THE PARADOX
OF AMERICAN POWER

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The subject that I am going to talk about, the paradox of American power, is very much on every one’s mind these days. Certainly there has been a great deal of attention about this subject in the newspapers, a great deal of attention about this subject in the debates in Washington DC and also in the United Nations Security Council. So it is very interesting, when we talk about this, to remember that we are speaking about a particular historical moment and in the course of centuries this may look less impressive than it is now. Indeed if we think back merely a decade, to 1990, it is worth remembering that most people believed that the United States was a country in decline. There was a general view that in the words of one American presidential candidate: “The cold war is over and Japan has won”, it was widely regarded that the United States was going the way of Great Britain, or Philip the Second of Spain, or any of the past great powers.

Indeed, the distinguished Yale historian Paul Kennedy wrote a book called “The Rise and Fall of the Great Powers”, which became a best-seller in the United States. I also wrote a book at the time, which was entitled “Bound to Lead”, which predicted that the United States would be the leading country of the twenty-first century. I am pleased to say that I got the answer right, but unfortunately Professor Kennedy got all the royalties. In any case, if the book I wrote a decade ago warned against the conventional wisdom of American decline, the book that I have just written, “The Paradox of American Power” warns against the opposite conventional wisdom, the belief in the US triumphalism. And therefore essentially I am trying to say that when we had studied questions like power and rise and fall of great powers, it is important not to fall prey to the current fashion and the current conventional wisdom.

Part of the reason that it is difficult to understand the position of the United States in the world today, is because the 1990s was such an odd period. In many ways it was strange, because after the end of the cold war, there was no longer any balance of power. With the end of the Soviet Union, there was no longer another country to balance American Power. And in that type of world, the United States was able to use the military force which it had built up to deter the Soviet Union against smaller countries without facing very strong resistance. For example in the Golf
war, the United States suffered very few casualties and in the bombing of Serbia it suffered non at all. This gave rise to a certain complacency in the United States about international affairs. For example, if you look at the coverage of world affairs by American television networks, it declined by two-thirds in the 1990s. The general view was not isolationist in the sense that Americans were turning away from the world on purpose, but it was more indifference that they were focusing more on issues at home. So that in the year 2000 presidential election, we found that the issue of foreign policy ranked something like 17th on the issues that people cared about. Health care, the state of the economy, employment, these were the issues that people cared far more about. And in that atmosphere, there were among some Americans an attitude of arrogance as well as indifference. Indeed President George W. Bush warned against this in his statement in the year 2000 campaign. He said that if the United States is a humble country, others will respect us, and if we are arrogant, they will not. Unfortunately he has not always followed that advice.

But the general question about what should the Americans do with their power lead some to say that we should use it without restraint. For example the columnist for the Washington Post named Charles Krauthammer, coined the phrase that he called the "new unilateralism". And he said the new unilateralism means that the United States should no longer act as the pygmy tied down or should no longer let itself be treated by other nations like Gulliver tied down. Instead the United States should do whatever it wished in promoting its own values. And that view, that the United States was invincible and invulnerable, that new unilateralism was the conventional wisdom that I was worried about as I wrote this book.

Now at first glance you might say the numbers support the new unilateralists. If you simply look at military expenditure in the world today, the United States’ military budget is equal to the next dozen or more countries combined. And if you look at the economy, the United States economy is equal to the next three largest national economies combined. So in that sense, you might say that there is indeed good evidence that not since the days of the Roman Empire, has any country stood as large compared to others as the United States does today. And if so, then the United States
should be able to do what it pleases. Now not everybody followed this view
of the new unilateralists. For example there is a tradition in the study of
world politics which is sometimes called realism, which argues that there
is always going to be a balance of power, it is almost like a law of nature,
so that when there is an imbalance as we saw in the 1990s, there will be
a new country which will come along to redress the balance to create an
equilibrium. And in Washington at the beginning of the century, the great
guessing game among some was, "who will be the new challenger to the
United States, who will be the country to balance American power?". And
generally the candidate which was suggested was China.

