The Future of Power

Joseph S. Nye, Jr.

Introduction by Jack Landman Goldsmith

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It is a cliché to say that a speaker needs no introduction, but in Joe Nye’s case the cliché happens to be true. Joe is University Distinguished Service Professor at Harvard; a longtime former dean at the Kennedy School; a former top official in the U.S. State Department, Defense Department, and in the intelligence community; and the author of at least a dozen books on international politics and related topics. His new book, The Future of Power, is one of his best. Sober but not terribly pessimistic – or at least not as pessimistic as many – it reflects on the arc of American power in all its guises. Like all of Joe’s work – and this is what makes it so powerful – it is serious about theory and ideas but at the same time is informed by deep practical knowledge of how international politics works and how government works.

One of the most important themes in his new book is that power diffusion is potentially a greater threat to American power than power transition; that is, the threat from nonstate actors may be greater and more serious than the threat from, say, China. This comes through most powerfully in his discussion of cyber power. If you have read in newspapers all the scary stories about cyber attacks, cyber war, and cyber exploitation and you are wondering about their significance, you will find no better analysis than in this book. The extent to which Joe’s book anticipates and helps us understand what is going on right now in the Middle East, on WikiLeaks, and so on is amazing. The book frames the developments we are reading about in our morning papers and puts them in a larger theoretical framework.

A little less than two years ago, a group of us at MIT and Harvard were working together on the problem of cybersecurity under the guise of a grant called Minerva. We were desperate to get Joe involved in the project. He asked me, “Should I really do this? I’m not sure I understand the technology.” I didn’t know Joe well at the time, and I said, “Yes, you should. The technology’s not that hard to understand; you don’t need to understand it too deeply to understand the problems.” Well, to my surprise, he did get involved, and he has been leading a series of lunches with a group of people from around Cambridge twice a month on the problem of cybersecurity, and it has been one of the best intellectual experiences I have had since I have been at Harvard. The meetings are great because of how many different people are around the table but also because Joe has been a great discussion leader. Because of his efforts to learn about the topic, he is now an expert on cyber power. By leading us, pushing us, helping us stay organized, and by being generous with his time and intellect in order to help others improve their work, he has also been an exemplar of what an intellectual and an academic should be. His generosity of mind and spirit makes him a rare thing at Harvard and in the academy generally; it is also what makes his work so wonderful.

Jack Landman Goldsmith

Jack Landman Goldsmith is the Henry L. Shattuck Professor at Harvard Law School. He was elected a Fellow of the American Academy in 2010.

Introduction
hundred years later, more than half of the world’s product was in Asia. One population was in Asia and more than half in Asia. In 1800, more than half of the world’s economic activity centered in Asia.

Today we are seeing two big shifts in how power is used in international politics and world affairs. These shifts, which are the result of the information revolution and globalization, are power transition among states and power diffusion from states to nonstate actors.

The other great power shift, power diffusion, is the movement of power from governments, whether East or West, to nongovernmental actors or nonstate actors. Nongovernmental actors have always played important roles, but their development and the growth of their influence has become much more rapid and much more widespread as a result of the information revolution. Information revolution is just a fancy term for the extraordinary decrease in the costs of computing and communications. From 1970 to 2000, the cost of computing decreased a thousand-fold. If the price of an automobile had decreased as rapidly as the price of computing power, you could buy a car today for five dollars. One consequence of the information revolution has thus been a significant lowering of the barriers to entry to the stage of world politics. Consider the ability to communicate simultaneously to all points of the globe. In 1970, if you wanted to be in Cambridge and communicate with Johannesburg, Beijing, Moscow, and London all at the same time, you could do so; it was technically possible but very, very expensive. Today, anybody can do so for the price of entry to an Internet café or, if you use Skype at home, for free. Consider also something that was a deep secret and cost billions of dollars when I was serving in the State Department in the 1970s: the ability to take a picture of any place on earth with one meter resolution. At the time only the United States and the Soviets had this capability. Today, anybody can view such images by using Google Earth, a free program. This is an extraordinary lowering of the barriers to entry. And with such changes you get a different kind of politics. Sometimes people say these changes portend the decline or even the end of the nation-state, but that is not the right way to think about what is happening. The state and governments remain the most powerful actors in international politics, but they are no longer alone on the stage, and sharing the stage with many new actors makes for a different type of politics. As we try to think our way through this, we have to realize that we haven’t quite caught up with this diffusion of power, and while we know a lot about power transition through history, we don’t know anything about such rapid power diffusion.

