Rethinking America's Grand Strategy: Insights from the Cold War

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ABSTRACT: This essay examines the history of the Cold War to illuminate insights that can help assess debates about American grand strategy today. As will be shown, calls for dramatic retrenchment and “offshore balancing” rest on weak historical foundations. Yet Cold War history also reminds us that a dose of restraint—and occasional selective retrenchment—can be useful in ensuring the long-term sustainability of an ambitious grand strategy.

US grand strategy stands at a crossroads. Since World War II, the United States has pursued an ambitious and highly engaged grand strategy meant to mold the global order. The precise contours of that grand strategy have changed from year to year, and from presidential administration to presidential administration; however its core, overarching principles have remained essentially consistent. America has sought to preserve and expand an open and prosperous world economy. It has sought to foster a peaceful international environment in which democracy can flourish. It has sought to prevent any hostile power from dominating any of the key overseas regions—Europe, East Asia, the Middle East—crucial to US security and economic wellbeing. And in support of these goals, the United States has undertaken an extraordinary degree of international activism, anchored by American alliance and security commitments to overseas partners, and the forward presence and troop deployments necessary to substantiate those commitments.

This grand strategy has, on the whole, been profoundly productive for both the United States and the wider world, for it has underpinned an international system that has been—by any meaningful historical comparison—remarkably peaceful, prosperous, and democratic. Yet over the past several years, America’s long-standing grand strategy has increasingly come under fire.

1 This article is adapted from an essay originally published with the Foreign Policy Research Institute. See “American Grand Strategy: Lessons from the Cold War,” Foreign Policy Research Institute, August 2015, http://www.fpri.org/articles/2015/08/american-grand-strategy-lessons-cold-war.


Amid the long hangover from the Iraq War and a painful financial crisis whose effects are still being felt, leading academic observers have taken up the banner of retrenchment. Prominent voices in the strategic-studies community argue the United States can no longer afford such an ambitious grand strategy; that US alliances and security commitments bring far greater costs than benefits; and that American overseas presence and activism create more problems than they solve. The solution, they contend, is a sharp rollback of US military presence and alliance commitments, and a far more austere foreign policy writ large. Scholars such as Stephen Walt, John Mearsheimer, and Barry Posen have been at the forefront of such calls for “restraint” or “offshore balancing” within the academy; mainstream commentators like Peter Beinart and Ian Bremmer have offered similar assessments. These calls for retrenchment have recently been amplified by fears of American decline vis-à-vis rising or resurgent rivals such as Russia and China, and by the emergence of a host of strategic challenges around the world. Basic questions of what America should seek to achieve in international affairs, and whether it should break fundamentally with the postwar pattern of US global presence and activism, are more now robustly debated than at any time since the end of the Cold War.

The debate between these two rival schools of thought centers on a series of key strategic questions. Can the US economy sustain the burdens of a global defense posture? Are US alliances net benefits or detriments to American security? Is the US overseas presence stabilizing or destabilizing in its effects? Is democracy-promotion a boon or a burden for US strategic interests? How would an American military retrenchment affect geopolitical outcomes and alignments in key regions? Is the United States in inexorable geopolitical decline? How one answers these questions frequently determines which path one believes America should take in the future.

Yet grand strategy is not simply about the future; it is also about the past. New scholarship reminds us that key policy decisions are indelibly influenced by perceptions of what happened before, and what we ought to learn from these events. This is entirely appropriate, of course, because history can shed considerable light on questions of American foreign policy today. It can remind us of lessons that previous generations of American officials learned at considerable expense; it can provide a sort of laboratory for testing propositions about American statecraft. History can, in general, lend the perspective of the past to contemporary


5 See the September/October 2015 issue of The National Interest, which contains a wide array of responses to the question, “What is America’s purpose?”

grand strategic debates. Grand strategy may be an inherently prospective undertaking, but it generally works better when informed by a retrospective view, as well.7

This essay assesses how history can inform the current debate on American grand strategy by revisiting a fundamental period in US diplomatic history: the Cold War. Historical understanding of the Cold War has always left a deep imprint on perceptions of the era that followed, as shown by the fact this period is still often referred to as the “post-Cold War era.” Indeed, although it ended a quarter-century ago, the Cold War still looms large within the living memory of many policy-makers and academics, and so its perceived insights unavoidably shape debates on American policy today.8 Moreover, because the Cold War ended a quarter-century ago, we now have access to a vast body of historical literature that helps us better comprehend the course and lessons of the superpower struggle. The purpose of this essay, then, is to explore those lessons that seem most pertinent to America’s current strategic crossroads—most germane to evaluating whether retrenchment or geopolitical renewal represents the best path forward.