If one looks at the record of China it has an extraordinary economic
growth from 1980 to 2000. It tripled its economic size in a mere two
decades. If that were to continue and China’s military power were to grow
proportionately, many were arguing that China would become the new
challenger to the United States. Indeed some of them were hoping that
this would be a focal point for American foreign policy. For example the
conservative writer William Kristol and his colleague Robert Kagan
argued that China would be the 21st century as the Kaisers Germany
was to the 20th century. You remember it was the rise of German power
and the fear that created in Britain, which helped to contribute to the
onset of the great war in 1914. The trouble with this analogy is, it doesn’t
fit the numbers. Even if China were to continue to grow at a rate of 6 % a
year, which is a very high rate, and the United States to grow at 2 % a year,
a relatively low rate, China would not catch up with the United States in
its overall size of the economy until the end of the first quarter of this
century, and it would not catch up with the United States in terms of per
capita income, which is a better measure of the sophistication of an econ-
omy, until 2066. That means that the prospect of China replacing the
United States in the first part of this century is very unlikely. That is a
great contrast with the case of Germany and Britain in the last century.
Because Germany had already surpassed Britain in industrial power by
1900, well before 1914. So this analogy of China balancing the United
States as a new challenger, I think, was a mistaken analogy.

But in any case, I think the whole form of analysis - of asking who is
the country that is going to balance the United States, is the wrong ques-
tion to ask, and indeed I think this became clear on September 11th of last year. What September 11th revealed, is that there were deeper trends occurring in international politics, which were making this question of how American power would be used in the world, very different from what it might have been a century or two centuries ago. And those two trends were the rapid development of the information revolution and the development of globalization. Now those are very abstract concepts, so let me treat each of them separately and explain what I mean.

By the information revolution, I simply mean the tremendous reduction in the costs of computing and communication. And one way to illustrate this, is to imagine a semiconductor chip in the year 1970 and an automobile, both of them with the same price, but the semiconductor chip price goes down a thousand times by the end of the century, the automobile actually goes up. Indeed, if the automobile price had gone down as rapidly as the semiconductor price has gone down, you would be able to buy a car today for five Swiss francs. That’s an illustration of how dramatic this information revolution has been. Now, what happens when the price of something goes down very, very rapidly? Well, the barriers to entry go down. More people can play in the game. So in 1970, if you wanted to have instantaneous worldwide communications, you needed to be a large bureaucracy with a large budget, such as the Catholic Church or a multinational corporation or a government. By the year 2000, you could have instantaneous communications all around the globe for virtually no money at all through Internet telephony, which meant that a huge number of non-governmental organizations began to crowd the stage of international politics. The number of these international non-governmental organizations, some of them indeed headquartered here in Geneva, grew from 6000 at the beginning of the 1990s to 26,000 by the end of the 1990s. Now you might say, yes but they do not have any power, they do not matter much. In fact, they do have power, not the power to replace the nation state but the power to complicate the actions of the nation state.

For example, when the World Trade Organization met in Seattle in 1999, its meetings were disrupted by some 1500 non-governmental organizations using the Internet for coordination. Or to give you another example, the treaty to ban antipersonnel landmines was developed by a group
of non-governmental organizations using the Internet and faxes, and it was passed over the opposition of the strongest bureaucracy, the Pentagon, in the strongest country, the United States. But if that is not enough to convince you of the way the information revolution has empowered non-state actors, let me take you to the malign case of transnational terrorism.

