

How Rapid Aging and Automation Will Affect U.S. Global Power¹

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As the United States reels from a pandemic and a recession, it is hard to find a foreign policy expert who does not think that the country is in decline and that the ebbing of its influence will accelerate in the decades ahead. The debate is not about whether the United States is declining but how it should deal with its eroding power. From these beliefs flow recommendations for downsizing U.S. foreign policy: abandon allies, accept Chinese and Russian spheres of influence, stop trying to spread American values, and start focusing on vital national interests defined mostly in terms of dollars and cents and physical security from attack.

Even as declinism gains adherents, however, structural trends are reworking the international economic and military balance in America's favor. By 2040, as a result of demographic change, the United States will be the only country with a large growing market and the fiscal capacity to sustain a global military. Meanwhile, new technologies will reduce U.S. dependence on foreign labor and resources and equip the U.S. military with powerful tools to defend the territorial status quo in Eurasia. As long as the United States does not squander these advantages by banning immigration or cutting technological investment, it will remain the world's dominant economic and military power for the foreseeable future.

Yet the declinists are not completely wrong. The same trends that are reinforcing U.S. economic and military might also threaten to diminish America's ideological clout. During

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the Cold War, the United States garnered support at home and abroad for its foreign policy by serving as the “leader of the free world”—the chief defender and promoter of a democratic capitalist way of life that many people around the world genuinely desired. In the coming decades, however, rapid aging and automation could dampen faith in democratic capitalism and fracture the liberal order at its core. The fiscal burdens of caring for older populations and the job losses wrought by automation will fuel economic nationalism in many countries. At the same time, Americans are likely to feel less strategically and economically dependent on foreign partners than they have in generations, as aging and automation disrupt the economies of allies and adversaries alike.

The United States will not retreat from the world. Such a powerful nation could never be isolationist. But it might become a rogue superpower, an economic and military colossus shorn of moral purpose or authority, neither isolationist nor internationalist, neither declining nor retrenching, but muscular, coercive and self-absorbed. This transactional approach to foreign policy was the norm for much of U.S. history. It appeals to many Americans today, including the current president, and its popularity will likely grow in the years ahead as new technologies and global aging decrease America’s dependence on the rest of the world and increase domestic political opposition to liberal internationalism. The twenty-first century will be an American one, but what that means is up for grabs.

Old People, New Machines

Two trends are reshaping international life. The first is rapid aging. Due to steep declines in birthrates and substantial increases in life expectancies, most nations are growing

[older](#)—many at extremely fast rates. Between 1970 and 2070, the median age of the world’s population will have doubled, from 20 years old to 40 years old, and the share of seniors aged 65 years and older in the global population will have tripled, from nine percent to 27 percent. In 1970, there were seven working-age adults available to support every retiree. By 2070, there will be only two workers per retiree. For nearly all of human history, young people vastly outnumbered the old, but in 2018 the world reached a milestone: for the first time ever, there were more seniors alive than young children under five years old. By 2070, seniors will outnumber young children three-to-one. Between now and then, many nations not only will age, but [depopulate](#) at rates not seen in peacetime since the Black Plague.

Rapid aging will accelerate a second transformative trend: automation. Machines are becoming dramatically more capable—so capable, in fact, that nearly half the jobs in today’s economy theoretically could be [automated](#) by the 2030s. This trend is the result of massive leaps in [computing power](#), which has doubled roughly every two years since the 1950s. In the early days of the computer revolution, a doubling of computing power did not mean much in practical terms. But now, after decades of exponential growth, the gains are staggering. Cell phones released in 2019 not only perform calculations faster and store more data than the most powerful supercomputer could in 1999, but also cost and weigh tens of thousands of times less, use hundreds of thousands of times less energy per operation, and include dozens of additional features (e.g. speakers, microphones, cameras, wireless and GPS receivers) and access to millions of applications.

