Correspondence

The Profitability of Primacy

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To the Editors (Richard W. Maass writes):

Daniel Drezner deserves credit for addressing arguments that link military primacy to economic benefits, which are typically considered only indirectly in the security studies subfield.[1] Any plan for future U.S. military spending would profit from a thorough understanding of (1) whether primacy provides economic benefits that offset its costs, and if not, (2) whether other benefits that it provides may be worth those costs. Drezner does not adequately establish the former argument, however, and he tries to dismiss the latter despite acknowledging the significant security benefits of primacy. Drezner advocates "deeper cuts" in U.S. military spending (p. 79), but ultimately provides little in his article to help readers determine whether making such cuts would be a good decision.

My critique proceeds in three sections. The first lays out four core flaws that undermine Drezner's analysis: (1) stretching the concept of military primacy, (2) drifting across several distinct research questions, (3) selectively isolating economics from military matters, and (4) avoiding the key alternative logic he claims to undermine. The second section identifies the five ways primacy might pay that Drezner targets in his article—an open trading order, foreign investment, the global reserve currency, bargaining leverage, and direct contributions to the hegemon—and evaluates his counterarguments to each. The third section examines the security benefits of primacy (which are worth a net cost greater than zero), critiques their dismissal by Drezner, and observes how he overstates the definitiveness of his conclusions.

ANALYTICAL FLAWS

Four core flaws in Drezner's approach persistently recur and undermine his analysis. First, despite accurately defining primacy as "a distribution of military capabilities in which one country faces no current or emergent peers on any significant battlefield" (p. 54), he regularly conflates that characteristic of the international system with expensive and reckless foreign policy behavior by the hegemon. For example, he argues that a forward military presence is costly because the United States pays for most of its mili-

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1. Daniel W. Drezner, "Military Primacy Doesn't Pay (Nearly As Much As You Think)," *International Security*, Vol. 38, No. 1 (Summer 2013), pp. 52–79. Further references to this article appear parenthetically in the text.

International Security, Vol. 38, No. 4 (Spring 2014), pp. 188–205, doi:10.1162/ISEC_c_00161

tary bases (pp. 65–66), that trade and capital flows before World War I did not conform to alliance patterns (p. 64), that foreign investment concerned with risk will flee a hegemon that pursues risky wars (p. 60), and that high defense spending does not raise employment (p. 58). Drezner asserts that "[i]n practice, primacy always seems to lead to . . . deep engagement" (p. 55). Yet "deep engagement" can mean many things, not all of which are reckless or expensive as Drezner implies (e.g., preserving freedom of the seas, providing international organization leadership, maintaining overseas bases subsidized by host countries, and "leading from behind").

Moreover, foreign policy may be strongly influenced by the distribution of power, but it remains a choice; unipolarity is not the cause of recklessness nor is multipolarity its cure. Napoleon's and Hitler's invasions of Russia were far bolder than any recent U.S. war, and international relations theory provides good reason for expecting riskier policies under multipolarity than unipolarity given that (1) similar levels of power encourage competition, and (2) in a system with many moving pieces, states look to convert temporary advantages into long–term gains (e.g., territorial conquests).[2] Primacy, in contrast, gives a hegemon the option to be reckless or restrained with minimal fear for its survival. This may loosen "constraints on the state to refrain from military adventurism," as Drezner claims (p. 62), but it does not necessitate adventurism. As Nuno Monteiro recently observed, "Unipolarity minimizes structural constraints on grand strategy"; it does not dictate grand strategy.[3] Indeed, the debate over U.S. grand strategy since the end of the Cold War has focused explicitly on the numerous policy choices available to the United States as a result of its primacy.[4]

The second core flaw in Drezner's article is that it drifts from his admirably clear initial research question—Does military primacy pay?—to a variety of distinct questions. Rather than comparing the costs of maintaining a predominant military versus the economic benefits of doing so, Drezner compares (1) the economic benefits of unipolarity versus bipolarity, (2) the economic benefits versus costs of deep engagement, and (3) the roles of economic primacy versus military primacy in producing the benefits of unipolarity. Even regarding these related but distinct questions, he does not provide the systematic evidence needed to persuasively answer them. Absent is a comprehensive comparison of the economic benefits drawn to a hegemon and those drawn to one of two superpowers, or a typology of behaviors falling under the term "deep engage-

2. See, for example, Geoffrey Blainey, *The Causes of War* (New York: Free Press, 1988); John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001); and Dale C. Copeland, *The Origins of Major War* (Ithaca, N.Y.: Cornell University Press, 2001).
3. Nuno P. Monteiro, "Unrest Assured: Why Unipolarity Is Not Peaceful," *International Security*, Vol. 36, No. 3 (Winter 2011/12), p. 21.
4. See, for example, Barry R. Posen and Andrew L. Ross, "Competing Visions for U.S. Grand Strategy," *International Security*, Vol. 21, No. 3 (Winter 1996/97), pp. 5–53; Eugene Gholz, Daryl G. Press, and Harvey M. Sapolsky, "Come Home, America: The Strategy of Restraint in the Face of Temptation," *International Security*, Vol. 21, No. 4 (Spring 1997), pp. 5–48; Christopher Layne, "From Preponderance to Offshore Balancing: America's Future Grand Strategy," *International Security*, Vol. 22, No. 1 (Summer 1997), pp. 86–124; Colin Dueck, "New Perspectives on American Grand Strategy: A Review Essay," *International Security*, Vol. 28, No. 4 (Spring 2004), pp. 197–216; Barry R. Posen, "Pull Back: The Case for a Less Activist Foreign Policy," *Foreign Affairs*, Vol. 91, No. 1 (January/February 2013), pp. 116–128; and Stephen G. Brooks, G. John Ikenberry, and William C. Wohlforth, "Don't Come Home, America: The Case against Retrenchment," *International Security*, Vol. 37, No. 3 (Winter 2012/13), pp. 7–51.

ment" and a comparison of their respective abilities to produce economic benefits that defray their own costs. He spends the greatest effort asserting that the benefits of unipolarity "rely on the hegemon's economic might as much as its military might" (p. 78), but this too is problematic given Drezner's selective separation of economics from military matters.