Terrorism has been with us for centuries, there is nothing new about it. If you go back and read your Dostoevsky or Conrad, you will find wonderful presentations of the terrorist mind. But generally speaking, terrorism in the past killed in relatively small numbers. In the last three decades of the 20th century we saw an increase in the lethality of terrorism. The terrorists who killed the Israeli athletes at the Munich Olympics in the 1970s, were killing people in the tens. In the bombing of the Air India flight in the 1980ies by Sikh extremists, we are talking about 350 deaths. On September 11, 2001 it became 3,000 deaths. And if one imagines terrorists gaining access to weapons of mass destruction, nuclear, chemical, biological, it is not implausible to imagine extrapolating this ten years in the future the killing of millions. That is a tremendous change, and it means that in the 20th century, if a deviant group or individual wanted to kill millions of people, you had to have the apparatus of government. So a Stalin, a Hitler, a Mao, could kill millions of people. Now it is not outside the realm of fantasy to imagine deviant individuals or deviant groups being empowered to destroy that many. This is different, it is not your traditional terrorism. And indeed, it changes the way we should be looking at international politics. Instead of just a balance of power among states, we now have what might be called the privatization of war. Deviant individuals and deviant groups are now able to create destruction, which was once reserved solely for governments. In that sense, the way we think about war and violence and destruction in international politics has to be updated to account for the changes that have been brought about by technology, particularly the magnifying effects of information technology.

In addition to the technological changes, there have been the changes that I refer to as globalization. And by globalization I simply mean the development of world wide networks of interdependence. Sometimes people summarize this by saying that globalization is the shrinkage of
distance. Things that happened far away become more immediate to us. And Afghanistan was a good illustration of that. In the 1990s if somebody said, conditions in Afghanistan are dreadful, it was simply a terrible situation. Many people in Europe or the United States would say, that's true, but what does it matter to us? On September 11th we learned, the terrible conditions in poor weak countries half way round the globe can matter very much to us. So globalization essentially means that we can no longer distance ourselves from events in very far away parts of the world. There are many dimensions to globalization. Economic globalization is the one that is most frequently spoken of. And there are also others as well. But for economic globalization, you might think of the example of the Asian financial crisis which began in 1997, where the weakness in the banking system of a poor small country, Thailand, lead to a collapse of the Thai baht, which then spread to loss of confidence in several other Asian currencies. That spread in turn to loss of confidence in the Russian Ruble and then spread to Brazil and finally to New York where the US Federal Reserve system had to bail out a hedge fund, long term capital management to prevent it affecting confidence in the American economy. That's an illustration of how bad conditions in a small less developed country on the other side of the world can spread globally.

There also is ecological globalization. Sometimes protesters say if we did just stop economic globalization, the world would be a better place. First of all I don't think they can stop it, but second, if they did, they would not stop military globalization that we see in transnational terrorism, and it would not stop ecological globalization. Take the example of global warming. We heard an interesting experiment that was related to one dimension of this in our presentations among the excellent presentations of the winners of the Latvija Prize. If carbon dioxide or greenhouse gases are put in the atmosphere in China, or in the US, or in Europe, it doesn't matter whatever the origin is, it affects the globe in the same way. Or if you want to take a more modern, or a more dramatic example, think of the case of diseases, in the spread of infectious diseases, which is a form of ecological globalization. Smallpox was first discovered in the Nile valley about 1300 B.C., but it didn't spread to every inhabited continent until three millennia later, in 1779 A.D. With HIV, which produces AIDS, that virus was discovered in Africa twenty, thirty years ago and spread to all inhabited
continents in 3 decades, not 3 millennia. This is an example of the acceleration of the velocity of ecological globalization. In that type of a world, we are faced with a situation in which no country, no matter how large or how strong, can save itself, or isolate itself without the help of others. Indeed I think the deep trends in technology and globalization are creating a new type of world politics, in which it is essential for even the largest country to work together with others.