The recent events in Egypt, Tunisia, and the rest of the Middle East are illuminating in that sense. The conventional wisdom among those who looked at the Middle East used to be that you had a choice either of supporting the autocrat or being stuck with the religious fanatics. The extraordinary diffusion of information created in Egypt and other Middle Eastern countries reveals a strong middle that we weren’t fully aware of. What is more, new technologies allow this new middle to coordinate in ways unseen before.

Presentation

What is power, and why does it matter? I define power as the ability to affect others to get the things you want. You can do that in three ways: you can use coercion, sticks; you can use payments, carrots; or you can use attraction and persuasion, soft power. In the twenty-first century, the ability to combine these as smart power will be one of the main challenges not just for the United States but for any actor in international politics. Today we are seeing two big shifts in how power is used in international politics and world affairs. These shifts, which are the result of the information revolution and globalization, are power transition among states and power diffusion from states to nonstate actors.

The power transition occurring in this century is sometimes called the rise of Asia, but it is more accurately called the recovery of Asia. In 1800, more than half of the world’s population was in Asia and more than half of the world’s product was in Asia. One hundred years later, more than half of the population was still in Asia, but only about 20 percent of world product was. Now, in the twenty-first century, we are getting back to proportions that are historically more normal. The shift began in the twentieth century with Japan after World War II, moved on to Korea, and then to the so-called smaller East Asian states. Now it is in China, and it is about to be in India. In the days of Teddy Roosevelt, the American view was that power would migrate around the globe from east to west; that is, from Europe to the United States. That view was realized, only the migrating didn’t end here. Power continues to migrate westward. In the twenty-first century, we are going to see more of the world’s economic activity centered in Asia.

Joseph S. Nye, Jr.

Joseph S. Nye, Jr., is University Distinguished Service Professor at Harvard University and former Dean of the Harvard Kennedy School. He was elected a Fellow of the American Academy in 1984.

Power is the ability to affect others to get the things you want.
Twitter, Facebook, and so forth, and this could lead to a very different politics of the Middle East. This introduces a new complexity to our government’s dealings with the region. With Egypt we watched the Obama administration try to deal with the hard power elements, with issues such as military assistance to the government, peace with Israel, the balancing of Iranian power, and so forth – issues that can’t just be ignored and that thus force us to deal with governments. But at the same time, the Obama administration had to deal with civil society, with what was going on in Tahrir Square, with a new generation. If we think of stability as dealing only with existing institutions and the government and don’t think about the future, we are missing dynamic stability. We will fall behind the curve. To deal with a government and with a civil society requires an extraordinary ability to use both hard and soft power – on the one hand, to use the threat of reduced or eliminated military assistance to encourage the Egyptian army not to shoot people; on the other hand, to craft a narrative that will attract young people of the new generation. The Obama administration had to walk a policy tightrope and, although it wobbled a bit along the way, by and large it crossed the chasm–like the first time, it isn’t a dog, but you don’t know whether it is a hacker, a criminal group, a terrorist group, or another government, and if a government, a large or small government. People can now send electrons across borders to do things that you previously had to do by sending bombers or spies who could be caught or defended against. Stuxnet, the worm that essentially disabled Iran’s uranium centrifuges – an attack probably mounted by a government or governments, though we don’t know for certain – illustrates the type of attack that could also be mounted against us.

