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Leadership and  
American Foreign Policy

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# Leadership and American Foreign Policy

A public lecture delivered  
by Dr. Joseph Nye  
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## Leadership and American Foreign Policy

It is a great pleasure to be back here in Athens. I'd be remiss in talking about leadership in American foreign policy if I didn't first start with a word about Greek leadership and foreign policy. As I look at the role of Greece in the Balkans – it is a source of stability drawing other countries into Europe through their ties with Athens. That requires, however, a vision and foresightedness. Rather than letting the disputes of the day interfere with relations, that vision should raise one's sights to ask, "What can Greece's role be in creating the stability in the broader Balkan region."

And that was the vision that Socrates and Eleni Kokkalis brought to us – a vision that said, "What if we were to bring the best and the brightest people, not just from Greece but from other countries in the region, not only to gain some education at Harvard, but to develop a network of friendships which they could then bring back home to create stability, development and progress in our region?" When they described that vision I thought it was a wonderful idea. And when I met this evening with the Kokkalis fellows who've come back from this program, I realized how effective that vision has been. For that reason, I wanted to pay tribute to the leadership of Socrates and Eleni in promoting that vision. It truly has been a wonderful program.

This lecture addresses the question of Leadership and American Foreign Policy. One of the problems that we have in the United States is that we tend to think about leadership in rather old-fashioned terms. We tend to think of it very much in terms of hard power – of command and control.

Indeed, if you look at America's role in the world over the past eight years we have argued that we were producing leadership; but we've often failed to attract followers. In some ways, we've had the opposite effect. If you look at the ways in which we have invested our resources, it's quite dramatic how unbalanced we have been. Let me quote the Secretary of Defense of the Bush administration, Robert Gates, who gave a speech in Kansas City in November; he said, "It's remarkable that the United States spends half a trillion dollars annually on the Pentagon compared with the State Department budget of thirty-six billion dollars." He went on to say, "Based on my experience serving seven presidents, as a former Director of CIA and now as Secretary of Defense, I am here to make the case for strengthening our capacity to use 'soft' power and for better integrating it with 'hard' power." Mr. Gates then joked, "Having a sitting Secretary of Defense travel halfway across the country to make a pitch to increase the budget of other agencies might fit into the category of 'man bites dog', but in fact this is our extraordinary times." I think Gates is exactly right in this; if the United States is going to provide leadership we have to think about leadership in different ways than we have over the past eight years.

That takes me to the larger question of how to think about leadership. One question that we have to ask is, "What is the context of leadership?" We sometimes think that a leader is born, not made; that a leader is somebody with extraordinary powers. In practice, we know that's not true. Think back over the 20<sup>th</sup> century. One of the great leaders of the 20<sup>th</sup> century was Winston Churchill. However, in January of the year 1940 Winston Churchill was not seen as a great leader; he was seen as a failure. He was a backbench MP and when the conservative Prime Minister was asked about him, he said "Oh, yes, there's Winston, but nobody listens to him." Six months later Winston Churchill was regarded as the great leader who was leading Britain through a period of crisis. What happened? Did Churchill change? Did anything happen to Churchill? The only thing that happened is that the situation and context changed. And the same skills that Churchill had at the beginning of the year, which were regarded as

making him too much of a wild cowboy to be prime minister, by June were regarded as just what the British people needed. So, what happened was that Hitler invaded through the Ardennes forest, drove the British forces into the sea at Antwerp and the man who was a finished leader, somebody who was washed up, became the great leader of Britain in the War. And of course, by the time the War was over in 1945, the British people were saying, "Wonderful. You won the War, but now we want to develop a welfare state and you are not the man for that." And they voted him out of office.

So, think of that in terms of what it means to be a leader. It means that you have to understand the context, which brings me to the importance of what I call "contextual intelligence". This example is also important because it calls into question the way in which we in the United States tend to think about the leader as the person at the top who gives orders. This is what I call the "king of the mountain" image of leadership: somebody is at the top; he or she gives orders and people down below follow. That is called the "big man" theory of leadership. For example, in the United States the chief executive officer of a large corporation is typically taller than other average American males. In fact, sociologists have studied this and it turns out that each extra one inch of height in the United States is worth about 800 dollars of additional salary. So, that would seem to be a pretty good proof of the "big man" theory of leadership. But if you step back you may wonder whether the causation goes the other way. When you see a fire, you see fire engines, but you will not assume that the fire engines caused the fire. When you see a tall CEO he looks like a leader but maybe he's not; maybe he's there simply because he looks like someone who is supposed to be there.

