingdom	3.22	3	Germany	high
1888	Russia	3.22	3	Germany	medium
1893	France	3.23	4	Russia	medium-low
1931	Germany	3.24	2	Soviet Union	no
1967	West Germany	3.27	3	Japan	medium-low
1924	France	4.00	4	Soviet Union	medium
1903	Russia	4.21	3	Germany	medium-low
1946	United Kingdom	5.54	2	Soviet Union	high
1992	Japan	6.32	2	China	no
1987/88	Soviet Union	9.0/10.8	2/3	Japan/China	high

Appendix A lists the eighteen cases of acute relative decline considered in our study. Column 1 represents the declining power and the year of ordinal transition; column 2 is the depth of decline measured in total percentage drop in great power share of GDP in the five years following ordinal transition; column 3 is the ordinal rank lost; column 4 is the ordinal challenger; and column 5 is the extent of retrenchment.

Source: Adapted from MacDonald and Parent (2011).

APPENDIX B

LIST OF ACRONYMS

CENTO	Central Treaty Organization
DOD	Department of Defense
EC	European Community
ECSC	European Coal and Steel Community
EDC	European Defense Community
EEC	European Economic Community
ESDI	European Security and Defense Identity
EU	European Union
<i>FAR</i>	<i>Force d' Action Rapide</i>
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GNP	Gross National Product
GPS	Global Positioning System
IMF	International Monetary Fund
IR	International Relations
NATO	North Atlantic Treaty Organization
NSS	National Security Strategy
OEEC	Organization for European Economic Cooperation
OOD	Operation Odyssey Dawn
OUP	Operation Unified Protector
PGM	Precision Guided Munitions
PPNS	Princeton Project for National Security
PPP	Purchase Power Parity
SCO	Shanghai Cooperation Organization
SEATO	South East Asian Treaty Organization
SOF	Special Operations Forces
UN	United Nations

UNGA	United Nations General Assembly
US	United States
USSR	Union of Soviet Socialist Republics
WEU	West European Union



APPENDIX C

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