Machines are not just becoming exponentially faster, smaller, and cheaper; they are doing things once considered possible only in science fiction, including driving cars,

diagnosing diseases, holding conversations, writing articles, and absorbing and adapting to new information. That last capability—learning—is what makes today’s automation trend truly [revolutionary](#). In earlier technological eras, meaning prior to 2010 or so, machines had to be directed by computer programs that spelled out exactly how to perform a task, step by step. Consequently, machines generally could not do jobs that required flexibility, judgement, and common sense—skills that are difficult if not impossible to translate into code. Now, however, machines can be “trained” with massive datasets and guided by real-time updates from other machines. As a result, machine networks are emerging that combine the number-crunching capabilities of computers; the brute strength of industrial machinery; and some of the intuition, situational awareness, and dexterity previously the preserve of humans.

Both of these trends—aging and automation—will reshape the international balance of power and American foreign policy. Since the end of World War II, the United States has been the world’s most powerful country and has led multinational movements to expand free trade and investment and promote democracy. These efforts have fostered a global system of international institutions, commerce, and democratic allies that many observers call the liberal order. The United States had the power to build and maintain this order because of three main factors: the unparalleled size and sophistication of the U.S. economy, the U.S. military’s global reach, and widespread international support for democratic capitalism and for America as its principal guarantor. Over the next few decades, aging and automation will boost U.S. economic and military power but weaken foreign and domestic support for U.S. liberal leadership.

Economic Power

The United States exerts hegemonic power in part because it is the center of the global economy. The U.S. consumer [market](#) is as large of that of the next five nations combined. Half of world trade and 90 percent of international financial transactions are conducted in U.S. [dollars](#) and, therefore, pass through institutions under the thumb of the U.S. Treasury Department. American firms create one-third of the value in global [high-technology](#) industries and lead the world in production of vital commodities, including energy and food. By conditioning access to its market, currency, or products, the United States can shape the economic trajectories of other countries and gain influence over their foreign, and even domestic, policies.

Examples abound. In 2019 alone, the United States used financial sanctions, tariffs, export restrictions, or all of the above to compel Mexico to absorb Central American migrants; force Turkey to release a political prisoner; and deter European allies from rekindling economic ties with Iran. It also maintained debilitating sanctions on China, Russia, Iran, Venezuela, and North Korea, thereby dragging down the economic growth of its main rivals. These explicit cases of coercion and punishment, however, do not capture the full extent of U.S. economic power. More important are the many instances when countries have preemptively and “voluntarily” accommodated U.S. interests. During the Cold War, for example, some countries were lured to the U.S. side in part by the prospect of selling goods into the American market and acquiring U.S. technology. In the post-Cold War era, many countries, as well as their firms and citizens, have abided by American rules—governing

everything from intellectual property, human rights, environmental protection, nuclear proliferation and military procurement—partly to maintain access to the U.S. economy.

In absolute terms, aging and automation will pose economic challenges for the United States. The number of American working-age adults per senior citizen will drop from 4-to-1 today to 3-to-1 by 2030. At the same time, automation may spur mass unemployment and allow tech companies to monopolize industries and squelch innovation. The United States already is beset by spiraling entitlement costs, stagnant median wages, and sluggish productivity. These problems will become harder to solve as aging and automation accelerate in the coming decades.

In relative terms, however, the United States is poised to extend its economic lead. Other major nations will not just age more rapidly than America, but shrink—a devastating combination that will fuel fiscal crises and stifle productivity and consumption. Among the world's twenty largest economies—a group that collectively accounts for 85 percent of global gross domestic product (GDP)—only the United States, Canada, and Australia have populations of [prime working age adults](#) aged 25 to 54 that will grow throughout the next fifty years. By contrast, the other large economies will suffer, on average, a 16 percent decline in prime age adults, with most of the demographic pain concentrated among the most powerful economic players. China, for example, will lose 225 million young workers and consumers, a whopping 36 percent of its current total. Japan's prime age adult population will shrink by 42 percent, Germany's by 17 percent, and Russia's by 23 percent. Meanwhile, America's will expand by 10 percent. As its competitors shrivel, the U.S. market will become more central to

global growth than at any time bar the decade and a half after World War II, when the other major economies were rebuilding from ruins.

