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# The Cost of Primacy: The Potential Impacts on American Domestic Health

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THE COST OF PRIMACY: THE POTENTIAL IMPACTS ON AMERICAN DOMESTIC

HEALTH

By

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A thesis submitted in partial fulfillment

Of the requirements for the degree

Of

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In

Political Science

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2013

# The Cost of Primacy:

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## The Potential Impacts on American Domestic Health

**Peter J. Crosby**

**4/25/2013**

### **Abstract-**

While scholars, soldiers and politicians have argued about the international consequences of American grand strategy, relatively little attention has been paid to the potential domestic consequences of American hegemony versus isolationism. This paper is an effort to start the process of understanding the relationship between American primacy (the current strategy) and its domestic impact. It looks at general areas of measurement, economic and social indicators, to determine if primacy has a positive or negative impact on the American people. Though additional research is necessary, this paper suggests primacy has not had the negative consequences suggested by proponents of isolationism.

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## I. Introduction-

“In the course of a single century, America has transformed itself... from a country relatively isolated in the Western Hemisphere into a power of unprecedented worldwide reach and grasp.” - Zbigniew Brzezinski<sup>1</sup>

The United States stands atop the pinnacle of international power and influence, the acknowledged potentate of the international community.<sup>2</sup> While the duration and the long-term impacts of this unique situation are not known, one fact is: hegemony is not free. America’s decision to maintain its international primacy is not one without cost, real and opportunity. This paper seeks to explore the price of pursuing a grand strategy of primacy on the United States’ domestic population, specifically in contrast to the expectations of another grand strategy on the opposite end of the spectrum, isolationism.

The costs of primacy are a frequent topic among academics, with the discussion typically focusing on the impact of American foreign policy on the international system as a whole.<sup>3</sup> This focus is understandable, as the topic of primacy falls under the general umbrella of grand strategy, an international relations concern. Yet, the pursuit of primacy abroad does not occur free from domestic pressures.<sup>4</sup> As a representative democracy, the U.S. polity can significantly influence the actions America undertakes abroad.

Because of this influence, it becomes critical to understand the value of primacy from a domestic perspective, specifically in comparison to, isolationism. If scholars and policy makers are to comprehend the true impact of America’s pursuit of international primacy and its sustainability, they

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<sup>1</sup> Brzezinski, Z. “*The Grand Chessboard*” p. 3

<sup>2</sup> Brooks, S. and Wohlforth, W. “*American Primacy in Perspective*”

<sup>3</sup> Please see examples such as Brooks, S. and Wohlforth, W. “*American Primacy in Perspective*”, Jervis, R. “*International Primacy: Is the Game Worth the Candle?*”, Layne, C. and Thayer, B. “*American Empire: A Debate*” and other notable scholars.

<sup>4</sup> Hill, C. “*The Changing Politics of Foreign Policy*” p.220

must understand its value to the American people. Does it make America wealthier, absolutely or relatively? Does it contribute to American's sense of happiness and well-being? Are domestic programs ignored because of expenditures abroad?

Testing primacy against these questions is the purpose of this paper. If isolationist theory holds true, we will expect to see negative correlations for each measured metric, economic or social. The outline is as follows: first, an overview of key concepts and terms to facilitate understanding. Following the definitions is a review of the current literature addressing some of the pressing questions associated with domestic populations and the pursuit of primacy. Finally, the first portion of the paper concludes with a methodology review, explaining the process used during the course of research.

The second half of the paper focuses on reviewing various studies and measurements of U.S. domestic health. There is a separation of economic and social factors, each further divided into three sub-components. Counter-arguments are then addressed, followed by the general conclusions of the work.

## **II. Definitions-**

A logical place to begin a discussion on the value of primacy is by defining the term itself. At its simplest, primacy is "the fact of being pre-eminent or most important."<sup>5</sup> In the arena of grand strategy, this definition provides an excellent starting place, indicating America is first in importance in the international community. In the context of this paper, it should also be understood to mean the United States possesses the ability to "effectively resolve important international issues alone."<sup>6</sup>

To declare American primacy is to say the United States is first in the international community in terms of importance and power. It possesses sufficient hard power to influence international events

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<sup>5</sup> Oxford Dictionary, "primacy".

<sup>6</sup> Huntington, S. "*The Lonely Superpower*"

where and when it deems it necessary. To suggest primacy does not mean America possesses unlimited or unchallenged power, but rather the United States has no existing equals on the international stage. The world is no longer bi-polar or multi-polar, but uni-polar under an American hegemony.

A second key term to understand is the concept of isolationism. Isolationism as a concept has become an oft-banded phrase in the American political arena, typically hurled at a politician accused of backwards thinking in American economic or foreign policy matters. At its roots, however, isolationism claims to be centrally focused on American needs.<sup>7</sup>

Isolationism as a grand strategy recommends the United States focus on domestic concerns and limits its involvement in foreign affairs. This means a significant draw down of military spending (typically to 1.5% or so of GDP), withdrawing from foreign alliances like NATO and focusing on a single security deterrent, America's nuclear arsenal.<sup>8</sup> As a nation, America would turn inward, leaving the world to balance its own threats without hegemonic intervention on the part of the U.S.

Finally, isolationism sees international interventions and engagement as posing both direct and opportunity costs to the domestic health of American society.<sup>9</sup> The reasoning is basic: if we are spending money abroad, we are not spending it at home. This means domestic programs, like education and crime prevention, are going to be negatively impacted. While perhaps oversimplifying the calculus, this is the heart of the negative domestic tradeoff isolationism cites as a major reason for keeping America out of foreign entanglements.

Primacy and isolationism stand on polar opposites ends of the engagement spectrum for American foreign policy. Since the purpose of this paper is to test some of isolationism's premises where domestic health is concerned, primacy was selected as the most obvious counter-example. Additionally,

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<sup>7</sup> Posen, B. and Ross, A. "Competing Visions for U.S. Grand Strategy"

<sup>8</sup> Ibid

<sup>9</sup> Nincic, M. "Domestic Costs, the U.S. Public, and the Isolationist Calculus"

because the United States is currently pursuing primacy, there is sufficient data available for measuring selected metrics.

The third term requiring defining is domestic health. America's standing in the international community is measured in terms of military expenditures, weapon systems capabilities, the strength of its alliances and the robustness of its economy. Domestic health is a measurement of the absolute and relative well-being of the American domestic population. It includes such measures as per capita GDP, crime rates, education rates, health rankings and other indicators.

Domestic health is an attempt to measure the overall robustness of America society. Since societal health is a complex issue, there are no doubt alternative methods to measure it than what is proposed here. This is acceptable, since the definition used for this essay defined by the measurements used, namely crime rates, education rates and happiness.

### **III. Literature Review-**

Before moving to the methodology and evidence portion of this work, it is important to provide a context for the arguments made. To this end, there are at least three questions which need to be answered: first, what does existing IR theory say about the link between domestic and foreign policy; second, does the United States possess primacy; and third, what do scholars believe the impact of primacy is on the U.S. population, from both an isolationist and primacist perspective. This section seeks to address each of these concerns.

International relations (IR) theory, by definition, is focused on the foreign policy decisions of actors on the world stage, whether they are states, MNC's (multi-national corporations) or international institutions. Finding the answers to questions like "How do actors make decisions," "What forces guide those choices," and "What is the structure of the international system," form the basis of most IR



theorists' work. This second query, "What forces guide actor choices," is where this essay finds foundation in IR theory, as it deals with the potential domestic consequences of a specific foreign policy: the pursuit of primacy.

Within the scope of IR theory, the link between domestic and foreign policy is typically uni-directional: domestic policy influences foreign policy, with the strength, scope and manner of influence dependent on the school of the theorist. This thesis argues such a belief is unsophisticated, and the eventual hope is to show there are correlations between some foreign policy decisions and domestic measures. Before this argument can be made, it is necessary to evaluate how the major IR schools treat the relationship between domestic and foreign policy. These schools are realism, liberal-institutionalism and constructivism.

Realism is the oldest of all IR schools, forming the basis of IR theory in general.<sup>10</sup> It has five basic principles which form the foundation of the theory: the international order is anarchic, power is relative, the primary actor is the state, states will act in a rational self-interest and finally, states are unitary.<sup>11</sup> While there are many branches of "classical" realism, most IR theorists who identify as realists would generally accept the aforementioned tenets. Of the five, the one most relevant to this thesis is the concept of unitarity.

The concept of 'unitary' refers to the idea of or concept of unity.<sup>12</sup> From the realist perspective, this means a state acts as one entity primarily in response to external rather than internal forces.<sup>13</sup> While a realist may view domestic politics as a subtle influence on what a state decides is rational self-interest, the most important forces will be external threats. This is the reason the primary topic of

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<sup>10</sup> Holsti, O. *Theories of International Relations*

<sup>11</sup> *Ibid*

<sup>12</sup> Oxford English Dictionary, "Unitary"

<sup>13</sup> Holsti, O. *Theories of International Relations*

discussion for realist theorists is resolving the security dilemma and not deciding how local elections are going to frame the national debate on the environmental impacts of nuclear weapons.

It should be noted realist theory is not entirely dismissive of domestic issues, as there is one area of domestic concern which plays a significant role in realist theory, especially among the newer branches: political economy. As mentioned previously, solving the question of the security dilemma is of primary concern, with most answers including the need for a strong military. Since it is difficult to pay for tanks, ships, planes and nuclear weapons without money, the relative health of a nation's economy is a matter of importance. In this, realism shares commonality with the other IR schools, such as liberal-institutionalism.

Liberal-institutionalism came to prominence in response to realism. Dissatisfied with the explanations provided by the realist school, liberal-institutionalism seeks to explain the international order through state preferences, decided by a combination of hard and soft power interactions, including domestic concerns. Just as in the realism camp, there are divisions among liberal theorists, but they tend to share at least three basic principles: the world is a global community made up of varying cultures, economic systems and government types; there are other issues besides the war/peace debate which merit serious attention; and the nation-state is not the only actor on the world stage.<sup>14</sup>

For the purposes of this paper, the liberal-institutional approach to IR theory captures many of the potential impacts of domestic policy on foreign policy. Like realism, liberalism recognizes the importance of the economy, specifically the potential of economic ties to bind foreign actors together.<sup>15</sup> Additionally, factors such as local culture and governance style contribute to the foreign policy decisions of the state actors. One final component of liberalism worth mentioning is the role of non-state actors, such as MNC's.

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<sup>14</sup> Ibid

<sup>15</sup> Ibid

Since liberal-institutionalism recognizes the potential role of non-state actors on the international order, is it important to highlight one group of these actors: multi-national corporations (MNC's). MNC's are capable of influencing world affairs because of their large resources, their intimate ties to the global economy and their ability to provide leverage against state-level actors.<sup>16</sup> This is important because from a U.S. perspective, some of the nation's largest drivers of domestic business also have very large international footprints.<sup>17</sup> If the nation decided to pursue foreign policy objectives which are damaging to these groups, it is reasonable there would be some kind of formal or informal push-back.