In fact, if you go back historically, it is fascinating to know that some of the people who have had the greatest impact in history, who have changed the course of history, have been a little over five feet tall. Think of Napoleon. Think of Joseph Stalin. Think of Deng Xiaoping. This would lead you to believe that

the “big man” theory of leadership may be deficient. Some people tried to rescue this approach by turning to biology and social biology and saying that it’s in our genes. There’s nothing we can do about it. Leaders will be born this way. And if you want to follow this argument, they say that we humans are basically 98.8% the same as chimpanzees, in terms of our genome. If you look at chimpanzees, they are always led by an alpha male – somebody who’s bigger, tougher, and more aggressive. That’s always the way leadership occurs in our near cousins, the chimpanzees. So, why shouldn’t we expect the same thing in humans? This theory was quite popular until, not so long ago, anthropologists and biologists began to study a group of chimpanzees in eastern Congo called bonobo. What they found interesting about bonobos, who are almost as closely related to us as the main chimpanzees, is that they’re led by women. Whether you are ready to believe it or not, the fact is that the social-biological argument to support the “big man” theory of leadership does not stand up to the evidence, either historical or biological.

You can make a further argument, which is that the traditional way of thinking about leadership, with hard power from the top, is a product of the industrial age. In a period when people ran hierarchically structured factories and big organizations, the orders came down from the top. In the 21<sup>st</sup> century, as we are entering an information age, in which you think of the leader not at the top of a mountain but rather in the center of a circle, then the leader has to be able to attract people to him or her. It is not enough to give orders through the hard power approach of “I’ll fire you if you don’t do this.” You have to attract people in order to get them to want to do the things that you expect from them. That is sometimes called a woman’s style of leadership. Women in our societies tend to be thought, in gender stereotypical terms, to attract people; to not just give orders. So, there’s now a tendency in some of the books that are written about leadership to replace the “big man” theory of leadership with a “big woman” theory, which implies that it is women who do better in the 21<sup>st</sup> century information age.



When you take this approach, there is another problem. There are studies by psychologists and sociologists that show that women do tend to understand soft power better, and that women tend to become very effective leaders when given the opportunity. But the problem with replacing the “big man” theory with the “big woman” theory in the information age is that we’re just taking gender stereotypes and reversing them. When we use stereotypes, positive or negative, we don’t think as clearly as we should. Instead, as we look for the types of leaders that we need in this age, we should ask which leaders are good at soft-power skills, or hard-power skills, and how well they learn to combine them in particular contexts.

I tend to avoid the gender stereotypes and to say that in the information age an effective leader will have three key skills that represent soft power, two key skills that represent hard power and the contextual intelligence to know how to combine them. Let me just quickly go over these to make it clear and then turn to how they relate to foreign policy, in my conclusion.

The most important of the skills that a leader needs in order to exercise soft power is called by psychologists “emotional intelligence”. Most people know what IQ is. The things we measure on IQ tests basically correspond to the ability to do very well in the French school system of 1890: math, spaces and so forth. Emotional intelligence is something different. What psychologists have found out is that traditional measures of IQ account for about 20% of success in life. There’s another 80% that is not accounted for. Part of that 80% is emotional intelligence: the ability to master your emotions and to use them to reach out and attract others. To give you an illustration of this I recount the story of Franklin Roosevelt, the very famous American president of the 1930s, who was introduced to an old American judge named Oliver Wendell Holmes. When Holmes was asked what he thought of this new American president in the 1930s, he said, “He has a second class intellect, but a first class temperament.” This is a way of saying he has high emotional IQ.

Indeed, to illustrate this, imagine that we were looking at the IQ tests of Franklin Roosevelt and Richard Nixon. I suspect that Richard Nixon would probably have gotten higher scores on traditional IQ tests than Franklin Roosevelt. But in emotional IQ Richard Nixon was possessed by demons in his own mind. He was always worried about others, never trusting people; his idea of reaching out was to create an enemies' list. So, Roosevelt might have not been as bright as Nixon on traditional IQ, but he greatly outscored Nixon on emotional IQ. As we judge our leaders for today's information age we have to be asking how they compare on emotional IQ.

The second key soft power skill is vision. Vision is the ability to produce a picture of the future, which attracts others to want to follow you, or to help you achieve it. But it has to be realistic enough so that followers believe it. In other words, it's one thing just to draw a beautiful picture; if it has no relation to reality it is no good. But if you can produce a picture with the prospect that it can be achieved, that can draw people to you and increase your soft power. Think of people who have been very good at visions. To continue with examples of former American presidents, Ronald Reagan was very good at painting a picture of the future, which attracted people. Although he was sometimes not the smartest president of the United States in terms of traditional IQ, he was very much able to attract people to where he wanted to go.