The third core flaw in Drezner's article is that he attributes independent causal influence to economic primacy despite repeatedly noting that a strong economy is the foundation of a strong military (pp. 59, 79). Drezner is unable to reject the alternative argument that the reason why economic power matters is often because of its implications for military power. Separating the two is unjustified theoretically, but he does so in order to claim that deeper cuts in military spending will save money while preserving the economic benefits the United States currently enjoys. Whereas Drezner does not provide compelling evidence that those benefits endure for leading economies lacking military primacy, international relations theory provides numerous warnings about the security dangers of power transitions and non-unipolar distributions of power.[5]

Drezner repeatedly emphasizes that China's economic rise "has reintroduced uncertainty into assessments about the global distribution of power" (p. 74; cf. p. 77). This statement is correct precisely because of the military potential that China obtains through its economic growth: waning U.S. economic strength portends the end of U.S. military primacy.[6] As Drezner himself notes, "Without a sufficient amount of economic power, the pacifying effects of military supremacy will eventually erode" (p. 77; cf. p. 78). This is so, not because economic power produces those pacifying effects directly, as Drezner implies, but because a sufficient amount of economic power is required to maintain the military primacy that produces those effects.

The fourth core flaw in Drezner's analysis is that he avoids the key alternative causal logic that he claims to undermine. In quoting Robert Kagan, Drezner clearly lays out that logic, which follows three steps: (1) a decline in U.S. military primacy would increase global instability, (2) that instability would result in a less prosperous global economy and hence U.S. economy, and (3) restoring stability would be far costlier than sustaining it (p. 57). The clarity of this logic provides an opportunity for skeptics to attack any of its three causal steps, but Drezner surprisingly sidesteps this opportunity. As his introduction summarizes, "Ostensibly, by acting as a guarantor of the peace in hotspots such as the Middle East and Pacific Rim, the United States keeps the international system humming along—which in turn yields significant benefits to the United States itself" (pp. 52–53), and Drezner does not directly critique what is ostensibly correct.

DOES PRIMACY PAY?

Throughout his analysis, Drezner questions five hypothesized economic benefits of primacy. The most important of these benefits is facilitating an open global economic order by providing "the ultimate means of enforcing the rules of the game" (p. 68). Drezner acknowledges that primacy is associated with free trade and that free seas—

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5. A.F.K. Organski, *World Politics*, 2nd ed. (New York: Knopf, 1969); Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979); and Mearsheimer, *The Tragedy of Great Power Politics*.
6. On the military potential of economic power, see Paul Kennedy, *The Rise and Fall of the Great Powers* (New York: Vintage, 1987); and Mearsheimer, *The Tragedy of Great Power Politics*, chap. 3.

ensured by primacy—boost trade, but he attempts to minimize the role of primacy through several tangential and unconvincing arguments. Drezner claims that high trade, central bank cooperation, and interdependence under early-twentieth-century multipolarity show primacy to be unnecessary for an open trading system. Yet he also observes that "economic interdependence was so strong . . . that it triggered security concerns among the great powers" (p. 64), which ultimately produced World War I. Drezner refrains from connecting the dots: the combination of interdependence and multipolarity created dangerous vulnerabilities that fueled a devastating war. In contrast, the current unipolarity largely mitigates those vulnerabilities under modern globalization, enabling a more stable and profitable international economy.

He also asks why China would become the largest foreign market for "stalwart U.S. allies" such as Japan, South Korea, and Taiwan if primacy mattered (p. 64). Yet China is (1) the most populous country in the world and hence the biggest potential market, and (2) right next door to all three of those countries and hence offers very low transportation costs for their exports. This is a false test: no theory of primacy predicts that states should abandon rational pursuit of their own economic growth by rejecting such an opportunity. Drezner observes that China is expanding its commerce around the world and accuses U.S. primacy of failing to "deter" it (pp. 64–65), yet expanding global commerce is participation in the open trading system that the United States champions. His critique of the economic favoritism argument implies that the United States is benefiting less than other countries from this system, but his article does not provide the economic analysis required to make such a claim persuasive.

Drezner attempts to write off the U.S. role in maintaining freedom of the seas by describing how private security on commercial tankers has recently thwarted Somali pirates (p. 71), when what is more notable is that states do not prey on each other's shipping. Privateers cannot thrive under unipolarity because their government sponsors would face retribution from the hegemon; that private pirates still raid shipping from a failed state—and that private security has gotten better at combating them—is no indictment of primacy. In the same way, the fact that private terrorist groups continue to pose security threats does not negate the substantial benefits of unipolarity in mitigating interstate violence. Drezner's conclusion that "military primacy is hardly a prerequisite for attracting trade and investment" (p. 78) is too simplistic. U.S. trade has more than quadrupled in the two decades since the end of the Cold War, growing from less than $1.2 trillion in 1991 to nearly $5 trillion in 2012 (exports plus imports).[7] The burden is on Drezner to argue that this dramatic growth has not in any significant part been a result of U.S. military primacy despite the impressive correlation.

Second, Drezner argues that primacy does not encourage foreign investment, which abhors risk. Foreign capital is scared away by risk-raising behaviors such as failing to protect domestic property rights, failing to honor public debts, creating private goods for the selectorate, pursuing overseas adventurism, and frequent warfighting (pp. 59–62). Primacy guarantees security from foreign invasion, which attracts foreign capital (p. 60), and affords the hegemon latitude to choose among risky or restrained behaviors.[8] Drezner is too bold in concluding that "[a]t a minimum, this set of capital market

7. U.S. Census Bureau, "Exports and Imports of Goods and Services, 1960–2012," http://www.census.gov/foreign-trade/statistics/graphs/gands.html.
8. Drezner cites research suggesting that regime type affects investors' perceptions of risk, yet this effect does not rule out the importance of other factors, such as military power.

preferences implies that hegemons receive negligible geoeconomic benefits from military primacy" (p. 61). At a minimum, the abhorrence of risk implies that total mobile capital should be greater under (stable) unipolarity than other (less stable) distributions of power, and that the hegemon should have a great opportunity to benefit from foreign investment if it prioritizes doing so. Foreign direct investment (FDI) in the United States rose gradually during the Cold War to $68 billion in 1989, but skyrocketed after the onset of unipolarity, growing to more than $321 billion in 2000. From 2001 to 2003, it plummeted back to 1989 levels before rebounding to more than $340 billion in 2007.[9] Not only do these data show an explosion of FDI in the hegemon under unipolarity, but they also show FDI dropping after a homeland attack destabilized the domestic economy (September 11) but rebounding beyond previous levels during an episode of overseas adventurism (the Iraq War). The burden is on Drezner to invalidate this correlation between primacy and FDI.