Meanwhile, automation will help insulate the United States from foreign economic coercion by enabling Americans to source and produce more of what they need domestically. [Additive manufacturing](#) will allow firms to replace sprawling global supply chains with vertically-integrated factories in the [United States](#), where they will enjoy a singular combination of low energy prices, skilled and [cost-effective labor](#), and tariff-free access to the world's only large growing market of rich consumers. [Service industries](#) will follow suit as artificial intelligence (AI) takes over more tasks. [Call centers](#), for example, already are moving from foreign countries to American server banks. Micro-seismic imaging, which uses powerful sensors and computers to map petroleum-rich geologies, has helped the United States frack its way to [net energy exporter](#) status, mitigating U.S. vulnerability to [oil price shocks](#) and diminishing the economic clout of major oil and gas [producers](#). For decades, the United States chased cheap labor and resources abroad, at times kowtowing to [unsavory regimes](#) to secure critical inputs. No longer.

Many countries will benefit from intelligent machines, of course, but none as much as the United States. One reason is that the United States is primed for the rapid adoption of new technologies. As my Tufts colleague Amar Bhidé has shown, the United States is the most [venturesome](#) economy in the world. Its elite research universities, highly-educated population, secure property rights, deep capital markets, flexible labor laws, and legions of multinational companies not only help it innovate, but also exploit innovations created elsewhere. No other country makes it easier for its residents to try out and scale up new technologies. The United

States accounts for 86 percent of all the [venture capital](#) investment raised in OECD countries, a group that includes most of the world's advanced economies, and is consistently ranked by the World Economic Forum as the most [competitive](#) large economy in the world. The U.S. technology adoption advantage is especially pronounced vis-a-vis developing countries like China, which rely heavily on [mass low-skill employment](#) for economic competitiveness and social stability and, thus, face significant political and economic [obstacles](#) to the rapid adoption of labor-displacing technologies.

A second reason the United States is likely to be at the vanguard of the automation revolution is that it [leads](#) the industries driving the trend.³ The United States has five times as many companies and experts involved in developing AI as China, the second-place country, and accounts for three to six times China's shares of global [value-added](#) in [industries](#) related to the development of smart machines, including computer programming, data analytics, information technology, and precision tools. Although the U.S. and Chinese [governments](#) spend similar amounts on AI R&D, the U.S. private sector outspends China's 7-to-1 on AI R&D. American researchers publish fewer papers than Chinese researchers, but have twice the citation impact and hold 40 times the highly-cited AI patent families. China has 850 million internet users, but U.S. tech firms have a global presence that gives them access to the data of billions of people. China is pioneering the use of digital payments and [speech- and facial-recognition](#) technologies, but the United States dominates the general purpose technologies that spur automation across industries: for example, it has developed 66 percent

³ The statistics in this paragraph without links are from Daniel Castro, Michael McLaughlin, and Eline Chivot, *Who Is Winning the AI Race: China, the EU, or the United States?* (Washington, D.C.: Center for Data Innovation, 2019).
<https://www.datainnovation.org/2019/08/who-is-winning-the-ai-race-china-the-eu-or-the-united-states/>

of the world's open-source AI [software](#), versus China's 13 percent, and accounts for ten times China's share of the global AI [hardware](#) market. Crucially, China depends on imports of high-end [semiconductors](#) and computer numerical control machines from America and its allies, a vulnerability that the U.S. government is using to try to crush Chinese firms. China has spent tens of billions of dollars to end this dependence, but so far to [no avail](#). Its national champion, [Semiconductor Manufacturing International Corporation](#), still relies on subsidies for 40 percent of its revenue (versus 3 percent for U.S. firms) and produces chips that lag foreign competitors by half a decade, which might as well be a century in the battle for computer shoppers.

