

# How US foreign policy will shape the 'Great Reset' - 12 experts explain



Image: Photo by James Kenny on Unsplash

29 Oct 2020

#### **Global Future Council on the United States**

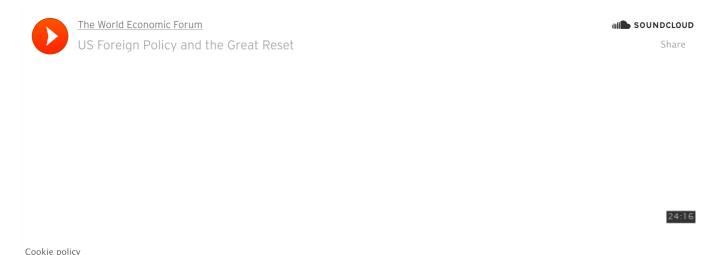
Global Future Councils, World Economic Forum

- The United States will need to set distinct priorities to ensure its foreign policy efforts can harness its capabilities to shape the global recovery.
- Members of the World Economic Forum's U.S. Global Future Council outlined their foreign policy recommendations for tackling the current global crises in for this special compilation article and an episode of the podcast The Great Reset.
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The world is grappling with a massive health, economic and social crisis and each country will need to tap into its special capabilities to help the world rebuild towards the <u>Great Reset</u>. To that end, we asked the top political minds in our U.S. Global Future Council – professors, analysts, former ambassadors and more – to consider how a bipartisan U.S. foreign policy over the next decade could help shape the Great Reset. Their recommendations – spanning climate issues and foreign cooperation to human capital and more – demonstrate

the effort that will be required by any country looking to harness its resources to help tackle the complicated problems ahead.

Their ideas, collected in this article as well as a special episode of the Great Reset podcast, demonstrate the breadth of options still available to leaders to build new solutions for the global recovery. Here are their thoughts.



### 1. Help build a new, open world

Rebecca Friedman-Lissner, Assistant Professor in the Strategic and Operational Research Department, Naval War College

COVID has revealed an international system on the brink of collapse: international cooperation is elusive, international institutions are inadequate, and great powers are at loggerheads. But, as Mira Rapp-Hooper and I argue in our book *An Open World: How America Can Win the Contest for Twenty-First-Century Order*, much of this damage predated this pandemic and will be with us for decades to come. To transform this moment of destruction into a moment of creation, the United States must lead a broad coalition committed to realizing an open world.

The future of American leadership will not resemble the past. To lead, the United States must place itself firmly on the side of openness: defending the accessibility of the global commons, promoting the ability of sovereign states to make independent political choices, advancing high-standards trade, and fostering international cooperation via modernized international institutions. This approach will also attract the partners required for its success. The United States simply cannot keep the world open on its own – it needs to marshal the strength of its allies; capitalize on issue-specific alignments with international partners, some of whom may not be democracies; and pioneer innovative public-private partnerships that transcend national boundaries. The world is at a critical juncture and the opportunity to define the terms of the coming "great reset" will not come again.

# 2. Embrace shared global leadership

Ivo Daalder, President, The Chicago Council on Global Affairs

Conventional wisdom, at home and abroad, has it that Americans are tired of underwriting American global leadership and ready to retreat from the world. But, as so often, that conventional wisdom is wrong.

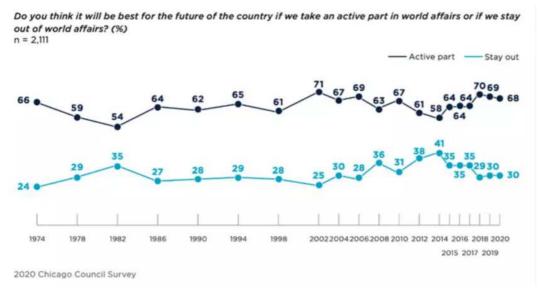
The latest <u>survey</u> by the Chicago Council on Global Affairs shows that majorities of Americans continue to prefer active US engagement and shared leadership in world affairs. In fact, nearly two thirds of Americans (62%) say that the COVID-19 outbreak has increased the importance of US coordination and collaboration with other

countries to solve global issues. And a huge majority (84%) agrees that international cooperation is the only way to solve large global challenges like pandemics and climate change.

Seven in ten Americans (68%) say that the United States will benefit most by taking an active part in world affairs—one of the highest readings in nearly 50 years. Moreover, a majority of Americans think the United States should be even more involved in addressing global issues (52%), with another 25% saying it should be as involved as it is now.

At the same time, few Americans want the United States to lead alone. A strong majority (68%) prefer a shared leadership role for the United States. Just 24% prefer the United States take a dominant leadership role, and very few say the United States should have no global leadership role at all (6%).