Third, Drezner questions the link between primacy and the global reserve currency. He points to the interwar period when Britain had superior power projection capabilities yet actors began treating the U.S. dollar as a reserve currency (p. 61). It is unclear, however, why power projection capabilities should be more important than factors that more directly reduce risk; in geopolitical security, for example, the United States far surpassed Britain given its power and isolation from Europe. Moreover, Britain did not enjoy military primacy during the interwar period, so this case does not test its significance. Drezner expresses surprise that China supports the dollar as the primary reserve, writing, "If the United States' biggest potential rival was engaged in the same kind of dollar-supporting role as close allies, then it suggests that U.S. bilateral security relationships did not play a causal role in preserving the dollar's standing as the world reserve currency" (p. 67). Here he confuses primacy with alliances and presents another false test, given that China employs the dollar as reserve in pursuit of its own growth. If even the "rising challenger" has an interest in reinforcing a U.S. economic benefit, this implies that primacy actually does pay. Thus, Drezner's analysis belies his conclusion that "[e]conomic and financial factors, not the military balance of power, primarily determine the location of the reserve currency" (p. 61).

Fourth, Drezner rejects the notion that primacy grants bargaining leverage on the grounds that Europe and the United States achieved similar deals when negotiating free trade agreements with South Korea. Although that case should prompt skepticism that a hegemon can routinely compel asymmetrical deals, it is a poor candidate for a test: the United States has an interest in a healthy South Korea and would not want to eviscerate it in a trade agreement. International negotiations are always complex and military power does not necessarily translate into bargaining leverage, as witnessed in recent U.S. failures to influence Israel's behavior in Palestine. That said, military primacy has allowed the United States to weight the international organizations that underpin the current international system in its favor, a benefit absent from Drezner's analysis but which inherently grants the United States substantial leverage in many negotiations.

Fifth, primacy can pay if other countries pay for it by making direct contributions to the hegemon. As Drezner notes, numerous countries made financial contributions to the United States in support of the Gulf War (offsetting some $54 billion of the war's

9. World Bank, "Foreign Direct Investment, Net Inflows (BoP, current US$)," http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?display=graph.

$61 billion overall price tag), and several allies currently subsidize U.S. military bases (including Japan, South Korea, and Kuwait).[10] Despite these cases, he argues that direct contributions are not a major economic benefit of primacy, because the United States pays for most of its current military bases. Rather than being a test of primacy's ability to foster rent-paying allies, however, this simply reflects supply and demand. Primacy increases demand for U.S. military bases among some vulnerable states that want U.S. troops on their soil to deter prospective attackers, and the United States pays for other bases where it desires them in the absence of local demand. Drezner also asserts that "[g]eopolitical favoritism matters more during periods of bipolarity than it does under unipolarity" (p. 67). This is understandable given the tense security environment of bipolarity, but it implies neither that allies will cease to value the hegemon's security umbrella under unipolarity, nor that the loss in direct payments when moving from bipolarity to unipolarity is greater than the corresponding gain in security.

SECURITY BENEFITS AND OVERSTATED CONCLUSIONS

The primary purpose of a national military is not to generate economic profit. Drezner claims that his results "point strongly toward deeper cuts in defense expenditures," because "the argument that an overseas military presence pays for itself . . . does not hold up" (p. 79). Whether primacy (or deep engagement) pays is an interesting and relevant question, but there is more to consider when debating military spending: namely, that primacy may be worth a net economic cost if it provides valued noneconomic benefits. Drezner is interested in what international relations scholarship says about the economic benefits of primacy, but when translating his analysis into policy recommendations, he overlooks what it says about the security benefits of primacy.

Unipolarity makes the international system more stable for two main reasons. First, it deters other states from attacking the hegemon, because no other country can reasonably expect to defeat it, thus eliminating hegemonic rivalry. Second, it decreases the occurrence of war between other states, because none of them want to risk the hegemon intervening. Overall, unipolarity eases local security competition, prevents resources from being wasted on arms races (providing more for investment), and reduces the occurrence of war worldwide. Drezner acknowledges that "the peace dividend from the shift to unipolarity has been significant" (p. 72), noting marked declines in interstate war, civil war, extrajudicial killing, and global military expenditures. Despite these unambiguous developments, however, he seeks to minimize the value of military primacy through four flawed counterarguments.

First, Drezner asserts that "eventually the cost of maintaining global public goods catches up to the sole superpower," as other countries free ride, technologies diffuse from the hegemon to rising powers, and the cost of a forward military presence adds up (p. 72). This argument is unpersuasive: the fact that something eventually ends is not a reason why it cannot have significant effects while it lasts (is life itself any different?).

Second, Drezner claims that the post–Cold War decline in violence is "merely the continuation of a long-term secular trend" rather than a result of unipolarity, citing four authors (p. 72). The first, John Mueller, observes a consistently low rate of international wars since World War II, the gradual fading of colonial wars as decolonization con-

10. Office of the Secretary of Defense, *Conduct of the Persian Gulf War: The Final Report to the U.S. Congress by the U.S. Department of Defense* (Washington, D.C.: Department of Defense, April 1992), app. P.

cluded by 1980, and (most notably) a gradual increase in ongoing civil wars from four to twenty-six between 1946 and 1991 followed by a subsequent drop from twenty-six back to four between 1991 and 2007.[11] At minimum, this defies Drezner's characterization of a long–term trend, and at maximum, it suggests a powerful causal role for unipolarity in reducing civil war (and for bipolarity in promoting it). A second article, by Bruno Tertrais, contains similar data and hypothesizes that the data represent the start of a long-term trend (not the continuation of a past trend as Drezner implies).[12] The third author, Joshua Goldstein, observes that "the annual average deaths was about 75,000 annually in 1990–2009 compared with about 215,000 annually in 1970–89. . . . Cold War conflicts were simply much more lethal than the more recent wars," and that "world violence was lower in the nineteenth than the twentieth [century] overall, perhaps half as violent relative to the world's population."[13]

The lone author actually observing a long-term decline in violence is Steven Pinker, who describes a centuries-long process of gradually declining violence among humanity. Yet Pinker's logic reaffirms the importance of military primacy.[14] The first cause Pinker offers to explain declining violence is the emergence of strong governments, concluding that "a state that uses a monopoly on force to protect its citizens from one another may be the most consistent violence-reducer that we have encountered."[15] The emergence of strong governments transformed global anarchy into international politics, constraining violence domestically while making the distribution of power among states the paramount factor constraining it internationally. Unipolarity performs a similar function, providing a de facto international leviathan strong enough to deter others from fighting.

Drezner's third counterargument claims that "[t]he pacifying effects of unipolarity appear to have dissipated," because recent years have witnessed a more assertive China that has not been tranquilized by the U.S. pivot to Asia (pp. 76–77). Assertive Chinese rhetoric, however, does not represent evidence against unipolarity's pacifying effects. The central pacifying effect of unipolarity is the deterrence of great power war, a consequence that remains intact. The notion that military primacy should enable the United States to dictate the settlement of all international disputes with minimal resistance from other interested states is (1) unrealistic, and (2) not a prediction of theories that attribute stabilizing effects to unipolarity. Moreover, one should not expect U.S. military power to be a credible deterrent regarding issues over which the United States clearly has no interest in fighting. Just as Russia was able to occupy one-third of Georgian territory in 2008 and annex Crimea in 2014 without fear of U.S. intervention, so too is China able to wield aggressive rhetoric in its various territorial disputes with minimal fear of U.S. retaliation.