Not everyone agrees with my position. Take, for example, Charles Krauthammer whom I cited earlier as the author of the new unilateralism. He wrote a column in the Washington Post about a year ago, after the success of the American armed forces in Afghanistan. He correctly pointed out that the United States had avoided something that had destroyed Britain in the 19th century, destroyed Russia or the Soviet Union in the 20th century, which is allowing Afghanistan to become a graveyard for its troupes. The Americans had used new military tactics and new technology to essentially defeat the Taliban government in a matter of two months. What's more, they did it largely acting alone, some help from Britain, from Pakistan, but largely alone. And Krauthammer's conclusion from this is that the success in Afghanistan proved that the new unilateralism works. He said look at this, who predicted this, very few people, and it worked and this is proof of my view that unilateralism is the right way to go. But I think Krauthammer only got about half of the answer. He was correct about the ability of the United States to defeat the Taliban, which was a weak government in a poor country. He was not correct about the ability of the United States to defeat Al Qaeda, which is a network organization, transnational in its domain, with sails in some 60 countries. Indeed you can't even imagine solving the problems of Al Qaeda or transnational terrorism by military force alone, because the sails in 60 countries include sails in places like Kuala Lumpur, or Hamburg or Detroit. So the only way in which you can deal with a transnational terrorism network, which, as I argued, is a new and serious type of threat, is by civilian cooperation. It requires sharing of intelligence, it requires police cooperation across borders, it requires tracing financial flows, it requires customs officials working with each other inside each other's borders. This is the only way in which you can deal with this new type of threat. It also requires us to pay more attention to what I have called "soft
power.” Very often, the new unilateralists focus only on military power, or on hard power.

Let me explain what I mean by hard and soft power. Hard power is the ability to get somebody to do what they otherwise would not like to do, and you can do this by a threat or by a bribe, with a stick or with a carrot. That type of power remains very important in the world today. That’s the type of power that defeated the Taliban. So I do not mean to say that hard power is not important. But you also need something else which I call soft power. And soft power is the ability to get others to do what you want, because they are attracted to you. In other words, they do it because they want the same thing as you want. And soft power grows out of your culture, if it is something that attracts others, it grows out of your political ideals, which is democracy and human rights. If you actually practice them, it grows out of your policies, to the extent in which your policies include the interests of others and are not selfish and arrogant. And that soft power is not reserved to the United States. Europe has a great deal of soft power. The ability to attract others to a vision, to a different picture, is an extraordinary important part of power. In any case if we are dealing with a new strategy, it becomes more important than it has been in the past. In that sense I think the new unilateralists, by focusing so much on hard power, sometimes create arrogance and conditions which undercut our soft power. The ability to make this hard and soft power work together to reinforce each other is extremely important, and something which is not always seen in this new school of thought.

Indeed, I have argued that if one tries to understand the world of the 21st century, viewing it in terms of military competition alone is mistaken. We really have to think of power in the world today being like a three-dimensional chess game, in which you play chess horizontally on one board, a second board, and a third board, but you also are playing vertically at the same time. So let us imagine that the top board of this three-dimensional game is the military board. On that board it makes sense to talk about a unipolar world, or the world’s only superpower, or some people even called it an American Empire, whatever, but this is highly misleading if you go to the second board. On the second board of economic power, you find that there exists a balance of power. Europe
balances American Power. The world is not unipolar at this second board. If the United States seeks a trade agreement, Robert Selleck has to get the agreement of Pascal Lamée. In this area where Europeans act together, the Europeans have power to balance the United States. Or if you take the example in the private sector of Jack Welch, the former CEO of General Electric, who wanted to merge General Electric with Honeywell, two American Corporations. And he got the permission of the American justice department. But he could not do it because he could not get the approval of the European commission. And in that sense, if you look at this second board, it doesn’t make any sense to talk about unipolarity, or American Empire, or American hegemony. There is much more balance of American power.

Now if we go to the third board, the bottom of my three levels, where the game of international politics is being played nowadays, this is the board of transnational relations. In other words, actors and issues that cross boarders outside the control of governments. And they range from the benign end of the spectrum to bankers who can transfer sums larger than the budgets of many countries by clicking a mouse. On the other end of the spectrum, the malign end of the spectrum, they include terrorists, who can transfer weapons of mass destruction across boarders. On this bottom board of the game of world politics today, there is no ordering principle, there is no unipolarity or multipolarity, but rather there is chaotic organization. And it makes absolutely no sense to think about this bottom level of transnational relations as an American Empire, or as an American hegemony, or as the world’s only superpower.