This is, to some degree, an unavoidably subjective exercise. Informed analysts could easily pick different lessons to draw from the Cold War, and they could just as easily interpret the underlying history—or the policy implications drawn therefrom—in different ways.9 But this reality does not make the effort to identify and utilize historical lessons fruitless, for it is precisely this process of debate and argument that helps us sharpen our knowledge of the past, and of the insights it offers.

On the whole, the eight lessons discussed here suggest the call for dramatic retrenchment rests on fairly weak historical foundations, and in many ways they powerfully underscore the logic of America’s long-standing approach to global affairs. But Cold War history also demonstrates a dose of restraint—and occasional selective retrenchment—can be useful in ensuring the long-term health and sustainability of an ambitious grand strategy. Finally, and above all, these lessons show the well-informed use of history can enrich the grand strategic debate today—just as the use of history enriched American grand strategy during the Cold War.

**Lesson 1 - The Economic Case for Retrenchment Rests on Weak Foundations**

Grand strategy ultimately begins and ends with macroeconomics, and perhaps the single most important insight from the Cold War is that geopolitical success is a function of economic vitality. It was, after all, the West’s superior economic performance that eventually exerted such a powerful magnetic draw on countries in both the Third and the Second Worlds, and allowed Washington and its allies to sustain a protracted global competition that bankrupted Moscow in the end.

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8 As one example, see Harvey Sapolsky, Eugene Gholz, and Allen Kaufman, “Security Lessons from the Cold War,” Foreign Affairs 78, no. 4 (July-August 1999): 77-89.

In this sense, the Cold War’s key takeaway is that preserving a vibrant free-market economy, as a wellspring of hard and soft power alike, is the most crucial grand strategic task America faces.

Much shakier, however, is the policy implication that advocates of retrenchment often draw from this indisputable fact: America must now slash its foreign commitments because those commitments are so onerous as to imperil long-term US economic and fiscal health.10 This argument is flawed on numerous grounds. For one thing, it elides the fact that US deficits are driven far more by exploding entitlement costs than by defense outlays. The former category consumed 48 percent—and rising—of federal spending as of 2014, whereas the latter consumed only 18 percent and falling.11 Just as important, this argument ignores an inconvenient historical truth — during the Cold War, America sustained a far higher defense burden while maintaining robust growth for most of the postwar period. The United States often spent well over 10 percent of its GDP on defense during the 1950s, for instance, and upwards of 6 percent during the 1980s, as opposed to just 3 to 4 percent in recent years. Indeed, the figure retrenchers often cite as a paragon of military restraint—Dwight Eisenhower—presided over a period in which defense spending never consumed less than 9.3 percent of GDP.12

In other words, the relevant Cold War lesson is economic performance is indeed the fount of national power, but the US economy has historically been capable of supporting a far higher defense burden without fundamentally compromising that performance. Whether this remains true in the future, of course, will depend on the country’s ability to make hard political choices associated with rationalizing US tax and entitlement policies.13 But if we take the Cold War as a guide, it reminds us that current defense spending actually constitutes a rather modest strain on the economy by historical standards—and the United States could comfortably spend much more on defense were it willing to make those hard choices in intelligent ways.

Lesson 2 - American Engagement Is the Bedrock of International Stability

So what does this defense spending and global engagement actually buy in terms of securing the international order? Does US engagement foster stability and peace, as American officials and proponents of robust global presence have long argued? Or does it primarily invite blowback in the form of violent resistance and other undesirable behavior, as critics allege? The history of the Cold War lends some support to both arguments, especially in regions like Latin America.14 At a broader

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14 It is worth noting, however, that debates over the consequences of US policy in Latin America is far from settled. See Greg Grandin, The Last Colonial Massacre: Latin America in the Cold War (Chicago: Chicago University Press, 2004); versus Hal Brands, Latin America’s Cold War (Cambridge: Harvard University Press, 2010).
international level, however, the balance of evidence lies overwhelmingly with the more positive perspective.