Military Power

The second pillar of American power stems from its ability to [command the global commons](#), meaning international waters and airspace. The United States "commands" these areas in the sense that its military enjoys almost total freedom of action there and can deny such freedom to other nations. This capability allows the United States to gain influence over weaker countries by protecting or threatening their physical security and access to the rest of the world. To wield this power, the United States relies on hundreds of far-flung bases and a flying circus of large power-projection platforms, including aircraft carriers, battleships, fighter and heavy-lift aircraft, and satellites. These platforms are expensive to build and easy to spot and thus will face new threats in an older and more automated world.

Most obvious, the aging of the U.S. population threatens to undermine the fiscal foundation of American military dominance. Social Security and Medicare programs

currently cost 8.8 percent of U.S. GDP and consume 38 percent of the federal budget; by 2035, they will cost 11.6 percent of GDP and account for 42 percent of all federal spending. Paying for these [entitlements](#) almost certainly will require defense cuts, because [non-defense discretionary](#) spending—which covers education, infrastructure, transportation, R&D, housing, energy, environmental protection, job training, food, agriculture, childcare, justice, and international affairs—has already been slashed to just 11 percent of the federal budget, down from 25 percent in the 1960s and 1970s. A decade ago, the journalist Ezra Klein quipped that the U.S. government was becoming nothing more than an [insurance conglomerate](#) with an army. Now the army will have to downsize.

Compounding the problem is that the U.S. military itself is aging. The United States today spends \$55 billion on [military retirement](#) and will spend \$77 billion by 2030. That sum alone would make America the third largest military spender in the world—and it is only a fraction of U.S. military personnel costs, which consume 27 percent of the defense budget. In a decade, that share could rise to 30 percent, leaving a smaller slice of a shrinking pie to buy arms and fund operations.

The situation is even more dire for America's key allies. The United Kingdom and Japan already devote more than 40 percent of their military budgets to personnel, which is double what they spend on weapons procurement, and Germany and France allocate nearly 60 percent of their budgets to personnel, triple what they spend on weapons. None of these countries will be able to reduce personnel costs anytime soon, because their workforces are shrinking and, thus, their militaries have to increase soldiers' wages and benefits regularly to

compete with businesses for scarce labor. Allies will not be able to ramp up military spending as the U.S. military draws down.

Meanwhile, [technological change](#) is raising the risks of projecting military power abroad. For decades, the United States has commanded the commons and protected partners by stationing large military forces on or near allied territory. Now, however, U.S. forward-deployments are becoming [sitting ducks](#) as adversaries acquire new unmanned [weapons](#) that can be launched discreetly, travel great distances, operate autonomously, and cripple massed forces—all for a fraction of the cost of traditional manned platforms. Cheap high-endurance sensors and satellites now provide countries with an unblinking eye over their home regions. Hypersonic missiles combine the speed and range of ballistic missiles with the maneuverability and accuracy of cruise missiles. Unmanned aerial vehicles and underwater gliders have achieved transoceanic range. Algorithms can coordinate swarms involving more than 1,000 drones. Carbon 3-D printers can produce 1,000 drone bodies a day for less than \$10 per copy; and nano-materials can equip drones with warheads that are twice as powerful as conventional explosives.

The diffusion of these technologies jeopardizes the U.S. military's global reach. In previous technological eras, the only way weaker adversaries could defeat U.S. forces near allied territory or on the high seas was to send their own power-projection forces out to blast away at America's, a head-to-head contest that they would almost surely lose. Now, however, adversaries can use cyber attacks and hordes of conventional missiles and expendable drones to wreak havoc on American forward-deployments.

The U.S. military is unprepared for such attacks. Its order of battle is dominated by small numbers of large and expensive systems that are easy targets for modern missiles and drones. Most bases have few, if any, missile defense systems or hardened shelters. Combat aircraft and warships often are parked in the open side-by-side. Communications between command centers and soldiers in the field rely heavily on satellites that follow predictable orbits and undersea cables that are mapped in open sources. The U.S. logistics force consists mainly of unarmed steam-powered vessels, most of which are due to be retired within 15 years; and U.S. warships and submarines cannot be reloaded at sea, so in wartime they have to commute between the combat theater and a handful of vulnerable ports on U.S. and allied territory.

