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THE UNITED STATES IN A CHANGING WORLD ORDER

Beyond multilateralism

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"America stands alone as the world's indispensable nation," Bill Clinton declared from the steps of the US Capitol in January 1997 in his second inaugural address, repeating a theme he had introduced during his reelection campaign. "The world is no longer divided into two hostile camps; instead, now we are building bonds with nations that once were our adversaries. Growing connections of commerce and culture give us a chance to lift the fortunes and spirits of people."

For Clinton and his secretary of state, Madeleine Albright (with whom the phrase became later identified), talk of America as an indispensable nation conveyed both a fact of international life and a mission to inspire the American people. They were stating the obvious: there were few global problems that could be solved without the active participation or support of the United States. Nuclear proliferation, climate change, terrorism, the stability of the global economy - solving any of these would require active American engagement. And while the phrase "indispensable" grated on the ears, particularly of America's allies (does that mean, they asked, that they were "dispensable"?), the audience the president and his secretary of state were trying to reach was not overseas. Clinton and Albright sought to explain to an American public weary of international engagement after the Cold War that the United States must maintain an activist global role to ensure its own peace and prosperity.

Although non-Americans increasingly viewed the phrase as a code word for the unilateral use of American military power, Clinton himself, as he did more generally in his foreign policy approach, tried to emphasise the ties of international commerce. The global economy, he believed, depended on a strong America - and America depended on a strong global economy. If the United States failed to lead in the push for more openness and integration in the global economy, the entire world, including the United States, would suffer. For a Democratic Party whose centre of gravity was strongly protectionist, this message was a tough sell throughout the Clinton presidency.

Has America changed?

As Clinton was introducing the phrase "indispensable nation" to the foreign policy lexicon, analysts were comparing the United States to Rome in its unrivalled power compared to the rest of the world. It not only had a military stronger than that of the other major powers combined and the world's leading economy, which was strengthening in the midst of an unprecedented boom, but it had what Joseph Nye has called "soft power," the power of its ideas, its diplomatic prowess, and its cultural reach. One didn't have to believe in Francis Fukuyama's "end of history" thesis to recognise that countries around the globe aspired to build free markets and democratic political systems in the aftermath of the west's Cold War victory. When the world went into an economic tailspin in 1997-98 (in what was then known as the greatest economic crisis since the Great

Depression), the Federal Reserve, United States Treasury and the International Monetary Fund worked hand-in-hand to condition aid to countries from Thailand to South Korea to Brazil on their adoption of American economic ideas. Millions were impoverished during the crisis, but leaders listened to Alan Greenspan, Robert Rubin and Larry Summers because the United States had a sterling reputation for understanding the nature of international markets.

The past eight years seems to have cured both Americans and non-Americans alike of the notion that the United States has all the answers. The Bush administration badly miscalculated in Iraq, putting enormous strains on America's military and causing untold damage to America's standing in the world. And the lack of regulation in the American housing and financial markets has produced global economic turmoil. Barack Obama understood on his first trip to Europe as president that he needed to enunciate a new theme. Not America as indispensable, but a humble America working with other nations that might have good ideas for global governance themselves.

"Now there's plenty of blame to go around for what has happened, and the United States certainly shares...blame for what has happened," Obama said at his town hall meeting in April in Strasbourg, France. "But every nation bears responsibility for what lies ahead," he continued, "especially now, for whether it's the recession or climate change, or terrorism or drug trafficking, poverty, or the proliferation of nuclear weapons, we have learned that without a doubt there's no quarter of the globe that can wall itself off from the threats of the 21st century."

Obama stressed the foreign policy theme that has become a hallmark of his young presidency. "I've come to Europe this week to renew our partnership, one in which America listens and learns from our friends and allies, but where our friends and allies bear their share of the burden." He added, "Let me say this as clearly as I can: America is changing, but it cannot be America alone that changes. We are confronting the greatest economic crisis since World War II. The only way to confront this unprecedented crisis is through unprecedented coordination."