The United States may be ahead of other countries in its offensive capabilities in cyber, but because it depends so much on cyber, it is also more vulnerable. What, then, should our policy be? When it comes to thinking about cyber, we are at about the same place people were in 1950 when thinking about the nuclear revolution. We know it is something new and big and that it is transformative, but we haven’t thought out what offense means, what defense means. What is deterrence in such a world? What is strategy? How do we fit the pieces together? Can we establish rules of the road? Can we find an analogue in arms control, or is that an unlikely model for something that is apparently unverifiable? The first efforts at arms control didn’t bear fruit until twenty years after the first nuclear explosion and came about largely to deal with third parties (the Nuclear Non-Proliferation Treaty) or because of concerns with environmental fallout (the Limited Test Ban Treaty). Not until the 1970s, some thirty years after the technology emerged, were the first bilateral arms control agreements signed, and not until the 1980s did leaders of the two superpower nations proclaim that nuclear war cannot be won and must never be fought. Forty years were needed to develop a powerful basic normative agreement. In cyber, we are still around 1950. What this means is that we can no longer treat cyber and the other aspects of power diffusion as something to be left to the technocrats or the intelligence specialists.

We have to develop a broader awareness in the public and in the policy community to be able to think clearly about how we trade off different values and develop sensible strategies for cyber.

**To deal with a government and with a civil society requires an extraordinary ability to use both hard and soft power.**

In learning to deal with the problems, many of them unprecedented, raised by power diffusion, we will need a much better account of what power is. We still tend to think of power in old-fashioned ways, as hard power, discounting soft power. We often use definitions like the one Robert Dahl, the distinguished Yale political scientist, proposed in the late 1950s: “Power is the ability to get others to do what they otherwise wouldn’t do.” That is a good definition for one part of power, but it doesn’t encompass all of power; it misses the ability to set the agendas, which determine how others see issues. And it misses the ability to establish the preferences of others, to affect minds, so that you might not have to twist arms when push comes to shove.

Our way of thinking about the great powers is also old-fashioned. The British historian A.J.P. Taylor wrote in his wonderful book *The Struggle for Mastery in Europe* that “The mark of a great power is the ability to prevail in war.” Well, the ability to prevail in war remains important in the twenty-first century, but in an information age it is not just whose army wins; it is whose story wins, and if you don’t understand the importance of that narrative in shaping preferences and setting agendas, then you are going to have a foreign policy that relies on only one part of the spectrum of power, that uses only some of the tools in the toolbox. Sometimes this seems to be understood better in countries other than the United States. In 2007, Hu Jintao told the Seventeenth Party Congress of the Communist Party of China that China had to invest more in its soft power. That is a smart strategy. If your economic and military hard power is

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Bulletin of the American Academy, Spring 2011 47
increasing, you are going to scare others, and they will form coalitions against you. But if you can accompany your hard power with soft power so you look attractive and friendly, you are less likely to create these countervailing coalitions. After Hu Jintao urged China to invest more in soft power, the nation followed up with billions of dollars of expenditures—not only things like the Beijing Olympics and the Shanghai Expo but Confucius Institutes around the world. We can no longer treat cyber and the other aspects of power diffusion as something to be left to the technocrats or the intelligence specialists. We have to develop a broader awareness in the public and in the policy community.

In the United States, however, where we are sometimes good at soft power—all the way back to John Winthrop and the “City upon a Hill”—we don’t discuss it in our public discourse. I once talked to a congresswoman, a friend of mine, who said, “You know, you’re absolutely right about the importance of soft power, but I can’t get up on a political platform and say the word soft, because I will not be elected.” In practical terms this leads to situations like the one in which Hillary Clinton, the secretary of state, and Bob Gates, the secretary of defense (who does talk about soft power) agreed to transfer an aid program from the Defense Department to the State Department so that these tools of soft and hard power could be more effectively integrated. But after the program was transferred from Defense to State, Congress cut the budget in half—but not because anything had changed in the program. Rather, the cut is a reflection of a political culture and discourse in the United States that makes developing a balanced strategy difficult. Clinton talked about smart power during her confirmation hearings for secretary of state, about the need to balance hard and soft power and, as she put it, to “use all the tools in the toolbox.” But how little that discussion enters our broader political discourse is remarkable. To stand on a stump and get money for defense is still a lot easier than to get money for exchange programs or aid programs in the State Department. But if we are going to succeed in this world of diffusion of power, we are going to have to think much more subtly about what is involved in power, and we will need a public that is educated to understand and engage in this broader discussion of our policies.