The combination of these gaping U.S. vulnerabilities and rapid technological change has produced a paradoxical situation: the United States has the most powerful military in the world by a [wide margin](#), but routinely “[gets its ass handed to it](#)” in simulated future wars when Russia or China unleash their missile and drone forces on U.S. deployment channels. The challenge ahead, therefore, is daunting: the United States needs to overhaul its military while cutting defense spending.

On the bright side, no country will have the fiscal capacity to compete with the United States as a global military power. Over the next thirty years, Russia’s [age-related spending](#) as a share of its GDP will nearly double and China’s will triple whereas America’s will increase by 35 percent. Both authoritarian powers will face severe choices between buying [guns or canes](#), and [history](#) suggests they will prioritize the latter to prevent domestic unrest. Even if they do not reduce defense spending, they will [struggle](#) to sustain current rates of procurement

and operations because of the rapid aging of their troops. Personnel costs already consume 46 percent of [Russia's military budget](#) and likely will exceed 50 percent this decade. [China's](#) are officially listed at 31 percent, but that figure almost surely underestimates the total. China has a long history of doctoring its statistics. In 2006, for example, China [doubled salaries](#) for many soldiers to match rising wages in the civilian economy, but Chinese authorities reported, incredibly, that personnel costs did not increase. Independent estimates suggest that personnel costs actually consume [more than half](#) of China's military budget and will [grow](#) in the years ahead.

As aging limits the military rise of its rivals, automation can potentially help the United States reinforce the territorial status quo in Eurasia, though harnessing these capabilities will require a fundamental shift in the way America fights. Instead of waiting for crises to break out and then surging aircraft carriers and armored brigades overseas, the United States will need to preposition missile launchers and armed drones on allied [territory](#) and [merchant ships](#) in potential conflict zones. For wars against Russia and China, that means near the Baltics and in the East and South China Seas. These missiles and drones would act as high-tech [minefields](#). They could harass or destroy Chinese and Russian power-projection forces, but would be difficult for either country to eliminate, and would not require large crews or logistics tails. This approach capitalizes on a fundamental asymmetry in war aims: whereas China and Russia need to control territory (e.g. Taiwan, the Baltics) to achieve their objectives, the United States just needs to deny them that control, a mission that large networks of modern [missiles](#) and [drones](#) are well-suited to perform.

Critics of this approach argue that missile and drone forces do not “show the flag” or send “costly signals” like an aircraft carrier—but that is exactly why they enhance [deterrence](#). By reducing the amount of U.S. blood and treasure on the line in a crisis, they lower the threshold for U.S. military action, and thus increase the certainty that aggression will be punished. They add rungs to the escalation ladder and thereby allow for proportional and credible responses. By dispersing U.S. firepower, they eliminate the possibility that an adversary could knock the U.S. military out of battle in a preemptive strike; and they save money. According to the RAND Corporation, the average cost of these capabilities is about [one-fiftieth](#) the cost of the power-projection capability that they could neutralize in a war. For the purchase price of one Ford-class carrier and its air wing, the United States could buy 10,000 armed XQ-58 drones or 15,000 loitering cruise missiles. It is obvious which would pose more problems for China or Russia.

The United States has the technology to make this strategy work, but powerful domestic players are hesitant to commit to it. The Navy wants big warships, not missile barges. The Air Force favors manned aircraft, not autonomous drones. Defense contractors want to build expensive power-projection platforms, not cheap munitions; and many members of Congress share this preference, because fancy platforms and decades-long procurement cycles produce jobs in their districts. Cutting through this logjam and updating the American way of war for the automation age will require a strong commitment from top officials in the Department of Defense, steady pressure from an educated public, and cooperation from allies. Unfortunately, those last two elements—domestic and allied support—may be lacking in the years ahead as aging and automation undermine America’s ideological clout.