The COVID-19 pandemic has disrupted every aspect of life for Americans. But it hasn't turned them away from the world. To the contrary, most believe that their security and prosperity are best served by remaining active in the world and working with others, especially our allies, to overcome global problems.



US Role In World Affairs Image: Chicago Council on Global Affairs

### 3. Maximize a unique advantage to tackle climate change

Ryan Costello, Managing Director, Americans for Carbon Dividends

Climate change - and how other countries respond to it - will increasingly shape trade and competition among the world's major economies. By embracing a coherent U.S. climate strategy, America can ensure its manufacturers and workers come out on top as the world transitions to clean energy.

Today's trade rules effectively subsidize carbon-intensive manufacturing overseas and prevent U.S. manufacturers from reaping the full economic benefit of their cleaner operations. This situation undermines both American workers and global climate progress.

A <u>first-of-its-kind study</u> underscores America's striking carbon efficiency advantage over most of its key trading partners. For example, goods manufactured in the U.S. produce 80% fewer carbon emissions than the world average. The U.S. carbon advantage is three times that of China and nearly four times that of India.

By leveraging this advantage with a well-designed climate policy, American can enhance the competitiveness of U.S. manufacturers, encourage the return of important supply chains back to the U.S. and encourage greater climate ambition globally. A nationwide carbon fee paired with a border carbon adjustment can deliver these benefits.

## 4. Adjust trade to invest in US workers - and their economic power

Glenn Hubbard, Dean Emeritus and Russell L. Carson Professor of Finance and Economics, Columbia Business School

Everything your college economics professor told you about trade is true: Comparative advantage is a big concept. There are significant average gains from trade coming from cheaper and more varied goods and from higher productivity for domestic firms from greater competition. Something else the professor told you is also true but often not said loudly enough or even considered by policymakers: Because gains are large, the gainers can compensate the losers, and trade is a win-win. The idea is not that an individual "gainer" from trade writes a check to someone who "loses." Rather, society must spend the resources to both prepare and reconnect individuals to work and opportunity in an economy experiencing structural changes from globalization, and even more important, technological change. Failing to do so leads to calls for walls, be they physical or metaphorical. Such policy calls are easy to say and reassure those left behind that we can things the way they were. That is, of course, a lie. The alternative is building bridges to the opportunities that actually exist - investing in community colleges to prepare younger workers and retain older workers, offer much larger supports to work through the Earned Income Tax Credit, and a rethinking of labor-market policies to focus on structural as well as cyclical shifts. Economists as well as policymakers need to step up to define and promote bridges. Otherwise, while some economists close to the White House channel the failed arguments of Thomas Mun, those arguments are appealing to many. No less than Adam Smith stood up to Mun - the classical economists' ideal of 'mass flourishing' is made easier by an open economy in which individuals are better prepared for shifts beyond their control.

"The world is at a critical juncture and the opportunity to define the terms of the coming "great reset" will not come again."

-Rebecca Friedman-Lissner, Assistant Professor in the Strategic and Operational Research Department, Naval War College, USA

## 5. Support policies that advance free markets and free societies

Danielle Pletka, Senior Vice-President, Foreign and Defence Policy Studies, American Enterprise Institute for Public Policy Research

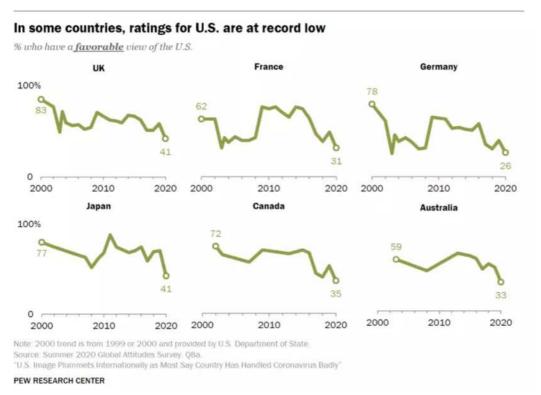
Since before the founding, the America has stood for the principles of freedom. And while there has been an evolution in the expression of those values, the fundamental notion that life, liberty and the pursuit of happiness are not privileges reserved to Americans alone has always animated U.S. foreign policy. If we believe in free people and free markets, understanding that these freedoms have delivered unparalleled global prosperity, we must also be willing to put our diplomatic, economic and military might behind those ideas. While it is not the job of the United States to deliver the world of evil, in protecting the national security of all Americans, our leaders have a responsibility to advance these same values, understanding that a freer world is a safer world. The "how" is always the question; there will always be compromises made to serve immediate national security interests. But an expression of values at the core of U.S. national security policy – and our belief in the primacy of freedom – should be a priority in every interaction. If the United States doesn't advance these values, we can be certain there will be no other nation that fills the vacuum.