Drezner's final counterargument is that full-spectrum primacy (including economic power), rather than military primacy alone, drives the security benefits of unipolarity.

11. John Mueller, "War Has Almost Ceased to Exist: An Assessment," *Political Science Quarterly*, Vol. 124, No. 2 (Summer 2009), pp. 297–321.
12. Bruno Tertrais, "The Demise of Ares: The End of War as We Know It?" *Washington Quarterly*, Vol. 35, No. 3 (Summer 2012), pp. 7–22.
13. Joshua S. Goldstein, *Winning the War on War: The Decline of Armed Conflict Worldwide* (New York: Penguin, 2011), pp. 16, 24.
14. Steven Pinker, *The Better Angels of Our Nature: Why Violence Has Declined* (New York: Viking, 2011).
15. Ibid., p. 680.

He justifies this claim by noting that scholars typically include both economic and military measures of power, but neglects to mention the reason behind this inclusion: economic power is the basis of military power, and an emerging economic competitor is a potential military competitor. He cites at length William Wohlforth describing how full-spectrum primacy rather than military primacy produces stabilizing benefits, yet Wohlforth explicitly delineates the relevant dimensions of power as those that contribute to enduring military power: "naval, military, economic, and technological" (pp. 73–74).[16] The difference between military primacy alone and full-spectrum primacy lies in our confidence that current military primacy will endure into the future. Thus, Drezner's claim that "hegemony relies on multiple channels of power" (p. 73) is correct precisely because enduring military power relies on multiple channels of power.

Drezner himself elegantly advocated the profound causal role of military primacy in a May 2005 blog post, responding to an article by Gregg Easterbrook titled "The End of War?" The article noted the declining frequency and destructiveness of war since the end of the Cold War, but failed to recognize the role U.S. military primacy played in achieving that outcome.[17] As Drezner wrote,

> He [Easterbrook] neglects to mention the biggest reason for why war is on the decline—there's a global hegemon called the United States right now. . . . [T]he reason the "great powers" get along is that the United States is much, much more powerful than anyone else. . . . [T]he U.S. is a great power, there are maybe ten or so middle powers, and then there are a lot of mosquitoes. . . . U.S. hegemony [is] important to the reduction of conflict in two ways. First, U.S. power can act as a powerful if imperfect constraint on pairs of enduring rivals (Greece-Turkey, India-Pakistan) that contemplate war on a regular basis. It can't stop every conflict, but it can blunt a lot of them. Second, and more important to Easterbrook's thesis, U.S. supremacy in conventional military affairs prevents other middle-range states—China, Russia, India, Great Britain, France, etc.—from challenging the U.S. or each other in a war. It would be suicide for anyone to fight a war with the U.S., and if any of these countries waged a war with each other, the prospect of U.S. intervention would be equally daunting.[18]

Although his 2005 logic is fundamentally sound, Drezner insists on rejecting it in 2013, choosing instead to reduce primacy to "a force multiplier for other forms of statecraft, including the use of economic sanctions" (p. 78). This dramatically sells short the crucial security benefits of U.S. military primacy for the United States and the world.[19]

Does military primacy pay? The answer implied by Drezner's analysis, though not the one he offers, is that it can, depending on the foreign policy choices of the hegemon. Policies that carry high price tags (e.g., renting military bases) or decrease the perceived stability of the hegemon's economy (e.g., reckless wars) can sap the hegemon's re-

16. William C. Wohlforth, "Unipolarity, Status Competition, and Great Power War," *World Politics*, Vol. 61, No. 1 (January 2009), p. 39. In his 1999 article on the stability of unipolarity, Wohlforth similarly identified the relevant dimensions of power as "economic, military, technological, and geographical." See William C. Wohlforth, "The Stability of a Unipolar World," *International Security*, Vol. 24, No. 1 (Summer 1999), pp. 5–41.
17. Gregg Easterbrook, "The End of War?" *New Republic*, May 30, 2005, http://www.tnr.com/article/the-end-war#.
18. Daniel W. Drezner, "Gregg Easterbrook, War, and the Dangers of Extrapolation," *Foreign Policy* blog, May 26, 2005, http://drezner.foreignpolicy.com/posts/2005/05/25/gregg_easterbrook_war_and_the_dangers_of_extrapolation.
19. For another important statement on why primacy matters, see Samuel P. Huntington, "Why International Primacy Matters," *International Security*, Vol. 17, No. 4 (Spring 1993), pp. 68–83.

sources and discourage foreigners from trading and investing in it. Policies that promote stability, both internationally (e.g., securing the seas, founding international institutions, and offering military bases to allies willing to pay) and domestically (e.g., refraining from wasteful or reckless policies), can pay for themselves and attract unprecedented levels of trade and investment. Military primacy offers a unique freedom of choice in foreign policy, and wise choices can make primacy pay.

In failing to persuasively establish either (1) that primacy cannot pay for itself, or (2) that primacy's economic costs outweigh its security benefits, Drezner overstates the definitiveness of his conclusions regarding "deeper cuts" in U.S. military spending (p. 79). What matters is not simply that cuts in U.S. military spending be "deeper," but that they locate the proper balance between maintaining current military primacy and promoting the economic strength to maintain that primacy into the future. A predominant U.S. military is not an unsustainable venture; between 1998 and 2001, the United States maintained its primacy at a cost of roughly 3 percent of its gross domestic product per year.[20] Drezner's suggestion that "[t]he United States would profit more from investing in nonmilitary power resources than in military assets" (p. 79) is worth considering, but profit should not be the goal of U.S. military spending.

In the aftermath of the Great Recession, U.S. leaders have increasingly demonstrated awareness that enduring military primacy depends on economic strength. As Drezner recounts, Adm. Michael Mullen declared the debt to be the single greatest threat to national security, and Defense Secretary Robert Gates recognized that the September 11, 2001 attacks, "opened a gusher of defense spending" that needed to be turned off (p. 56). The precise military capabilities the United States should maintain will continue to be the subject of intense debate (rightfully so), but preventing the rise of a peer competitor should continue to be the sine qua non of the U.S. military budget. The central question is: Would an emergent bipolarity be preferable to the current unipolarity? Drezner seems to favor emergent bipolarity for his perception of its economic benefits, though few would join him given the existential threat required to foster those benefits. Drezner is right that "an overreliance on military preponderance" should be avoided (p. 79), but that phrase should be explicitly conceptualized. The United States should not undermine primacy in the future by spending more than is necessary to maintain primacy in the present. Primacy itself should be an enduring priority.

