The InsightBureau Briefings

Time for America to cheer up: after a dreadful decade abroad, Americans are unduly pessimistic about their place in the world, writes Edward Carr, Foreign Editor of *The Economist.*

Things for Barack Obama are bad enough at home. But America has been struggling abroad, too. The leaders of Saudi Arabia and Israel are contemptuous. Europeans think they are taken for granted—ignored when they want to be heard and spied upon when they want to be left alone. Latin America feels neglected. The "pivot" towards Asia has somehow managed to make China feel that America is a threat, without reassuring the rest of the region that America is completely reliable. And the entire world sneers at the gridlock in Washington politics and, in particular, Obama's inability to get things done.

As if to thumb his nose at the doubters, Obama has this weekend struck an interim deal over Iran's nuclear programme. This would place modest curbs on Iran's ability to get hold of a nuclear weapon. In exchange, six world powers have agreed to relax the sanctions on Iran a little. It is easy to pick holes in this—and many in Israel, the Gulf states and in America's Congress are doing just that. On the other hand, this is the biggest diplomatic rapprochement between Iran and America in 30 years. Clearly in the right circumstances, America can achieve things.

So, what is going on? Why does America often struggle? And what does the Iranian deal say about its real strengths?

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Americans, including Obama, put their difficulties in foreign policy down to three factors: events (the Arab spring, Putin's aggressive programme to restore Russian power); the Bush legacy (the worst recession in 80 years and two pretty miserable wars, one of which was a war of choice); and, at the back of it all, a nagging feeling that America is in decline.

The nation that a German intellectual once branded the "Uberpower" and a French foreign minister a "hyperpuissance" is being counselled in books to be "The Frugal Superpower" and to remember that that "Foreign Policy Begins at Home". The Pew Research Centre found this year that only 6% of Americans want the president to concentrate his efforts on foreign affairs, lower than at any time since the survey was first held 15 years ago.

Sure enough, in his first term, Obama made recovery his foreign-policy priority. The single most important contribution to power was to fix the economy and work out how to leave Iraq and tamp down Afghanistan. As he said in 2011: America, "it is time to focus on nation building here at home."

But is America's future really as a retiring giant cowering at home? I don't think so.

First, look at the hard power that America can wield, even if it cuts military budgets. It spends as much on its armed forces as the next 11 countries combined—and seven of the runners up are its formal allies. The wars in Afghanistan and Iraq were hard-fought and costly, but they have also left the American armed services battle-hardened and confident that they can combine together with lethal force. By contrast, if China went to war, it would be fielding military systems and doctrines that have never been tested in live combat.

Next, consider America's economic power. It's true that China stands to be the world's biggest economy within the next decade. Yet the geopolitical effects of a growing economy are a function not only of output but also of wealth. Were China's economy the size of America's today, the average citizen would be roughly as rich as a Croat or Hungarian but less than half as rich as an American. China has more people, but America has a larger pool of technology and human and financial capital, all of which are geopolitically more potent than mere headcount.

And third, what about American soft power? True, America's reputation suffered gravely in Iraq. And yet on other measures, America is utterly dominant. Its films take five times as much as the films of the next country. It has almost 60 of the top 100 brands and 150 of the top 500 universities. Its values and ideas dominate still. They are bound into the institutions that America did more than any other country to create out of the debris of the second world war—the UN and all its affiliates (ironically, so often damned in Washington).

The question is not the recent past or the distant future, but how America can use its power today?

Put together all these three and America still has primacy. It sets the agenda. Other states want to win its favour and to benefit from its goodwill. Their support is a form of consent which gives the system legitimacy. On the global stage, the country with primacy becomes what Colonel Edward House, President Woodrow Wilson's friend and adviser, called "the gyroscope of world order". Only America is emerges as the indispensable nation. No other state will be able to supplant it for decades—even China.

The Iranian deal is evidence of this. Thanks to Obama's patient diplomacy, world powers agreed on a strict sanctions regime that brought the Iranian economy to its knees—and Iran to the negotiating table. Iran and America then talked bilaterally. And, working with Europe, America was in the end able to get an interim deal. It will now have to work for a final settlement—which will not be easy. But the prize for Iran will be a further lifting of sanctions. For its part, America stands to gain some reassurance that Iran will not be able to break out as a nuclear power without warning. The two countries might even, one day, enjoy constructive relations in the Middle East.

But to many—including many Americans—the very idea that Washington might be in a position to win such a prize is odd.

This is largely because of a skewed sense of time. Many people treat the brief euphoria after the cold war as if it were the normal state of affairs. In fact it is hard to get other countries to do what you want, and always will be. Yet, severed from the anchor of Soviet rivalry, assessments of American power and the miracles that it could achieve began to drift and, during the presidency of the second George Bush, became detached from reality.

American fears about the future are no less distorted—in the other direction. Nobody doubts the significance of China's economic rise, but economic prosperity does not automatically translate into geopolitical power. If China wanted to challenge America, it would not only have to sustain its stellar growth for a long time but also to transform its capacity to project power abroad.

The question is not the recent past or the distant future, but how America can use its power today?

One answer is that it needs to rethink its use of warfare. Between 1989 and 2001, before the fighting in Afghanistan and Iraq, the United States intervened militarily abroad on average once every 16 months—more frequently than in any period in its history. Although such wars cannot be avoided altogether, in future America should aim to fight them less often and more wisely.

Instead, America needs to make better use of diplomacy. Robert Gates, a former defence secretary, points out that the United States has fewer diplomats than it does players in its military bands. The White House, in keeping with Richard Nixon's tradition, treats the State Department as if it had nothing useful to offer. As a result, the main policymakers and advisers are stretched too thin. At the same time, diplomats claim, Obama does not cultivate other world leaders enough.

And last America needs to harness this diplomatic energy as it did with Iran, so that it takes up to its natural role as the organising force in global foreign policy. This requires clear objectives, a willingness for Obama to sell policy, a capacity to use diplomatic horse-trading, and an understanding of coalitions. In today's world of cross-border challenges and globalised interests, America is in a strong position. But first, it will have to take cheer from this weekend's deal over Iran and rediscover a bit of its old optimism.