### 6. Do well while doing good

Daniel Drezner, Professor of International Politics, Fletcher School of Law and Diplomacy

International approval of the <u>US declined during COVID</u>, according to a Pew Survey on response and reputation. Such impressions do not remain static, however. Even during the height of the Bush administration's unpopularity following the invasion of Iraq, its response to the 2004 tsunami in East Asia – compared to China's efforts – bolstered positive impressions of the United States in the region. The more that America takes the lead in the global recovery from the coronavirus pandemic, the guicker it can rebound from its current historic lows.

There are reasons for optimism. The previous record for developing a vaccine from testing to distribution was four years; with COVID-19, U.S. pharmaceutical companies are likely to do so inside of a year. The U.S. military's logistical infrastructure give the country a comparative advantage in rapid dissemination. With a modicum of strategic planning and recognition of global need, America still has the ability to do well and do good in its pandemic response.



US favorability rankings, survey Image: Pew Research

### 7. Keep talent diverse to solve a wider set of problems

Jenna Ben-Yehuda, President and Chief Executive Officer, Truman National Security Project

New approaches to recruiting and retention at the State Department will help usher in a needed 'reset' human capital and ensure that our nation's diplomats are more representative of the broader population and better poised to help solve a greater set of problems. A focus from senior leadership on recruitment and retention across the enterprise would reinvigorate the beleaguered agency and yield innovation in three key areas: training, flexibility, and a culture of learning.

Training - State Department officers should spend 15% of their careers in training in both the
foreign service and civil service – similar to their military counterparts. This training continuum
includes mandatory threshold courses in budgeting and planning, which has helped foster
deeper linkages between planning and policy functions, especially in early stage development.

- Flexibility Workforce set asides of 30% part-time and 30% fully remote work have boosted
  retention numbers for young parents and have expanded affordable housing options. The ability
  to cycle between government agencies, with additional private sector sabbatical options for
  tenured staff, has brought new perspectives to the enterprise.
- Culture of Learning The Institute for Lessons Learned offers free program evaluation services
  to offices and regularly disseminates best practices. Strong incentives structures have
  increased information sharing and reduced silos.

#### 8. Strengthen support for democracy at home and abroad

Michael McFaul, Director, Freeman Spogli Institute for International Studies, Stanford University

After fourteen consecutive years of democratic recession, U.S. leaders must understand the causes of this trend and then pursue new strategies for reversing it. Three factors are driving global democratic erosion: (1) the rise of two powerful autocracies, (2) the collapse of some new democracies, and (3) the rise of populism and illiberalism in many established democracies. To reverse these trends, American leaders must first and foremost commit to strengthening democracy at home. Few in the world are inspired by the American practice of democracy today or the economic and social outcomes being delivered by U.S. governance. Second, in concert with other democracies, U.S. leaders should focus more on helping new democracies such as Tunisia and Ukraine consolidate, and less on promoting regime change in dictatorships. Third, U.S. leaders must pursue a sophisticated strategy of both containment and engagement regarding autocracies. But when negotiating with these regimes to pursue outcomes of mutual interest, U.S. diplomats need not check their values at the door. Fourth, U.S. leaders need to reengage in global leadership, first in deepening alliances with democracies, and second in promoting liberal values within multilateral institutions especially regarding norms on digital regulation and human rights. Finally, U.S. leaders must encourage deeper connectivity and solidarity between 'small d' democrats around the world, independent of state-to-state relations.

"An ability to rapidly assess multiple-source data and create a first-mover advantage in the recovery environment will be the hallmark of policy success in the 21st century."

—Heather A. Conley, Senior Vice-President, Europe, Eurasia and the Arctic, Center for Strategic and International Studies (CSIS)

# 9. Streamline operations for a nimble response

Heather A. Conley, Senior Vice-President, Europe, Eurasia and the Arctic, Center for Strategic and International Studies (CSIS)

U.S. national security structures are feeling the pressure of ever-increasing transnational challenges and complex regional dynamics which don't fit neatly into existing regional or functional silos. The last major U.S. national security re-organizational effort (a by-product of the aftershock following the September 11<sup>th</sup> attacks) was nearly 20 years ago and was an overlay of and coordination mechanism for existing structures to fight global terrorism rather than a true renovation.

U.S. structures should rapidly evolve toward nimble, flexible policy networks which infuse functional and regional expertise but allow other stakeholders, such as civil society, the private sector and coalition partners, to "plug and play" into them. These networks could initially evolve around regional and bespoke initiatives, such as

the Arctic or the Eastern Mediterranean region. By taking advantage of tactical opportunities and rapid developments on-the-ground within a clear strategy, U.S. policy and supporting structures would be well placed to shape preferred policy outcomes. Seizing new policy opportunities will be particularly important in a dynamic, post-COVID 19 recovery environment. An ability to rapidly assess multiple-source data and create first mover advantage in the recovery environment will be the hallmark of policy success in the 21<sup>st</sup> century. Slow and overly cumbersome bureaucratic structures as we have today – no matter how many special envoys or "bureaus of complexity" a government creates – cannot successfully compete with other state and non-state actors which are also seeking policy advantage.

