

# The United States and rising powers in a post-hegemonic global order

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The literature is brimming with accounts of American decline, changing geopolitical dynamics and the resulting changes in global order.<sup>1</sup> For those espousing the declinist thesis, the debate over the US response centres on how it can best preserve its influence in international politics; this inevitably brings out questions over the future of global order.<sup>2</sup> Specifically, if US power wanes, will the current order built around US leadership change—and, if so, how?

To complicate matters, America's decline coincides with the rise of new powers that are not traditional US allies, the implication being that the world-views and priorities of the main powers in the future will not be so compatible as in the current neo-liberal order.<sup>3</sup> This complicates the options of the United States in its search for a place in an evolving multilateral order. There are questions over how far the United States can control the evolution of a new order that includes rising powers. Some believe that by involving new powers in the current structures and making them responsible stakeholders, the US can bind those new powers into the current architecture, thus securing its own influence.<sup>4</sup> This is known as the socialization hypothesis. It is questionable whether this will really preserve US influence or rather, on the contrary, diminish it, as the US will have to share power in a reformed order and thus will be restricted in its ability to act unilaterally. Nevertheless, there are no proposals for trying to contain the rise of new powers, as this is seen as futile and/or unlikely to be supported by other allies.<sup>5</sup>

What will the United States do? Is it likely to accept a diminished role for itself in order to preserve global order? There are limited incentives to do this; hitherto, the US has supported global order mainly because it has served American

<sup>1</sup> Adam Quinn, 'The art of declining politely: Obama's prudent presidency and the waning of American power', *International Affairs* 87: 4, July 2011, pp. 803–24; Rosemary Foot and Andrew Walter, *China, the United States and global order* (Cambridge: Cambridge University Press, 2011); John Ikenberry, 'The rise of China and the future of the West: can the liberal system survive?', *Foreign Affairs* 87: 1, 2008, pp. 23–37; John Ikenberry, 'The three faces of liberal internationalism', in Alan Alexandroff and Andrew Cooper, eds, *Rising states, rising institutions: challenges for global governance* (Harrisonburg, VA: Brookings Institution, 2010).

<sup>2</sup> Ikenberry, 'The rise of China and the future of the West'.

<sup>3</sup> Andrew Cooper and Alan Alexandroff, 'Introduction', in Alexandroff and Cooper, eds, *Rising states, rising institutions*.

<sup>4</sup> Ikenberry, 'The rise of China and the future of the West'.

<sup>5</sup> Roy Denny, 'Hegemon on the horizon? China's threat to East Asian security', *International Security* 19: 1, 1994, pp. 149–68.

interests, not for its own sake.<sup>6</sup> The US sits at the core of the current system, with a principal role in governance institutions.<sup>7</sup> Giving this up through reform would mean accepting both a diminished voice within the system and a diminished capacity to act unilaterally. This will be a difficult pill for American policy-makers (as well as voters) to swallow. However, the US cannot deal with global issues like nuclear proliferation, terrorism and financial governance without cooperating with others, especially rising powers. So it faces a double dilemma: how can it preserve its unique position in the system and at the same time obtain cooperation from emerging powers in solving global problems that affect its interests? Is this even possible? If global order in its current form cannot be preserved, how can the US better secure its interests in an evolving multilateral order?

I make two arguments in this article. One is that the United States has not yet decided on a grand strategy for how to manage its decline. This is largely because of its long-standing position as a leader of the 'free world' during the Cold War, and then as unrivalled hegemon in the first decade of the post-Cold War geopolitical landscape; also because US decline will happen over a period of time,<sup>8</sup> and therefore some decisions on grand strategy may be delayed accordingly.<sup>9</sup> The second argument is that currently the US is dealing with its 'relative decline' by fostering the use of informal institutions rather than mounting an aggressive drive to reform the current institutional structure to accommodate rising powers, as suggested by the socialization hypothesis. If this policy continues in the future, it might result in a new global order that looks less like the current formalized rules-based liberal order and more like the early nineteenth-century Congress of Vienna.

The article develops these arguments by examining US negotiating behaviour in relation to both rising powers and minor powers in the system. The emphasis is on how informal diplomacy is becoming ever more important than formalized institutions. I concentrate on security, financial governance and development issues, where contestation of the new order is taking place among the established and rising powers.

The first part of the article outlines how the United States views its role in the international system, what effect this has had on its foreign policy in general, and how the rise of new powers upsets the US leadership role. The second, third and fourth parts examine how the US is responding to the rise of new powers in different areas of governance. The concluding section discusses what these responses are likely to produce for the future of global order.

<sup>6</sup> Michael Reisman, 'The United States and international institutions', *Survival* 41: 4, 1999–2000, p. 62.

<sup>7</sup> Stephen Brooks and William Wohlforth, 'Reshaping the world order: how Washington should reform international institutions', *Foreign Affairs* 88: 2, 2009, pp. 49–63.

<sup>8</sup> Quinn, 'The art of declining politely', p. 803.

<sup>9</sup> In addition, there are questions over whether the decline is actually happening. See Josef Joffe, 'The default power: the false prophecy of America's decline', *Foreign Affairs* 88: 5, Sept.–Oct. 2009, pp. 21–35. This article implicitly accepts the declinist thesis, at least in the sense that the US now has more powers to act as a balancer in the international scene, which does pose questions about the future of global order.

## **The determinants of US foreign policy and the rise of new powers**

If one is interested in how the United States will react to changes in geopolitical conditions, it is important to examine how it views its role in the world. Many authors agree that the US sees its place in the world through the lens of exceptionalism,<sup>10</sup> meaning that it considers itself a role model for the rest of the world and occasionally sees its mission as making the world in its own image. Exceptionalism is accompanied by exemptionalism: that is, the US does not accept that outsiders should be allowed to limit its actions, particularly in domestic governance, but also in foreign policy.<sup>11</sup> This second strand is especially strong in Congress, which is why international treaties are often not ratified by the Senate or not even submitted for ratification. The exceptionalist strand is weaker than the exemptionalist. The wish to shape the world in its own image has waxed and waned, with some administrations being much more active on spreading democracy or safeguarding human rights, whereas others have seen the US role more as that of an example to be imitated, rather than a crusader state.<sup>12</sup> Exemptionalism, however, has remained strong throughout, and congressional distaste for outsider scrutiny of US policies has strangled many an international treaty in the cradle.<sup>13</sup>

As a core leader (and veto player) in global governance institutions, the US has been able both to protect the integrity of its domestic system and foreign policy and to shape international governance norms and rules (e.g. through the 'Washington consensus' principles and the Nuclear Non-Proliferation Treaty, the NPT).<sup>14</sup> In this way the liberal order, despite being rules-based and open, was beneficial for the US because it did not curtail its own power and ability to act in global politics, but it did limit others', which was a core US objective.<sup>15</sup> When faced with proposals to apply legal limits to its own exercise of power (as for example through the International Criminal Court or the Kyoto Protocol), the US rejected them. In this way the US exercised both exceptionalist and exemptionalist strands of foreign policy, using the open and rules-based order as a way to safeguard its own interests by legitimate means.

