Intro:

Today on *Political Economy*, I'm chatting with Hal Brands about America's place in the changing global order. Under the Trump administration, the US has acted less as an "ordering power," as Brands puts it, than it has over the past century. We talk about the evolving relationship between the US and its allies, in addition to the role of emerging technology in the competition with China.

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Pethokoukis: I suppose one way to look at the global rivalry between the US and China is just another version of this pattern where you have a very powerful country and it's challenged by a rising power: Athens-Sparta, Germany-Britain, US-Soviet Union.

Now we have the US-China. I think a lot of people would think is about whether there'll be a second American century or a Chinese century. Is that a correct and useful lens and one that you employ, or do you view things differently?

Brands: I think there's a lot to be said for that lens. In some ways, what we're seeing between the US and China is, as you referenced with the Athens and Sparta analogy, it's just the oldest story in the world. I have thought about it through a slightly different lens, which is the Eurasian lens. If you go all the way back, not to Athens and Sparta, but to the beginning of the modern global era, particularly in the 19th and 20th centuries, the pattern is: Big bad states located within Eurasia — within the combined expanse of Europe and Asia — try to conquer large swaths of that supercontinent, or big regions within it, and then use that as a platform to project power around the world.

That was basically the story with Napoleon, that was the story with Germany in both of the World Wars, it was the story with the Soviet Union and the Cold War, and you can see a version of that in what China is doing today, particularly if you put China together with the other Eurasian autocrats — Russia, North Korea, Iran — that are trying to revise the balance of power in their own regions. If you overlay the China challenge against this larger Eurasian backdrop, I think it gives you a nice way of conceptualizing what's at stake in the US-China rivalry.

What is at stake?

It's basically the question of who gets to write the global rules of the road in the coming decades. And so in this sense, the juxtaposition between an American century and a Chinese century is not wrong. The United States has used its particular position of power and influence to try to create a global system that is good for America and also happens to be good for countries and a lot of regions around the world. It's tried to enforce rules like freedom of navigation. It's tried to create a more or less open and thriving international economic order. It's tried to create a world where democracy and free institutions can thrive. That has been a particularly distinctively American project.

If we end up in a world where China or China-plus-allies are dominant because they have overturned the balance of power in the parts of Eurasia that they inhabit and they have turned those things into platforms for power projection around the world, it's going to be a very different international system. It's certainly not going to be a system that favors democracy and human rights as Americans might understand those concepts. It's going to be a system that is economically dominated by China. It's going to be a system where we see much more of the sort of territorial predation we've seen in places like Ukraine or the South China Sea. I think the stakes are actually quite high.

Is the current administration interested in writing the rules of the road? Is that a goal of theirs, that the America should continue to write the rules of the road?

And two, does it necessarily dislike that other version of the rules of the road that you just described led by China? Because many of those aspects, I'm not sure they sound necessarily against what maybe the Trump administration sees as a realistic view of how the world should be operated.

This is the fundamental uncertainty of our moment, which is whether the United States still stands for this concept of international order that we've been talking about. I would say that, within the current administration, it's a little bit ambiguous. Donald Trump is not an isolationist by any means. For Pete's sake, the guy has already fought two wars in the Middle East in the first 10 months of his presidency.

That characterization would be shocking to the country of Venezuela.

Yes, exactly. In many ways, Trump wants the United States to throw its power around more energetically on the world stage. The way I think of it is that Trump's ideal version of America is still a superpower — the super-ist power — but it's not necessarily an ordering power in the way that the United States has been an ordering power for most of the past 80 years. I think Trump is less interested in providing global public goods like freedom of navigation, less interested in the United States playing the anchoring role in the international economy that it played for decades after World War II and even after the end of the Cold War, less interested in the United States upholding global norms as we might've understood them 10 or 20 years ago.

At its worst moments, which are not all the time, but there are some of these moments, I think the Trump administration sometimes shades toward a more aggressive sort of predatory concept of American power. The best example of this is when Trump talks about retaking the Panama Canal, or making Canada the 51st state, or grabbing Greenland, and if you are taking territory against the wishes of the inhabitants and the current owners, you're engaging in precisely the sort of behavior that the US deplores when it sees it from China and Russia.