Ideological Power

A country needs more than deep pockets and big guns to be a global power; it also needs a compelling vision. Bribes and bullets are blunt and expensive tools of influence. They cannot compensate indefinitely for a bankrupt ideology. The Soviet Union found this out the hard way. As soon as some of its followers had a chance to defect, they took it. The United States, by contrast, attracted allies throughout the Cold War in part because it stood for a democratic and capitalist way of life that many people genuinely desired. By positioning itself as the “leader of the free world,” the United States garnered support at home and abroad for an active U.S. foreign policy.

When the Soviet Union fell, part of the demand for U.S. leadership fell with it. People in the West naturally were more supportive of American power, and more united by their common liberal principles, when the Soviet military loomed over Eurasia and Communism was gaining hundreds of millions of followers worldwide. Today, with no Red Menace to fight, the phrase “leader of the free world” sounds vaguely absurd even to American ears.

In the coming decades, U.S. ideological power is likely to decline further as aging and automation exacerbate the crisis of confidence currently afflicting the liberal democratic world. Between now and 2050, the [working-age populations](#) of the world’s rich democracies will shrink by 7 percent on average and by 10 percent when the United States is excluded. Under those conditions, sustained economic growth will become almost impossible. As Ruchir Sharma has pointed out, every percentage point decline in a country’s working-age population growth rate shaves an [equally large chunk](#) off its GDP growth rate. Meanwhile, the

senior citizen populations of these countries will expand by 57 percent on average. As a result, spending on [pensions](#) and healthcare will double as a share of GDP in most advanced democracies. These countries will not be able to borrow their way out of the resulting fiscal mess, because they already carry [debts](#) equal to 270 percent of their GDPs on average. Instead, they will have to cut entitlements for the elderly, slash social spending for the young, raise taxes, increase immigration, or some combination of these politically explosive options.

Automation can help offset the productivity shortfall that comes with a shrinking and aging population, but not the collapse of demand. After all, robots do not buy things. In addition, rapid automation will intensify the sense of economic turmoil by increasing unemployment and inequality. Machines have recently started to [eliminate jobs](#) faster than the free market can create new ones: since the 2000s, [labor's share of GDP](#) in advanced democracies has plunged to all-time lows; [wages and employment](#), which historically grew in tandem with productivity, have stagnated; and median [incomes](#) have dropped far below average incomes, as wealth has concentrated among a narrow elite of top earners and capital owners. Many economists expect these trends to [accelerate](#) over the next few decades as labor-replacing technologies currently in development—most notably, driverless cars—are widely adopted. Past technological revolutions created jobs in some sectors while eliminating them in others. In the nineteenth century, for example, mechanization reduced employment on farms but increased it in factories. Now, however, powerful computers are enabling machines to [displace workers](#) across sectors at unprecedented speed.

Sluggish growth, enormous debt, rising taxes, shrinking pensions, stagnant wages, mass unemployment, extreme inequality: any one of these phenomena would dampen faith in

democratic capitalism, and all of them look set to strike simultaneously. What will happen then? Recent research confirms what one might expect: economic insecurity breeds [nationalism and extremism](#). In the 1930s, economic crises caused many people to reject democracy and embrace [fascism](#) or communism. Today, populist parties and politicians are [ascendant](#) across the democratic world, and parts of the postwar order—most recently, the European Union and the World Trade Organization—are starting to crumble.

Liberal democrats might take comfort in the fact that aging and automation will be even more disruptive for China, the leading authoritarian power. China's aging crisis will be the [worst](#) in the world, thanks to the one-child policy, and China's [poorly educated population](#) will struggle to adapt to a new machine age in which low-skill manufacturing no longer sustains mass employment. China-haters, however, should be careful what they wish for. History shows that rising powers usually become [more repressive and aggressive](#) when facing impending stagnation. They crack down on dissent; dial up nationalist propaganda; and expand abroad to find new sources of wealth, rally the nation around the regime, ward off rival powers, and squelch subversive ideologies. [China](#) gives every indication it will follow Putin's Russia down this ugly path, and new technologies will enable it to control its people and destabilize democracies more efficiently than Mao Zedong could have imagined: a social-credit register to discipline citizens instantly; a digital silk road to conduct espionage across Eurasia; malware to hamstring Western companies; deep fakes to sow chaos in democratic elections; drones to contest the territorial status quo in Asia; and precision-guided munitions that call into question America's ability to defend that status quo. China may never be able to build its own ideological order, but it will be well-equipped to wreck America's.