This predominant position in global institutions, and the exceptionalist and exemptionalist attitude of the US foreign policy community, make it difficult for the US to adjust to the changing geopolitical environment. The US is accustomed to being the 'leader of the free world' and so far has faced little opposition. There have been frictions with traditional US allies in the past, but these never led to the kinds of confrontation that would limit US freedom of action at home or abroad. In addition, traditional US allies such as the EU and Japan had similar values and

<sup>10</sup> Paul McCartney, 'American nationalism and US foreign policy from September 11 to the Iraq war', *Political Science Quarterly* 119: 3, 2004, pp. 399–423; John Ruggie, 'American exceptionalism, exemptionalism, and global governance', in Michael Ignatieff, ed., *American exceptionalism and human rights* (Princeton, NJ: Princeton University Press, 2005); Foot and Walter, *China, the United States and global order*.

<sup>11</sup> Ruggie, 'American exceptionalism, exemptionalism, and global governance', p. 305.

<sup>12</sup> McCartney, 'American nationalism and US foreign policy', p. 401.

<sup>13</sup> Ruggie, 'American exceptionalism, exemptionalism, and global governance', p. 327.

<sup>14</sup> Reisman, 'The United States and international institutions', p. 63.

<sup>15</sup> Foot and Walter, *China, the United States and global order*.

levels of development, and profited greatly from the US-led liberal order.<sup>16</sup> They had few incentives to change that order, and valued their relationship with the US too much to challenge its core interests, even in cases of disagreement. This further legitimized the US-led order and helped the US maintain its leadership position. However, rising powers are different. They do not share western values as traditional US allies have done.<sup>17</sup> They have no attachment to the US and feel that they are kept at a distance from the current order to avoid disrupting it.<sup>18</sup> This calls into question the core idea behind the 'socialization hypothesis', according to which rising powers will become responsible stakeholders if they are given more responsibility and voice in global decision-making structures. The implication is that these countries will become more like America in their behaviour simply because they are given a voice. This is, however, a limited view from a western perspective of the causes of rising powers' behaviour, and research so far has not confirmed that increased access to decision-making will increase stakeholder 'responsibility'<sup>19</sup>—especially the kind of responsibility that suits US interests. Therefore, simply including these powers in the current order, as suggested by the 'socialization' hypothesis, may inadvertently result in a reduction of US power. These powers clash with both the exceptionalist and exemptionalist US position. Not all of them are liberal democracies and their political and economic systems are not similar to those of the US; nor will they be easily persuaded to refrain from limiting US freedom of action by exercising their own vetoes or trying to impose scrutiny of US domestic policies in international agreements.<sup>20</sup>

Therefore, the US may have little incentive to properly 'socialize' these powers into the current system of governance. Even proponents of this thesis admit that it will limit US power and freedom of action.<sup>21</sup> In addition, there are reasons to believe that attempts at socialization have so far only emboldened these powers to ask for more concessions, for example in reform of the IMF.<sup>22</sup> Although many agree that this is a better result than trying to contain the rise of new powers, it is doubtful that the US foreign policy community will see this reduction of American power in a positive light, given its long-standing exceptionalist heritage.<sup>23</sup> This reluctance is compounded by some further factors. First, although relative US decline is well documented, and even accepted in certain quarters, including by President Obama himself, it remains contested in the academic literature,<sup>24</sup> and it is especially difficult to acknowledge in public discourse; when Obama tried to

<sup>16</sup> Cooper and Alexandroff, 'Introduction', p. 6.

<sup>17</sup> Stewart Patrick, 'Irresponsible stakeholders: the difficulty of integrating rising powers', *Foreign Affairs* 89: 6, 2010, pp. 44–53.

<sup>18</sup> Cooper and Alexandroff, 'Introduction', p. 1.

<sup>19</sup> Amrita Narlikar, 'Is India a responsible great power?', *Third World Quarterly* 32: 9, 2011, pp. 1607–1621.

<sup>20</sup> Rising powers, of course, have a strict interpretation of sovereignty, much like the US. They may, therefore, be willing to avoid scrutiny of US domestic policies in a reciprocal manner (as, for example, in climate negotiations at Copenhagen in 2009). However, they would not hesitate in reciprocating attempts to impose on their sovereignty, or to constrain US power abroad.

<sup>21</sup> Ikenberry, 'The three faces of liberal internationalism', p. 42.

<sup>22</sup> Daniel Drezner, 'Does Obama have a grand strategy?', *Foreign Affairs* 90: 4, 2011, pp. 57–68.

<sup>23</sup> Patrick, 'Irresponsible stakeholders'.

<sup>24</sup> Joffe, 'The default power'.

make light of American exceptionalism he was heavily criticized.<sup>25</sup> Second, the process of power transition will take a long time; at present, the US is unrivalled militarily and remains the largest economy in the world.<sup>26</sup> This means that despite relative decline, the pressure for the US to make adjustments in its predominant position in international institutions to accommodate new powers is not yet particularly acute. This has allowed different administrations either to disregard pressures for adjustment or to prevaricate and thus delay a strategic response. The changes in administration and the need for attention to other pressing issues, such as the wars in Iraq and Afghanistan, have also delayed a considered long-term response to the issues of rising powers and the evolution of global governance.

Although the United States has had a keen eye on the rise of China since the end of the Cold War, the rise of new powers more generally and the effects on governance are a more recent concern. There was little attention to the rise of new powers (apart from China) and global governance during the administration of George W. Bush, the main preoccupations being combating terrorism and spreading democracy.<sup>27</sup> The Bush presidency was highly exceptionalist on the issues of democracy and human rights and highly exemptionalist on everything else. This was aptly demonstrated by its strongly unilateralist stance on issues such as the ICC and the Kyoto Protocol and its disregard for the NPT review conference in 2005.<sup>28</sup> Working cooperatively for governance objectives was quite low on the priority list after the UN failed to authorize the Iraq war.<sup>29</sup> The preoccupation with the 'war on terror' relegated global governance objectives to a lesser strategic significance, which led in turn to an absence of strategic direction on managing the rise of new powers. Some attention was given to China, with the term 'responsible stakeholder' being coined for the first time during the Bush administration,<sup>30</sup> but there was little consideration of other rising powers.