The final school of IR theory addressed here is constructivism. Compared to realism and liberal-institutionalism, constructivism is a relatively new school.<sup>18</sup> Rather than focusing on the static structures of the international order, constructivist theorists view concepts like anarchy, power and national interest as ideas to be reevaluated at need.<sup>19</sup> Additionally, where realism and liberalism tend to assume a sort of universality of their definitions, constructivist theory suggests ideas and perceptions of the world are subjective, i.e. power for the U.S. could be a different concept than power for another state actor.

From a domestic policy standpoint, it is easy to see how a constructivist may see a link between the domestic and the foreign. If terms like allies and enemies are fluid and socially defined, the local domestic politics of a nation could have serious impacts on the foreign policy decisions made by state actors. For example, if a local U.S. politician decides to change the name of French fries to freedom fries, it could spark a reaction among the domestic polity to see France as an enemy instead of an ally, despite the historical relationship between the two nations. This in turn could cause a strain on the working

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<sup>16</sup> For an excellent example of the latter, please see Thomas Biersteker's work on Nigeria and MNC's during the 1970's.

<sup>17</sup> For example: Wal-Mart, McDonalds, American International Group, Apple Inc, Microsoft etc.

<sup>18</sup> Holsti, O. "Theories of International Relations"

<sup>19</sup> Ibid

relationship between diplomats between the two nations, leading to less productive discussions, or even hostility or lack of support for various international initiatives.

There are other IR theories, and there are sure to be concerns this work does not treat them all. Such an endeavor, while noble in its desire for completeness, is unnecessary within the framework of this essay. The purpose was to show the existing relationship between domestic politics and foreign politics according to modern IR theory, which tends to be one-way: the domestic impacts foreign policy with very little said about the flipside. It is the author's hope this paper can be a beginning point in providing additional context to the conversation about domestic and foreign policy links, specifically in the arena of American grand strategy.

The second question which needs addressed is whether or not America has primacy. As mentioned previously, primacy is when a single international actor, typically a state, possesses sufficient capabilities to be pre-eminent on the world stage. The U.S. must possess sufficient resources, will and international reputation to act where and when it desires to, in a manner consistent with its national objectives.

While some scholars may also argue primacy should include additional restrictions suggesting the nation state considered 'primarch' possess unlimited or unchallenged power, this essay reject this view.<sup>20</sup> Instead of looking to a mythical overlord of the international order such a definition conjures, this thesis prefers to use Kenneth's Waltz's polarity argument as a framework. Waltz, a realist, argued the international system could be divided into polarities to describe various balances of power.<sup>21</sup>

These polarities traditionally include at least a bi-polar system and a multi-polar system. An example of the bi-polar system would be the Cold War, as the United States and the U.S.S.R. stood on

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<sup>20</sup> Primarch is the term used to describe the nation which currently possesses the attributes of primacy as defined herein.

<sup>21</sup> Waltz, K. *Theory of International Politics*"

opposing ideological ground and in large part dictated, or at the very least heavily influenced, the foreign policy of the nation-states within their spheres of influence. A multi-polar world could be the world immediately before WWI, where several great powers had significant influence, suggesting an anarchical environment.

Within this context, there is another polarity suggested by primacy: uni-polar or global hegemony. The uni-polar system would have a single actor capable of influencing the rest of the world's actors with either soft or hard power capabilities. There is not the chaos of the multi-polar system and there are not other super-powers to directly challenge the will of the primarch as would be the case in a bi-polar system. While this primarch would not be able to do whatever it wished in the world at large, there would be no doubt its influence was the strongest felt and its preferences most likely to be enacted.

It is against this definition of primacy, the uni-polar world, the United States should be measured. When examining the world's stage of actors it becomes readily apparent America has met the definition since the fall of the Soviet Union. Its culture and influence have permeated most of the world's nations and it is America's vision which tends to guide international policy. For evidence of the first, two metrics are helpful if unconventional: McDonald's revenues and box office receipts.

McDonald's, an American MNC selling American cuisine in the form of hamburgers, makes more money overseas than it does domestically.<sup>22</sup> It is not a small margin either, with almost seventy percent of revenue generated outside of the United States.<sup>23</sup> While this oversimplifies the corporation's strategy of adding local food items to the menu, the fact remains burgers and fries have become a common part of the world's understanding of food.

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<sup>22</sup> Associated Press "*McDonald's global sales by region*"

<sup>23</sup> Ibid

The second metric is box office receipts. Of the top grossing films of all time, all ten were produced by American media companies.<sup>24</sup> Of the total receipts, an average of sixty-six percent of profit came from overseas (non-American) markets.<sup>25</sup> The total amount of money foreigners spent on these top ten movies is approximately \$23,366,700,000 in fifteen years.<sup>26</sup> The world is a voracious consumer of American media.

What does this mean in terms of influence for the United States? One of the nation's largest corporations has a presence in one hundred and twenty-one nations outside of America, with the working relationships with government ministers and other business owners this implies. Considering the influence corporations are able to exert on American politicians, it would not be a stretch to suggest this same influence can be used overseas. McDonald's and its executives are unofficial ambassadors of American economic interests.

The influence of media outlets is perhaps more subtle, but no less impacting. When American 'blockbuster' films are examined for thematic elements, they tend to contain some common themes: self-determination, clear divides between good and evil, distaste for tyranny.<sup>27</sup> These messages are generally in line with America's ideological foreign policy objectives and they are being consumed by foreign audiences at an impressive rate. Intentional or not, people in the international community are paying for the right to be indoctrinated with America's values.

For many scholars, the above examples will elicit at best a roll of the eyes and a heavy sigh while they search for more 'meaningful' proofs of American primacy. The focus is on whether or not America

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<sup>24</sup> Boxofficemojo.com

<sup>25</sup> Ibid

<sup>26</sup> Ibid

<sup>27</sup> Based on the top ten list provided by boxofficemojo.com: Avatar, Titanic, Marvel's The Avengers, Harry Potter and the Deathly Hallows Part 2, Transformers: Dark of the Moon, The Lord of the Rings: The Return of the King, Skyfall, The Dark Knight Rises, Pirates of the Caribbean: Dead Man's Chest, Toy Story 3. The author's film interpretation is open to critique.

can exercise its will abroad, when and where it chooses to so. The answer appears to be yes, in most cases. The evidence for this is one country: Iraq.

The United States went to war in Iraq in 1991 and again in 2003. Both times they were part of a coalition force, both times they sought international approval for their plan and both times they were the major provider of troops and logistical support. This would be remarkable if the story ended there, as what other nation has been able to garner international approval and alliance support to preemptively attack a nation state on the other side of the globe not once, but twice in a decade?

What makes these experiences an even stronger case for American primacy is the 2003 invasion. Despite being rejected by the United Nations in its desire to seek a military solution to Iraq, the lack of support by major allies like France and Germany, and the outright hostility of other international players like China and Russia, the United States still put together a 'coalition of the willing' and invaded a sovereign state 6,200 miles away. Objectively speaking, if any other nation had attempted to do this, it would be quite reasonable to suggest they would find themselves on the wrong end of the world's pointiest stick.

Yet, what were the consequences for America? Did Russia or China threaten military action? Were there embargoes put in place, even after the nominal reason for military action was found to be somewhat lacking in support?<sup>28</sup> Was America now a pariah state isolated from the international community?

The answer is clearly no. While there have been international consequences for America's decision to invade, the nation's alliance structure remains robust and it still possess the largest economy

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<sup>28</sup> A reference to then Secretary of State Colin Powell's speech to the United Nations indicating America had found evidence of weapons of mass destruction (WMD's) being housed by Iraq, a clear violation of earlier accords.

in the globe, unhampered by international sanctions on trade.<sup>29</sup> The fact that America could engage in legally questionable military action such a long way from home over the course of a decade without becoming severally isolated is a powerful argument the country stands as the world's foremost international power.

There are those who will continue to argue America does not now, nor has it ever, enjoyed primacy on the international stage. Refuting their claims would take at least a book, and doing so is not the purpose of this essay. The desire, rather, is to argue it is reasonable to suggest America has been, and perhaps still is, in a position of primacy. The author believes this goal has been accomplished satisfactorily.

The last major question which needs to be answered before presenting the gathered evidence is whether or not the questions of this thesis have already been answered by other scholars. What does the academic community have to say about the domestic impacts of primacy? Largely, the group is silent with two notable exceptions: *The Limits of Power* by Andrew Bacevich and *American Empire: A Debate* with Bradley Thayer and Christopher Layne.

Upfront, it is important to understand where these men stand. Dr. Thayer believes America both possesses primacy and the pursuit of it is in the best interest of American citizens. Col. Bacevich and Dr. Layne are a little more uncertain about the extent of American power abroad, but both agree primacy and the pursuit of it is not in the best interests of Americans, especially abroad. With the lines drawn, it is now possible to examine what they say about the potential domestic impacts of this particular foreign policy strategy.

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<sup>29</sup> Based on World Bank estimates of economy size through 2011 and America's continued active participation in NATO and its expansion into the Pacific with SEATO



Bacevich, a retired Army colonel, is clearly against America's pursuit of primacy. He blames America's foreign policy on a bloated bureaucracy, an over-powered executive branch and Americans pursuit of material appetites.<sup>30</sup> What is interesting about this formula is once again foreign policy is a result of domestic pressures.

How foreign policy, specifically the pursuit of primacy, impacts the domestic population is largely un-quantified. While Bacevich believes the relentless pursuit of commercialism will prove the destruction of American society, there is little discussion of specifics.<sup>31</sup> Bacevich's view is that of an isolationist. He expects primacy to caused serious harm to American domestic life.

To support this argument, Bacevich cites examples of growing American debt (public and private) and the nation's growing dependence on foreign nations to support its energy needs.<sup>32</sup> From this viewpoint, the United States is economically weaker and at a serious disadvantage in the competitive marketplace. It is a small leap, logically speaking, for an isolationist to suggest these warning indicators, like debt, are the harbingers of domestic malaise. Pursuing primacy, from an isolationist standpoint, will weaken key aspects of American domestic life.

*American Empire: A Debate* is a conversation between two scholars on opposite sides of the fence where the pursuit of primacy is concerned. Both authors have the opportunity to present their initial arguments and then rebut their partner's view a single time. On the whole, the arguments for and against primacy again focus on the international consequences, with domestic benefits or costs being logical deductions of the primary arguments.

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<sup>30</sup> Bacevich, A. "The Limits of Power."