What that means is that if the United States wishes to protect its own citizens, wishes to succeed in dealing with the new types of threats such as transnational terrorism, it has to be able to play not just on the top level, but on all three boards at the same time, both horizontally and vertically. And that, I think, is where the United States sometimes goes wrong. Some of the new unilateralists focus so entirely on the top board that they wind up playing a very traditional game, without seeing the extent to which the world has changed. Now the traditional game is not obsolete, it still matters, military power remains very important. Among the positions that Professor Knapp mentioned, I was once an Assistant
Secretary of Defense, so I have a great respect for military power. However, the moral of my story is that if you are playing a three dimensional game and you play on one board only, in the long run you are going to lose. You must be able to think of all three dimensions and to play on all levels at the same time. What that means is, to use the title of my new book, that there is a paradox of American power, and the paradox is that the world’s strongest country, compared to other countries since the days of the Roman Empire, cannot accomplish the outcomes it needs, cannot protect its own citizens just by acting alone. The United States must think in terms of cooperation and civilian cooperation to deal with this bottom board of transnational relations. And what it does on the other two boards, affects that as well.

To summarize, I would argue that the real challenge I see for the United States at the beginning of the 21st century is not the usual challenge that people look at – i.e., who will be the rising competitor to balance American Power. In fact, I give some numbers at the beginning of my book to show that no other country is going to be in a position to do that in the next few decades. For better or worse we are going to see an American military superpower for some ways into the 21st century. The question has to be for Americans, not “will a power in the traditional sense remain for the first several decades of the 21st century,” but “can we accomplish our goals, can we protect our citizens, can we advance global interests if we act alone” and the answer to that is “no”. In that sense I think, Henry Kissinger summarized the challenge for this generation of American leaders very well, when he said that the challenge they face is to create a framework to preserve American interests and values well into the century, when American relative primacy will be less dominant than it is now. Will this set of leaders have the vision to accomplish and meet that challenge? We don’t know, it is an open question. And I leave it up to you to make your own judgments. But thank you for hearing me out.

* * * * *
Question:
Is the US sophisticated enough to play the bottom level of the chessboard?

Prof. Nye: Many Americans are. If you look at the initiatives that have been taken over the years, the US has actually, despite its size, been a developer of institutions and corporations to deal with transnational issues. One of the dangers is that within the current administration, there are some who are indeed very good at playing on that board and there are others who are less interested. And you find a tug of war within the administration between those who are not very interested in the other boards and those who are. So it really depends on how this tug of war turns out within the administration. I thought it was rather encouraging actually that Secretary of State Powell prevailed in getting President Bush to take the case about Iraq to the United Nations. There is a great deal of tension within the administration on this issue, and in August of this year there were some in the administration who said “ignore the United Nations” and there were others who said “we should use the United Nations”. And I think if you read Bush’s statement to the UN of September 12th, which I regard as a victory for Secretary of State Powell, it was actually quite a good statement, which said that if the United Nations does not live up to its own resolutions under chapter seven, of preventing Saddam Hussein from developing nuclear weapons, it allows this to be flouted, we are all be in danger, and the United Nations may go the way of the League of Nations. And I think there is a lot of truth in that. The key question is whether we would do it bilaterally rather than unilaterally. So I personally happen to think that the efforts to prevent Saddam Hussein from developing nuclear weapons, and to enforce the chapter seven resolutions, are correct if we do it multilaterally. And I am pleased that so far the part of the administration committed to a multilateral approach has prevailed, which is quite different from the way it seemed, say, six months ago.

Question on the influence of the military industrial complex.

Pr. Nye: The military industrial complex is obviously a factor, but on issues like Iraq I don’t think it is the dominant factor. For example, if you
look at the attitudes of the American military, many of them have been quite skeptical about Iraq, particularly about going it alone. There is an interesting testimony before Congress of three retired generals, generals I had served with when I was in the Pentagon, which sounded just like I sound. And if you look at American industries that provide weapons and equipment, I don’t see them beating the drum on the Iraq issue. I think the sources of American policy on Iraq really are not traced back either to the military industrial complex or to oil, they are traced back much more toward ideology. And among the neoconservative Republicans, the view that it is essential to change the structure of the Middle East and make it democratic, and that as you make the Middle East democratic, that will remove the nature of this problem, in some way is the views that have been driving the administration policy. This particular issue might be called the sentence of Woodrow Wilson, but on the right not the left. Those people are much more powerful than the traditional view of the military industrial complex.