US global engagement during the Cold War was a response to the absence of such engagement, which had helped cause the catastrophic instability of the interwar era. And during the Cold War, it was precisely the US decision to embrace the responsibility of organizing and protecting the non-communist world that allowed key regions like Europe and East Asia to break free of their tragic pasts and achieve remarkable levels of stability. US policy helped deter Soviet aggression and dissuade other disruptive behavior; it helped mute historical frictions between countries like Germany and Japan, on the one hand, and their former enemies, on the other; it fostered the climate of security in which unprecedented economic growth and multilateral cooperation could occur. US policy was by no means the only factor in these achievements, but it was the crucial common thread that connected them.\(^{15}\)

What relevance does this history have for grand strategic debates in a period so different from the Cold War? The relevance is simply to remind us stability—and all of the blessings it makes possible—is not an organic condition of international affairs. Rather, stability must be provided by powerful actors who are willing to confront those forces—national rivalry, aggression by the strong against the weak—that have so often driven international relations toward conflict and instability in the past. At a time when many of those forces are again rearing their heads in places from East Asia to Eastern Europe, and when there is still no compelling candidate to replace Washington as primary provider of international stability, this lesson is especially salient.

**Lesson 3 - Costs of US Alliances are Real, but Benefits are Enormous**

The tenor of pro-retrenchment arguments today might easily make one think US alliance commitments are the root of all evil—that they do very little to advance American interests, while encouraging a mix of “free-riding” and “reckless driving” by selfish allies.\(^{16}\) These concerns would not seem novel to America’s Cold War statesmen. From the late 1940s onward, US officials continually worried American allies were not doing enough to sustain the common defense, and that some particularly troublesome partners, such as Taiwan’s Chiang Kai-Shek, might drag Washington into unwanted conflicts with powerful enemies. In this sense, the history of the Cold War confirms the burdens and potential dangers associated with US alliance commitments are real enough.

What that history also confirms, however, is the unique and indispensable value those arrangements bring. Throughout the Cold War, US alliances offered the high degree of military interoperability that flowed from continual joint training, and the ability to call on US allies to support Washington’s own military interventions in conflicts like the Korean War. They “locked in” positive and comparatively stable relationships

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\(^{15}\) Certain of these issues are discussed in John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York: Oxford University Press, 1997).

with key geopolitical players like West Germany and Japan. They gave Washington forums for projecting its voice in key regions and relationships, and the moral legitimacy that stemmed from its role as “leader of the free world.” They provided America with bargaining advantages in trade and financial negotiations with allies, and the leverage needed to dissuade countries from West Germany to South Korea from developing nuclear weapons and thereby destabilizing entire regions. In some cases, they even gave the United States the ability to affect the composition of allies’ governments. Finally, and despite fears of entrapment, US alliances frequently gave Washington the influence needed to exert a restraining effect on the behavior of worrisome partners.

Alliances, in other words, have never been a matter of charity in US statecraft. Instead, they have conferred an array of powerful benefits for American interests. The history of the Cold War reminds us of this fact. In doing so, it also reminds us the burden of proof in the current debate should be not on those who advocate maintaining such arrangements. Rather, the burden of proof should be on those who would weaken or terminate them, and thus risk forfeiting the grand strategic benefits they have historically conferred.

Lesson 4 - Democracy-Promotion Is Not a Distraction from Geopolitics

Apostles of dramatic retrenchment frequently hail from the church of realism, and so they argue the long-standing US emphasis on spreading democracy is in fact a distraction—sometimes a fatal one—from the core mission of advancing concrete American interests. They are right, of course, to note the Iraq War was in some respects a case of democracy-promotion gone catastrophically awry, and the history of the Cold War indeed confirms overeager or ill-timed efforts to promote liberal values abroad, as in Iran or Nicaragua during the late 1970s, can backfire spectacularly. At the same time, the Cold War also affirms pushing democracy overseas is actually essential to achieving US geopolitical goals, and increasing the nation’s global power and influence.

Broadly speaking, Cold War history reminds us of the simple fact America’s closest and most reliable allies have long been democracies, and the spread of liberal values therefore increases the range of countries with which Washington can build such deep and lasting ties. More specifically, Cold War history reminds us the advance of democracy can provide critical advantages in a prolonged geopolitical contest with an authoritarian rival. As the Carter and Reagan administrations

17 This point is emphasized in Leffler, Preponderance of Power. It might also be noted that the relatively free nature of American alliances gave the United States an enormous advantage over the Soviet Union, whose alliances were largely coercive in nature.
21 Stephen Walt, “Democracy, Freedom, and Apple Pie Aren’t a Foreign Policy,” Foreign Policy, July 1, 2014.
22 It is worth bearing in mind, however, that although democracy promotion was one rationale for the war in Iraq, it was far from the primary motivation.
emphasized from the late 1970s onward, democratic institutions can provide the domestic legitimacy that makes US geopolitical partners more stable and reliable in such a competition. As these administrations also understood, the spread of liberal values can foster a global ideological climate in which a democratic great power is far more comfortable and influential than an authoritarian competitor. The promotion of liberal political institutions and global human rights under Carter and Reagan, for instance, had the benefit of drawing a stark and unflattering contrast with the ugliest aspects of Moscow’s totalitarian rule. And as much as anything else, it was the global turn toward democracy from the mid-1970s onward—a phenomenon that was crucially assisted by US policy—that signaled a renewed American ascendancy and the ebbing of Soviet global influence in the last years of the Cold War.  