—*Richard W. Maass*
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To the Editors (Carla Norrlof writes):

In "Military Primacy Doesn't Pay (Nearly As Much As You Think)," Daniel Drezner evaluates whether military dominance is economically beneficial to the United States.[1] He identifies and raises objections to three principal arguments in support of the view

20. World Bank, "Military Expenditure (% of GDP)," http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?page=2.

1. Daniel W. Drezner, "Military Primacy Doesn't Pay (Nearly As Much As You Think)," *International Security*, Vol. 38, No. 1 (Summer 2013), pp. 52–79. Further references to this article appear parenthetically in the text.

that U.S. military power leads to economic gain: a geoeconomic favoritism argument, a geopolitical favoritism argument, and a public goods argument. Because I advance variants of all three of these arguments in earlier work, I would like to respond to some of his objections.[2] Drezner's article makes a number of valuable and important points, but for reasons of space I focus on our disagreements.

GEOECONOMIC FAVORITISM

The geoeconomic favoritism argument has two components. The first is that the United States' extraordinary ability to secure investments and property rights has allowed it to enjoy unusually high financial flows from private investors. Second, America's military primacy enables it to maintain the dollar as the world's reserve currency and thus to enjoy better borrowing terms (seignorage).

Drezner states that for the geoeconomic argument to be valid, "military power must generate concomitant economic gains rather than vice versa" (p. 60). Here, Drezner is arguing against a straw man. Many scholars (including me) who think that military dominance can generate economic benefits also think that economic power is a prerequisite to military power. Drezner cites evidence from scholars such as Paul Kennedy and Barry Posen about the military advantages of a strong economy.[3] This evidence does not undermine the geoeconomic favoritism argument if that argument is properly understood.

In challenging the first component of the geoeconomic favoritism argument, Drezner cites my discussion of the correlation between U.S. military successes and failures on the one hand and financial flows on the other.[4] He does not dispute the correlation, but argues that my analysis fails to consider other possible explanations for the correlation such as economic growth and monetary and fiscal policy. Drezner is certainly right that it is desirable to consider other variables such as these, and in future research I will do so. Nevertheless, it is better to have an analysis supported by the existing, if imperfect, evidence than one contradicted by the available evidence. Drezner does not claim that there is any evidence contrary to my argument, only that the conclusion is not yet firmly established.

This first difference between us is not the most important one. The key question for the geoeconomic favoritism argument is not whether investments flow in tandem with U.S. military successes and failures, but whether the United States gains a security premium because of its status as the dominant military power. Drezner expresses skepticism about this. He cites Jonathan Kirshner's finding that bankers tend to oppose wars because they want to minimize risk, and Kirshner's suggestion that international financial markets may punish a military hegemon with "capital flight, pressure on the exchange rate, and greater difficulty in borrowing abroad" if it adopts an unduly aggressive posture (pp. 60–61). Drezner concludes that "this set of capital market preferences implies that hegemons receive negligible geoeconomic benefits from military primacy" (p. 61). Drezner extrapolates far too much from Kirshner's argument, how-

2. Carla Norrlof, *America's Global Advantage: U.S. Hegemony and International Cooperation* (Cambridge: Cambridge University Press, 2010).
3. Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987); and Barry R. Posen, "Command of the Commons: The Military Foundation of U.S. Hegemony," *International Security*, Vol. 28, No. 1 (Summer 2003), pp. 5–46
4. Norrlof, *America's Global Advantage*, pp. 167–191.

ever. Kirshner's claim that bankers are risk averse and prefer a stable peace is perfectly compatible with a willingness to pay a premium for greater security for investments. Moreover, the hypothesis that financial markets will punish a military hegemon that takes inappropriate risks implies nothing about whether the same markets will reward one that acts responsibly.

In *America's Global Advantage*, I argue that there is strong empirical evidence to support the claim that financial markets have compensated the United States for its status as a military hegemon in all three areas that Drezner mentions: foreign financial inflows, currency support, and seignorage.[5] For example, in a worldwide comparison, the United States profits more from its investment relationships with other states than any other country, more than any high-growth country, and more than other financial centers and/or countries governed by the rule of law.[6] I contend that the most plausible explanation for this pattern is that investors are willing to pay a premium to invest in the United States because of the additional security that its hegemonic position provides. Drezner does not challenge this argument or this evidence.

The second component of the geoeconomic favoritism argument is that "[p]rimacy also . . . make[s] it easier for a country to establish a reserve currency" (p. 59). In taking up this argument, Drezner seems to presuppose that it is economically advantageous for a state to have the reserve currency. This is a bit surprising given that he seeks to question the economic advantages of military dominance, and it is a disputed issue in the literature whether having the reserve currency generates economic gains or losses.[7]

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5. Drezner's focus on seignorage is too restrictive, but I do not have space to go into the more technical problems with his article.

6. Norrlof, *America's Global Advantage*, pp. 115–135, 172; Philip R. Lane and Gian Maria Milesi-Ferretti, "The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970–2004," *Journal of International Economics*, Vol. 73, No. 2 (November 2007), pp. 223–250; Philip R. Lane and Gian Maria Milesi-Ferretti, "Where Did All the Borrowing Go? A Forensic Analysis of the U.S. External Position," International Monetary Fund (IMF) Working Paper No. 08/28 (Washington, D.C.: IMF, 2008); Pierre-Olivier Gourinchas and Hélène Rey, "International Financial Adjustment," National Bureau of Economic Research (NBER) Working Paper 11155 (Cambridge, Mass.: NBER, 2005); and Pierre-Olivier Gourinchas and Hélène Rey, "From World Banker to World Venture Capitalist: U.S. External Adjustment and the Exorbitant Privilege," NBER Working Paper 11563 (Cambridge, Mass.: NBER, 2005).