## 10. Seek partners to avoid power vacuums

Mike Doran, Senior Fellow, Hudson Institute

To meet the persistent demand of the electorate for reduced overseas commitments, the idea of retreating from the Middle East has a seductive appeal. But a full retreat would have the opposite result of the one intended. A power vacuum would ensue, and many U.S. national security experts feel that other countries, such as China would vie to fill it. This would provide an opening for other countries to use the Middle East as a base to extend their influence over Europe and Africa, the global balance of power could shift dramatically against the United States. Instead, therefore, Washington should see itself as the balancer of last resort, using its hard power to strengthen allies who are capable of serving, collectively, as a counterbalance. Three partners are key: Israel, Saudi Arabia, and Turkey. Relations with the first two are in good shape, but relations with Turkey are strained. Containing Turkey, in addition to several other regional adversaries, would be a mission impossible. Repairing relations with Ankara, therefore, is an urgent priority.

CORONAVIRUS, HEALTH, COVID19, PANDEMIC

What is the World Economic Forum doing to manage emerging risks from COVID-19?

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#### 11. Strengthen domestic resilience and defense

Christine Wormuth, Director, International Security and Defense Policy Center; Senior Fellow, RAND

Nation-state threats to the U.S. homeland are significant, growing and insufficiently understood. For the last 20 years the United States focused on fighting terrorist threats far from its shores, but the country now faces strategic competition from countries that have been systematically modernizing their militaries. While the breadth and depth of critical infrastructure in the United States provides some inherent resilience to external threats, there are far more critical assets in the country than could possibly be defended against the threats posed by advanced cruise missiles, anti-satellite weapons and sophisticated cyber-attacks. Defending the U.S. homeland in an era of great power competition will likely require a multi-pronged approach that includes a combination of effective defense of truly critical national assets, hardening of other important assets, building more resilience into our national critical functions and changes to our declaratory policy to shore up deterrence. If the United States does go to war in the future, the homeland is unlikely to escape unscathed.

## 12. Prioritize support for fragile states

Nancy Lindborg, President and Chief Executive Officer, The David and Lucile Packard Foundation

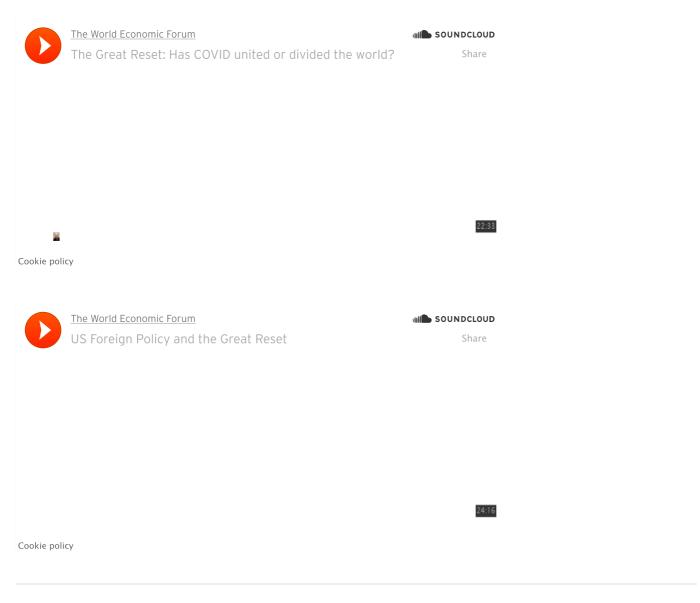
Fragile states are the common denominator of a long list of economic, security and moral challenges to the United States and its allies: violent extremism, illicit trafficking, uncontrolled migration flows, violent conflict, and extreme poverty. These states, characterized by fragmented societies and broken trust between citizens and

their government, are the least able to withstand the shocks of more extreme weather and are more vulnerable to the predations of other powers. Importantly in this time of COVID-19, they are holes in the global health safety net.

With nearly a quarter of the planet's population and a third of the world's children living in these states, it is deeply in the interest of the United States to put a focus on fragility as a top foreign policy priority. The US Global Fragility Act, passed with bipartisan support in December 2019, reinforces this case by requiring all parts of the U.S. government to coordinate strategies for more effective foreign assistance in fragile countries.

A decade plus of hard lessons underscores the potential of sustaining development gains and reducing fragility by putting inclusive, accountable, and responsive governance at the heart of our efforts; the imperative now is to align bureaucracies to carry forward this urgent priority.

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