<sup>31</sup> Ibid

<sup>32</sup> Ibid. Pg. 43-44

For example, Dr. Layne suggests pursuing primacy will lead to a revolt in the international community against American exceptionalism and hard power.<sup>33</sup> America will lose standing in the international community and find itself cut off from many of the opportunities it enjoys now. We will become the oppressors which need to be thrown off.<sup>34</sup>

Again, this is an isolationist argument suggesting active engagement in international affairs will lead to negative consequences. As previously noted, Layne's focus is predominately on specific international blowback, but he does make broad allusions to domestic consequences. From the perspective of isolationism, one could extrapolate the negative international consequences of primacy to domestic affairs, suggesting primacy as a grand strategy is a detriment to the whole of American society.

From Dr. Thayer's perspective, the opposite is true. Primacy is a positive benefit for both Americans and the international community as a whole because it provides stability, a better government and economic prosperity.<sup>35</sup> Thayer, like Bacevich, spends time tracing the origin of primacy and finds its roots in American history rather than rampant consumerism.

Similar to *The Limits of Power*, Thayer and Layne's work speaks of benefits or costs in broad strokes from an American domestic perspective. They discuss the creation or maintenance of international systems, with the domestic benefits/costs alluded to but never specified. Perhaps both authors felt their arguments were self-evident as they pertained to domestic matters, or more likely, domestic concerns were not the primary focus of their discussion.

Whatever the reason, there appears to be a gap in the existing literature where primacy and its domestic consequences are concerned. This is unfortunate, since it seems the government of any nation

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<sup>33</sup>Layne, C. and Thayer, B. "American Empire: A Debate."

<sup>34</sup>Ibid

<sup>35</sup>Ibid

has a responsibility first to its citizens and second to the international community. When discussing the value of a foreign policy strategy or decision, the first question should be “How will this impact our citizens?”

This is not to suggest decision making can be done in a vacuum. Quite the opposite is true, as the author believes just as there are foreign policy implications of domestic pressures, there are domestic consequences of foreign policy decisions. Indeed, the purpose of this paper is to better understand the relationship between domestic factors and a single, though very important, foreign policy strategy: primacy. Hopefully this work can act as a starting point for future research and discussions of not just the impacts of primacy, but foreign policy as a whole.

#### **IV. Methodology Review-**

In order to begin a discussion of the methodology it is necessary to define and defend the date ranges used during the measuring process. The periods of American history which could be realistically labeled as isolationist pre-date the modern global system of politics and economies which renders comparisons with the primacy era problematic. The bi-polar era may be employed as a reasonable substitute for the isolationist era for two reasons: it better resembles the hegemonic era in key economic and political measurements; and it is more defensive in posture, aligning more closely with isolationism than primacy does, allowing for a meaningful comparison.

Based on this logic, the measurements selected for comparison in this thesis begin in 1980, the height of the Cold War and the bi-polar system, and then track costs across subsequent decades through 2010, depending on the metric and the availability of data. Primacy is assumed starting in 1991 (the fall of the Soviet Union). This process is generally used for both the economic and social indicator metrics.

For some, 1980 may be seen as the start of American primacy and so the costs of the decade should be assigned to America's pursuit of primacy and not its maintenance of the bi-polar system. This view is incorrect based on two crucial points: America's primary strategy during this period was containment, which is defensive in nature; and the cost and frequency of international engagements have increased significantly since 1991.

Containment, the grand strategy of America which led to the downfall of the Soviet Union and the undermining of communist ideology worldwide, was at its heart, passive diplomacy.<sup>36</sup> As originally proposed by George Kennan, containment was an effort to respond to Soviet territorial aspirations with a defensive posture.<sup>37</sup> America would not aggressively try to 'liberate' communist influenced territory, but rather hold the line against future spread and let the communist ideology kill itself off.

Containment was made for a bi-polar world. America would face off against the only other superpower, with the intent to prevent the spread of Soviet influence, not to create American hegemony. This key point is the core of the differences between bi-polar spending and primacy spending. Primacy seeks dominion in some form, containment of the bi-polar era wishes for a status quo of power.

This philosophy continued to throughout 1980's. While America supported anti-Soviet efforts in places like Afghanistan, the nation did not go to war six thousand miles from home in an effort to topple governments deemed as threats. Indeed, this passivity was a major sticking point for containment's detractors who wished to see a more aggressive and assertive foreign policy.<sup>38</sup> They would get their wish as America started to pursue primacy in the decade following the U.S.S.R.'s collapse.

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<sup>36</sup> Kissinger, H. "Reflections on Containment"

<sup>37</sup> Ibid

<sup>38</sup> Ibid

In the 1980's, America formally went to war zero times. There were troops deployed overseas, support was provided to anti-communist factions, and the nation did involve itself militarily in the western hemisphere, but there were no wars. In the two decades since 1991, America invaded Iraq twice, provided air-support to Bosnians and Libyans, and invaded Afghanistan. There has been a pivot from maintaining the existing world order to creating a new one more amenable to U.S. interests.

The costs of these wars have not been insignificant. Again, formal war spending during the 1980's was zero dollars. The total cost of all wars fought during the containment era (four decades) is \$1,084 billion.<sup>39</sup> The cost of wars since America has aggressively pursued primacy is \$1,207 billion, in just half the time.<sup>40</sup> The nation's pursuit of primacy is currently on pace to double military spending where direct conflict is concerned.

On a final note, the increase in war spending during the decades where America has pursued primacy aligns well with isolationist expectations. Isolationism expects active foreign policy costs to exceed more passive strategies. On a scale of active strategies, primacy is at the extreme end, more active and aggressive than any other, including the bi-polar strategy of containment. This is why 1980 was chosen as the comparison year, because it allows a contrast of American domestic health during periods of various grand strategies, with the isolationist expectation being a worsening of domestic health during periods of more active foreign engagement.

Isolating data which represents domestic measures is the second task of the methodology set. How to measure the impact of primacy on America's population is a difficult task, but not impossible. One can measure the amount of resources being spent on various categories, and then sort those categories in a logical and meaningful fashion. Once sorted, the various grouping and sub-groupings can be compared and contrasted, revealing trends and possible tradeoffs. This is the approach taken by this

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<sup>39</sup> Daggett, S. "Costs of Major U.S. Wars". Dollar amounts are in 2011 U.S. currency.

<sup>40</sup> Ibid

paper, as it offers perhaps the simplest way of understanding the complex relationship between international primacy and domestic health.

The primary concerns with such an approach are the validity of the data sets and the quality of the categorizations. To address these concerns, the following actions have been taken: first, all of the data in this paper is culled from widely respected sources. Examples include the World Bank, various U.S. governmental agencies and respected non-profits such as SIPRI (Stockholm International Peace Research Institute.) While the interpretation of the data in this paper is subject to thorough review, the sources should be considered reputable.

Second, great care has been taken to create meaningful and useful categories for each metric. They fall primarily into two categories: economic indicators and social indicators. The economic indicators are per capita GDP, foreign direct investment levels and spending on social programs (education, health services). Social indicators include crime rates, education rates, and happiness rankings. Both sets of indicators are examined from an absolute and a relative perspective.

If the design itself is valid, the crucial question becomes, why? Why select the metrics measured in this work? The answer to this question is threefold: the first and most important reason is because these metrics seem to capture what American citizens would say is important to them; the second reason is there appears to be a logical correlation between the metrics and foreign policy; and finally, the availability of data.

First, from a subjective view, Americans seem to be interested in both their economic and their social well-being. When comparing the most searched items on Google for 2012, we find U.S. citizens worried about both social and economic concerns with issues like abortion, immigration, gas prices and

the national debt all making the top ten.<sup>41</sup> This would seem to indicate any effort to understand the impacts of a specific foreign policy effort has to address both economic and social concerns.

From an economic perspective, three metrics stood out in importance and data availability: per capita gross domestic product (GDP), foreign direct investment (FDI) and overall levels of government spending. Per capita GDP provides a good baseline of the general economic success of a nation, foreign direct investment measure the trust the U.S. economy has overseas and government spending helps track the 'guns versus butter' debate. In addition to these general benefits, there are perhaps more subtle insights to be gained.

As an example, FDI not only measures foreign trust, it is a good indicator of societal stability and relative economic strength. Companies do not like to see their money wasted, and governments with a strong rule of law and stable societies tend to be more favorable investing climates in the long-term. If the United States had significantly higher levels of FDI, it could suggest other nations recognize there are societal strengths which provide unique economic benefits.

Some may argue companies are going to simply maximize profits and so will invest where there are few regulations and high potentials for a quick return. This mindset suggests the U.S. is actually a worse social environment if it had high levels of FDI. It is also false.

While there are certainly short-term profit maximizing schemes involving high risk investments, MNC's are not built on a quick buck. Solid companies, like solid structures, require a steady foundation, in this case reliable long-term investments. With this in mind, the paper seeks to measure consistent levels of FDI over multiple decades, suggesting there is something unique about American society which promotes long-term ROI (return on investment). If there are consistently higher FDI rates, and they

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<sup>41</sup> Google.com

correlate with the years America has possessed or pursued primacy, it would suggest primacy is good for the American economy.

From a social measure standpoint, a similar thought process guided the selection. Again there are three metrics this paper seeks to measure over time: crime rates, education rates and overall American happiness. Crime rates help track domestic safety, education rates identify the future potential for competitiveness at home and abroad while happiness is pretty self-explanatory: are Americans happier in an age of primacy?

From an objectivity standpoint the social measures are somewhat more complicated, simply because it is difficult to prove causation between a single foreign policy objective and a social measurement. Crime rates, for example, are a result of many factors. Still, there is an inherent logic behind the crime rate and education level metrics: if there are limited resources to spend and pursuing primacy costs resources, is it worth the cost?

The question becomes about the tradeoff between pursuing primacy and some other foreign policy strategy. When America pursues primacy, does it generate more opportunities and resources than it spends when compared to an alternate foreign policy strategy? Additionally, if America pursues primacy, does this negatively impact its ability to provide safety (measured via crime rates) or competitive potential (measured via education levels) to its citizens when compared to other nations, who are not pursuing primacy?

Of all the metrics chosen, the most tenuous link is certainly between American levels of happiness and the pursuit of primacy on the international stage. Happiness itself is an almost ethereal concept to many, as what makes one individual happy would be considered a living hell to someone



else.<sup>42</sup> Still, if there are significant swings in the levels of American happiness between years where the nation pursued primacy versus an alternate foreign policy strategy, it would be telling. Such a shift would be a strong argument there is a link between foreign policy decisions and their domestic impacts, even if those impacts can not quite be operationalized.

On the whole, the process used to compare and contrast the various economic and social metrics is sound. The chief concern is in the selection of the metrics themselves, with five out of the six having strong historical or logical reasons (perhaps both) for being included. The sixth, happiness, is somewhat more difficult to pin down but still provides useful context. Since this paper represents what may rightfully be considered a first effort into tracing primacy's impacts on the American domestic population, these tradeoffs should be acceptable and may invite future debate and analysis of the topic.