7. Marcus J. Fleming, "Domestic Financial Policies under Fixed and under Floating Exchange Rates," IMF Staff Papers, Vol. 9, No. 39 (1962), pp. 369–379; Robert A. Mundell, "Capital Mobility and Stabilization Policy under Fixed and Flexible Exchange Rates," *Canadian Journal of Economic and Political Science*, Vol. 29, No. 4 (November 1963), pp. 475–485; Jacques Rueff, *Le Péché Monétaire de l'Occident* [The monetary sin of the West] (Paris: Plon, 1971); Fred C. Bergsten, *The Dilemmas of the Dollar* (New York: New York University Press, 1975); Benjamin J. Cohen, "The Seigniorage Gain of an International Currency: An Empirical Test," *Quarterly Journal of Economics*, Vol. 85, No. 3 (August 1971), pp. 494–507; Benjamin J. Cohen, *Organizing the World's Money: The Political Economy of International Monetary Relations* (New York: BasicBooks, 1977); Susan Strange, "The Persistent Myth of Lost Hegemony," *International Organization*, Vol. 41, No. 4 (Autumn 1987), pp. 551–574; Paul Krugman, *Currencies and Crises* (Cambridge, Mass.: MIT Press, 1991); Benjamin J. Cohen, *The Future of Money* (Princeton, N.J.: Princeton University Press, 2004); Benjamin J. Cohen, "The Macrofoundations of Monetary Power," in David M. Andrews, ed., *International Monetary Power* (Ithaca, N.Y.: Cornell University Press, 2006), pp. 31–50; Jonathan Kirshner, "Dollar Primacy and American Power: What's At Stake?" *Review of International Political Economy*, Vol. 15, No. 3 (August 2008), pp. 418–438; Eric Helleiner, "Political Determinants of International Currencies: What Future for the U.S. Dollar?" *Review of International Political Economy*, Vol. 15, No. 3 (August 2008), pp. 354–378; Carla Norrlof, "Key Currency Competition: The Euro versus the Dollar," *Cooperation*

(I argue that having the reserve currency is advantageous.) Moreover, because the dollar's role as a reserve currency refers to government (not private) incentives to use it, this argument actually belongs in the geopolitical favoritism section. But for purposes of discussion, I assume that the issue that Drezner wants to pursue is the way private economic actors respond to a currency and how that is related to military dominance.[8]

Citing work by Barry Eichengreen and Marc Flandreau, Drezner objects to those who argue that the dollar became the world's reserve currency in the 1920s, before the United States became militarily dominant.[9] Eichengreen and Flandreau also show, however, that Great Britain later regained reserve currency status despite having a smaller economy than the United States.[10] So, their article is inconclusive about the relationship between military dominance and reserve currency status. In any event, the crucial question is not whether military dominance is necessary for reserve currency status but whether it helps to achieve this status. I do not think military might is the most important variable in determining the reserve currency country, and I am unaware of anyone else suggesting that it is.[11] That does not mean, however, that the military dominance of the United States is irrelevant to the decisions that private investors make about which currency to hold in times of political and economic crisis. One illustration of this is that the dollar gained strength from the purchases of private foreign investors in the wake of the financial crisis of 2008, despite the origin of the crisis in the United States.[12]

In sum, the geoeconomic favoritism argument is far more robust than Drezner acknowledges.

GEOPOLITICAL FAVORITISM

Drezner's second argument is that the militarily dominant country receives economic benefits from other states as a quid pro quo for making their states secure. Drezner indicates that these economic benefits can take several forms: official support for the hegemon's currency; purchases of its debt; concessions in economic and trade negotiations; more favorable treatment of its investors; and economic transfers through basing fees, economic contributions to the hegemon's military activities, and arms purchases.

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and Conflict, Vol. 44, No. 4 (December 2009), pp. 420–442; Norrlof, *America's Global Advantage*; Benjamin J. Cohen, *The Future of Global Currency: The Euro versus the Dollar* (Abingdon, U.K.: Routledge, 2011); and Barry Eichengreen, *Exorbitant Privilege* (Oxford: Oxford University Press, 2011).

8. For consistency with Drezner's text, I nonetheless refer to currency's "reserve" role throughout this letter, including in cases when I do not think one should be talking about the "reserve" function.

9. Barry Eichengreen and Marc Flandreau, "The Rise and Fall of the Dollar (Or When Did the Dollar Replace Sterling as the Leading Reserve Currency?)," *European Review of Economic History*, Vol. 13 (2009), pp. 377–411.

10. Ibid.

11. Bergsten, *The Dilemmas of the Dollar*; Cohen, *Organizing the World's Money*; Robert A. Mundell, "What the Euro Means for the Dollar and the International Monetary System," *Atlantic Economic Journal*, Vol. 26, No. 3 (September 1998), pp. 227–237; Helleiner, "Political Determinants of International Currencies"; Kathleen R. McNamara, "A Rivalry in the Making? The Euro and International Monetary Power," *Review of International Political Economy*, Vol. 15, No. 3 (August 2008), pp. 439–459; and Norrlof, *America's Global Advantage*.

12. Norrlof, *America's Global Advantage*, p. 140.

I have provided evidence that the United States gains on the first four of these.[13] Drezner acknowledges that there is some theoretical and empirical support for the geopolitical favoritism argument, but he offers several cautions and objections. In particular, he contends that the benefits to the hegemon are greater under conditions of bipolarity than under conditions of unipolarity, that U.S. military power does not produce noticeable advantages in economic negotiations, and that because "the United States' biggest potential rival [China] was engaged in the same kind of dollar-supporting role as close allies . . . U.S. bilateral security relationships did not play a causal role in preserving the dollar's standing as the world reserve currency" (p. 67).

I will make one brief point about the unipolarity argument. This is an interesting claim, but even if Drezner is correct that the military hegemon gains less economically under conditions of unipolarity than under conditions of bipolarity, the crucial question is still whether there are significant economic gains from hegemonic status. Drezner provides little reason to support a no-gain hypothesis.

I will focus primarily on the last point about causal ambiguity in assessing political support for the dollar, raising two objections. First, Drezner constructs the geopolitical favoritism argument too narrowly. He assumes that security motivations are necessarily based on alliance politics. That need not be the case. Because China does not want a militarized Japan on its border, it has an interest in maintaining U.S. military might at a level where the United States can credibly guarantee Japan's security. Strategic foresight can also take us beyond this third-party calculus of extended deterrence. So, as I have argued before, states do not have to be under the security umbrella, nor do they have to be allies or even ideologically like-minded to have an interest in the political stability that the reigning military power provides—all that is required is a strategic interest in preserving the prevailing political order.[14]

Second, states hold reserves and buy foreign government debt for multiple reasons. The key questions for the geopolitical favoritism argument are whether the patterns of foreign official holdings of U.S. dollars and purchases of U.S. government debt provide economic benefits to the United States, whether these benefits are significantly different from the benefits other states receive from purchases of their currency and debt by foreign governments, and, if the first two questions are answered affirmatively, whether the advantage in this area enjoyed by the United States is closely connected to its position as an economic and military hegemon. Elsewhere, I offer theoretical and empirical evidence in support of all three of these propositions.[15] Nothing in Drezner's article calls my claims into question. So, even if his other arguments are correct, they do little to weaken the geopolitical favoritism argument.