However, after the financial crisis and the election of Obama in 2008, US foreign policy gave greater weight to both governance and the rise of new powers. Obama seemed to accept the socialization hypothesis, espousing multilateralism and reaching out to China and other rising powers for help in resolving global problems.<sup>31</sup> The 2010 National Security Strategy (NSS) stated that 'new and emerging powers who seek greater voice and representation will need to accept greater responsibilities for meeting global challenges'.<sup>32</sup> However, it seems his administration quickly became disillusioned with this approach and as a result

<sup>25</sup> Herman Cain, 'In defense of American exceptionalism', *The American Spectator*, March 2011, <http://spectator.org/archives/2011/03/03/in-defense-of-american-excepti>, accessed 9 April 2013.

<sup>26</sup> Ikenberry, 'The three faces of liberal internationalism', p. 42.

<sup>27</sup> Drezner, 'Does Obama have a grand strategy?'

<sup>28</sup> Ruggie, 'American exceptionalism, exemptionalism, and global governance', p. 306.

<sup>29</sup> Brooks and Wohlforth, 'Reshaping the world order'.

<sup>30</sup> 'Whither China: from membership to responsibility?', remarks by Robert B. Zoellick, Deputy Secretary of State, before the National Committee on US-China Relations, New York, 21 Sept. 2005, <http://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm>, accessed 9 April 2013.

<sup>31</sup> James Lindsay, 'George W. Bush, Barack Obama and the future of US global leadership', *International Affairs* 87: 4, July 2011, pp. 765-79.

<sup>32</sup> Quoted in Patrick, 'Irresponsible stakeholders'.

became both more defensive and more assertive towards new powers.<sup>33</sup> This seems to indicate either that there is no 'grand strategy' or that, if there is one, it is not yet highly developed.

Despite the lack of an obvious grand strategy, we can still discern certain patterns in the US engagement of rising powers (and smaller players) in the governance of important issues such as security, global finance and development, from which we can deduce a potential evolution of global order. I turn to these issues below.

## Security governance

The 2010 NSS stated that 'the international architecture of the 20th century is buckling',<sup>34</sup> and the Obama administration has repeatedly signalled its commitment to international institutional reform to include rising powers.<sup>35</sup> In terms of framing, therefore, the US under Obama talks the talk on being inclusive and acting multilaterally.<sup>36</sup> But does it also walk the walk? The deadlocked negotiations on reform of the UN Security Council (UNSC) and US behaviour in relation to nuclear proliferation governance can provide some insight.

### Security Council reform

Talks on reforming the UNSC started in 2005 and remain in stalemate, largely because the BRICS (Brazil, Russia, India, China, South Africa) have failed to support each other's candidacies. The prime candidates for inclusion are Germany, Japan, India, Brazil and South Africa. However, China opposes the candidacy of Japan and has been highly non-committal towards that of India, while Russia is lukewarm about any kind of expansion.<sup>37</sup> The candidate countries have had trouble securing the two-thirds support needed in the General Assembly, a difficulty compounded by the fact that African countries have been unable to rally around one or two candidates of their own.<sup>38</sup>

The US under Bush had no interest in Security Council expansion and did not offer any support to emerging countries' membership, although it supported Japanese membership in principle.<sup>39</sup> The Obama administration has been more vocal on the need to include emerging countries in governance institutions and has publicly supported the candidacy of India.<sup>40</sup> Obama stated at the 2009 G20 London summit that the US could not solve world problems alone and that it needed the support and cooperation of emerging countries.<sup>41</sup> This applies across

<sup>33</sup> Lindsay, 'George W. Bush, Barack Obama and the future of US global leadership', p. 765.

<sup>34</sup> Quoted in Kara McDonald and Stewart Patrick, 'UN Security Council enlargement and US interests', Council on Foreign Relations Special Report no. 59, Dec. 2010, <http://www.cfr.org/un/un-security-council-enlargement-us-interests/p23363>, accessed 9 April 2013.

<sup>35</sup> McDonald and Patrick, 'UN Security Council enlargement and US interests'.

<sup>36</sup> Drezner, 'Does Obama have a grand strategy?'.

<sup>37</sup> Patrick, 'Irresponsible stakeholders'.

<sup>38</sup> Mark Imber, 'The reform of the UN Security Council', *International Relations* 20: 3, 2006, p. 333.

<sup>39</sup> McDonald and Patrick, 'UN Security Council enlargement and US interests', p. 13.

<sup>40</sup> McDonald and Patrick, 'UN Security Council enlargement and US interests', p. 3.

<sup>41</sup> Christopher Layne, 'The waning of US hegemony: myth or reality? A review essay', *International Security* 34: 1, 2009, p. 170.

all governance issues, and the idea that an overhaul of current governance institutions is needed has been an important framing tactic to try and bring emerging countries into the fold.

However, despite voicing support in principle for an expanded Security Council, the US has not followed through on these declarations. Although it supported the Indian candidacy, it has been conspicuously silent on the Brazilian candidacy, especially after the Brazilian abstention on the Libyan intervention vote.<sup>42</sup> It has not taken a leading role in diplomatic efforts to conclude negotiations on UNSC enlargement and it does not support any changes in relation to the current UNSC veto structure.<sup>43</sup> Neither has it taken any steps to enhance support for enlargement domestically. Every permanent member of the UNSC has to ratify the reforms, and for the US this means the Senate will have to approve changes to the Charter. If domestic (and, more importantly, congressional) support does not exist, the US may find itself in the awkward position of blocking reform if and when agreement is achieved in the General Assembly.

Why has the US been unable or unwilling to take on a leading role in UNSC reform, despite its public support for the idea? It appears that the US is wary lest reform adversely affect its ability to secure its interests in the Security Council;<sup>44</sup> with more members it will be harder to create winning or blocking coalitions. In addition, it is uncertain whether the emerging countries would vote with the US on major issues, as they are not traditional US allies and have a historical background as members of the Non-Aligned Movement.<sup>45</sup> For these reasons the US has been happy to wait out the developments of the negotiations rather than pursue them to a conclusion. This may indicate that the US under Obama is not as committed as it claims to institutional reform.

