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CHAPTER 1

The Role of Leadership



At the end of the twentieth century, the United States was the world's sole superpower. References to American empire or hegemony exaggerate the extent to which America could control the rest of the world, and I prefer the term "primacy" to describe the way in which, by the end of the century, the United States became the only country with global military, economic, and cultural reach. Contrary to theory and modern history, American power went unbalanced. As one expert observed, "It is highly unusual for a country with only 5 percent of the world's population to be able to organize favorable political, economic and security orders in almost every corner of the globe and to sustain them for decades."¹

It was not always thus. In the early days of the republic, George Washington noted America's "detached and distant situation" and asked "why forego the advantages of so peculiar a situation?" It proved to be an interesting question that Americans have wrestled with throughout their history, and most recently over the course of the twentieth century. How did American primacy come about?

Social scientists tend to answer with structural theories that are attractive because they appear to provide broad general explanations. Everything seems inevitable. We humans are

embedded in complex structures of culture, social relations, and power that affect and constrain us. In a perfect market, for example, a wheat farmer has no pricing power. Millions of other unseen farmers and consumers making independent choices create the market supply and demand that determines the price. Structure overwhelms agency. Different analysts cut into the complex pattern of causation and draw the line between individual choice and larger structures at different places, but as Karl Marx correctly observed, people do not make history under conditions of their own choosing.

In international structural theories, liberals have stressed technological changes in transport and communication that increased global interdependence and made America's situation behind two oceans less distant from the rest of the world. Marxists emphasize the global imperatives of capital, trade, and profit. Realists note the growth of American power resources and argue that expansion of powerful states is almost a law of nature. As Henry Kissinger has argued, "No nation has ever experienced such an increase in its power without seeking to translate it into global influence."² But what role did human agency play? Scholars of international relations refer to different levels of explanation and tend to discount the level that relies on individual choices.³

In contrast, leadership theorists place a heavy emphasis on individuals and their relations with various circles of followers. Can we reconcile these approaches? How important was presidential leadership in shaping the American era? Did the United States have good foreign policy

leadership in the twentieth century, and how much did it matter in creating the situation of unprecedented primacy that runs against the predictions of balance of power theory? Did presidents matter? If we took out the leadership variable, would America still have come to exercise primacy in international politics?

Even in the nineteenth century, the United States could not avoid some entanglement with Europe, but the 1823 Monroe Doctrine, which reserved our interests in the Western Hemisphere, depended on British, not American, sea power. Moreover, the United States used its military and economic power within the hemisphere to expand to the Pacific at the expense of Mexico and Native American peoples. What has been called “isolationism” looked quite different from the perspective of Mexico City. American exceptionalism meant moralism about European power politics, not necessarily morality. But by and large, the United States remained largely isolated from the global balance of power. In the late nineteenth century, “the national government treated foreign relations much like it did the rest of its business. In almost all cases the initiative lay elsewhere. . . . Foreign relations were composed of incidents, not policies.”⁴

Behind its oceans, however, the American economy continued to grow, as did its role in global trade and finance. In 1880 Great Britain represented 23 percent of world industrial production and the United States 15 percent. By 1900 America was at 23 percent and Britain at 19 percent.⁵ The United States became the world’s largest economy by the beginning of the twentieth century, accounting for nearly a