PROVISION OF PUBLIC GOODS

According to Drezner, the strongest argument in favor of the view that military primacy pays involves public goods. A single dominant military power can create a stable and peaceful international order (a public good) and, if so inclined, can create an open global economic order from which all states can gain (another public good). Further-

13. Carla Norrlof, "Strategic Debt," *Canadian Journal of Political Science*, Vol. 41, No. 2 (June 2008), pp. 411–435; and Norrlof, *America's Global Advantage*, pp. 88–113, 122–135, 146–166, 168–180.
14. Norrlof, *America's Global Advantage*, p. 190.
15. Ibid.

more, the stability created by unipolarity generates a peace dividend. As incentives to balance disappear and incentives to bandwagon increase, states cut back on defense and reorient their attention to growth and prosperity. Drezner cites a lot of literature in support of this view, but says that this benign pattern will persist only if the military hegemon is also dominant in other areas, especially in the economic arena. Even then, he suggests, it will be difficult for the hegemon to maintain its position and to continue to provide these public goods of security and prosperity, because other states will be able to free ride through technological borrowing from the hegemon and by offloading the costs of security onto it. The danger then is that the public goods of peace and prosperity will diminish if other states do not accept the dominance of the hegemon and begin to contest its primacy.

In introducing these concerns about free-riding, Drezner implicitly endorses the view that the hegemon bears a disproportionate burden in providing the public goods of security and an open global economic order. That is a familiar view, of course, but it is precisely the one that I challenge. Specifically, I argue that the hegemon—today, the United States—benefits disproportionately from an open economic order made possible by peaceful international relations, as long as the preeminent military power is also the dominant economic power.[16] How can that be, if (as Drezner rightly notes) the United States bears a disproportionate share of the military costs of maintaining a peaceful world order? The answer lies in the first two arguments about the economic benefits of military dominance, arguments that Drezner is too quick to reject. The geoeconomic and geopolitical favoritism arguments show why the United States has an economic interest in preserving its hegemonic military position. Moreover, it is also in the interest of other states to help the United States preserve its dominant economic and military position.[17]

CONCLUSION

I have emphasized my disagreements with Drezner on the issue of whether military dominance is economically advantageous to the United States, but I do not want to overstate those disagreements. Like Drezner, I think that military power and economic power are interconnected, and that military hegemony is most economically advantageous when it is combined with economic hegemony, as it is for the United States today. Moreover, the fact that one thinks, as I do, that U.S. military dominance produces economic benefits for the United States, does not imply that the best way to preserve those benefits is by increasing military spending. Drezner's theoretical position is not necessary for his policy position. Like Drezner (and many others), I think that U.S. interests, even U.S. military interests, would be best served by strengthening the U.S. economy rather than by increasing the military budget.

—*Carla Norrlof*
Toronto, Canada

16. Ibid. See also Strange, "The Persistent Myth of Lost Hegemony"; and Joseph S. Nye Jr., *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990).
17. Norrlof, *America's Global Advantage*.

Daniel W. Drezner Replies:

In their responses to my article, "Military Primacy Doesn't Pay (Nearly As Much As You Think)," both Carla Norrlof and Richard Maass suggest that I underestimate the aggregate economic benefits that come from military primacy.[1] Norrlof and Maass argue that I have incorrectly specified the benefits from geoeconomic and geopolitical favoritism, and Maass claims that my critique of the public goods argument is misguided. They separately conclude that the economic benefits of military primacy are far greater than I posited.

I am grateful to Norrlof and Maass for taking the time and effort to engage with my article. I intended "Military Primacy Doesn't Pay" to be the start, not the end, of the scholarly debate. Indeed, as I noted in the conclusion, "The results presented in this article are preliminary—greater and deeper dives into the data must be made" (p. 78). It is indeed possible that further research will justify the claims that Norrlof and Maass make. As I detail below, however, I am skeptical that the economic benefits of primacy are as great as they claim. In the case of the geoeconomic favoritism hypothesis—the argument that military primacy will act as a natural attractor for private capital—they privilege their theoretical position without much in the way of evidence. In the case of the public goods argument, Maass misinterprets my assessment; I am not claiming that military primacy can never generate public goods benefits in conjunction with other factors; rather, at the current moment, the benefits of military primacy have waned dramatically. More generally, I am eager to see further research into the important question of when military primacy pays.

GEOECONOMIC FAVORITISM AND OMITTED VARIABLE BIAS

Both Norrlof and Maass argue that my critique of geoeconomic favoritism is "too simplistic," to use Maass's language. Norrlof argues, for example, that there is evidence beyond the simple correlation between U.S. military successes and inward flows of private capital. She stresses that "the United States profits more from its investment relationships with other states than any other country" because of U.S. military predominance. Maass makes a similar point, noting that inward foreign direct investment (FDI) flows into the United States exploded once military primacy was achieved after 1989. He concludes, "The burden is on Drezner to invalidate this correlation between primacy and FDI."

I would concur with Norrlof and Maass that my critique of the geoeconomic favoritism argument was probably the weakest part of "Military Primacy Doesn't Pay." That said, their critiques are equally weak. It is far from clear that military primacy is the principal causal factor explaining why the United States' rates of return on its overseas investments have been and continue to be higher than those of other countries. The consensus in the economics literature is that there have been two reasons. First, because U.S. foreign direct investment tended to be generations older than other countries' FDI, American multinational corporations had moved further down the learning curve in maximizing overseas profits. Second, foreign investors tended to place a greater frac-

1. Daniel W. Drezner, "Military Primacy Doesn't Pay (Nearly As Much As You Think)," *International Security*, Vol. 38, No. 1 (Summer 2013), pp. 52–79. Further references to this article appear parenthetically in the text.

tion of their international investments into lower-yielding assets, such as U.S. government bonds.[2]

It is possible, as Norrlof would postulate, that foreigners purchase low-yield U.S. debt because of the security provided by U.S. military primacy. There are many economic reasons, however, why dollar-denominated assets remain the most liquid in global capital markets.[3] Moreover, even if one focuses exclusively on the security dimension, Maass reveals an alternative explanation for this in his letter. Observing the flow of funds during the interwar period, he asserts that the "geopolitical security" of the United States helps to explain why private-sector actors started to treat the dollar as a rival to the pound sterling. As Maass must acknowledge, however, that security was a function of the United States' geographic isolation, not its military capabilities. Those geographical benefits have remained constant over the past century, suggesting that although security might play a role in attracting inward investment, military primacy is not necessarily the determining factor in acquiring security.

Maass's observation that there is a strong, positive post–Cold War correlation between U.S. military primacy and inward FDI into the United States demonstrates the perils of declaring that simple bivariate correlations constitute causation. That correlation is correct, but it is because global FDI flows exploded during this period. Furthermore, developed economies captured an ever-smaller share of global FDI over time, suggesting that military primacy alone is not a huge attractor of investment.[4] Simply looking at the bivariate relationship between two variables over time without proper consideration of alternative explanations leaves empirical findings vulnerable to omitted variable bias. Indeed, it is practically begging for this to occur.