The biggest threat to U.S. ideological power, however, comes not from China but from within. American leadership abroad requires political support at home, and that support is waning. Recent surveys show that [less](#) than [20 percent](#) of Americans favor traditional internationalism and more than 70 percent want the United States simply to look after itself. Americans' top foreign policy [priorities](#) are preventing terrorist attacks, protecting American jobs, and reducing illegal immigration. Their lowest priorities include countering Chinese aggression, promoting democracy, promoting trade, and defending human rights. In other words, the things Americans care least about are the core activities of liberal international leadership. Solid majorities still approve of allies and trade in the abstract, but their enthusiasm declines as soon as American lives or jobs are on the line. Roughly half of Americans [oppose](#) sending U.S. troops to defend treaty allies in Eastern Europe and East Asia if they come under attack, and nearly 80 percent [favor](#) the use of tariffs to prevent job losses from trade.

This emerging “America First” outlook is likely to become more prevalent in the decades ahead. The fiscal burdens of caring for an older population and the economic disruption wrought by rapid automation will heighten the appeal of economic nationalism. At the same time, Americans will feel less dependent on other countries than they have in generations, as aging and automation disrupt the economies of U.S. adversaries and allies alike. As China struggles with its demographic crunch, Americans will be less inclined to bankroll a liberal coalition to contain it. As foreign markets shrink and U.S. companies automate and reshore more of their operations, Americans will have less interest in propping

up the global economy. As precision-guided munitions and drones proliferate, Americans will become more wary of protecting allies.

The United States will not retreat from the world, but it might start acting less like the head of a grand coalition and more like a [rogue power](#). In fact, it already seems to be headed in that direction. U.S. security guarantees are taking on the characteristics of a protection racket, with allies being asked to pay the costs of stationing American troops on their territory plus a 50 percent [premium](#). Trade deals are now enforced by unilateral tariffs, rather than WTO litigation, and are solely about making money, not stabilizing the global economy or helping allies resist economic coercion from mercantilist great powers. [Democracy promotion](#) has been abandoned, and diplomacy has been downgraded, as a gutted [State Department](#) cedes ever more responsibilities to the Pentagon. The U.S. military has been changing, too. Increasingly, it is a force designed to deliver punishment rather than protection. [Permanent deployments](#) on allied territory have been [downsized](#) and replaced with roving expeditionary units that can surge overseas, smash targets, and then slink back over the horizon.

Many pundits blame this nationalist turn on President Donald Trump, but even he can't create a national mood out of nothing. Trump's transactional approach to foreign policy not only appeals to many Americans today, and likely will appeal to even more in the future, but also happens to be a classic U.S. foreign policy [tradition](#). For the first 165 years of its existence, the United States defined its interests narrowly, mostly in terms of wealth and physical security, and pursued them aggressively, with little regard for the effects on the rest of the world. It espoused Enlightenment ideas, such as freedom and liberty, but applied them selectively, both at home and abroad. It formed no alliances besides the one it signed with

France during the Revolutionary War. Its tariffs on foreign goods ranked among the highest in the world. It shunned international institutions save those, such as the Kellogg Briand Pact outlawing war, designed to avoid U.S. responsibility for other nations. The United States was not isolationist—in fact, its rampant territorial expansion inspired the envy of Adolf Hitler—but it was often aloof and largely devoid of moral authority.

Against this history, the period of liberal U.S. hegemony after 1945 looks like an aberration, an artifact of the Cold War and its immediate afterglow. It was sustained by unique circumstances: a common threat and a sense of unity and confidence within the liberal democratic world. Alas, the common threat disappeared 30 years ago, and now demographic and technological trends are starting to shake the ideological core of the liberal order.