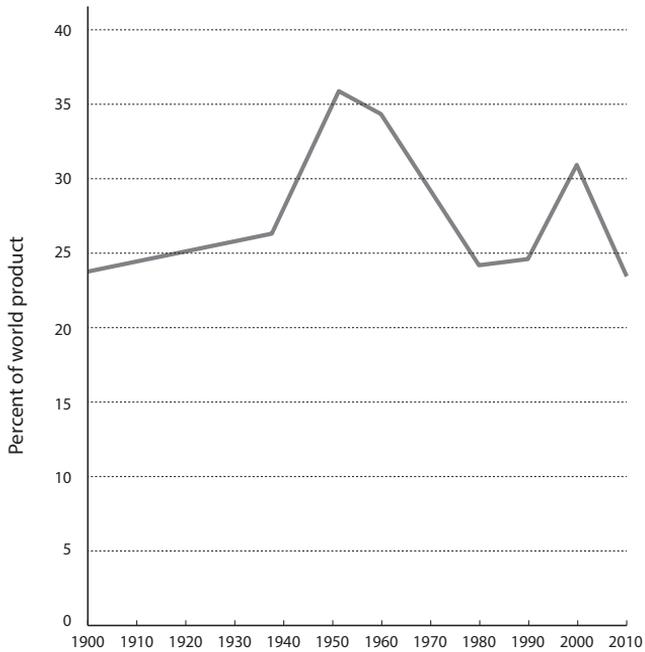


FIGURE 1. The United States share of world GDP. This figure is based on three authorities: (1) Herbert Block's estimate that in the early twentieth-century the United States accounted for almost a quarter of world product; (2) Simon Kuznets's estimate that the United States represented 29.5 percent of world income in 1938; and (3) the World Bank's World Development Indicators, which cover the period from 1960 to present.

quarter of world product. By 1918 American intervention proved decisive to the outcome of World War I. After World War II America produced nearly half the world's product and had an atomic monopoly, but those advantages eroded over the next quarter century. Some saw this as decline, but it might be better described as the recovery of the others. At the end of the century, the United States represented about

the same share of world product as at the beginning, but its political role was incomparably greater.

From a structural point of view, American primacy might seem inevitable as American power resources increased, but there are anomalies for simple structural explanations. Even during the period of its greatest domination in share of power resources after World War II, the United States was unable to obtain its preferences on a number of important issues,⁶ and the return to its normal share does not explain the changes in the last quarter of the century. Why were there long periods when the United States shirked an international role? And why did the American order take the shape of what some analysts have termed “liberal hegemony” rather than a more imperial form?⁷

What role did individual leadership play? One of the problems of leadership theory is “leader attribution error.”⁸ Something goes right or wrong and we attribute the result to the leader. Losing sports teams fire their coaches, and profitable companies give raises to their CEOs. But conjunction in time does not prove causation or establish the strength of an effect. To what extent were the men who presided over the creation of the American era simply responding, or were they shaping events? Sometimes leaders not only take a fork in the historical road but help to create it. Such leaders are often called transformational in the sense of changing what would otherwise be the course of history. They raise new issues and new questions. “Good politicians win the argument. Every now and then someone comes along and changes it.”⁹ For example, after September 11, 2001, any American president might have responded with force

to the Taliban government's provision of sanctuary to Al Qaeda in Afghanistan, but in choosing to also invade Iraq, George W. Bush created a fork in the road and became, for better or worse, a transformational leader.

Leaders have different degrees of effect on history, and change is often a matter of degree. Political leaders matter "a little more, a little less, depending on how they diagnose those problem situations for their political communities, what responses they prescribe for meeting them, and how well they mobilize the political community's support for their decisions."¹⁰ We know that in some conditions leaders matter more than in others, particularly in fluid times of crisis, and getting the details of causation right provides work for generations of historians. Since each age has access to new facts, incorporates new biases, and raises new questions, even careful judgments change over time. Theodore Roosevelt was a popular president who brought American foreign policy into the twentieth century. In contrast, Woodrow Wilson's foreign policy of promoting democracy and the League of Nations was a failure by the end of his term and was rejected by the American people for two decades after his presidency. Nonetheless, Henry Kissinger argues that, by the middle of the century, Wilson's ideas had more influence on American opinion than did Teddy Roosevelt's.¹¹

What do we compare and when do we judge? History does not produce final verdicts because each age reinterprets the past in the light of its own interests and preoccupations. Nonetheless it seems useful to distinguish leadership in advancing ideas from leadership in implementing

policy actions, and to set temporal thresholds such as the end of an administration or a decade as preliminary judgment points. By these criteria, for example, Wilson may have been a leader in codifying certain ideas that had deep roots in both European and American liberal tradition, but he clearly failed as a transformational policy leader in his own time. Successful transformation requires both vision and implementation.