Question on clash of civilizations.

Professor Nye: I have great respect for my colleague Sam Huntington, though I do not agree with his view of the clash of civilizations. What he did was simplifying an enormous diversity of cultures in the world by using Toynbee’s framework of civilizations. And one has to ask: is there more conflict within civilizations or between them? So one of the areas he calls the civilization for example is Africa. But there are more clashes inside Africa than between Africa and outside. Indeed there are almost as many clashes inside what he calls Islamic civilization as between Islam and the outside. I think you could probably argue that what we see in the current threat of extremist Islamic terrorism, is a civil war or a clash within one civilization, Islam, between the extremists and the moderates, between those who want to return to the 14th century and those who want to advance their countries to the 21st century. And I think one of the reasons that Bin Laden did such a horrible act as he did on September 11, was to hope that the Americans would over-respond, would get bombed down in Afghanistan and help him to recruit from the moderates to the extreme version. I think President Bush gets credit for avoiding that. The danger I see, however, is that if we act as though we are indif-
different to milestone lives, if we go into Iraq unilaterally, we may become recruiters for Bin Laden. If on the other hand we act under a UN mandate, to enforce UN Security Council resolutions, and prevent the development of nuclear weapons, I think that is less likely, so I don’t think the clash of civilizations fits the world as a whole, it only partly fits the division between Islamic world and the West, and we have to be very careful in our actions not to make it a self-fulfilling prophecy, the worst of all outcomes would be a self-fulfilling clash of civilizations.

Question:
Isn’t it an irony, that when you have a realistic policy in Washington, M. Powell’s recent influence and understanding that in some sense personality seem to matter, in other words, wouldn’t a Gore Administration have reacted differently and be more multilateral from the start just like Bush the father was during the first Iraq war, since probably there will be a second war, we will see.

And the second point is the following. I respectfully disagree with you in talking about Iraq and its possession of weapons of mass destruction and the problems that it may face, that we may face because of that, because you also have another country in the Middle East which also has weapons of mass destruction, that is Israel. You may argue that Israel controls its weapons whereas in Baghdad it is only Saddam Hussein who controls them. But isn’t this also the hypocrisy in evaluation of international scene in terms of these dangers?

Prof. Nye: Let me deal with both questions. On the question of the views within the administration and realism. It is very interesting the traditional republican realists the conservative realists who served in Bush 41, Bush’s father, tend to be much more balance of power, much more cautious, much more work with alliances. The neoconservative republicans who are what I call the Wilsonians of the right tend to be much more willing to use American power unilaterally. There are more differences I would submit between these two brands of republican conservatives inside the administration than between the traditional republicans and the democrats. So it is not just personality, it is also ideology.
On the question of Israel’s nuclear weapons and Iraq’s nuclear weapons. There are some differences. First of all Israel never signed a non-proliferation treaty. Iraq signed it and violated it. Israel essentially is not the subject of chapter seven UN resolutions, which are the enforcement procedure of the charter. But Iraq has agreed to give up its weapons and constantly violated that agreement. So there are two objectives, if you want legalistic reasons, to make the distinction. In addition to that as a pragmatic point, the chances that Saddam Hussein would misuse or lose control of his nuclear weapons strike me as much higher than the chances that Israel will. And if you look at Saddam Hussein he has a proven history as a risk taker. Sometimes people say if you could deter Joseph Stalin with nuclear weapons, you could deter Saddam Hussein with nuclear weapons. But notice that it is not that Saddam is irrational, but rational people can have different willingness to accept risk. Saddam when he invaded Iran, when he invaded Kuwait, when he refused to pull back his troops, when he could have gotten away with it in January of 91, this is a man who takes extraordinary risks. I feel very uncomfortable about a man like that having nuclear weapons. So not only for legal reasons but also prudential reasons, I think that the two are not equivalent. In some long run future one might want to try to find a formula of framework for de-nuclearized Middle East, but that will require first a surrounding set of Arab countries, which has accepted Israel’s right to exist. As long as there is a significant number of Arab countries which want to push Israel into the sea, Israelis will not give up their nuclear weapons. And I think the long run prospects for de-nuclearization in the Middle East have to rest upon progress in the peace process first, but in the meantime, because there is some similarity, it doesn’t mean we should ignore the differences between the two cases.