The proper lesson to take from this history is not that democracy should be pursued in all quarters and conditions, of course, for the Cold War also underscores the value of partnerships, even uncomfortable and temporary ones, with authoritarian regimes from Saudi Arabia to China. What it indicates, rather, is a grand strategy that emphasizes selective and strategic democracy-promotion is likely to bring geopolitical rewards—and a grand strategy that significantly de-emphasizes such activities will lose a great deal in the bargain.

Lesson 5 - The Military Balance Shapes Risk-Taking and Decision-Making

How would a sharp reduction in US military power—as envisioned by offshore balancers and other advocates of retrenchment—impact decision-making and geopolitical alignment in the world’s key theaters? This should be a central question in considering US grand strategy today, and based on the Cold War experience, the probable answer is not comforting. For while history illustrates military balance—conventional and nuclear—is certainly not everything in geopolitics, it shows that significant shifts in the military balance can have important effects on how states behave.

Consider the following examples. Marc Trachtenberg has documented how the major shifts in the military balance from the late 1940s through the mid-1950s profoundly affected the level of risk both US and Soviet policymakers were willing to run in places as diverse as Korea and Berlin. Two decades later, the massive growth of Soviet military power was a key factor in pushing West Germany to embrace Ostpolitik—a policy, one commenter noted, of “partial appeasement” meant to purchase some safety in the face of a changing strategic balance. This Soviet buildup, moreover, seems to have played a role in encouraging more assertive Soviet behavior in Third-World conflicts during the late 1970s. Finally, in the 1980s, evidence suggests the major US buildup of previous years had a key part in convincing Soviet decision-makers such as Mikhail Gorbachev to reduce the danger via a policy of increasing

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accommodation with Washington. As Gorbachev later wrote, the need to secure the removal of US Pershing-II missiles from Europe—“a pistol held to our head”—was crucial to his decision to reverse long-standing Soviet policy and conclude the INF Treaty on terms long desired by the Reagan administration. As military balances shifted, in other words, perceptions of opportunity or danger—and the corresponding propensities for risk-taking or accommodation—often shifted as well.

There are obvious differences between the Cold War and the world of today. But these examples are worth keeping in mind when considering the likely consequences of major US retrenchment. They suggest, for instance, that such retrenchment significantly altered the existing balance in key regions like East Asia or Eastern Europe, it might invite behavioral changes—by allies or adversaries—that could run counter to the favorable climate Washington’s dominance has long afforded in those regions. In short, when military balances start eroding dramatically, one should expect some nasty results.

Lesson 6 - Dramatic Retrenchment Is Unwise, but Restraint and Selective Retrenchment Have Their Virtues

On the whole, Cold War history thus suggests calls for dramatic retrenchment should be met with great skepticism. Yet there is a crucial caveat here, for this history also tells us a degree of grand strategic restraint is essential, and that selective retrenchment or recalibration at the margins can actually be a very good thing.

First, Cold War history reveals activism must be balanced with prudence in order to keep an ambitious global strategy viable. There were, certainly, times during the Cold War when Washington overreached in its efforts to contain communism, the commitment of 500,000 troops to poor, geopolitically insignificant Vietnam being the foremost example. That overreach, especially in the case of Vietnam, boomeranged so badly it undercut domestic support for US global agenda more broadly. Just as the blowback from the Iraq War has more recently given voice to calls for thoroughgoing American retrenchment, the insight from Vietnam is, therefore, that activism must be carefully calibrated if it is to be enduring.

Second, Cold War history underscores retrenchment at the margins, rather than at the core, of American strategy can be very useful. As Melvyn Leffler has argued, periods of military belt-tightening during the Cold War forced US policymakers to sharpen priorities better and think strategically about how to accomplish core objectives. Those periods also incentivized US policymakers to invest in innovative concepts and capabilities meant to exploit US comparative advantages and sustain commitments at lower costs. The “offset strategy” of the 1970s, for instance, was born amid a climate of budgetary austerity, and the high-tech capabilities it emphasized proved crucial not just to neutralizing Soviet numerical advantages on the central front, but also

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to giving America unmatched conventional dominance after the Cold War. More broadly, America’s selective post-Vietnam retrenchment allowed it to retreat from exposed positions that could only be held at an unacceptable price, to reset its strategic bearings, and ultimately to forge a more politically sustainable and geopolitically effective approach to competing with the Soviet bloc.