#### **IV. The Importance of Domestic Health-**

“The only orthodox object of the institution of government is to secure the greatest degree of happiness possible to the general mass of those associated under it.”- Thomas Jefferson<sup>43</sup>

A government's first, and some would argue only, priority is to see to the welfare of its citizens.<sup>44</sup> This involves insuring their physical security, and in the United States, “promoting the general welfare.”<sup>45</sup> It can reasonably be argued ‘general welfare’ refers to the health of domestic society, and is a distinctly separate duty than ensuring security from international threats. However, it would be incorrect to assume these governmental responsibilities are not linked.

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<sup>42</sup> For an example of this, please see the lively debate between ‘mommy bloggers’ and their apparent mortal enemies, those happily childless individuals or couples who delight in espousing the joys of a childless existence.

<sup>43</sup> Jefferson, T. to van der Kemp, M. 1812

<sup>44</sup> Perhaps the most persuasive individual to argue this was John Locke. Please see his “*Treatises on Government*”. The drafters of the U.S. constitution took a similar view, as evidenced by its preamble.

<sup>45</sup> U.S. Constitution

The general welfare of society is certainly tied to its security. While Abraham Maslow's hierarchy has been challenged over the years, it is difficult to reasonably suggest an individual will enjoy happiness to its fullest extent if he or she is being physically assaulted by a foreign soldier. Likewise, the experience of the former Soviet Union demonstrates when a government over allocates its economic means heavily into military might, the domestic population suffers relative to other nations with less aggressive military expenditure programs.<sup>46</sup>

As noted previously, the debates about primacy in the realm of grand strategy tend to focus on the international consequences of America's pursuit and maintenance of hegemony, predominately negative from the isolationist standpoint. This leaves unexplored the relationship between primacy and domestic health, something which this papers hopes to begin to remedy. To do so, it first looks at the potential domestic economic impacts and then turns to the potential social consequences of American hegemony.

**a. Economic Indicators-**

"The economy, stupid." – James Carville<sup>47</sup>

When examining the domestic health of the United States, the first place to begin is with the economy. As several notable politicians have discovered, economic prosperity is one of, if not the most, important concerns of the U.S. polity.<sup>48</sup> America's economic strength is also directly tied to its military capabilities, as it is difficult to pay for military hardware without an economy.

This section examines some of the important indicators used to determine the overall robustness of an economy and how the United States chooses to spend its wealth. It begins with an

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<sup>46</sup> Nincic, M. "*Fluctuations in Soviet Defense Spending*"

<sup>47</sup> President William Clinton's 1992 presidential campaign

<sup>48</sup> The reelection of an incumbent president seems to be closely correlated with several key economic factors including unemployment and GNP (Gross National Product) growth. Please see Dr. David Kaas work in political economy and U.S. presidential elections.

overview of the absolute size of the American economy, moves into per capita GDP and FDI and then concludes with an examination of governmental spending.

In absolute terms, the economy of the United States of America is the largest the world has seen.<sup>49</sup>In relative terms, America's economy is larger than the next two nations, China and Japan, combined.<sup>50</sup> The U.S. economy accounts for over twenty-one percent of the world's economic might. There is little question America is an economic powerhouse.

### **Per Capita GDP-**

Since it is established the American economy as a whole is the largest and most robust, the next question is how do its citizens fare compared to the rest of the world. Figure 1 shows the relative per capita GDP of the top twenty nations and China.<sup>51</sup>The United States ranks 15<sup>th</sup> out of the world's nations, with the second largest absolute economy, China, ranking 90<sup>th</sup>.

To better understand this data, it is necessary to also understand population totals for each nation, as shown in Figure 2.The United States is the 3<sup>rd</sup> most populous nation. According to the data, it also has the best GDP per capita ranking of the most populous nations.<sup>52</sup>

Finally, before interpreting the data, it is important to understand where the United States was before primacy was established. According to the IMF, America ranked 9<sup>th</sup> in per capita GDP and 1<sup>st</sup> in overall size of the economy in 1980.<sup>53</sup> 1980 can be defended as a representative year for multiple reasons: it was during the height of the Cold War when the USSR was still a legitimate threat, providing the framework for a bi-polar international order; it is far enough after the economic devastation of

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<sup>49</sup> Based on World Bank rankings of the size of the world's economy as a whole and each nation individually. Data is through 2011 and spans the last twenty years. It shows a world economy worth almost \$70 trillion in 2011. Of that, the United States ranks number one with an economy worth an estimated \$15 trillion.

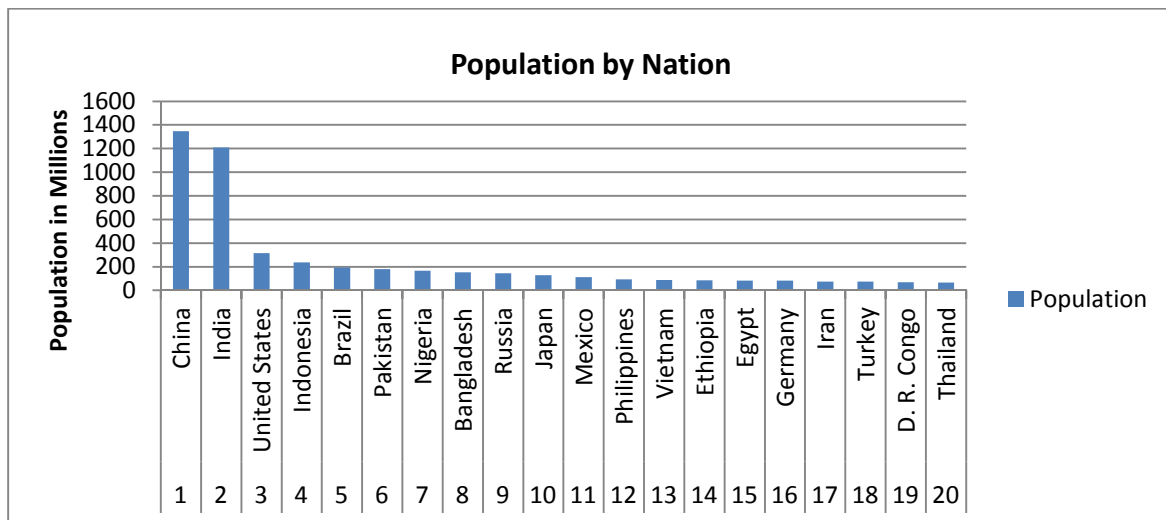
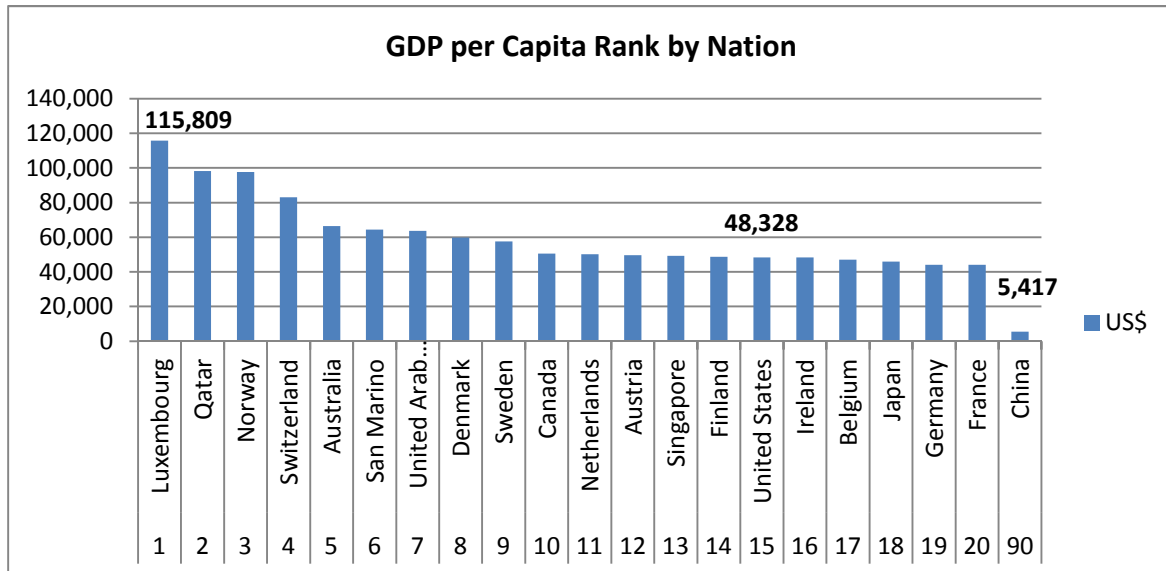
<sup>50</sup> Ibid

<sup>51</sup> IMF 2011 Rankings

<sup>52</sup> CIA Factbook

<sup>53</sup> IMF Historical rankings, 1980

World War II to offer a reasonable comparison of other major world economies; and it is the oldest reliable data set from the IMF.



What does this data mean? First, from an absolute perspective, the United States is better off economically today than thirty years ago when using GDP as a measure. The per capita GDP has increased almost four times in the last three decade, for a high of \$48,328 compared to the \$12,249 in 1980.<sup>5455</sup> If primacy is a contributing factor, these results run counter to isolationist expectations.

<sup>54</sup> Ibid

Absolute values do not tell the entire story. Discounting inflation rates, purchasing power and other historical economic factors, America seems to be relatively weaker economically than its peers who did not pursue primacy. First, the GDP per capita indicates a relative weakening, as the United States slipped from 9<sup>th</sup> to 15<sup>th</sup> in world economies.<sup>56</sup> While the nation as a whole became richer, its citizens are relatively worse off today than they were thirty years ago, based on GDP.

Second, while per capita GDP did grow, it did not grow as fast as other developed economies.<sup>57</sup> Only focusing on the top twenty per capita GDP's in 1980 and 2011, the U.S. grew at a rate of 3<sup>rd</sup> slowest.<sup>58</sup> Only Qatar and the UAE grew more slowly, and their absolute values are at least twice the value of America's. Excluding oil/finance economies, the U.S. grew at an average of 3.9 compared to 4.4 for the other top twenty nations.

The data on per capita GDP seems to indicate if pursuing primacy does impact a nation's economy, it does so in two ways. First, the absolute economy is strengthened, perhaps because the nation in question is able to maintain a stable international order facilitating trade. The world as a whole gets richer, America included. This is interesting, because it stands in contrast to what could be expected from an isolationist perspective.

The second potential impact seems to be the weakening of a nation's relative position in the world economic hierarchy as it pertains to per capita income. One possible reason for this could be the cost of maintaining primacy is more expensive than maintaining a bi-polar system. This would fit neatly into isolationist expectations.