Now, the good news is that Trump has talked a fair amount about that, but he hasn't really done a whole lot to advance those agendas. His actual aims appear to be a little bit more limited, so I would put this in the category of dangerous rhetoric and dangerous impulses, as opposed to catastrophically counterproductive action for now. But Trump definitely does have some impulses that are not at all at odds with the sort of world that the likes of Xi Jinping or Vladimir Putin would want to bring about.

If we're facing a China-led authoritarian bloc, one would think that the leader of the free world should rally its longtime allies like it did during the Cold War. It seems like that was the most effective way to

combat the Soviet Union, and they never even had the economic or technological strength that China does.

The only way to get on top of the China challenge is to operate with scale. That's true in terms of supply chains, it's true in terms of industrial capacity, it's true in terms of the collective defense industrial base of the West, or the Democratic community, or whatever you want to call it, and so I think the diagnosis of the problem and the prescription, that part is unarguable.

I think there are contradictory tendencies within this administration when it comes to that. Trump has always had a somewhat dim view of US alliances, mostly because he thinks the US is getting ripped off in those alliances — either because it's paying too much for the common defense, or its allies are engaging in unfair trade practices, or some other thing. This has been his critique of US alliances going back to the US-Japan Alliance in the 1980s.

If you want to take an optimistic perspective on what the administration has done in this area, you could say that, basically, Trump is not destroying US alliances, he's realigning them. He is cajoling, pressuring, persuading US allies to contribute more to the overall cause: higher levels of European defense spending or defense spending in the Western Pacific. He is trying to get those allies to contribute to the reindustrialization of the United States with these various investment deals that he has gotten out of Japan, and South Korea, and other countries, and he is now paying greater attention to the supply chain issue because the Chinese rare earth export controls have left him no option but to do so. Just over the past couple of weeks, he's been making deals with Australia, and Southeast Asian countries, and Japan, and other countries on critical minerals and things like that.

You can tell a story where Trump is being tough and he is being transactional and he's being disruptive, but there are decent ends involved. You can also tell a story where the United States is going to behave so attractively in its relationships with key allies that it undermines the political cohesion of those alliances and leaves them less effective over time.

I'll tell a story: I was in South Korea the week after the ICE raid in Georgia, which was sort of seen as a national humiliation for South Korea, and it was also when the South Korean government was having to defend the fact that it had agreed to invest $350 billion in the United States with an outsized share of the profits going to the US. I will tell you, that was not a popular deal. So there is some risk here that the US sort of renegotiates these relationships too aggressively and ends up corroding them instead of fortifying them.

I’m not sure if this is representative of public opinion in Europe, but as a frequent reader of the Financial Times, it seems as if it is one op-ed after another all giving the same message, which is, “We cannot rely on the United States of America anymore.” Is that a right conclusion? Does that matter?

I think in the world of Trump, it's very transactional and you shouldn't rely on us because this is just about costs and benefits and as long as you're useful to us, we'll be friendly. If you're not then, then we won't have an alliance.

The irony of Trump's strategy is that it only works if the allies do still believe they can count on you, because otherwise, why should the EU accept this lopsided trade deal? Why should NATO countries go out of their way to court and flatter the president of the United States? They would only do that if they thought there was a benefit to be had, and the benefit is in at least quasi-credible US military protection.

Now, I say “quasi-credible” because if you work in a European defense ministry, or a European foreign ministry, and you have seen the United States twice elect a president who is alliance-skeptical and has made a career of being hostile to the European project, has often described the EU as being a worse competitor for the United States than China, you would be irresponsible not to be considering a world in which Europe can no longer rely on the United States.

The way I read European behavior and European thought, there's not a lot of illusion about Trump and what he might represent for the transatlantic relationship. The challenge is that, if Europe is going to be out on its own in defense in security terms, even if European countries raise defense spending to three, four, five percent of GDP tomorrow, it's going to be 10 to 15 years before there is a European military capability that can be used effectively outside of an alliance with the United States. What do you do in the interim? In the interim, you hug the United States as tightly as possible, you try to limit the damage to the alliance, and you try to maintain as much American commitment for as long as you can maintain it, even if you think the United States is on a long-term trajectory toward disengaging from Europe because you just don't have a better alternative.