TRANSFORMATIONAL LEADERSHIP

For the past three decades, writers about leadership have placed a great deal of emphasis on transformational leaders and the term is widely used, though in confusing ways. According to James McGregor Burns, who developed the term in 1978, transformational leaders use conflict and crisis to raise their followers' consciousness and transform them by appealing to their "higher ideals and moral values rather than baser emotions of fear, greed, and hatred."¹² Followers are thus inspired to undertake adaptive work and respond to change for the good of the group. Transactional leaders, on the other hand, rely on the hard power resources of carrots and sticks to appeal to their followers' self-interest. One source of confusion, however, is that Burns builds values into his definition. Thus a Hitler, who clearly transformed Germany for the worse, cannot be a transformational leader by definition. In general it is better to distinguish questions of good or bad from questions of effectiveness, so in this book the ethical questions will be dealt with in a separate chapter.

A second reason leadership theorists and editorial writers are often confusing is that they use the term “transformational” to refer to leaders’ objectives, the styles leaders use, and the outcomes they produce. Those three dimensions of what a leader seeks, what methods he or she uses, and what he or she achieves are not the same thing. Sometimes a leader may transform the world and not transform his followers, or vice versa, and sometimes she may use a transactional style to accomplish transformational objectives.¹³

Franklin Roosevelt is often cited as an example of a transformational leader, and in the 1930s he used the soft power of inspirational vision and communications to help achieve his transformational goals of social reform, transforming the views of his followers in the process. American government and politics were never again the same. But in foreign policy Roosevelt was unable to transform American isolationist attitudes, and he used very indirect *transactional* bargaining methods to pursue his goal of moving American foreign policy toward support of Great Britain before World War II. His followers were ready for transformation on social issues but not on foreign policy, so he adopted transactional methods. Harry Truman is another example of a successful leader who developed transformational objectives while in office but tended to be transactional in his style. And sometimes a leader who seeks primarily incremental changes, like Bill Clinton, will use inspirational methods.

Given this confusion in the theory, I will use different terms to describe leaders’ objectives and their styles. Leaders’ objectives can range on a scale from status quo through incremental to major change. I will call those who

TABLE 1.1. LEADERS' OBJECTIVES AND STYLES

	<i>Transactional style</i>	<i>Inspirational style</i>
<i>Transformational objectives</i>	Harry Truman	Woodrow Wilson
<i>Status quo/incremental objectives</i>	Dwight Eisenhower	Bill Clinton

seek major change *transformational leaders* and those at the other end of the scale *incremental leaders*. We can distinguish leaders' styles by how they use hard and soft power resources. I will use the term *transactional style* to characterize the skills with which leaders manage their hard power resources for coercion and payment, and *inspirational style* to characterize leadership that rests more on soft power skills of attraction and persuasion. Thus the opposite of a transactional style is inspirational, not transformational. Sometimes people call such a style charismatic, but that term is so fraught with ambiguity and confusion that it is better to avoid it.¹⁴ Table 1.1 illustrates how one can have transformational leaders who mostly use a transactional style (Truman); transformational leaders who are strong on inspirational style (Wilson); incremental leaders with a transactional style (Eisenhower); and incremental leaders who often use an inspirational style (Clinton).

Of course leaders do not fit neatly in boxes, and all try to adopt different styles in different contexts.¹⁵ Franklin Roosevelt did not enter office with a clear game plan for the American economy, and he experimented with a variety of domestic changes. Clinton tried to pass an ambitious health-care bill and also to strengthen the United Nations, but he curtailed his objectives after early defeats. Similarly, as we

will see in chapter 4, Barack Obama proclaimed transformational foreign policy goals in his 2008 campaign but followed mainly incremental policies in his first term in office. Change is a matter of degree, and many leaders seek it on some issues and not others. Nonetheless leaders generally tend toward a predominant style. By definition, transformational leaders seek major change, and their objectives can be scaled in terms of the degree and scope of change they seek.¹⁶ Whether they succeed in achieving their ambitious objectives is a third question. If not, they are “would-be” or “failed” transformational leaders. A leader can be transformational in intentions but not in outcomes.

Leaders may also deliberately change their objectives and style over the course of their career. For example, one of the great transformational leaders in the history of international politics, Otto von Bismarck, was transformational in his goals before he achieved the unification of Germany under Prussian leadership, but largely incremental and status quo-oriented after that success. And as we shall see below, Franklin Roosevelt changed his foreign policy objectives and style quite dramatically during his presidency. His objectives were incremental in his first term but became transformational in the second half of his second term.