Unfortunately, one of the narratives currently being used to help us try to understand the power transition that I called the recovery of Asia is the narrative of American decline. We are told that countries have life cycles, America is past its peak, we are now in decline, and that is the narrative of the twenty-first century. I think using such narratives is a big mistake because countries don’t have natural life cycles, so the organic metaphor of natural decline is misleading when applied to countries. Yes, the 2008 financial crisis was a disaster, much of it made in America, but I suspect the idea that this shows the beginning of American decline—as President Medvedev of Russia has suggested—will be proven wrong as the economy recovers. In the eighteenth century, after Britain had lost its American colonies, Horace Walpole lamented, “We shall be reduced to a miserable little island; and from a mighty empire sink into an insignificant a country as Denmark or Sardinia.” Of course, he missed the point that Britain was on the verge of its second century of ascendancy because of the Industrial Revolution. Rome went on for some 300 years after the apogee of its power, and when it finally did collapse, it collapsed not before another country but because of internal decay and the onslaught of barbarians. We don’t know where America is in the trajectory of its history. Thus, the metaphor of organic decline misleads us into conflating relative and absolute decline when we ought to think of these two separately.

Absolute decline is not what we are seeing in America. The severe problems we face—including the budget deficit and the issues of secondary education—do not prove absolute decline. These are problems that, in principle, have solutions. That doesn’t mean we will necessarily achieve a solution, but we shouldn’t pretend that no solutions are possible. The Bowles and Simpson commission shows that solutions to, for example, the deficit problem are possible. That possibility doesn’t mean we will have the will to put solutions into effect; just that it is not a situation where you can’t imagine solutions. Throughout American history people have expressed concern that the country is in decay, but if you compare American society today to that of the McCarthy period or the 1920s or the beginning of the century, we have a healthier society today. We have always complained about immigration, and yet immigration is what we are. We are a nation of immigrants, and fortunately we will be inefficient enough that we won’t be able to stop the flow of newcomers.

Once when I was talking with former Singaporean Prime Minister Lee Kuan Yew about his projections of what would happen in the contest between the United States and China in the twenty-first century, he said, “You know, the Americans have a unique advantage. The Chinese can draw from the talents of 1.3 billion people; the Americans can draw upon the talents of 7 billion people. And what’s more, when the Americans take these talented people, they recombine them with diversity to create a new and creative generation, which the Chinese can’t do because of ethnic Han nationalism.” To the extent the United States maintains that openness, worries about American society being in absolute decay are probably over-

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stated. The World Economic Forum’s latest Global Competitiveness Report places the United States fourth on its competitiveness index behind Switzerland, Sweden, and Singapore. China is ranked twenty-seventh. We are still the innovation leaders in areas like nanotechnology and biotechnology, and American universities and higher education lead the world. The United States has its share of problems at the moment, but the picture they paint is not of absolute decay. Yes, we are going through a miserable trough of extreme partisanship in our political debate, but we have seen worse periods. The 1930s was one. Even among the founding fathers we can find examples of extreme partisanship – look at the relations between Adams and Jefferson and Hamilton. This type of political debate comes from deep in our roots as a people and does not lead me to believe we are in absolute decline.

Our present mood is one of declinism, and it is a mood we have felt before. After Sputnik we thought the Russians were ten feet tall. In the 1980s, it was the Japanese. Now, after the 2008 financial crisis, the Chinese are ten feet tall. You can find polls showing that a majority of people think the Chinese economy is now larger than the American economy. We will outgrow this. These cycles of declinism tell us more about the American psyche than about reality.