I would imagine that, during Trump 1, there was an expectation that we need to ride this out and then we'll return to the America that we knew and we can just return to normalization. To the extent people believe that, I would assume that nobody expects that in Europe or Asian allies anymore, that you just have to assume that this is the new normal.

You have to assume that we're not going back to the old. I don't know that you necessarily have to assume that what we are seeing from Trump is what you will see forever and ever. Even in a world with a more unilateral, nationalistic America, the next president may not have the same personal and ideological obsession with tariffs that Trump does. There are aspects of this presidency that are relatively unique to Trump's personality, but you certainly can't count on the United States going back to the role it played in the 1950s, the 1970s, or even the 200s, because it's pretty clear that the drift of American politics is in a fundamentally different direction.

A lot of the tendencies that Europeans, in particular, have found concerning are not actually unique to the Trump administration. The United States has been trying to pivot to Asia under Democratic and Republican presidents for about 15 years. The United States has been going in a more protectionist direction, albeit with very different flavors, for probably close to 20 years at this point. So you get a particular variant of it under Trump, but there are these deeper shifts in US policy that mean the US is going to be exercising power in a different way in the future than it has in the past.

Is President Trump a China Hawk?

Not in the sense that the people who hang out on the third floor at AEI are China Hawks.

That’s a high bar.

The security-focused China Hawks get really exercised about the fate of Taiwan and these random features in the South China Sea that most Americans can't identify on a map, and they think a lot about

the military balance of power. I don't know that Trump is particularly interested in those issues. I think the issues that fire him up are the economic dimensions of the US-China relationship.

Trump is not sort of a new Cold Warrior in the sense that he sees competition with China as sort of this defining contest for the next 40 or 50 years. He is a guy who is looking for a deal with China, and he is willing to be tactically tough in order to get it. I think that's what the Liberation Day tariffs were about. I think that's what a lot of the first-term export controls were about. They were chips that Trump put into the pot in hopes of winning a hand in the negotiation with China. So Trump's instincts can overlap with those of the China Hawks, particularly when he is convinced that he has been disrespected or wronged by China. That was the case with COVID, for instance. But I think temperamentally he's in a somewhat different place.

Do you sense that he understands the longer-term implications of making a soybeans for high-end computer chip swap?

Yeah. The good news is that Trump walked back from the most aggressive proposals to liberalize US export rules on semiconductors in this most recent summit with Xi and South Korea. The bad news is that the US has been essentially frozen in place on those export controls for most of Trump's presidency and has actually gone backwards in key areas like the H-20 chips.

I think, at some level, Trump appreciates that technological primacy is the key to economic success and maybe to military success in the coming decades. If you put it to Trump and you say, “Do you want the US or China to be the AI superpower?” His answer is obvious. He wants it to be America. I think the challenge is that he is also obsessed with issues like the trade balance, and so that leads him to overvalue things like Chinese purchases of soybeans.

He is also susceptible to arguments that I personally think are spurious about the best way to maintain American technological superiority. One of the arguments that's been put forward is: of course, Nvidia should be able to sell more advanced chips to China because that's how we keep the Chinese hooked on our technology and make sure that they never do indigenous innovation. That's sort of laughable if you look at the trajectory of Chinese industrial policy over the past 15 years, but there are people who are willing to make these arguments for self-interested reasons, and the transactionalist in Trump is sometimes willing to listen to those things if they will grease the skids to whatever economic deal he's driving for.

How do you look at the geopolitical implications of AI? How do you factor in the idea of human-level AI shifting the global balance of power, depending on who develops it first?

I'll be the first to admit that I am not competent to assess some of the technical claims about the feasibility of AGI or ASI. I am not the person to adjudicate the arguments about whether the robots are going to kill us all 10 years from now. That said, geopolitical competitions tend to be technological competitions, and so the countries that are dominant in the key technologies of an era and in the processes that are needed to turn those into broad-based economic gains, those are the countries that tend to set the rules of the era. That was true of Great Britain in the 19th century, it was true of America in the 20th century, and it'll be true of somebody in the 21st century. From that perspective, I would put AI in this larger category of what's often referred to as “fourth industrial revolution” technologies that include things like quantum, and synthetic biology, advanced robotics.