Scholars argue that transactional leadership styles are more effective in stable and predictable environments, and an inspirational style is more likely in periods of rapid and discontinuous social and political change. The transformational objectives and inspirational style of a leader like Mohandas Gandhi or Nelson Mandela can make all the difference to outcomes in fluid social situations, particularly in developing countries where there are weakly

structured institutional constraints.¹⁷ In contrast, the context of American foreign policy formation is highly constrained by institutions like Congress, courts, and the Constitution. Thus we would expect less opportunity for transformational leadership. But even the US Constitution is ambiguous about the powers of the president and Congress in foreign policy. At best it creates what the great constitutional scholar Edward S. Corwin called “an invitation to struggle.”¹⁸ Also, much depends on external conditions. Teddy Roosevelt entered office with transformational objectives in foreign policy, but Wilson, Franklin Roosevelt, and Truman developed such objectives only in response to external events after they entered office.

Crisis conditions can liberate a gifted leader from the accumulated constraints of vested interest groups and bureaucratic inertia that normally inhibit action in the American system. Bill Clinton, caught up in the complacent 1990s, is said to have envied Franklin Roosevelt’s crisis conditions of the 1930s.¹⁹ Potential followers experience new or accentuated needs and look for new guidance. Action becomes more fluid. For instance, George W. Bush used the crisis conditions after September 11, 2001, to make strong assertions of the executive power of the presidency as well as to invade Iraq. When followers feel the need for change, a leader with transformational objectives faces better odds, and an inspirational style is more likely to find responsive followers and to make their role more relevant. Turbulent times may set the scene for transformational leaders, but it does not follow that bold and risk-loving leaders are always best suited to deal with the crises that define turbulent times.²⁰

SKILLS OF AN EFFECTIVE LEADER

Whether they are transformational or incremental in their objectives, leaders need certain soft and hard power skills to be effective, and these too are a matter of degree. The presence or absence of these skills affects the methods and styles that leaders use. Among the soft power skills are emotional intelligence (emotional self-control and the ability to use emotional cues to attract others); vision (an attractive picture of the future that balances ideals, objectives, and capabilities); and communication (the ability to use words and symbols to persuade both an inner circle and a broader audience). With regard to the use of hard power resources, two hard power skills are particularly important: organizational capacity and the Machiavellian political skills of bullying, buying, and bargaining in the formation of winning coalitions.

Above all, effective leadership requires the skill of contextual intelligence, an intuitive diagnostic skill that helps a leader understand change, interpret the outside world, set objectives, and align strategies and tactics with objectives to create smart policies in new situations. As Singapore's Lee Kuan Yew once put it, a leader must be a quick learner, testing reality and being prepared to change his mind as conditions change, and then act calmly in a crisis.²¹ Contextual intelligence implies both a capability to discern trends in the face of complexity as well as adaptability while trying to shape events. Bismarck once referred to this skill as the ability to intuit God's movements in history and seize the hem of his garment as he sweeps by.²² More pro-saically, like surfers, leaders with contextual intelligence

TABLE 1.2. EFFECTIVE LEADERSHIP:
SOFT AND HARD POWER SKILLS

<i>Soft power (inspirational)</i>	
Emotional IQ	Able to manage relationships and apply personal charisma Has emotional self-awareness and control
Communication	Persuasive to followers by words, symbols, example
Vision	Attractive and effective (balances ideals and capabilities)
<i>Hard power (transactional)</i>	
Organizational capacity	Uses reward and information systems for inner and outer circles
Machiavellian skills	Able to bully, buy, bargain, and build winning coalitions
<i>Smart power (combined resources)</i>	
Contextual IQ	Understands evolving environment Capitalizes on trends (“creates luck”) Adjusts style to context and followers’ needs

have the ability to judge and adjust to new waves and then ride them to success.