**Question:**
Do you think that this level of power-sharing will be possible without a much more humanitarian approach to worldwide distribution of wealth?

**Professor Nye:**
I think that the sharing of wealth is less important than the alleviation of poverty. First of all it’s important to realize that poverty alone is not the cause of terrorism. The people who carried on September 11th were all
quite rich. They were middle class or better from a very rich country, 15 out of the 19 Saudis or Egyptians were quite well off. What one has to do however, is to realize that unless in the long run we deal with the issues of global poverty, there is always going to be a group such as in this case Islamic extremists but in 1917 Lenin who himself was not poor but who wanted to act on behalf of the workers and of the poor. So I think it is important to realize that we cannot solve poverty in a decade or two. And frankly unless we do something about terrorism we will not last as a civilization more than a decade or to. If you imagine what happens if nuclear weapons go off in Zurich or Geneva or New York you will certainly change the nature of our civilization quite dramatically. And therefore we cannot wait until we solve world poverty to do something about transnational terrorism, but we equally have to be working on the problem of alleviating poverty. And notice something that I didn't say the word inequality. I said poverty. Because if you ask to solve inequality you cannot do it in a relevant time frame. As you relieve poverty in China, it is increased in equality. I agree with you that we need to show that our aspirations and our policies are in the direction of trying to alleviate this problem of poverty, but we cannot wait for that alone to cause the central part of our strategy against the transnational terrorism.

Question:
Who else besides the States Department is thinking about the transnational level?

Prof. Nye:
There is a very vibrant community of non-profit organizations, for example the Carnegie Endowment for Peace, which once upon a time used to have an office here in Geneva but which has been doing a lot of very good work, the Ford Foundation, there is a very vibrant civil society in the United States. Much of it focused very heavily on the transnational type of problems. Within the government you also have agencies that are not as visible in foreign policy, but agencies like the EPA, the environmental protection agency, agencies like the agricultural department which deals with fisheries issues, there are many different parts of the government that have to deal with transnational issues. But I would say that the key player of this is going to be the State Department and the
question of whether the State Department is going to remain the primary advisor to the President that helps to pull these other different agencies together, but the action on transnational issues is very wide-spread in the society and in different parts of the government.

Question : (Not understood)

Answer : Well I think the problems in the United States are that we don't focus enough on foreign policy. I think the greatest problem for very large countries is that they turn inwards, there are just more interactions internally than externally. So, if you're the United States or Russia you have more trade internally than if you're Netherlands or Sweden or Switzerland. I wish all Americans including myself could speak languages as well as the Swiss. I also wished that the Americans were more cognizant of they way their actions look in different parts of the world. I was telling Spiro Latsis at lunch today when I became the Dean of the Kennedy school one of the first things I did was to increase the proportion of foreign students to 45% of the total. And the reason was partly because I saw our mission of training public leaders as a global mission, but also because it is only when you meet foreign students as friends, as colleagues and see them informally that you begin to learn about the rest of the world. In other words each foreign student to me is not just a student but a teacher of an American. So I don't see the problem of the United States as that we are now getting too besotted by foreign policy. I think the problems of the United States is that we may not pay enough attention to the way our actions look in the rest of the world. As for the strength of the American Economy and whether the country will collapse internally I am rather optimistic. If you look at the underlying productivity figures in the American Economy, this information revolution that I talked about, well we are now in a recession I think if you compare underlying productivity growth since 1995 with the period from 73 to 95, it is much better. So I'm relatively optimistic on the strength of America domestically, I'm more concerned about the ability of Americans to perceive the world from the eyes of others.