They have the potential — I say the potential because, in many cases, the value has not yet been proven — but they have the potential to energize economic productivity for the country that can master these technologies and diffuse them throughout the economy. There are certainly really interesting military applications if you're thinking about a war in the Western Pacific, for instance, using AI enabled technologies for better situational awareness or to bring a lot of small things together in a lethal swarm in the Taiwan Strait. Those are areas where AI can play a pretty significant role.

My bias in thinking about this is that it will be important for the US to be the leader in AI innovation and how that innovation is applied, and I mentioned the second part of that deliberately because I think that there are multiple ways of thinking about the AI competition, or the AI race, or however you want to think about it. The first is we sometimes imagine that there is a technological finish line that you're first across and you get a big advantage. The first country to develop nuclear weapons had a significant military advantage, but as some other researchers have pointed out, there are multiple AI races going on. There's this race for artificial general intelligence. There's also the race to figure out how you apply AI in productive ways at scale within your economy or within your defense industrial base.

The US, I think, is doing pretty well in terms of leading-edge innovation. The most sophisticated advanced AI models, those are mostly produced by American firms or firms with significant American presence. I don't know that we're doing as well in the race to basically make AI useful across broad swaths of the economy or across broad swaths of our military innovation, and that's a critically important part of the competition as well.

Given your caveat about understanding the technology and AGI and whether it's even possible, how much time would you advise the Pentagon to think about those kinds of AGI, human-level AI scenarios, and what they mean? Because certainly, some of the world-building exercises I've read involving AGI are pretty stunning.

Should we be thinking about those scenarios? How much time should we spend? With the Cold War, we devoted a tremendous amount of intellectual bandwidth to thinking about nuclear war, and escalation scenarios, and how we should respond, "if they do this, we should do that."

Is the potential of AGI enough that we should be devoting those kinds of resources to thinking how we operate in a world with a new technology that, if you listen to the guys in Silicon Valley, seem very confident about where it's going to end up?

There are a couple ways of thinking about this. One is the question of how much time should we spend thinking about the loss-of-control scenarios, or the killer robot scenarios, where AI comes to pose an existential threat to us? And then the second one is, how much time should we spend thinking about how we would use AI as a tool of national power and in various conflict scenarios

And how China would use it against us if they get there first.

Exactly, and I think we ought to be spending a ton of time thinking about the second one of those buckets because if there's even a modest possibility or probability that AI will pay out economically and militarily in the way that the more forward-leaning estimates suggests, then we would be neglectful not to be devoting every bit as much intellectual energy to that as we did to thinking about the implications of the nuclear revolution.

The first bucket is a little bit trickier. We definitely should be grappling with those issues, and we should be taking seriously some of the more alarming scenarios about what unconstrained AI and AGI development might do, but I don't think we should be paralyzed by them because the second imperative is really important also. And I have done a little bit of writing on this.

My own personal view is that many of the doomsday scenarios about how AGI, in particular, will prove devastating for humanity because it will lead to runaway escalation, and crises, and autonomous weapons, and things like that — I think a lot of that is actually based on a faulty understanding of how international politics work and often a faulty reading of the history of the Cold War. This is a whole rabbit hole we could go down, but it's a long way of saying that we need to take these scenarios seriously, but we also need to be taking the competitive part of the AGI and the AI challenge seriously, because that's a place where others are going to move, even if we don't.

Can the US build enough drones if it has to? The US military?

I don't know. If the [question] is, “Can we build enough drones tomorrow?” the answer is probably “No.” If the question is, “Can we build enough drones for a conflict that happens three to four years from now?” if we really move aggressively on some of the initiatives that are underway, I'm more optimistic about that answer. But what I would say is that we're only going to be able to do it in coordination with friendly countries, and this comes back to your earlier point about the free world.

If you think about drone superpowers today, Ukraine ranks pretty high on that list. Ukraine is not simply a recipient of US military assistance, it's a country that we can learn a lot from and probably profit a lot from partnerships with, particularly in the unmanned system space. Other countries have industrial bases that are better-suited to producing the type of drones that have been used in abundance in recent conflicts. The US does really well at producing big, sophisticated, really expensive drones where you might procure a few dozen of them, but not the cheaper, loitering drones for intelligence or attack purposes where you need 20,000 of them a month. That's an area where I think we only get to that level of scale by ramping up our own efforts, but also by working with friendly countries.