China will decrease the gap between its power and that of the United States, but I don’t think it is likely to surpass the United States in the next few decades. On one measure, size of economy, the Chinese probably will pass the United States sometime in the 2020s, and that stands to reason. With 1.3 billion people and a growth rate of 10 percent, China is bound to get bigger. But having similarly sized economies does not mean having economies equal in composition. Per capita income is a better measure of the sophistication or composition of an economy, and China is not likely to equal the United States in per capita income until close to the middle of the century, if then. The other mistake people make is to look only at one-dimensional projections of power. Most people, when they talk about China passing the United States, are looking only at growth in gross domestic product (GDP) and the size of the economy. They neglect military power and soft power. In military power, however, the Americans are well ahead of the Chinese, and the Chinese are unlikely to catch up in the ability to project military power globally for several decades. China is investing billions of dollars to increase its soft power, but it is limited by the characteristics of its domestic political society. An authoritarian system has a hard time generating soft power because much of soft power is generated by civil society, not by governments. American soft power comes from Hollywood and Harvard and the Bill and Melinda Gates Foundation and from many, many others. The Chinese have been unwilling to unleash their civil society. I was once asked by a Chinese student at Beijing University, “How can we increase our soft power?” I said, “By relaxing your censorship. Look at India. Bollywood makes more movies than Hollywood, but if you compared India’s directors, actors, and actresses to those in

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China, you wouldn’t say India’s film professionals are more talented – but they do have fewer censors.” I think that was the right advice to give my Chinese interlocutor, even if it was totally useless as advice!

You can see the difficulties China will have in generating soft power in the problems it has faced in the last year. After all its efforts to invest in soft power with the Olympics and the Shanghai Expo, China locks up Liu Xiaobo and prevents him from going to the Nobel Peace Prize ceremony, essentially shooting itself in the foot. The Chinese are unlikely to equal the Americans in soft power until you see a transformation of the political system in China, and I don’t think that is likely to come quickly. Recent polls taken by the Chicago Council on Global Affairs show that, even after the disastrous first part of this past decade for American soft power, the United States is still ahead of China and the other Asian countries when it comes to measuring or judging soft power.

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Finally, when considering whether China will pass the United States in overall power, you have to take into account the geopolitical circumstances in Asia. Asia is not monolithic. Bill Emmott, in his fine book Rivals, points out that Japan, India, Vietnam, and others have quite different views of the rise of Chinese power than China does, which makes them natural allies for the United States. The situation is analogous to Canada and Mexico inviting China to come in to North America to balance American power. Fortunately, because of our soft power, that is not a problem with our neighbors, but China does have that problem. The argument that China is bound because of its GDP growth to pass the United States seems to me a rather simplistic, unidimensional view of power.

Why does all of this matter? Certainly, power is not about being able to brag we are number one. We are not the Green Bay Packers of world politics. Instead it matters because power is not good or bad per se. Power is a lot like calories in a diet – too little and you expire; too much and you become obese. Understanding the different dimensions of power and the right strategy for using it is what we need to look at. Understanding our own power, its strengths and its limits, and having others understand it, is particularly important if we are to manage one of the great questions of power transition, the rise of China.

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Understanding our own power, its strengths and its limits, and having others understand it, is particularly important if we are to manage one of the great questions of power transition, the rise of China.