The US framing of this issue in the NSS of 2010 is supportive of reform and the inclusion of emerging countries. America's public support of India's candidacy seems to be an indicator of integrative tactics towards India; these, however, could be seen in the context of the strategic relationship with India as a counter to China's rise (US support of India and Japan may also be seen as distributive tactics towards China). In addition, the lack of open support of Brazil, especially in the context of Brazil's abstention in the vote over Libyan intervention, suggests that US support of reform is contingent on behaviour that supports US interests, indicating a more distributive turn later in the Obama administration, or otherwise indicating a lack of grand strategy in that sphere.

If the US commitment to Security Council reform is lukewarm, this would be hardly surprising, as its power would be diluted in an expanded council. For the same reasons, China and Russia are not firm supporters of reform either.<sup>46</sup> However, the gap between rhetoric and practice needs to be noted, and most

<sup>42</sup> Richard Gowan, 'Diplomatic fallout: the fading dream of UN Security Council reform', *World Politics Review*, 4 March 2013, <http://www.worldpoliticsreview.com/articles/12759/diplomatic-fallout-the-fading-dream-of-u-n-security-council-reform>, accessed 9 April 2013.

<sup>43</sup> McDonald and Patrick, 'UN Security Council enlargement and US interests', p. 13.

<sup>44</sup> Reisman, 'The United States and international institutions', p. 66.

<sup>45</sup> McDonald and Patrick, 'UN Security Council enlargement and US interests', p. 19.

<sup>46</sup> Patrick, 'Irresponsible stakeholders'.

probably is being noted by the aspirant emerging countries. This lack of active support for reform further endangers US global leadership in a multilateral context, to which the Obama administration aspires.

### *Nuclear non-proliferation*

The Bush administration took the non-proliferation regime several steps backwards. It sent a low-level delegation to the 2005 NPT review conference, signalling the low importance it attached to the issue.<sup>47</sup> At the gathering it downplayed disarmament, going back on the agreed 13-point plan, and took part of the blame for the collapse of the conference.<sup>48</sup> The administration was heavily criticized for ignoring disarmament while supporting non-proliferation and greatly compromised the integrity of the NPT by taking aggressive nuclear postures through its missile defence initiative and even suggesting the possibility of first strikes.<sup>49</sup> In addition, its war in Iraq, partly justified with reference to non-proliferation, and its aggressive posture against Iran's nuclear programme indicated a distributive strategy in relation to potential minor power proliferators.

The Bush administration further undermined the multilateral NPT regime by concluding a nuclear deal with India in 2005. Although the agreement meant that India finally accepted some safeguards on its reactors, these are limited in scope and number;<sup>50</sup> more importantly, this deal relieved the pressure on India to join the NPT and recognized India as a *de facto* nuclear power outside the regime, further undermining the multilateral framework.<sup>51</sup> The US–India deal represents an integrative strategy towards India, giving India access to US nuclear technology and enhancing cooperation in nuclear energy between the two parties. It does, however, undermine the position of the US as a multilateral leader in the non-proliferation sphere, as the NPT was largely a US conception and a major vehicle for US interests in non-proliferation.<sup>52</sup> This deal is therefore understood to undermine US commitment to the regime.

The Bush administration's approach to non-proliferation targeted the structures of the NPT and UNSC as inadequate to ensure the security of the United States after 9/11. The 2002 NSS asserted that the current structures were not fit for purpose because they targeted threats originating from states rather than non-state actors.<sup>53</sup> To address this problem the US unilaterally reinterpreted the meaning of 'imminent threat' and 'pre-emptive defence' to enable it to deal with the terrorist

<sup>47</sup> Michael Williams, 'What is the national interest? The neoconservative challenge in IR theory', *European Journal of International Relations* 13: 3, 2005, p. 446.

<sup>48</sup> Williams, 'What is the national interest?', p. 446.

<sup>49</sup> Trevor Findlay, 'Weapons of mass destruction', in Edward Newman, Ramesh Thakur and John Tirman, eds, *Multilateralism under challenge? Power, international order, and structural change* (Tokyo: United Nations University Press, 2006), p. 210.

<sup>50</sup> Mario Carranza, 'From non-proliferation to post-proliferation: explaining the US–India nuclear deal', *Contemporary Security Policy* 28: 3, 2007, p. 470.

<sup>51</sup> Williams, 'What is the national interest?', p. 448.

<sup>52</sup> Williams, 'What is the national interest?', p. 448.

<sup>53</sup> Lindsay, 'George W. Bush, Barack Obama and the future of US global leadership', p. 767.

threat in its Afghanistan and Iraq wars. This unilateralist interpretation originated in the belief that the US could not count on existing multilateral mechanisms, which would constrain its ability to pursue its security objectives.<sup>54</sup> It no doubt alienated many US allies and made other countries cautious, thus undermining multilateral security cooperation.

President Obama also agrees that current governance institutions are not fit for purpose, but his solution is to overhaul these institutions to reflect present-day realities rather than to act in isolation.<sup>55</sup> The terms in which his proposed solutions are presented are therefore very different, with the emphasis on multilateral cooperation and the integration of emerging powers. The resulting policies, however, do not differ much from those of the Bush era, posing questions about the commitment of the US to work multilaterally and to integrate emerging powers in current structures. One important deviation from the Bush era is that the Obama administration has made some progress towards showing goodwill on disarmament, concluding the New START Treaty with Russia in 2011.<sup>56</sup> This implies some renewed commitment to the NPT, and indeed the 2010 review conference was more successful than that of 2005. These are integrative moves towards the non-nuclear states of the NPT, most of which are not major or emerging powers.

Despite these tokens of multilateralism, the US has yet to ratify the Comprehensive Test Ban Treaty,<sup>57</sup> which is considered one of the major pillars of disarmament. Nor has the Obama administration taken serious steps to redress the harm done to the NPT from the deal with India. This agreement remains in force and the Obama administration has done little to try to bring India under the NPT umbrella. In addition, the administration has stepped up its sanctions efforts against Iran, both domestic and international. In 2010 the UNSC adopted Resolution 1929, strengthening sanctions against Iran, which was followed by many US allies taking further sanctions against the Iranian energy sector.<sup>58</sup> Obama has not ruled out military action against Iran as a last resort.<sup>59</sup> These sanctions brought Iran to the negotiating table, where the US presented it with demands that it cease its programme without offering concrete proposals for lifting sanctions.<sup>60</sup> Thus we see a much more integrative strategy towards emerging powers like India and a more distributive/mixed strategy towards lesser powers like Iran. According to some, these double standards not only weaken the legitimacy of the regime, but also weaken the commitment to it of countries that are not US allies. China, for

<sup>54</sup> Brooks and Wohlforth, 'Reshaping the world order'.