Contextual intelligence allows leaders to adjust their style to the situation and to their followers’ needs. It enables them to create flows of information that “educate their hunches.” It involves the broad political skill of not only sizing up group politics, but understanding the positions and strengths of various stakeholders so as to decide when and how to use transactional and inspirational skills. It is the

self-made part of luck. In unstructured situations, it is often more difficult to ask the right questions than to get the right answer. Leaders with contextual intelligence are skilled at providing meaning or a road map by defining the problem that a group confronts. They understand the tension between the different values involved in an issue, and how to balance the desirable with what is feasible. In particular, contextual intelligence requires an understanding of groups' cultures, the distribution of power resources, followers' needs and demands, information flows, and timing.²³

PRESIDENTIAL LEADERSHIP IN CREATING AMERICAN PRIMACY

How important was good presidential leadership in explaining the major steps in the creation of the American era? The word "good" is ambiguous because it can mean ethical or effective or both, and the two aspects do not always coincide. In chapter 2 I will ask how effective were the leaders who presided over the creation of the American era, and whether leaders with strong transformational objectives were more effective than more incremental leaders. In chapter 3 I will turn to the question of how ethical the two types of leaders were. Chapter 4 will summarize my conclusions about the role of presidents in the creation of American primacy in the twentieth century as well as discuss the implications for presidential foreign policy leadership in the twenty-first century.

What twentieth-century presidents should we look at? Not all contributed to the creation of American primacy.

TABLE 1.3. PHASES IN THE DEVELOPMENT OF
TWENTIETH-CENTURY AMERICAN PRIMACY

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1. Entry into the global balance of power: T. Roosevelt, Taft, Wilson
 2. Return to normalcy and isolation: Harding, Coolidge, Hoover
 3. Entry into World War II: F. Roosevelt
 4. Containment and permanent presence abroad: Truman, Eisenhower
 5. Vietnam and overextension: Kennedy, Johnson
 6. Post-Vietnam adjustment: Nixon, Ford, Carter
 7. End of the Cold War and unipolarity: Reagan, G.H.W. Bush, Clinton
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Rather than looking solely at transformational presidents (which would have the disadvantage of what social scientists call selecting on the dependent variable), I will look at the eight presidents who were in office during the four major stages of the expansion of American primacy. Dividing a century into phases is always somewhat arbitrary, but from the point of view of development of American primacy, at a first approximation one can identify seven major phases, four of which involved major increases in America's role and power in the world, and three of which were marked by relative stasis or even a diminution of America's role.

Four of these phases contributed to primacy; and three led to contraction or stasis. I am interested in the four positive periods. For the first expansionist phase, America's entry into the global balance of power, I will compare how Theodore Roosevelt, William Howard Taft, and Woodrow

Wilson responded to the rise of American power resources and their failed transformational efforts to create a new order. For the second expansionist phase, America's entry into World War II, I will examine Franklin Roosevelt's response to the rise of German and Japanese power and his efforts to escape isolationism. The third expansionist stage was Harry Truman's successful transformation of Roosevelt's grand strategy into a permanent presence of American troops overseas at the beginning of the Cold War. I will then look at the role of Dwight Eisenhower, who is generally considered an incremental and transactional leader but played a crucial role in consolidating the new international order of containment. For the fourth phase of the creation of the American era, I will compare the role of Ronald Reagan, a transformational leader, with that of George H. W. Bush, a mostly incremental leader with a transactional style, in ending the Cold War and establishing the unipolar world in which American primacy reached its peak with the collapse of the Soviet Union in December 1991.

This principle of selection and comparison allows me to test the impact of transformational leadership on the creation of the American era, but it is important to be clear that this book is not an examination of all transformational leaders, nor all the important events in twentieth-century American foreign policy. For example, during the 1920s the Harding administration negotiated the Washington naval arms control agreements and the Coolidge and Hoover administrations launched the Dawes and Young plans for dealing with European financial problems. None, however,

was willing to fill the security vacuum that became chronic as American attitudes hardened into full-fledged isolationism in the 1930s.

Similarly, I do not examine the 1960s and 1970s, though they included John F. Kennedy's deft handling of the Cuban Missile Crisis, Richard Nixon's important opening to China, and Jimmy Carter's raising of the priority of human rights and nuclear nonproliferation, because I am not trying to present a complete history of leadership in twentieth-century American foreign policy. There is no detailed discussion of the leaders who presided during the punctuation periods of interwar isolationism or Vietnam or the post-Vietnam adjustment. Again, my focus is not on transformational leadership in twentieth-century foreign policy. Rather, I am asking the question of whether good leadership (and what types) contributed to the creation of the unprecedented American primacy that developed in the previous century.