Power in world politics today resembles a three-dimensional chess game. On the top board of military power among states, the world is unipolar, and the United States is likely to remain the dominant power for another decade or two. On the middle board of economic relations among states, the world is multipolar and has been for two decades. In this domain, Europe can act as an entity, and when it does, its economy is larger than that of the United States. On the bottom board of transnational relations, things that cross borders outside the control of the government, whether terrorists or international cyber crime syndicates or whether impersonal forces like pandemics or global climate change, power is distributed chaotically; the traditional terminology of unipolarity and multipolarity makes no sense here. Dealing with the challenges that emerge from the bottom board of transnational relations requires cooperation, and that is where our soft power comes in. With many of these transnational issues, which pose serious challenges to us, power with others is as important as power over others. Therefore, we have to think of positive-sum and zero-sum games simultaneously. To deal with this world of power transition and power diffusion, we need to think more clearly about how we treat power. We have to understand that the rise of the rest is not necessarily a sign of American decline. We have to keep our wits about us if we are not to succumb to the fear that Thucydides warns against. When we deal with power diffusion issues, we have to think about how we can use the full set of tools in our toolbox, the soft-power instruments as well as the hard-power instruments. As Anne-Marie Slaughter of Prince-
ton put it, the unique capacity of the United States to maintain alliances, to create networks, and to use institutions puts us in a good position to be the most powerful state. If we think in terms of the ability to coordinate collective action to deal with the diffusion of power rather than thinking in the old traditional terms of military hegemony, which I believe is an obsolete conception of power, then we might well get through these next decades of the twenty-first century in reasonable shape. But in dealing with power transition and power diffusion in the twenty-first century, we are going to have to learn as a people to think and talk about power in different ways and to become a truly smart power.

Question

Where do corporations fit in the category of nonstate actors, and can a company become more relevant, more powerful than the nation? For example, Facebook has two hundred million more users than the American population and was the tool that brought down Mubarak; Google took on China in a way that the American government could not. Also, if China is astute enough to realize the need for soft power and to succeed in the way it did with the Olympics, what is it so scared of when it comes to the Nobel Peace Prize or Falun Gong?

Power with others is as important as power over others.

Joseph Nye

Multinational corporations have long been important nonstate actors – this goes back centuries – and many multinational corporations have annual revenues that are larger than the GDP of many countries. What companies don’t have are the resources of force. They also don’t have the resources of legitimacy that governments in many cases still have. So the idea that companies are taking over the world is a bit simple. Yes, Google and Twitter helped to find ways – for example, with speak-to-tweet – that allowed protestors to get past the Internet cutoff in Egypt, but it is also worth remembering that when Google and China squared off a year ago, the Chinese government did better. We should not overestimate, but companies, and information companies in particular, are becoming more important. Let’s just not overstate the decline of governments as a result.

During recent trips to China, I asked Chinese there why the government felt it had to lock up Liu Xiaobo and make the fuss it did about his Nobel Peace Prize, actions that I believe were counterproductive for the government. I said, “You know, I don’t think you’re quite that fragile. You could afford to lighten up.” But they don’t see it quite that way. They see a situation where, as the joke goes, it’s a market-Leninist system. With the Chinese Communist Party now, you have a political control apparatus in which nobody believes in communism. So legitimacy comes from high rates of economic growth and ethnic Han nationalism. The Chinese themselves report that more than 100,000 riots, demonstrations, and incidents occurred in the past year. The possibility that these more-or-less isolated local incidents could become something more if they were connected through the Internet greatly worries Chinese authorities.

Question

One issue I think needs more discussion is internal affairs, which has been the cause of decline of many great powers. I was horrified by the campaigns preceding our recent midterm elections, by what they revealed about American ignorance of and lack of interest in the outside world, by the concentration on ludicrously parochial issues, and by the unwillingness to take seriously some of the challenges that will undoubtedly develop. The basic industrial situation in America reminds me of what it was in France in 1950. The unwillingness of a large part of the American population, judging from the political scene, to take seriously the state of our infrastructure and instead to look at the future exclusively in terms of what is needed to be cut is likely to be a bigger contributor to our national decline than competition from other nations. Tocqueville predicted that in democracies people would think only about their private affairs and thus would let the government take over everything, which is largely what happened in France. What I find in the United States is that people think primarily about their private affairs and have little sense of community, and therefore nobody speaks for the community. It is not that the government has taken over, though; the poor government is handicapped by a constitution that was designed to make the use of power impossible. As long as this little problem remains unaddressed, I think we will be in trouble.

To deal with this world of power transition and power diffusion, we need to think more clearly about how we treat power.