<sup>55</sup> Patrick, 'Irresponsible stakeholders'.

<sup>56</sup> Lindsay, 'George W. Bush, Barack Obama and the future of US global leadership', p. 775.

<sup>57</sup> Joseph Jofi, 'Renew the drive for CTBT ratification', *Washington Quarterly* 32: 2, 2009, pp. 79–90.

<sup>58</sup> Daniel Wertz and Ali Vaez, 'Sanctions and non-proliferation in North Korea and Iran: a comparative analysis', Federation of American Scientists issue brief, June 2012, [http://www.fas.org/pubs/\\_docs/IssueBrief-Sanctions.pdf](http://www.fas.org/pubs/_docs/IssueBrief-Sanctions.pdf), accessed 9 April 2013.

<sup>59</sup> Usha Sahay, 'The presidential candidates and Iran: 4 things to know about where they stand', Center for Arms Control and Non-proliferation, 10 Oct. 2012, [http://armscontrolcenter.org/issues/iran/the\\_presidential\\_candidates\\_and\\_iran\\_4\\_things\\_to\\_know\\_about\\_where\\_they\\_stand/](http://armscontrolcenter.org/issues/iran/the_presidential_candidates_and_iran_4_things_to_know_about_where_they_stand/), accessed 9 April 2013.

<sup>60</sup> Julian Borger, 'Global powers launch new push to end Iran nuclear crisis', *Guardian*, 11 Oct. 2012, <http://www.guardian.co.uk/world/2012/oct/11/diplomatic-defusing-iranian-nuclear-crisis>, accessed 9 April 2013.

example, has 'used its position on the U.N. Security Council to delay or weaken sanctions, while choosing to loosely or selectively enforce them'.<sup>61</sup>

In terms of security cooperation, then, the US has taken only halting steps towards integrating emerging powers, and these seem to be more specific to India than directed to rising powers overall. This approach may be seen as aiming to split the BRICS' unity, but it undermines the Obama administration's rhetorical commitment to multilateralism. The rather heavy-handed and largely distributive approach towards minor powers adds to long-held perceptions that the US applies double standards,<sup>62</sup> and that it is holding on to its hegemony and refusing to be more substantially multilateralist, despite claims to the contrary.

## Financial governance

The US has traditionally played a central role in financial governance through its leading position in the IMF and the G7/G8. As the largest economy in the world and a key ally of most western powers, it has been well positioned to play that role. Its leadership was somewhat diminished when it abandoned the Bretton Woods system in 1971, but the dollar remained the main reserve currency with little competition.

The leadership role of the US in financial governance suffered a crisis with the 'great recession' of 2008. Some have claimed that the crisis has called the US economic model into question, challenging US leadership and creating opportunities for the emerging powers to export their own growth models.<sup>63</sup> We can thus use the US diplomatic response to the crisis as an indicator of the ways in which the US is responding to the challenge to its leadership in financial governance.

The US appears to espouse the logic of socialization in the sphere of financial as well as security governance. An indication of this is that its first response to the crisis was to broaden the G8 leaders' summit into the G20, thus including emerging countries in efforts to stabilize the global economy.<sup>64</sup> The first G20 summit was held in Washington in November 2008, and the US as organizer was able to control the membership and agenda of the meeting.<sup>65</sup> The inclusion of emerging economies reflects a pragmatic acknowledgement that the task of stabilizing the global economy could not be achieved without them. It also reflects an integrative strategy towards these countries, as in the G20 there is no formalized hierarchy in decision-making (such as the IMF weighted voting system) and they can participate as equals; in a sense this makes good on the United States' avowed intention to be more multilateralist. The G20 leaders' forum was very prominent during the first couple of years of the crisis, and according to some analysts it was effective in stabilizing the global economy and providing leadership and direction

<sup>61</sup> Wertz and Vaes, 'Sanctions and non-proliferation in North Korea and Iran', p. 11.

<sup>62</sup> Williams, 'What is the national interest?'

<sup>63</sup> Foot and Walter, *China, the United States and global order*, p. 106.

<sup>64</sup> Stewart Patrick, 'The United States and the G20', background paper prepared for the Stanley-CICIR-CAP Workshop on China, the US, and the G20, Santa Monica, CA, 15-17 Feb. 2012, p. 7.

<sup>65</sup> Alan Alexandroff and John Kirton, 'The "great recession" and the emergence of the G20 leaders' summit', in Alexandroff and Cooper, eds, *Rising states, rising institutions*, p. 180.

to other institutions, including the IMF.<sup>66</sup> The meetings were held twice a year and the level of cooperation was high during the crisis. It is lower now, however, partly because the different priorities of the members have become more prominent since the urgency of the crisis has dissipated,<sup>67</sup> and partly because the G20 is a political forum, with little institutional power of its own: all decisions need to be followed up either by members or by other institutions.<sup>68</sup> The effectiveness of the G20 for anything other than crisis management or broad political direction is thus questionable.

In this context it is interesting that the US put so much emphasis on the G20 rather than on established forums like the IMF. Towards these institutions, the US stance has been quite different. In relation to IMF governance, the US has been inconsistent in its support of reforms that give more voice to emerging economies, despite assertions that it wants to integrate them in current institutions. The drive for the IMF reforms agreed at the G20 summit of 2009 came from the rising powers, while the US had different priorities.<sup>69</sup> In 2010 it was much more active in supporting reforms that reduce European influence in the IMF in favour of emerging countries,<sup>70</sup> but it has not submitted these reforms to the Senate for ratification.<sup>71</sup> There have been claims that the delay is attributable to the elections in 2012,<sup>72</sup> but considering that the US will not lose its veto, this could have been an easy good faith (and integrative) move to satisfy some of the emerging countries' calls for greater voice in the IMF. In the event, the delay again calls into question the commitment of the US to reform of existing institutions. In connection with the emphasis on the G20 as the primary forum for economic governance after the 2008–2009 crisis, it suggests that the US is either loath to compromise its leading role or is facing some internal constraints in its effort to accommodate the rise of new powers in the current system. It is notable that the G20 is a flexible forum to which the US can send its diplomats and draft documents without need for congressional approval. However, the G20 is also unable to follow up on political commitments and needs the current institutions to do so.<sup>73</sup> The reluctance to rubber-stamp IMF reform indicates the complications arising from the primacy of the exemptionalist strand within Congress and will add to the difficulty of the US to adjust to the new geopolitical landscape.