Some readers may object to my treatment of the Vietnam and post-Vietnam period, but it reflects my judgment that the Vietnam War was a period that set back rather than advanced the creation of twentieth-century American primacy. It is true that Kennedy's rhetoric about vigor and some of his policies advanced American power, but his regime was cut too short to have a major effect on the creation of American primacy, and his debatable legacy in Vietnam was greatly expanded by Lyndon Johnson and wound up setting America back. By weakening the army, unleashing inflation, destroying foreign policy consensus at home, and straining relations with allies and other countries, the

Vietnam War diminished American hard and soft power in the world.²⁴ While the Vietnam War may have bought some time for countries like Singapore and Indonesia to develop autonomously, American primacy would have advanced more rapidly without the Vietnam War. This irony was well illustrated in 2012 when the Vietnamese government invited the American defense secretary to visit the former American military base in Cam Ranh Bay as part of diplomatic balancing of China's rising power. If American leaders had framed the East Asian balance as a nationalist game of checkers rather than an ideological game of dominoes, they could have reached a better outcome at much lower levels of cost.

Richard Nixon inherited this Vietnam legacy and wisely created an opening to China as a means of changing the focus of attention away from the impasse.²⁵ His opening to China was transformational and one of the important steps of twentieth-century American foreign policy. But it was an adjustment to a diminished reality rather than a step in the creation of American primacy. As Robert W. Tucker wrote, "The logic of the Nixon reformulation, with its centerpiece of *détente*, was the logic of retrenchment."²⁶ Nixon (and Henry Kissinger) believed that the United States was losing power. *Détente*, the opening to China, and the Nixon doctrine of relying on regional powers such as Iran were adjustments to what Nixon saw as the crumbling of bipolarity as the Soviets gained strategic nuclear equivalence and China developed a second-strike capability. He and Kissinger accepted the view that the correlation of forces was moving in the Soviets' favor. As late as 1979 Kissinger

predicted that because of American nuclear weakness, Soviet risk taking would exponentially increase.²⁷ Neither Kissinger nor Nixon foresaw that within two decades the Soviet economy would collapse and bipolarity would be replaced by unipolarity rather than their expected multipolarity. While Nixon's opening to China may have contributed somewhat to the pressures on the Soviet Union, it was not the major source of the stress that brought down the Soviet Union (as will be discussed below).

Nixon was also concerned about the importance of economic change and tried to respond in a transformational way. In his words, "It's terribly important we be number one economically because otherwise we can't be number one diplomatically or militarily."²⁸ As we saw in figure 1, the American share of world product had been artificially expanded by the way that World War II had weakened other major economies while strengthening that of the United States. By the late 1960s the American share had returned to its normal one quarter of world product that it held before both world wars.

Nixon realized that the artificial American dominance of the world economy that had been created by World War II was gradually eroding, and he was concerned about a balance-of-payments crisis unless he raised the price of gold or took domestic steps to control inflation at the cost of unemployment and domestic political risk. Instead he chose the third option of ending the convertibility of the dollar into gold, imposed illegal temporary tariffs, and shifted the costs of adjustment onto allies without any international consultation. Breaking the Bretton Woods international

economic system that the United States had helped create in 1944 fit Nixon's desire to make dramatic gestures (he called it "showmanship"),²⁹ but he had no vision and little interest in the future of the monetary system, paid little attention to economic details, and excluded his secretary of state and national security advisor from the decision process that ended the Bretton Woods system. Tactically Nixon was successful for a brief period, but over the longer term he left Gerald Ford and Jimmy Carter with a legacy of uncontrolled inflation and worsened relations with allies that contributed to a weakening of American power in the 1970s. As one careful study concluded, the foresight "that came naturally to him in respect of his strategic decision making about China and Russia did not appear in his thinking about economic policy, save with respect to the electoral imperative of November 1972. Instead he allowed himself to be beguiled by the prospect of quick political reward from quack economic remedies."³⁰ Nixon's international economic actions of 1971 did not contribute to the expansion of American primacy.

In the next two chapters, I will look at the eight leaders who presided over the four positive phases of the expansion of American power in terms of their effectiveness and ethics. Finally, in the fourth chapter, I will ask what lessons we can learn about good foreign policy leadership in a twenty-first century where the American order confronts a new environment with major power shifts from West to East, and from states to nonstate actors.