Joseph Nye

I can’t disagree with your characterization of current politics, and I agree that the American government was designed so that King George couldn’t rule over us and neither could anybody else, but that also gives us a sense of historical perspective. Our polity was designed to be inefficient; the emphasis was on preserving greater liberty rather than on greater efficiency. We have had a couple hundred years of this. We have been through worse periods in the past than we are in now; for example, the middle of the nineteenth century, when we broke apart into a civil war; or the 1930s; or the 1950s, with McCarthyism. We have had some quite bad periods in our politics. We are in an unfortunate period now, but I don’t think it is one in which we won’t overcome the obstacles we face. I suspect that the budget deficit probably will not be solved in the next two years (instead we will see a lot of posturing), but I wouldn’t be surprised if a political consensus develops after the 2012 election to implement with greater seriousness some of the things that are important for our long-term financial health. That won’t be sufficient, but it is a base from which to start, and it does go to your point about community. As I read Bob Putnam, we haven’t lost that community; it is not nec-
essarily centered on the government, but if you look at volunteers and the quality of community life in the United States, we still compare relatively well. Trying to assess the question of internal decay independently and from within our immediate historical circumstances is always hard. We can’t step back as well as we need to. But as I look back at history, the fact that we have made it through worse times with our deliberately inefficient governmental system makes me think we might be able to make it through again.

Question
What about Europe? It has the tools for smart power. What is its future?

Joseph Nye
I tend to be relatively optimistic on Europe, which is not fashionable now. One is supposed to be pessimistic. But Europe’s accomplishments over the past four or five decades are incredible; it has created a Kantian island of peace in the international system; it showed that France and Germany need not go to war again, that the prospect of such a war could even become unthinkable. The Europeans have created not a single European nation but a different relation among European peoples, what Bob Keohane and I once called a “complex interdependence.” This is tremendously healthy. Will it last? Some people say the euro is going to collapse and bring down Europe. I was at the Munich Security Conference in early February 2011, and I was struck by the strength of the political commitment Angela Merkel expressed in defense of the euro even though she is facing domestic problems about who pays Greek bills and so forth. Examples like that make me more optimistic about Europe than the current conventional wisdom. When Europe acts as an entity, it is the world’s largest economy; it still has enormous capacity.

Question
Some thinkers, Richard Rosecrance and others, have written about the rise of the virtual state. Do you address this issue in your book as you discuss power diffusion?

Joseph Nye
I don’t quite know what it means to be a virtual state. The chapter in my book where I address cyber power doesn’t use the term virtual state; instead I talk about a state that has to adapt to the fact that it is fully penetrable by electrons crossing its borders and has made itself vulnerable in this way by its dependency on cyber. Perhaps that fits the definition of a virtual state. But the state also retains powerful traditional capacities. The Internet doesn’t reside in a cloud; it relies on physical servers and cables that are located within the sovereign jurisdiction of nation-states, and governments have traditional hard power options like economic sanctions and police powers with which to handle Internet service providers and other actors that are within their jurisdiction. But that isn’t virtual power; it is very traditional.

Question
If a book called The Future of Power were to have come out of China or India, what would the conclusion of that book have been?

Joseph Nye
One of my Indian friends says that by 2050 the world will have three powers: India, China, and the United States. His comment to me was, “We may not like the United States, we may have trouble with the United States at times, but when it comes to living with China, we would rather be with the United States.” That is the picture the book would have painted had he written it. In population terms, he is right too. India will be the largest country, China will be second, and the United States will be third. The United States will be the only rich country maintaining its current demographic position.

If the book had been written in China, it would probably talk about American decline. Many, but not all, Chinese scholars are now writing about American decline and tend to believe that it is true. When I was in Beijing in January 2011, I spoke with an important Chinese academic who said that what worried him was the debate inside China about how to write that book. He agreed with me that the Americans will remain ahead, but his great worry was that the people who write the book in China will write the opposite of my book and that this will lead to disastrous policies. He argues – and I think he has a case – that since the start of the recent financial recession, China has been more assertive in its foreign policy. One of the reactions to its new assertiveness has been worsened relations with India, Vietnam, South Korea, and Japan, not to mention the United States. ■

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