One clear sign of how much has changed has been the allied response to an America that "listens." Sixteen years ago, in May 1993, only a few months after taking office, US Secretary of State Warren Christopher set out on a trip to Europe to engage NATO allies on how the west could respond to the ongoing catastrophe in Bosnia. Christopher came to these discussions, he said, "in listening mode." He was excoriated for not coming to Europe with a plan; French President Jacques Chirac was soon bemoaning that the position of leader of the free world was "vacant."

Today, the rest of the world says it no longer wants to be told what to do. The Russians felt that the decade of the 1990s was one long American lecture, and the Putin years have restored the belief that Moscow has a significant role to play in world affairs. The Chinese pushed back hard when the incoming US Treasury Secretary Timothy Geithner complained about Beijing's currency manipulation in his confirmation process, and since taking office, the new American team has recognised that it cannot afford a dustup with a Chinese government that funds the enormous American deficit. The notion of a more humble America listening to others has struck a chord, and it has given President Obama an opening to embark on the strategy of engagement that he believes can accomplish much more than the bellicosity of his immediate predecessor.

And yet....

While the Europeans are itching to be taken seriously in global affairs, do they have a plan for how to prosecute the war in Afghanistan, not to mention the ongoing crisis in Pakistan or the Iranian nuclear problem? On Afghanistan, Secretary of Defense Robert Gates made his frustrations clear in a recent interview on the CBS television programme "60 Minutes." Asked about the European role in fighting the Taliban, Gates replied, "well, I've been disappointed with NATO's response to this ever since I got this job." At the end of the day, it will be American leadership and American decisiveness that will be the key to solving these types of problems.

Or take the Russian president's proposal for a pan-European security architecture. After Dmitri Medvedev floated the idea, American officials asked their counterparts about the substance.

But there wasn't any; Moscow appears to be waiting for the United States to come up with ideas for what the framework would mean in practice.

This is not to suggest that the Obama team shouldn't listen to what its allies and others in the global community have to say. On issues such as democratisation and development, for example, the Europeans have learned valuable lessons, while the Japanese can teach us a great deal about developing new technologies and new business practices to combat climate change. Still, when it comes to the major crises in the world, problems that require a mix of sticks and carrots to solve, while multilateralism sounds great in theory, there is no substitute for the range of tools America has at its disposal, as well as its willingness to shoulder the burdens of global leadership.

That is why the Iranian nuclear programme is perhaps the most interesting test for the new administration's approach to foreign policy. Obama throughout the campaign promised to emphasise engagement, and he has delivered on that promise in his first months in office. His argument has been that if engagement fails, the United States will be in a stronger position to garner international support for stricter sanctions and a tougher global response. But we don't really know whether that's how the negotiations would play out. If all goes well, the engagement strategy will succeed, and Iran will abandon its pursuit of nuclear weapons. But what if it does not? Will China and Russia really go along with punishing Iran for its recalcitrance? Or will the United States be forced to consider actions that run counter to the wishes of these two permanent members of the United Nations Security Council? After all, Bill Clinton came into office promising to embrace multilateralism; by 1994, he was telling the United Nations General Assembly, "When our national security interests are threatened, we will act with others when we can, but alone if we must. We will use diplomacy when we can, but force if we must." No American president would ever suggest otherwise.

We will also learn much about the world's dependence on American leadership when it comes to international trade. The entire post-World War II free trade agenda was made possible due to the United States. It was hard enough for Bill Clinton to push his party to support NAFTA and the legislation establishing the World Trade Organization, and he only prevailed in Congress due to Republican votes. Given the politics today, it will be even harder for Barack Obama to advance a free trade agenda; he will likely be playing defence merely to avoid allowing protectionist sentiment on Capitol Hill to undermine America's trade policy. But can the G20 advance a free trade agenda that has boosted global wealth without strong American leadership during a major financial crisis? Highly doubtful.

Even after all that has occurred in the intervening years, America still remains indispensable. It cannot solve most global problems on its own, but no significant global problem can be solved without American leadership. Fortunately, for the next four years and perhaps the next eight, the US president will be an individual widely admired at home and abroad. Countries around the world are happy that Barack Obama is listening now, but they will come to depend on his ability to lead.