A similar picture of US reluctance to adjust emerges in relation to IMF surveillance. As mentioned previously, the US-led institutions are primarily meant to constrain others, not the US itself, and IMF surveillance is no exception. On the one hand, the US has tried to apply pressure through the IMF on surplus countries,

<sup>66</sup> Alexandroff and Kirton, 'The "great recession" and the emergence of the G20 leaders' summit', p. 192.

<sup>67</sup> Domenico Lombardi, 'Isolation and stalemate', Brookings Institution, July 2012, <http://www.brookings.edu/research/articles/2012/07/isolation-stalemate-lombardi>, accessed 9 April 2013.

<sup>68</sup> Douglas Rediker, 'Losing at the IMF', *Foreign Policy*, Oct. 2012, [http://www.foreignpolicy.com/articles/2012/10/10/losing\\_at\\_the\\_imf?page=full](http://www.foreignpolicy.com/articles/2012/10/10/losing_at_the_imf?page=full), accessed 9 April 2013.

<sup>69</sup> Alexandroff and Kirton, 'The "great recession" and the emergence of the G20 leaders' summit', p. 185.

<sup>70</sup> Rediker, 'Losing at the IMF'.

<sup>71</sup> Lombardi, 'Isolation and stalemate'.

<sup>72</sup> Lombardi, 'Isolation and stalemate'.

<sup>73</sup> Rediker, 'Losing at the IMF'.

above all China, to revalue their currencies.<sup>74</sup> Specifically, the US, along with the other G7 countries, was instrumental in amending the IMF surveillance regime in 2007.<sup>75</sup> China voted against these reforms, and in 2008 withdrew from IMF bilateral surveillance because it perceived the IMF to be biased in favour of US interests.<sup>76</sup> On the other hand, the US has resisted pressure both from China and from the IMF to take more responsibility for global financial stability by addressing its own deficit.<sup>77</sup> With the crisis dissipating, these disagreements over responsibility for global stability between surplus and deficit countries are likely to flare up again.<sup>78</sup> US efforts to use IMF surveillance policy as a tool to increase pressure on emerging countries' fiscal policies suggest that Washington is still keen to use its influence in multilateral institutions to safeguard its own interests and constrain others. They indicate a mixed, rather than a purely integrative, strategy towards emerging powers, particularly China, which has been the major target of these policies. They may well be a further indicator of the limits on US willingness to share power with emerging countries in these institutions, as in doing so it will limit its ability to exempt itself from similar scrutiny to that which it can now apply to others.

US diplomacy in crisis management offers some indicative signs of its attitude in respect of smaller powers and financial governance. In the first place, the emphasis on the G20, with its exclusive membership, leaves a lot of interested parties outside the negotiating table.<sup>79</sup> When the first G20 leaders' summit was being organized, many African delegations were refused participation.<sup>80</sup> In addition, the latest IMF reforms that increase the voice of small developing countries have not yet been ratified by Congress. These indications suggest a general disregard for these countries in financial governance, which, although perhaps pragmatic, may fuel resentment and compromise the legitimacy of the G20 and the IMF. Considering that smaller developing countries are being increasingly courted by the emerging powers,<sup>81</sup> the apparent lack of attention to these countries in US responses to the crisis could damage its leadership credentials and increase the propensity of developing countries to ally with rising powers.

Therefore, we see similar patterns of US negotiating behaviour in security and financial governance. Several integrative moves have been made towards emerging economies, although their adequacy in the eyes of the recipients is doubtful.<sup>82</sup> Smaller countries seem to be ignored as potential partners on this issue: a pragmatic approach, but potentially a strategic mistake if this leads them to align themselves more closely with emerging powers. Finally, a pattern has emerged

<sup>74</sup> Rediker, 'Losing at the IMF'.

<sup>75</sup> Foot and Walter, *China, the United States and global order*, p. 90.

<sup>76</sup> Foot and Walter, *China, the United States and global order*, p. 116.

<sup>77</sup> Foot and Walter, *China, the United States and global order*, p. 101.

<sup>78</sup> Rediker, 'Losing at the IMF'.

<sup>79</sup> Rediker, 'Losing at the IMF'.

<sup>80</sup> Alexandroff and Kirton, 'The "great recession" and the emergence of the G20 leaders' summit', p. 181.

<sup>81</sup> Ngairé Woods, 'Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance', *International Affairs* 84: 6, Nov. 2008, p. 1213.

<sup>82</sup> Ngairé Woods, 'Global governance after the financial crisis: a new multilateralism or the last gasp of the great powers?', *Global Policy* 1: 1, 2010, p. 56.

whereby the US promotes informal institutions that offer a semblance of parity to the emerging powers, but where few binding legal commitments are made and where the capacity to constrain US power is limited or non-existent. When it comes to the established institutions, the US promotes a rhetorical commitment to increased participation by emerging powers, but in practice resists this, employing an effectively mixed strategy which safeguards its position of primacy in formal institutions.

## Development aid governance

As in other fields, the US has played a leading role in development aid funding, both through its role in the IMF and the World Bank and through its unilateral development aid and the large investments made by US firms. In many ways the US has been able to set the tone in development funding, and the Washington consensus principles, along with the emphasis on human rights as part of development funding, is largely driven by US and western ideals.<sup>83</sup>

However, US leadership in development funding has also been questioned. The Washington consensus principles were discredited by their failure to generate results in Africa and Latin America, and rising powers have emerged as alternative lenders with fewer of the old conditionalities.<sup>84</sup> The rising powers have also been instrumental in establishing regional development banks that have eroded the primacy of the IMF and World Bank as lenders in Asia and Latin America.<sup>85</sup> Although lending by the rising powers is not without its own problems,<sup>86</sup> it does present an (often welcome) alternative to western donors.<sup>87</sup> As US lending to developing countries diminishes, however, there is a danger that US influence in these countries will also decrease in favour of rising powers. In order to maintain leadership and influence, therefore, it would make sense for the US to pursue its own 'charm offensive' and redefine its relationship with borrower countries.