Conclusion

Can the United States lead the liberal order? Yes. But will Americans support such a hegemonic role? That is a more problematic question. Structural forces are encouraging Americans to go their own way. It may require something big to keep them around.

Some liberal internationalists hope that the threat from a rising China will bring the free world back together, but China does not [scare Americans](#) the way the Soviet Union did, and understandably so. During the height of the Cold War, Soviet communism appeared poised to overrun Eurasia and turn its resources against the United States. Moscow had twice the military might of Western Europe, and communists ruled over 35 percent of the world's industrial resources and won 20 to 40 percent of the vote in elections in major Western countries. The threats to U.S. security and the American way of life were clear, as was the

need to nurture a community of vibrant liberal nations in response—yet American leaders still had to hype the Soviet menace in terms that were “clearer than truth” to cajole a reluctant public to suit up for the struggle.

Today, China poses many threats, but none as vivid as Soviet communism. In a way, China may be the worst kind of adversary: strong enough to cause serious problems, but not terrifying enough to galvanize liberal nations into united action. China steals U.S. technology, distorts global markets, props up authoritarian regimes, militarizes sea lanes, and oppresses its people. But China probably cannot [conquer Taiwan](#) let alone overrun East Asia, and it does not seem eager or able to spread a coherent [rival ideology](#) around the world. In the future, as China struggles with aging and automation, Americans may start to view it more as a spoiler than a superpower, a prickly stagnating power to be managed rather than a peer competitor to be confronted with an overwhelming coalition. As a result, the China threat may not impel Americans to provide liberal international leadership. In fact, nearly 60 percent of Americans want the United States to [reduce](#) its military presence in East Asia and let local powers handle China—this, after a decade of escalating Chinese repression and aggression.

Even if the China threat loomed larger in the American mind, however, liberal internationalism might still be a tough sell. Public support for the postwar order rested on rising incomes, especially for the working- and middle-classes, which in turn were a result of growing populations and job-creating technologies. The postwar baby boom produced scores of young workers and consumers, and the assembly line provided them with stable jobs. But now populations are aging, and machines are killing jobs. The basic bargain—work hard, support the liberal system, and have faith that a rising economic tide will lift all boats—is

breaking down. Tribalism and xenophobia are filling the void. Under these conditions, the best case scenario may be that the United States adopts a more [nationalist version](#) of liberal internationalism, retaining allies but making them pay more for protection, signing free trade agreements but only with countries that adopt U.S. regulatory standards, and promoting democracy and human rights but mainly where it helps destabilize geopolitical rivals. Even such narrow engagement, however, might be too much to expect given current trends.

What will happen to the world if the United States fully embraces its America First roots? Some analysts paint catastrophic pictures. [Robert Kagan](#) envisions a return to the despotism, protectionism, and strife of the 1930s, with China and Russia reprising the roles of Imperial Japan and Nazi Germany. [Peter Zeihan](#) predicts a violent scramble for security and resources, in which Russia will invade its neighbors, the cold war between Saudi Arabia and Iran will go hot, and East Asia will be engulfed in naval warfare. These forecasts may be extreme, but recent events suggest they should not be dismissed entirely. [Democracy](#) is declining. [Protectionism](#) is rising. China and Russia are bullying their neighbors. Iranian proxies recently struck Saudi oil facilities, and Japan and South Korea are [sanctioning](#) each other's vital industries and planning to deploy their own aircraft carriers. These events could be just a preview of what is to come if the United States continues to shed global responsibilities. In fact, the [muted](#) U.S. response to most of them has [already spurred](#) some [countries](#) to [start planning](#) for a [post-American](#) world.

And plan they should, for there may be no return to the days when the United States protected foreign nations, patrolled sea lanes, and promoted democracy and free trade while asking for little in return. A nationalist mood is taking shape in the United States, and for the

foreseeable future, it is the shape of things to come. It is not an anomaly, but a potential new direction in U.S. foreign policy, or rather a return to older traditions—the kind that prevailed during the [darkest decades](#) of the past century.