To be sure, selective retrenchment is itself hard to calibrate—as the US experience after Vietnam also demonstrates—and it can bring myriad dangers if taken too far. Yet, if the overall goal remains to preserve and strengthen a grand strategy of global engagement, then restraint and occasional tactical retrenchment can serve an essential purpose.

Lesson 7 - Don’t Underestimate American Resilience

Of course, prospects for continued US global activism hinge on another key question in the grand strategy debate—whether America is experiencing inexorable geopolitical decline. Proponents of retrenchment generally answer this question in the affirmative, and the past decade has indeed seen an erosion of America’s relative margin of international superiority. Yet the Cold War’s relevant lesson here is US power has often proven more resilient than predicted.

Just as there is widespread discussion of US decline today, America experienced repeated waves of “declinism” during the Cold War. After the Soviet A-bomb test in 1949, or the launching of Sputnik in 1957, or the oil shocks and the humiliating end to the Vietnam War in the 1970s, it was widely assumed US power was steadily draining away. In each case, however, these predictions were wrong. Prophecies of decline attributed too much importance to near-term setbacks whose impact ultimately proved transitory (like Vietnam), and too little to the much deeper, systemic weaknesses of adversaries like the Soviet Union. They underestimated the resilience of the US economy and political system, and the enduring global appeal of America’s liberal ideology. Just as important, these predictions missed the fact that the very fear of decline repeatedly impelled policymakers to take actions—from addressing budget deficits, to restoring American military advantage over Moscow during the 1980s—that facilitated US resurgence. America would therefore come out of the Cold War not in decline, but stronger, in relative terms, than ever before.

To be clear, this history should not inspire undue optimism about America’s current trajectory. Challenges to US primacy today—from sluggish economic growth at home, to the rise of China and the emergence of significant strategic challenges in virtually every key theater overseas—are more formidable than at any time in a quarter-century. But

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30  The general theme of adaptation within engagement is emphasized in Brooks, Ikenberry, and Wohlfforth, “Don’t Come Home, America.”


33  A good discussion of these challenges is Walter Russell Mead, “The Return of Geopolitics,” Foreign Affairs 93, no. 3 (May/June 2014): 69-79.
this history certainly should not inspire fatalism, either. For familiarity with the history of the Cold War can help alert us to the fact our current and potential competitors—Russia, Iran, China—face domestic and international problems that often make ours look modest by comparison. It can remind us we have a choice in the matter of decline: we can pursue domestic and foreign policies that will either bolster or erode our relative power. Above all, this history can caution us against making potentially irreversible grand strategic changes based on a hasty reading of global trends, what Robert Kagan has called “committing preemptive superpower suicide out of a misplaced fear of declining power.” In sum, Cold War history will not solve the problems Washington faces today. But it does show the United States has rebounded from situations that looked far worse.

**Lesson 8 - America Is Capable of Using History Well**

So can America and its foreign policy officials actually employ these historical insights effectively? Many historians would say “probably not.” Scholarly accounts of the Cold War frequently emphasize the misuses of history by US policymakers, focusing on episodes like the uncritical application of the Munich analogy in the run-up to intervention in Vietnam. True, US officials did not always use historical analogies and insights as effectively as they might have during the Cold War. But this should not obscure the fact that, on the whole, America’s Cold War grand strategy represented a near-textbook case of history used well.

The history in question, as noted above, was that of the international system and American isolation in the period prior to World War II. The policymakers of the 1940s, and after, learned several invaluable lessons from this period. They learned that economic depression led to extremism and war, and that the combination of great power and totalitarian rule was highly dangerous. They learned US security required maintaining a favorable balance of power overseas, and the best way of avoiding another global war was through strength, multilateralism, and engagement rather than non-entanglement and withdrawal. These lessons may have been distorted or applied inappropriately at times, but in general they informed a postwar grand strategy that was spectacularly successful, and shaped the broadly favorable international environment the United States inhabits today.

This learning process stands as a valuable corrective to the common historian’s conceit that when policymakers use history, they almost invariably use it poorly. It also gives cause for optimism about debates on American grand strategy today. As this essay has argued, the history of the Cold War is redolent with important insights that can help us assess grand strategic options and alternatives. If the policymakers of today and tomorrow draw on those insights as successfully as their predecessors, they will be all-the-better equipped to chart the nation’s path forward. Because while only a fool would make policy solely on the basis of history, it would be equally foolish to ignore what lessons history has to offer.