Some such moves are apparent, but these are mostly unilateral rather than executed through institutions. For example, the Bush administration tripled bilateral aid for development to Africa.<sup>88</sup> This was, however, largely linked to the fight against terrorism, and the bulk of the aid was directed to countries where militant Islamic elements meant the US had considerable interest in counterterrorism initiatives.<sup>89</sup> Moreover, this increased aid is not that impressive when compared

<sup>83</sup> Francesco Rampa and Sanoussi Bilal, 'Emerging economies in Africa and the development effectiveness debate', European Centre for Development Policy Management, Discussion Paper no. 107, March 2011, [http://www.ecdpm.org/Web\\_ECDPM/Web/Content/Download.nsf/0/1806201EBEF1B3E9C125785C00316E14/\\$FILE/11-107%20final.pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/1806201EBEF1B3E9C125785C00316E14/$FILE/11-107%20final.pdf), accessed 9 April 2013.

<sup>84</sup> Woods, 'Whose aid? Whose influence?', p. 2010.

<sup>85</sup> Woods, 'Global governance after the financial crisis'.

<sup>86</sup> Ravi Palat, 'A new Bandung? Economic growth vs. distributive justice among emerging powers', *Futures* 40: 8, 2008, pp. 721–34.

<sup>87</sup> Rampa and Bilal, 'Emerging economies in Africa and the development effectiveness debate'.

<sup>88</sup> Nicolas Van de Walle, 'US policy towards Africa: the Bush legacy and the Obama administration', *African Affairs* 109: 434, 2009, p. 3.

<sup>89</sup> Carl LeVan, 'The political economy of African responses to the US Africa Command', *Africa Today* 57: 1, 2010, pp. 3–23.

to other major donors, who devote larger proportions of their aid budgets to Africa.<sup>90</sup> The Obama administration reduced aid levels owing to the crisis and also decreased emphasis on counterterrorism priorities.<sup>91</sup> In this sense one could argue that the increased aid was not really related to countering the influence of rising powers in Africa,<sup>92</sup> but rather connected to other priorities. This interpretation is supported not only by the fluctuating levels of aid but also by the fact that there were no parallel efforts to increase development funding through existing international institutions like the World Bank, or to make adjustments to the lending practices of multilateral institutions.

It would appear that US policy towards Africa is fragmented and lacks strategic direction. This is suggested by fluctuations in funding, the inconsistency between rhetoric in favour of human rights and attempts to improve relations with authoritarian governments such as that of Angola,<sup>93</sup> the lack of significant effort to reduce conflicts in the region and the multiplicity of foreign policy bureaucratic mechanisms that work with African countries.<sup>94</sup> This lack of coherence has been particularly compounded by the creation in 2007 of AFRICOM,<sup>95</sup> which has moved the primary responsibility for diplomatic relations with Africa from the State Department to the Defense Department.<sup>96</sup> This move was considered a diplomatic disaster, heavily criticized by US allies in the region.<sup>97</sup> If there is to be a renewed scramble for Africa, the US has not positioned itself in a leading role to benefit, or even to safeguard its interests in the region. Its diplomatic relations are fragmented and inconsistent, and do not represent a new move towards partnership, something that the rising powers are better able to claim in their interactions with developing countries.<sup>98</sup> We cannot characterize US negotiating tactics with African countries as distributive, but the lack of consistency indicates an absence of any proper strategy at all. This lack of coherence, along with the inability to adjust lending to the needs of recipients, has prompted the latter to court China and other emerging donors and to regard the goodwill of the US and US-led institutions with increasing scepticism.<sup>99</sup>

In the wake of the financial crisis, the slow pace of progress towards reform of multilateral institutions has resulted in a fragmented response to development funding and crisis management. On the one hand, the World Bank has regained some ground in places where its presence was extremely low in the previous decade, particularly South America.<sup>100</sup> It has also undertaken some reforms that

<sup>90</sup> Van de Walle, 'US policy towards Africa', p. 9.

<sup>91</sup> Van de Walle, 'US policy towards Africa', p. 18.

<sup>92</sup> Although some have claimed this was a strategic incentive for increased US aid in Africa (see LeVan, 'The political economy of African responses to the US Africa Command', p. 8).

<sup>93</sup> Van de Walle, 'US policy towards Africa', p. 17.

<sup>94</sup> Van de Walle, 'US policy towards Africa', p. 3.

<sup>95</sup> AFRICOM is the new unified military command for US forces in Africa, but its creation has been claimed to provide for a militarization of US relations with Africa.

<sup>96</sup> LeVan, 'The political economy of African responses to the US Africa Command', p. 10.

<sup>97</sup> LeVan, 'The political economy of African responses to the US Africa Command', p. 10.

<sup>98</sup> Rampa and Bilal, 'Emerging economies in Africa and the development effectiveness debate'.

<sup>99</sup> Woods, 'Whose aid? Whose influence?', p. 1217.

<sup>100</sup> Gregory Chin, 'Remaking the architecture: the emerging powers, self-insuring, and regional insulation', *International Affairs* 86: 3, May 2010, pp. 693–715.

strengthen the voting power of emerging countries,<sup>101</sup> although the latter remain dissatisfied by the pace of reform.<sup>102</sup> On the other hand, regional development banks in Asia, Latin America and Africa are lending more than the World Bank inside their regions, and they also respond to demands for funding more rapidly.<sup>103</sup> The lack of adequate reform in the governance of multilateral institutions may lead emerging countries to continue to pursue regional strategies for development funding as well as crisis management,<sup>104</sup> to the detriment of multilateral institutions where the US is better placed to safeguard its interests and direct developments.

However, some efforts are emerging in the realm of development funding coordination outside the IMF and World Bank. As the traditional donors are losing ground to emerging countries, concerns have been raised over the standards of development assistance provided by the latter, including questions as to whether their investment policies take insufficient account of environmental or labour standards, or of good governance objectives.<sup>105</sup> The OECD Development Assistance Committee (DAC), along with the IMF and World Bank, has been instrumental in standard-setting for development assistance until recently, but the emerging donors see themselves as either under-represented or unrepresented in these bodies and do not follow their standards.<sup>106</sup> The US and other established donors are now trying to coordinate their efforts on standard-setting with emerging donors under the Aid Effectiveness Forum in order to avoid fragmentation of effort. Avoidance of fragmentation is, however, an objective primarily associated with traditional donors, who organized the first Forum in Rome in 2003, whereas recipient countries welcome the competition among different donors.<sup>107</sup> For this reason it has been difficult to reach agreement on common standards between donors, and there have been doubts over whether this is likely to be achieved.<sup>108</sup>

However, at the fourth Aid Effectiveness Forum meeting in Busan in 2011, a document was agreed that largely brings emerging donors into the fold, although it acknowledges that as developing countries themselves they will be held to a lower standard, and that the commitments made are voluntary for South–South partnerships.<sup>109</sup> Regardless of this ‘soft’ outcome, the meeting was considered a success from the traditional donors’ perspective. The US sent a high-level delegation, headed by then Secretary of State Hillary Clinton, and according to observers ‘bent over backwards’ to accommodate emerging donors’ concerns.<sup>110</sup> The Forum

<sup>101</sup> Andrew Hart and Bruce Jones, ‘How do rising powers rise?’, *Survival* 52: 6, 2011, p. 76.