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<sup>55</sup> Adjusted rates for inflation would be \$43,411 in 2010 versus \$25,447 in 1980 per 2005 dollars as reported by U.S. Department of Commerce, Bureau of Economic Analysis

<sup>56</sup> Based on a comparison of IMF data from 1980 and 2011.

<sup>57</sup> Ibid

<sup>58</sup> Ibid. Please also note there were 15 nations on both the top twenty lists for 1980 and 2011, indicating a certain degree of economic stability.

These costs could be real or opportunity. For example, a real cost could be increased military expenditures. An opportunity cost may include the decreased likelihood of other nations to work with American economic interests as backlash against American foreign policy.<sup>59</sup> The true causes will require more research, perhaps in subsequent studies.

### **Foreign Direct Investment (FDI)-**

The second area of focus is foreign direct investment (FDI). FDI refers to the willingness of multinational corporations (MNC's) to invest in markets and manufacturing outside of their native country.<sup>60</sup> These companies do so "in the expectation of realizing a higher rate of return than a given home country firm with an equivalent investment."<sup>61</sup> FDI can be interpreted as an assumption there are better returns on investment in one nation's economy versus the home nation. To put it another way, FDI can be a crude measure of international confidence in a given nations' economy.

FDI is important because corporations are in the business of making money, and as a general rule, they seek to maximize their profits wherever possible. If one nation has significantly higher FDI, it could indicate there is an international trust or expectation of a more robust economy. Figures 3 and 4 show FDI rates for 1980 and 2011, respectively.<sup>62</sup>

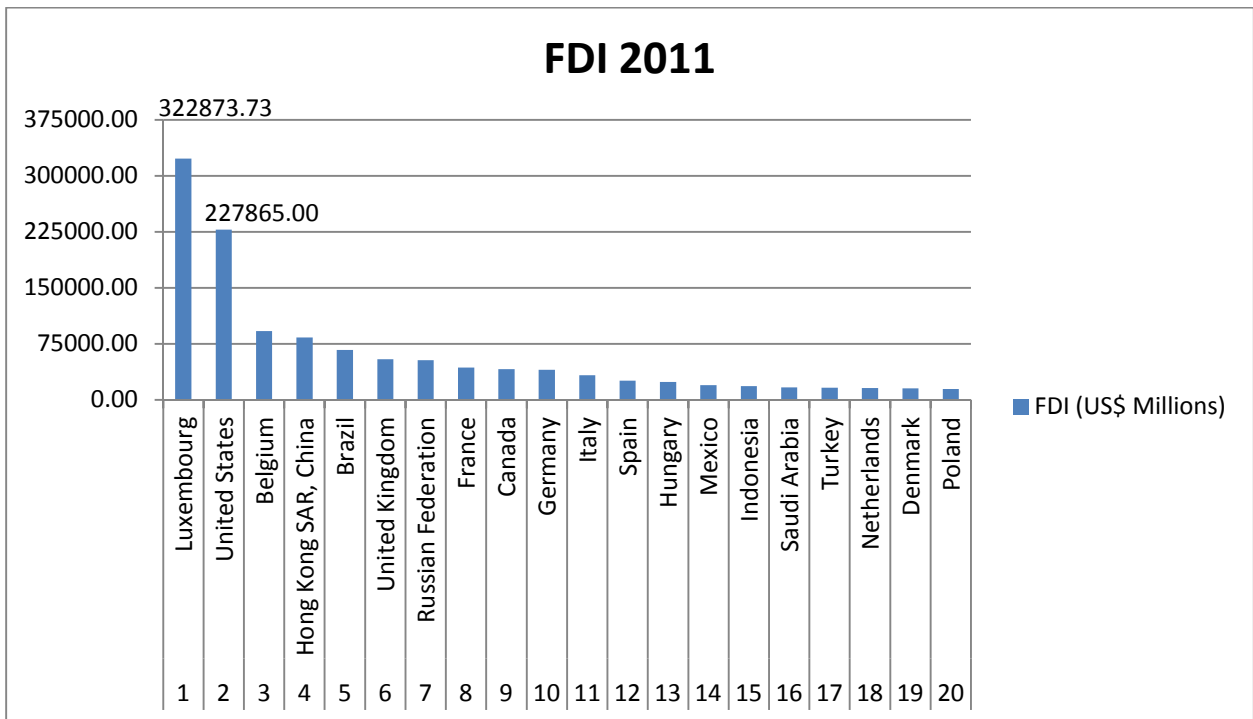
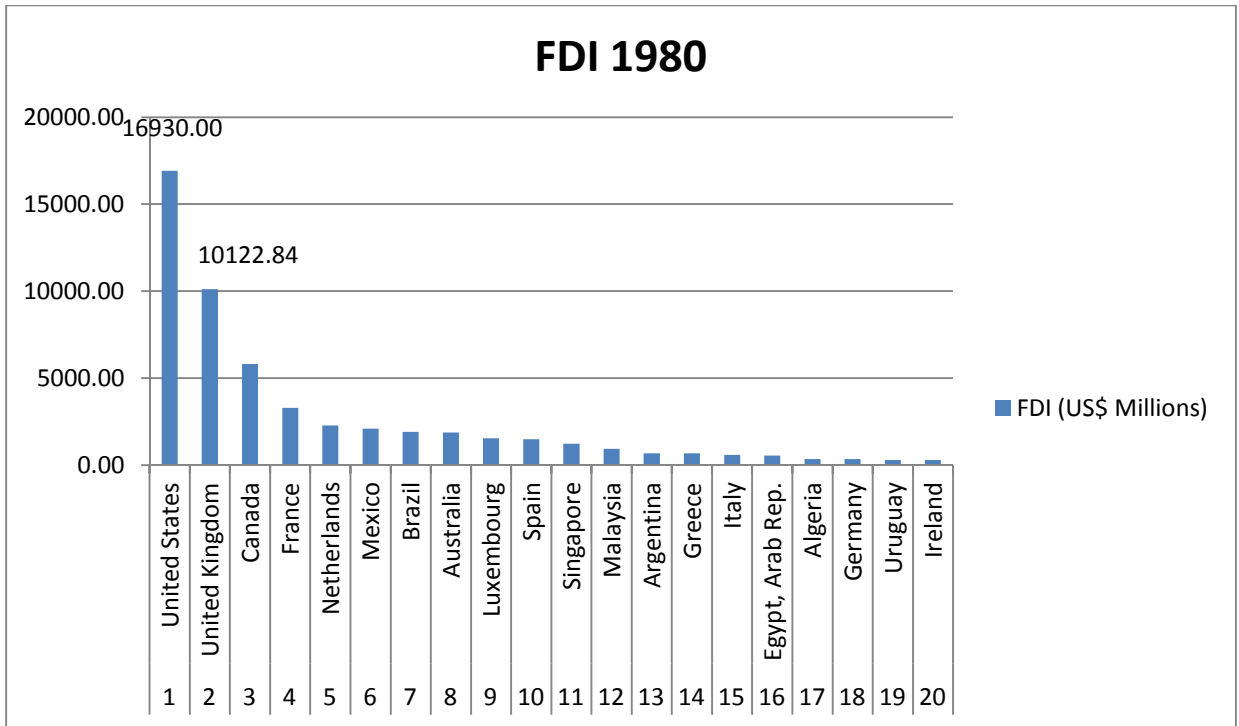
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<sup>59</sup> One example of this is the awarding of oil contracts in Iraq. In 2009, a Russian firm called Lukoil received the largest single contract. Also of note, of the existing 33 companies to hold oil contracts in Iraq, only 4 are American. Please see the Iraqi Government Oil Ministry site and various articles from the New York Time, Time and CNN for additional details.

<sup>60</sup> Gorg, H. and Greenaway, D. "*Much Ado about Nothing? Do Domestic Firms Really Benefit from Foreign Direct Investment?*"

<sup>61</sup> Ibid

<sup>62</sup> Data is derived from the World Bank Database



These graphs seem to indicate a similar relationship to what was observed with per capita GDP, with some exceptions. First, while there is again an absolute increase and a relative decrease when

comparing 1980 to 2011, America is still ranked second overall in the most recent data set. Second, while other nations also increased their FDI, the United States has a clear advantage in percent of increase. With the notable exception of Luxembourg, America outpaces almost every other nation in percent of increase from 1980 to 2011.

Again, the trends in FDI across decades are interesting. From an isolationist perspective, one would expect a significant negative decrease in FDI as a result of pursuing primacy. As other nations chaff against American rule, they will look for any opportunity to oppose American power, such as reducing direct investment in the American economy. This has not been the case.

There appear to be real economic benefits of keeping the United States involved in the international arena, in contrast to what would be expected from an isolationist point of view. Indeed, this seems to reinforce one of the common critiques of isolationism as a grand strategy: while there may be limited savings in withdrawing from the military, the savings do not outweigh the potential benefits of maintaining a strong international position.<sup>63</sup>

Why this is the case is an interesting question. For America, being at the top of the international food chain does seem to offer incentives for cross-border investment. Perhaps primacy affords the American economy a degree of stability or desirability for foreign MNC's. The old adage of "everyone likes to bet on a winner" certainly seems to influence foreign company investment strategies.

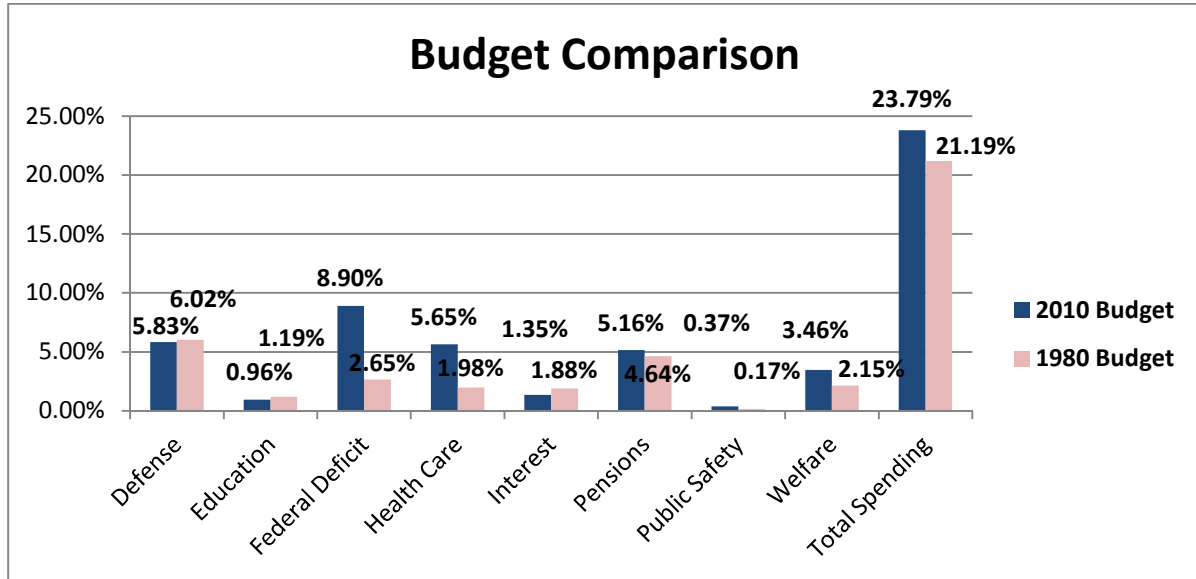
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<sup>63</sup> Rosen, B. and Ross, A. "Competing Visions for U.S. Grand Strategy"



## Government Spending-

The final area of economic consideration is U.S. government spending in bi-polar years compared to now. Since it would be misleading to use dollar amounts for comparison, the data is displayed in terms of % of the overall U.S. GDP. Figure 5 contains the details.<sup>64</sup>



From the data above, we notice several relevant points: first, defense spending has decreased as a percentage of overall GDP since 1980. Second, the largest increases have come from social spending; primarily in health care, pensions and welfare. Third, both the federal deficit and overall spending versus GDP have increased.