To test the geoeconomic favoritism argument more rigorously, Nancy Hite and I have gathered and examined the effects of military spending on FDI inflows during the post–Cold War period, controlling for fixed country effects as well as a host of control variables.[5] On the one hand, the results do suggest a positive correlation between levels of military spending and inward foreign direct investment. On the other hand, the robust relationship reverses within the category of advanced, industrialized countries. In other words, for rich countries, including the United States, military spending is negatively correlated with inward FDI flows. This is consistent with the conclusion I arrived at on geoeconomic favoritism in my article: "Security is certainly a necessary condition for attracting foreign capital inflows, but [military] predominance does not appear to be a prerequisite" (p. 62).

MILITARY PREDOMINANCE, UNIPOLARITY, AND THE TROUBLE WITH MONOCAUSALITY

In his letter, Maass seems under the impression that I do not think military primacy generates public goods benefits. He claims at various points that I minimize the eco-

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2. Barry Eichengreen, "Global Imbalances: The New Economy, the Dark Matter, the Savvy Investor, and the Standard Analysis," *Journal of Policy Modeling,* Vol. 28, No. 6 (December 2006), pp. 645–652.
3. Daniel W. Drezner, "Will Currency Follow the Flag?" *International Relations of the Asia-Pacific,* Vol. 10, No. 3 (September 2010), pp. 389–414.
4. Data from http://unctad.org/en/PublicationsLibrary/webdiaeia2014d1_en.pdf.
5. Daniel W. Drezner and Nancy Hite, "Does Military Power Attract Foreign Investment? An Empirical Investigation," paper to be presented at the annual meeting of the American Political Science Association, Washington, D.C., August 28–31, 2014.

nomic benefits of predominance. I apparently do this by pointing to alternative explanations for the decline in piracy and conflict, exaggerating the effects of "assertive Chinese rhetoric," and not considering whether "an emergent bipolarity [would] be preferable to the current unipolarity."

To clarify, my intention in "Military Primacy Doesn't Pay" was not to reject the public goods logic. On the contrary, I explicitly stated that this was the strongest argument, both theoretically and empirically, in favor of military primacy. The data for the post–Cold War period strongly suggest that U.S. military primacy contributed to reduced interstate conflict, lowered defense expenditures, and even preservation of an open global economy. Rather, I was making two qualifiers to this point. First, I noted that there are alternative causal mechanisms at work as well (i.e., private security guards on cargo ships and the long-term secular decline in international violence). Saying that these causes exist is not to vitiate the public goods argument so much as to point out that we do not live in a monocausal world. For example, Maass's claim that unipolarity alone has deterred a great power war obfuscates far more than it reveals. Surely, nuclear deterrence played a role here as well.

Second, and more important, I was arguing that as of 2013 it was far from clear whether the pacifying effects of military predominance would continue to matter.[6] Although Maass claims that we are still operating in a unipolar moment, he does not rebut my argument or evidence that both publics and policymakers perceive the current moment as one in which the United States is the military hegemon but China is the economic leader. To be clear, this perception is flawed; the United States remains the largest economic power,[7] but as William Wohlforth's logic of unipolarity stresses, the perception is what matters.[8] This is why military predominance is useful as a component of full-spectrum unipolarity, but far less beneficial as a stand-alone property.

Maass dismisses this argument by suggesting that "assertive Chinese rhetoric" alone does undercut the stabilizing effects of unipolarity. We are well past the point of China's behavior being limited to merely assertive rhetoric, however. In Scarborough Shoal, Beijing has used a "cabbage" strategy of surrounding the disputed island with enough commercial and military vessels to exert physical control.[9] China's action constitutes a denial strategy that the United States failed to deter. Similarly, China's October 2013 announcement of an Air Defense Identification Zone also goes beyond mere rhetoric. Neither action escalated to actual war, but both raised tensions across the Pacific Rim and triggered a tsunami of World War I analogies.[10] On the one hand, these

6. This is why it is easy to reconcile the argument I made in my 2005 blog post with the argument I made in "Military Primacy Doesn't Pay" in 2013.
7. On this point, see Daniel W. Drezner, *The System Worked: How the World Stopped Another Great Depression* (New York: Oxford University Press, 2014), chap. 5.
8. William C. Wohlforth, "Unipolarity, Status Competition, and Great Power War," *World Politics*, Vol. 61, No. 1 (January 2009), pp. 28–57.
9. See Jeff Himmelman, "A Game of Shark and Minnow," *New York Times Magazine*, October 27, 2013.
10. Harold James, "Cosmos, Chaos: Finance, Power, and Conflict," *International Affairs*, Vol. 90, No. 1 (January 2014), pp. 37–57; Margaret MacMillan, "The Rhyme of History: Lessons of the Great War" (Washington, D.C.: Brookings Institution, December 2013), http://www.brookings.edu/research/essays/2013/rhyme-of-history; and Henry Blodget, "Someone Just Said Something about the Japan-China Conflict That Scared the Crap Out of Everyone," *Business Insider*, January 22, 2014, http://www.businessinsider.com/china-japan-conflict-lead-to-war-2014-1#ixzz2xshAtFyH.

heightened geopolitical tensions are not as serious as actual great power conflict. On the other hand, such tensions suggest that U.S. military primacy is insufficient to deter bellicosity from rising powers. According to Maass, military primacy leads to a welter of virtues—most important, the preservation of peace, security, and stability. At best, the Pacific Rim in 2014 is enjoying the benefits of only the first of those three qualities.

The crux of this debate rests on Maass's question of whether emergent bipolarity is preferable to the current unipolarity, but not in the way that Maass thinks. This question is framed to make it seem as though polarity is a simple choice variable, but the choice is not so simple. If the United States decides to double down on military supremacy, then Maass believes that unipolarity is preserved. As I argued in "Military Primacy Doesn't Pay," however, unipolarity is not a function of military power alone. If the United States is perceived as a waning economic power, then the utility of military predominance drops sharply. I argued that the United States can resuscitate its economic strength through measured military retrenchment, and the historical record supports this position.[11] The current policy question is whether the United States benefits more from reallocating its resources to promote greater economic growth or to focus on sustaining its military primacy. The deeper theoretical question is whether military primacy generates economic benefits independent of economic primacy. I welcome further research into both of these questions.

—Daniel W. Drezner
Medford, Massachusetts

11. Paul K. MacDonald and Joseph M.Parent, "Graceful Decline? The Surprising Success of Great Power Retrenchment," *International Security,* Vol. 35, No. 4 (Spring 2011), pp. 7–44.