<sup>102</sup> Woods, ‘Global governance after the financial crisis’, p. 56.

<sup>103</sup> Woods, ‘Global governance after the financial crisis’, p. 59.

<sup>104</sup> Chin, ‘Remaking the architecture’.

<sup>105</sup> Woods, ‘Whose aid? Whose influence?’.

<sup>106</sup> Woods, ‘Whose aid? Whose influence?’, p. 1920.

<sup>107</sup> Rampa and Bilal, ‘Emerging economies in Africa and the development effectiveness debate’.

<sup>108</sup> Rampa and Bilal, ‘Emerging economies in Africa and the development effectiveness debate’; Woods, ‘Global governance after the financial crisis’.

<sup>109</sup> Mark Tran, ‘China and India to join aid partnership on new terms’, *Guardian*, 1 Dec. 2011, <http://www.guardian.co.uk/global-development/2011/dec/01/china-india-aid-partnership>, accessed 9 April 2013.

<sup>110</sup> Tran, ‘China and India to join aid partnership on new terms’.

meeting in Busan also established a new Global Partnership for Aid Effectiveness, to replace the old OECD DAC, thus expanding the coordination of donor efforts outside the OECD.<sup>111</sup> However, none of the rising powers has expressed interest in participating in the governing board of this new instrument,<sup>112</sup> thus calling into question their level of commitment to the Busan Declaration. The extent to which these developments will indeed lead to a unified approach to development financing is questionable, given the different priorities of the various donors and also of the various recipients.<sup>113</sup> It is also interesting that the coordination efforts are taking place outside the World Bank, which has traditionally had a significant role in standard-setting.

Therefore, in the field of development as well, we see a pattern of US negotiating behaviour that indicates a lack of strategic approach as well as a gap between rhetoric and practice in ‘socializing’ rising powers. Most of its engagement with rising powers happens in informal ad hoc settings outside multilateral institutions, although it shows a significant willingness to accommodate rising powers within informal settings. The limited reform of existing institutions, however, indicates a mixed rather than a fully integrative strategy. It also indicates that the framing of ‘socialization’ does not really apply in practice or is only half-heartedly pursued. Socialization in most contexts seems to mean that the rising powers should espouse the same values and goals as the US,<sup>114</sup> which is a highly unrealistic expectation and sets US efforts at ‘socialization’ up to fail. In relation to smaller powers, again the US seems less willing to compromise and maintains top-down relationships with few integrative moves. This suggests not a strictly distributive approach so much as a lack of broader strategic direction. Given US policy towards these countries, it is doubtful that it will be possible to stem their preference for South–South cooperation and a reduction in US influence in the long term.

## Conclusion: towards what kind of global order is US policy moving?

It is often claimed that rising powers, owing to their colonial past, have a particularly strict interpretation of sovereignty and dislike intrusive international treaties.<sup>115</sup> Although this is offered as an explanation of how these powers differ in outlook from the US and its allies,<sup>116</sup> the real difference is that they apply this principle not only to themselves but also to other countries. The US also guards its sovereignty when it comes to internal affairs, and that is why it has often been accused of double standards, most prominently in the fields of human rights and non-proliferation.<sup>117</sup>

<sup>111</sup> Mark Tran, ‘Andrew Mitchell given role on post-Busan aid effectiveness panel’, *Guardian*, 29 June 2012, <http://www.guardian.co.uk/global-development/2012/jun/29/andrew-mitchell-busan-aid-panel>, accessed 9 April 2013.

<sup>112</sup> Tran, ‘Andrew Mitchell given role on post-Busan aid effectiveness panel’.

<sup>113</sup> Rampa and Bilal, ‘Emerging economies in Africa and the development effectiveness debate’.

<sup>114</sup> Christopher Layne, ‘China’s challenge to US hegemony’, *Current History* 107: 705, 2008, p. 15.

<sup>115</sup> Hart and Jones, ‘How do rising powers rise?’, p. 66.

<sup>116</sup> Hart and Jones, ‘How do rising powers rise?’, p. 66.

<sup>117</sup> Findlay, ‘Weapons of mass destruction’.

The current US approach to rising powers, which engages them as equals in informal forums with little 'hard' law capabilities, while being passive or hesitant in reforming international institutions where it has a primary role (and a veto), exemplifies its own commitment to sovereignty and freedom of action in international politics. The US is just as reluctant as the BRICS to be bound by hard law commitments. It also indicates a lukewarm commitment to sharing its power with rising powers in hard law institutions. Some of this reluctance may be attributable to the constraints of congressional politics (and American exemptionalism); its strength can also depend on who sits in the White House and who his advisers are.<sup>118</sup> Irrespective of the cause, this reluctance to share power formally while promoting multilateralism in informal settings is likely to have transformative implications on global order if it continues.

Specifically, the resulting order will become more plurilateral than multilateral, with the exclusion of minor powers and most decision-making moving into forums like the G20. It will also shift to more 'soft law' policy-making, as informal institutions will be less intrusive on sovereignty but also less able to move far beyond political declarations followed up on a voluntary basis. Finally, it is also likely to be more fragmented, as each power establishes a 'sphere of influence' in its region. This kind of order will not necessarily be more unstable, but even in such an order the US will have to accept some limits to its exercise of power abroad; it will not, though, be limited in its domestic policies, thus satisfying the exemptionalists in Congress. However, US policy-makers should be aware of the direction in which their current choices are moving global order; if they do not desire such an order, they should question their strategy towards both rising and minor powers and should show more leadership in the reform of formal institutions.

<sup>118</sup> Sahay, 'The presidential candidates and Iran'.

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