Comparing these results to isolationist predictions yields at least two conclusions: first, military spending is not more costly as a percentage of the economy, which counters the expectation. Second, social spending has also not suffered, which again runs counter to the expectation. Why this is so bears additional investigation, but there are a few preliminary possibilities.

<sup>64</sup> Data is from 1980 and 2010 U.S. Federal budgets. Please note the graph is not inclusive of all federal spending, as data was selected based on relevancy.

Our first possible explanation is primacy is a cheaper economic option than a bi-polar world. This could be because of the absolute benefits to the world economy as a result of a benign liberal hegemony. Perhaps the world takes its cue from the free market principles established by the American hegemony, with nations seeking to follow the economic footsteps of the world's largest economy.

A second possible explanation is there does appear to be a peace dividend for the United States.<sup>65</sup> Without a significant military threat, the federal government has increased spending in social programs over the past three decades. Being in a position of primacy could theoretically allow the United States more flexibility when seeking to address threats, and because of the uni-polar nature of the international system, those threats are inherently less severe.<sup>66</sup>

Another alternative may be a uni-polar system is more stable than the bi-polar one which preceded it, allowing more nations to focus on commerce instead of war. As a result of this stability, America can leverage economic interests abroad, allowing it to cheaply borrow funds to sustain social spending levels. While not noted on these charts, the public debt has also increased significantly over the past thirty years, equaling approximately ninety-three percent of America's GDP in 2010.<sup>67</sup> In 1980, it was approximately thirty-three percent.<sup>68</sup>

Isolationism would argue America is reaching overstretch, as its empire requires more resources to support than its citizens are willing to expend.<sup>69</sup> Perhaps another possible explanation relates back to a potential underlying cause for such high FDI rates: because America has the trust of the international community, it can receive funding (loans) with little effort. The nation is perceived as a comparatively

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<sup>65</sup> For additional information on the concept of the peace dividend, please see the following studies: Lee, D. and Vedder, R. "*The Political Economy of the Peace Dividend*," and Knight, M., Loayza, N. and Villanueva, D. "*The Peace Dividend: Military Spending Cuts and Economic Growth*"

<sup>66</sup> This logic is based on the following premise: if a nation truly has attained primacy, it indicates overwhelming military (and arguably economic) power when compared to the rest of the international community. In the case of the United States, there also exists a robust alliance system propping up the existing hegemonic order. All of this combined would indicate the United States is in a stronger relative position to combat threats than it would be in a bi-polar world, where the nation would be countered by an opposing power possessing comparable military, economic and alliance capabilities.

<sup>67</sup> Based on OMB (Office of Management and Budget) reports reviewing data for 1980 and 2010 respectively.

<sup>68</sup> Ibid

<sup>69</sup> Bacevich, A. "*The Limits of Power: The End of American Exceptionalism*"

sound investment by other governments willing to buy U.S. debt. America spends because it can. The long term consequences of such an approach are unknown, and bear further research.

Based on the analysis of the economic data, it would appear primacy does not negatively impact the American population from an absolute economic perspective. GDP, FDI and government spending on social programs have all increased in the time the United States established hegemony. The relative costs of primacy are more difficult to assess, but it would appear primacy may put Americans in a relatively weaker position compared to their international peers.

Why the difference between the absolute and relative gains is an interesting question. Perhaps it has something to do with the nature of American primacy. There seems to be an underlying desire of the United States to elevate other nations to the same economic and political status it enjoys.<sup>70</sup> A likely consequence of pursuing this course would be the increase of other nations' prosperity, impacting the relative balance of power.

This data does indicate isolationism's expectations for significant negative domestic impacts due to a pursuit of primacy are perhaps out of step with the reality of the economic indicators. While there have been relative losses in GDP and FDI compared to other nations, it is difficult to suggest these are severely impacting Americans negatively. The economy has grown, allowing for decreased military spending as a percent of GDP and increased health and social service spending compared to the bi-polar years. There are just no clearly negative correlations, which is opposite of what isolationism predicts.

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<sup>70</sup> Please see the White House National Security Strategy published in May 2010. It contains several references to the universal adoption of democracy and free market principles being a primary goal of the United States.

## **b. Social Indicators**

“Happiness is the meaning and the purpose of life, the whole aim and end of human existence.”- Aristotle<sup>71</sup>

Determining domestic health is not solely measured by the strength of a nation’s economy. While economic prosperity is an important component, it is only one of several measures.<sup>72</sup>The UAE may be one of the richest nations on earth, but most Americans would not want to relocate their families there.

This portion of the paper seeks to measure some of these other metrics, specifically crime rates, education rates, and happiness. As mentioned previously, these three cover various aspects of a society and have at least some data already assembled across numerous nations for the past few decades. It is possible other metrics could be used as social indicators of societal health, which will be left to subsequent studies. The methodology for this portion is similar to the analysis of economic factors, focusing on both absolute and relative changes. The first area of examination is crime rates, followed by education rates and overall happiness.

### **Crime Rates-**

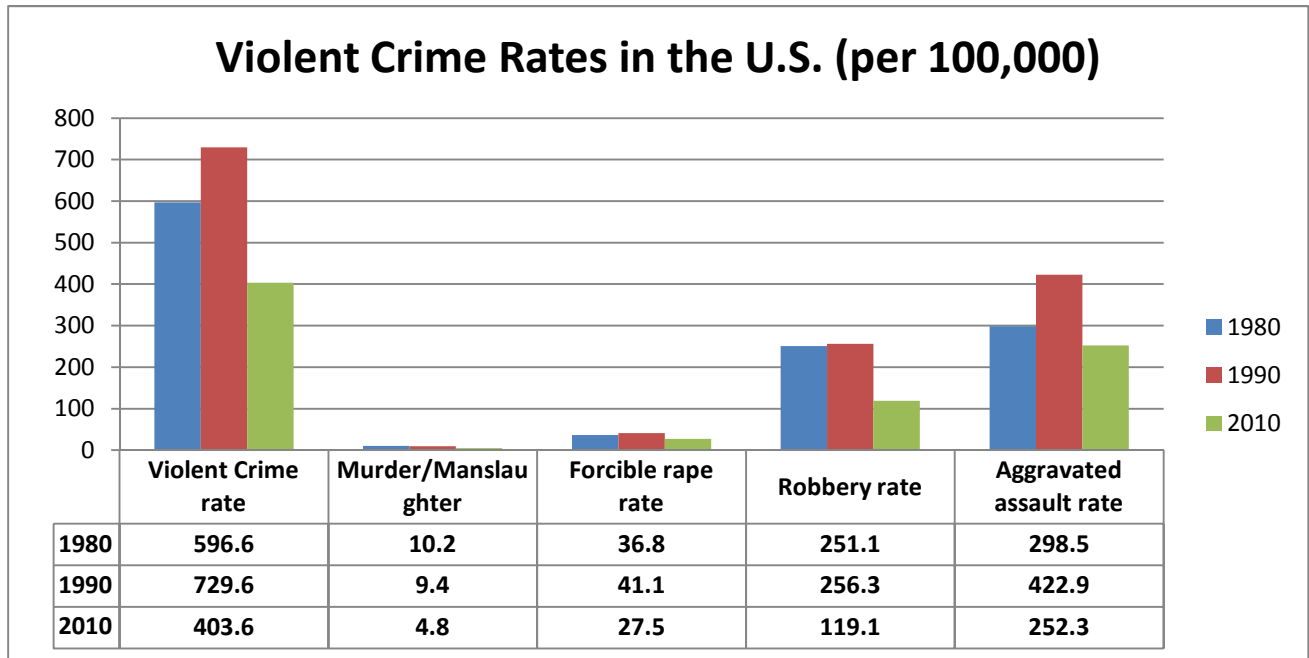
As a measure of societal health, crime rates are a key metric. They provide insight into a government’s effectiveness in providing domestic security and sufficient economic and social programs to prevent or deter illegal activities. If the pursuit of primacy negatively impacts a nation’s ability to

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<sup>71</sup> Aristotle “*Nichomachean Ethics*” Book 1, Section 7

<sup>72</sup> Two excellent comparative studies addressing this are: “*Would You Be Happier If You Were Richer? A Focusing Illusion*” by Kahneman, D., Krueger, A., Schkade, D., Schwarz, N. and Stone, A. and “*Subjective Well-Being, Income, Economic Development and Growth*” by Sacks, D., Stevenson, B. and Wolfers, J.

deter crime, this would be a serious concern. What is the point of security abroad if it does not ensure safety at home? Figure 6 provides U.S. crime rates for 1980, 1990 and 2010.<sup>73</sup>

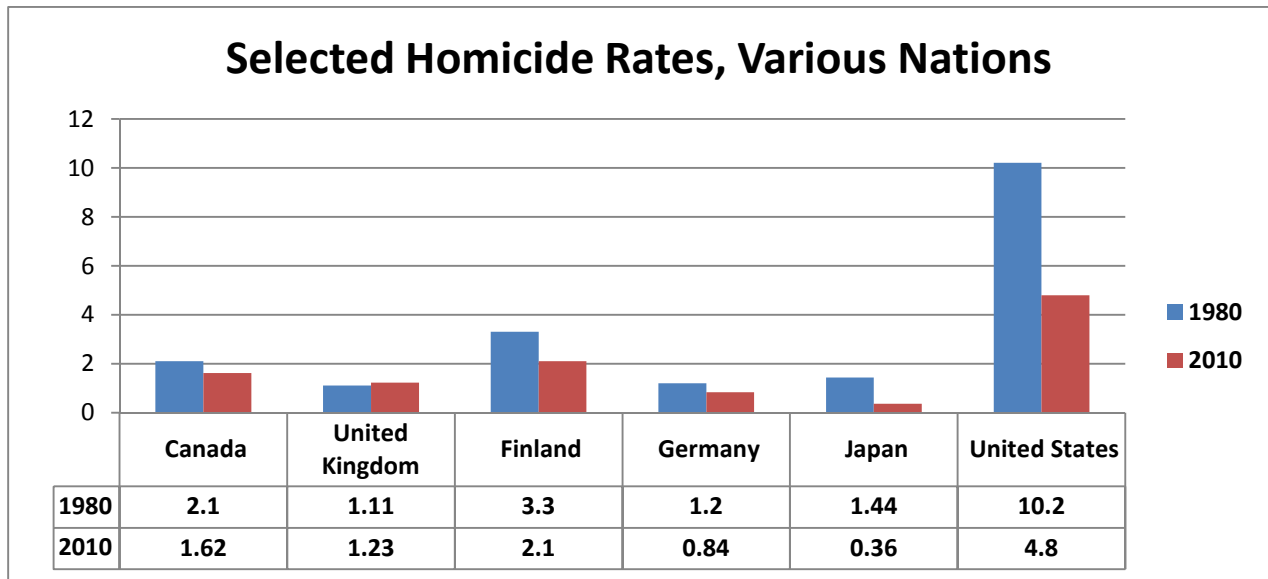


This chart indicates violent crime has significantly decreased since 1980 both generally and specifically for the major measures. It appears the pursuit of primacy in the current international climate does not negatively impact the U.S. government’s effectiveness in maintaining peace at home. Indeed, the United States is more peaceful now by a significant margin, something not predicted by isolationist theory.

An additional observation about the data: the greatest spike in violent crime occurred during a transition phase for the United States (1990). The cause of this is unknown, but perhaps it is related to the Cold War coming to an end and America having to redefine its role in the international arena. Transition periods in the international arena tend to be prone to more conflict, and if international policy can impact domestic health, perhaps the state of the international system also subtly influences domestic life. Further research is required to provide a more concrete answer.

<sup>73</sup> Data obtained from the FBI database.

The next query for crime rates is to compare American crime to other nations. This is a challenging task, because many of the nations which would offer the most meaningful comparisons don't provide public access to this data. A partial solution to this is contained in Figure 7, which contains homicide rates across several different mostly western nations, as these countries provide the most available access.<sup>74</sup>



The graph indicates at least two points: first, America's homicide rate is significantly higher than the norm for western nations. Second, America enjoyed the most significant decrease in homicides from 1980 to 2010. What can be understood from this at it relates to primacy?

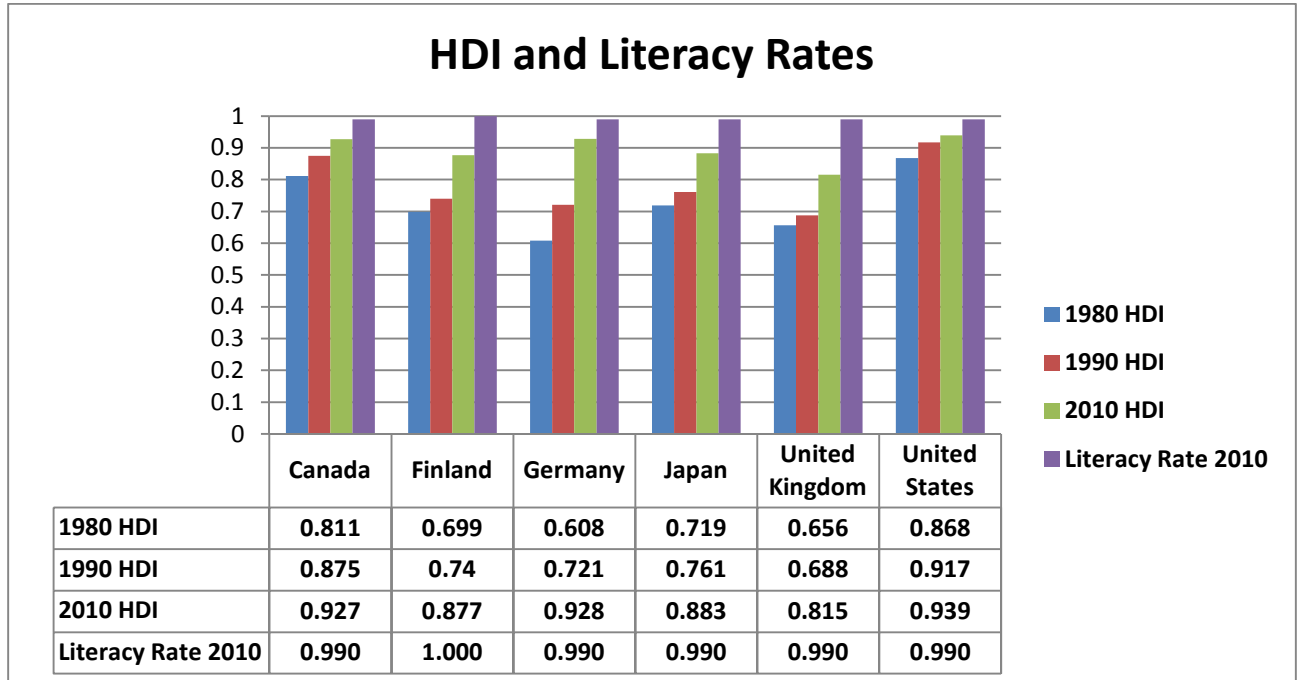
First, perhaps America's preeminent position on the world stage during both the bi-polar and hegemonic stages have prevented it from focusing on its domestic agenda to the same extent as similar, though less prominent, nations. This conclusion would mesh neatly with isolationist predication and bears further analysis. It would be interesting to compare the violent crime rates of the United Kingdom and the U.S. during Britain's hegemony to see if this is a trend of nations pursuing primacy.

<sup>74</sup> The data set is culled from various nations civil agency reporting. China, Mexico and Russia were not included due to difficulties locating accurate data for each nation.

Second, if there are domestic costs of international prominence, primacy seems to be a cheaper route than maintaining power in a bi-polar system. America reduced its homicide rate over fifty percent. The only nation to create a relatively safer society was Japan, with the U.K. even slightly increasing over this same period of time. These gains seem to refute the isolationist expectation that American citizens are inherently worse off when actively engaged abroad.

### Education-

The second social indicator is education. Education rates are a general indicator of a society's ability to compete in the international arena and develop future human capital. The education metrics used are a composite of adult literacy rates and the UN's Human Development Index education components.<sup>75</sup> Figure 8 contains the details, focusing on the same nations used for the crime rate comparison.



<sup>75</sup> Literacy rates were pulled from the CIA Factbook. The UN HDI education component measures mean years of schooling (of adults) and expected years of schooling (of children).

Based off of this data, America has not suffered from a general education standpoint as a result of pursuing primacy. According to the HDI measurements, America currently stands above all but three other nations in the world.<sup>76</sup> U.S. adult literacy rates also remain very high, with ninety-nine percent of the population considered literate.<sup>77</sup>

What is not measured by the UN HDI is the quality of education. It is quite possible Americans spend a lot of time in school (primary, secondary and tertiary), but receive an inferior level of education in comparison. This may be likely, as the United States ranked 25<sup>th</sup> in math and 20<sup>th</sup> in science based on a 2009 world test.<sup>78</sup> Whether primacy is a factor is unknown, as data for these scores only goes back to 2000, making qualitative comparisons to a pre-primacy state not possible.

### **American Happiness-**

The final metric examined is happiness. It is last for two reasons: it is the most subjective of the measurements and it is perhaps the most pertinent. As the United States seeks primacy abroad it may make the nation wealthier and allow more social spending, but do Americans consider themselves happier as a result? Politics, domestic and international, are largely a matter of perspective. If Americans' don't perceive themselves as happier despite objective evidence indicating increased wealth and education, primacy may not be considered a successful strategy by the polity.

It is important to explain where the data on happiness comes from. Because happiness is subjective, there is a plethora of ways to try and measure it. This paper uses the World Database of Happiness, which is a collection of over 1485 studies from 1135 publications covering one hundred forty-nine nations across forty years (1970-2010).<sup>79</sup> The data is collected through surveys using

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<sup>76</sup> Those nations are Norway, Australia and the Netherlands.

<sup>77</sup> CIA Factbook

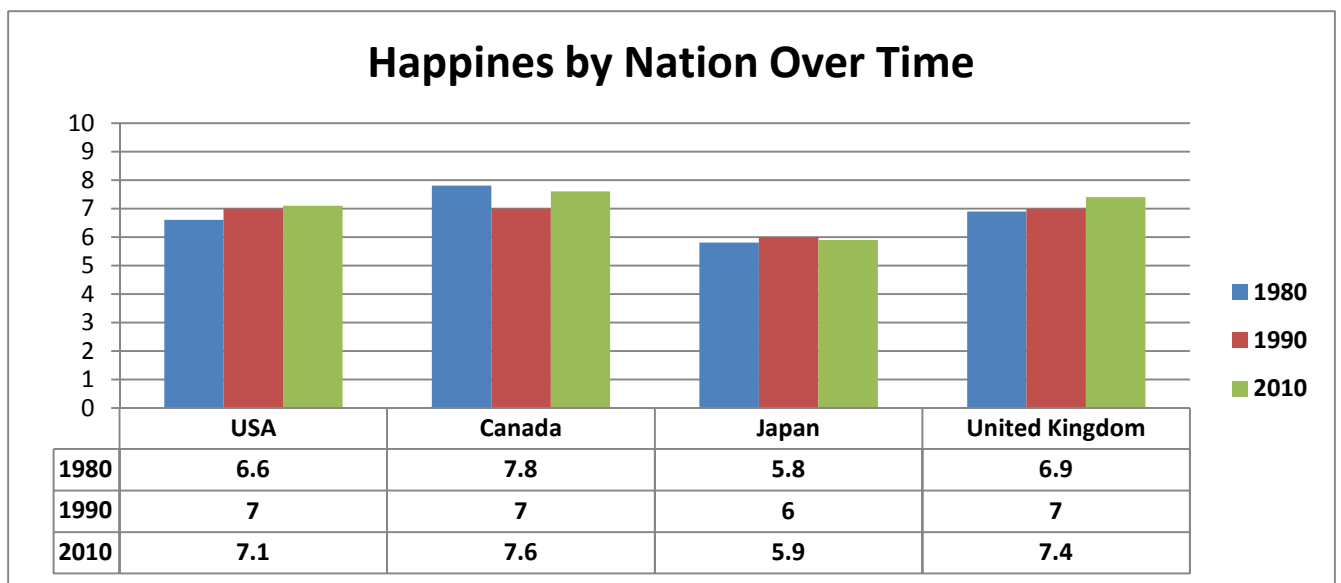
<sup>78</sup> OECD PISA report for 2009

<sup>79</sup> <http://worlddatabaseofhappiness.eur.nl>



questions based on self-ratings with a scaled measurement.<sup>80</sup> There are multiple questions examining various facets of happiness, combined into a single rating.<sup>81</sup>

This approach helps mitigate some of the inherent subjectivity associated with measuring happiness, in part by providing enough data to increase statistical significance. The nations used for comparison are similar to those used to compare education and crime rates for consistency's sake. The data is contained in Figure 9.



Interestingly enough, American happiness seems to have risen at a quicker pace than other nations. U.S. citizens are happier now compared to 1980, a trend approximately fifty percent of the measured populations did not enjoy.<sup>82</sup> From a relative perspective, Americans were behind twenty other nations in 2010, but ahead of one hundred and twenty-eight countries. Unfortunately, there is

<sup>80</sup> Ibid

<sup>81</sup> Ibid

<sup>82</sup> Ibid. Please note the data on trends is reserved to European nations and Japan, as historical data does not exist for other nations. The full list includes Belgium, Denmark, France, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, UK, USA and West-Germany

insufficient historical data from 1980 to determine if America's relative global rating has improved or declined in the subsequent decades.<sup>83</sup>

It appears the impact of primacy on happiness is mixed. American's are happier now than they were thirty years ago, and the nation enjoys a relatively respectable ranking among peer states. This relative placement is difficult to assess without historical data, however, making it impossible to say with a degree of certainty whether pursuing primacy has helped or hindered American happiness. What can be said with confidence is the trend in American happiness does stand in opposition to isolationist expectations, as Americans declare themselves happier compared to a bi-polar era, even when the nation is at war abroad.

From a social indicator perspective, primacy has not dramatically impacted in negative ways the domestic health of the United States. It is generally positive, not negative trends that mark these decades. Crime has decreased, education is more available and Americans rate themselves as generally happier than during the height of U.S. – Soviet tensions in 1980. Just as with the economic indicators though, these absolute gains seem to come with relative costs.

While America has improved in most social metrics, it still is not as safe, educated or happy as other developed nations. Americans have fewer homicides today than in 1980, but the homicide rate is still more than twice as high as other Western nations.<sup>84</sup> The availability of education has improved while its quality is either stagnant or inferior to the system of thirty years ago. Finally, happiness has increased, but Americans are less happy than nations like Costa Rica and Canada.<sup>85</sup> It would be plausible to argue that pursuing primacy has not been without domestic costs.

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<sup>83</sup> A significant amount of nations do not have data for 1980, meaning any attempt at a global ranking to provide relative position would be severely skewed.

<sup>84</sup> FBI Database on Violent Crimes

<sup>85</sup> <http://worlddatabaseofhappiness.eur.nl>

## VII. Counter Arguments-

In presenting the research and metrics, the intent has been to be as open as possible about the potential concerns associated with the study. While these have been addressed briefly throughout the essay, there are two potential arguments against the validity of the work which bear greater scrutiny: are domestic populations really impacted by foreign policy decisions? Were the metrics selected representative of the potential correlation between primacy and domestic concerns?

The most important argument to address first is the assertion there is little if any connection between foreign policy decisions and domestic issues. There will be those who suggest the links are tenuous at best, perhaps even non-existent. In response, there are three examples which should elucidate beyond reasonable doubt the potential impact for foreign policy on a domestic population: war generally, the fall of the Soviet Union and the 1973 oil embargo.

If an individual wishes to believe foreign policy decisions do not impact domestic populations, the best place to turn is the history books under the topic of 'war'. Of all of the man-made disasters experienced by the civilizations of the world, none has been more destructive generally speaking than war between societies.<sup>86</sup> The last global conflict of the 20<sup>th</sup> century cost between fifty and seventy million lives worldwide and 4.104 trillion dollars for the United States alone.<sup>87</sup>

These costs are only the direct costs. Economic theory uses a measure called opportunity costs in an effort to determine the potential outcomes between various courses of action. In terms of opportunity costs, WWII was also devastating. There were economies to rebuild, societies which had been shattered and the overturning of the world order.

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<sup>86</sup> Pinker, S. *"The Better Angels of Our Nature: Why Violence Has Declined"*

<sup>87</sup> Casualty rates based on Cashman and Robinson *"Causes of War"* while U.S. costs are derived from a federal report issued in 2010 on the costs of America wars.

While most would argue the conflict was necessary and the outcomes even beneficial for many, it would be foolish to suggest the decision to engage in war by any of the parties did not impact their respective domestic populations. With military spending approaching 36% of GDP, the U.S. government certainly had to divert resources away from domestic spending.<sup>88</sup> War, foreign policy taken to the extreme, certainly has domestic impacts.

It should be clear war is at the extreme end of the spectrum, and not all foreign policy will have the same kind of dramatic domestic consequences. Other more seemingly benign pursuits are not without their costs, though. Take as an example the fall of the Soviet Union.

In December of 1991, the Soviet flag was lowered for the last time over the Kremlin. What caused the dissolution of America's mightiest opponent of over forty years? While the answer is complex, most scholars will point to at least three factors: a failed economic system, overextensions of their military power and a local population unwilling to accept the half-way approach of Gorbachev's *glasnost*.<sup>89</sup>

In brief, here were the consequences of Soviet pursuit of power in a bi-polar system: they spent more money than they could afford on military expenditures. The war in Afghanistan was particularly costly, and the empire never fully recovered. With increased military spending, the government had to cut back on luxuries like bread and heating oil, and the population responded poorly.

In an effort to appease restless members, then leader Mikhail Gorbachev tried to introduce economic easing and greater political freedoms. These acted as a "Pandora's Box" resulting in ever increasing clamor for more liberalization. Unable to keep pace with the new demands, the government eventually collapsed.

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<sup>88</sup> Daggett, S. "Costs of Major U.S. Wars"

<sup>89</sup> Please see Matlock, J. "Autopsy on an Empire: The American Ambassador's Account of the Collapse of the Soviet Union" and Sherman, H. "Rise and Fall of the Soviet Empire" political and economic drivers. Nincic, M. "Fluctuations in Soviet Defense Spending: A Research Note" provides context on the military spending aspects.

The takeaway from this is the reinforcement of the potential impact on domestic populations of foreign policy pursuits. In the case of the former USSR, more was spent than could be afforded on empire, and the internal cohesiveness of society suffered as a consequence. In the end, chasing after power contributed to the eventual collapse of the state.

One final example close to home will help close out the defense of the concept foreign policy can impact domestic populations. In 1973, the Arab oil producing nations cut off the flow of oil to the United States as a response to continued U.S. support of the Israel, namely the supplying of weapons during the 1973 war.<sup>90</sup> The impact was dramatic and wide spread.

From a domestic perspective, the shock was severe. Gasoline queues became the norm and fuel rations were re-introduced. While the crisis was eventually resolved it had long-term consequences: the embargo caused a shift in attitudes towards the Middle East and a desire for energy self-reliance. If the U.S. ever achieves energy independence, the roots will be traced to the events of 1973.

To answer the question “Does foreign policy impact a domestic population?” Yes, yes it does. Indeed, even if it is not war or open conflict, the consequences can be quite broad. While all of the examples cited above have illustrated negative possibilities, this does not have to be the case. Indeed, as the initial research showed, it is quite possible pursuing primacy results in improved economic conditions for a nation.

The second significant concern requiring additional rebuttal is whether the metrics selected herein are an accurate reflection of the domestic health of the United States. There are other meaningful social and economic metrics which bear evaluation: poverty, life-span, cost of living, joblessness, inequality and myriad others. This effort chose crime rates, education levels and happiness because there was data available and they each correlated to a meaningful aspect of American society.

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<sup>90</sup> Department of State, Office of the Historian

The other metrics were not rejected due to inadequacy but rather limits on the scope of this essay. This thesis is intended as an initial offering in examining the potential impacts of primacy on the American domestic population. It is hoped additional research will be done which can more broadly encompass the key components of a society's health.

## **VIII. Conclusion-**

“We cannot be any stronger in our foreign policy -- for all the bombs and guns we may heap up in our arsenals -- than we are in the spirit which rules inside the country.

Foreign policy, like a river, cannot rise above its source.” Adlai Stevenson II

The purpose of this paper was to explore the link between America's domestic welfare and its pursuit of primacy abroad, specifically against the backdrop of isolationist expectations. The rationale for the research is simple: if pursuing strength in the international arena weakens the United States at home, primacy is a poor strategy. After considering various economic and social factors, this appears not to be the case.

In absolute terms, America is domestically better off today when compared to its standing in 1980, or even 1990. The United States had made great gains in economic factors such as GDP, FDI and social spending since achieving primacy in the international order. Additionally, social measures such as crime rates, education rates and happiness indexes all point to a citizenry which is better off today than it was thirty years ago.

Isolationists might claim the absolute growth in metrics like GDP would have been larger if a different foreign policy strategy was pursued. This claim is theoretically possible, but complicated, as there is a strong argument to be made via hegemony theory the global absolute growth was made possible by American primacy, not despite it. From an isolationist standpoint, substantial absolute

growth goes against expectations, as isolationist theory would have predicted a dip. Even with mitigating factors in place, isolationism seems to fail to adequately predict the domestic outcomes of primacy as a grand strategy.

With this evidence in place, one could expect this paper to unreservedly declare the pursuit of primacy in America's best interest, in firm defiance of isolationism. This is not the case, as there appears to be relative costs to pursuing and maintaining a benign hegemony. Economic indicators illustrate these opportunity costs most clearly; specifically America's declining relative strength in per capita GDP. We have made the world richer, and as a result, the nation is relatively weaker today than it was thirty years ago.

So, what is to be done? Should the United States withdraw from the pursuit of primacy and allow a new hegemony under different leadership to arise? While China is popularly offered as America's inevitable replacement, there is always the chance they will be unable or unwilling to be the world's policeman. If such was the case, the international order would most likely be more chaotic and conflict ridden than it is today. Even if the PRC did step into the role, there is no guarantee a Chinese hegemony would be conducive to American domestic health.

Such possible futures don't bode well for American prosperity. Neither Chinese leadership nor anarchy seems likely to offer the same kinds of advantages to American interests as the existing hegemonic order. It would appear the best way to promote domestic prosperity is to ensure the existing free market system and security structures remain intact. America will pay a relative cost to ensure absolute gains.

Does American primacy promote domestic welfare? The answer is still incomplete. Primacy does not seem to inhibit positive benefits for the United States from a domestic perspective, but the opportunity costs and alternatives are still largely un-quantified. Considering the ramifications of

American primacy on domestic and international policy, additional research to provide a more conclusive answer seems prudent.



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