Finally, the third key soft power skill that a leader needs in this modern age is the ability to communicate. We all think of communication as verbal. Here in Athens, I suppose Demosthenes would have been a great example. Or if you take a more modern American leader, Martin Luther King, Jr. used the rhetoric and cadences of the African-American church to move a broader group of people. But it's important to realize that communication is not just rhetoric. Psychologists tell us that non-verbal communication is as important as verbal. A good example of this would be Mahatma Gandhi. I don't know if any of you have ever seen a film of Gandhi giving a speech. When I first saw a picture of

Gandhi speaking I was amazed by what a poor speaker he was. But then you realize that he was a master of non-verbal communication. If you looked at Gandhi when he came back from England, where he was trained as a lawyer, he was wearing a proper suit, a neck-tie, and so forth. Then compare that to the image of Gandhi in the 1930s, when he was a leader trying to galvanize and organize a movement of mostly peasants to resist colonial rule. He was dressed very simply, like a peasant. When he organized his famous Salt march to the sea in 1930 to violate the British rule, which prohibited Indians from making salt, he organized all this very slowly, providing lots of time for people to catch up, and lots of time for the tension to build to attract people. This was a mastery of non-verbal communication.

So, those three skills - emotional intelligence, vision and communication, both verbal and non-verbal - are crucial skills for leaders. The other two skills related to hard power are what I call "organizational skills" and "Machiavellian skills." On organizational skills, very often people in business schools will tell you there is a big difference between leaders and managers. This became the gospel at the Harvard Business School in the 1970s, when George W. Bush was a student there.

I think this distinction between leader and manager is mistaken. An effective leader also needs to know how to manage, or to get the people who can manage around him or her. For example, if you look at the two Bush Presidents, it is interesting that Bush 41 (as we call the first Bush, who was the 41<sup>st</sup> president of the United States) had one of the best American foreign policies of the last half century. Bush 43, who is genetically as close to another president as you'll ever find, had one of the worst foreign policies that we've seen in the last half-century. Part of it has to do with the difference in their organizational skills. Bush 41 brought in a group of very strong people, some of whom later worked for his son, such as Colin Powell and Dick Cheney. But he organized them in a way in which Brent Scowcroft, his National Security Advisor, made sure that

the President always had contrasting views brought to him. He always heard all points of view before he decided, because he understood how to organize that. His son, Bush 43, didn't do that. His theory of leadership was to appoint good people, delegate to them and then leave them alone. What he didn't realize was that Cheney in the White House and Rumsfeld in the Defense Department were cutting out the State Department and Colin Powell, which meant that the strands of information that came to the President did not contain all the information that he needed for effective decisions. And that's an example of the fact that the hard power skill of organization is a critical part of leadership, not the opposite of leadership.

The second of the hard power skills I mentioned is what I call "Machiavellian political skills": the ability to size up the weaknesses, likes and dislikes of other people, and to play upon them and develop a minimum winning coalition in order to get things done. In American terms, Lyndon Johnson was a master of this. He had the capacity to organize, to bully, to actually get people to do things. But if you think it requires somebody large like Lyndon Johnson for such an approach, let me refer to a case, which will be less familiar but very interesting. Admiral Hyman Rickover was the man who built the American nuclear navy. At a time when people were worried about whether nuclear energy would be safe inside of a ship, when an accident would have destroyed the program, Rickover was a very demanding boss. But Rickover was a very small man who was near the bottom of his class in Annapolis. However, he had the skill to appeal to Congress for funds and he was able to impress the need for absolute perfection and standards upon the young people who worked for him. So, even though Rickover wasn't a nice man to work for, he nevertheless was able to attract some of the best and brightest young people to work for him because they believed in his vision. Or, as my friend Rod Kramer of Stanford Business School says, "Bullying doesn't do much, but a bully with a vision can sometimes do a lot of good."

These three soft power and two hard power skills are the kinds of qualities we need to look for in a leader. The question then is how to combine them – how to get the hard and soft power to work together in a strategy, which I call smart power. This is a question of intuitive diagnostic ability that comes partly from experience, partly from your emotional temperament. It is a little bit like the person who is surfing. When somebody wants to surf a wave, if they get up on their surf-board too early they will fall over; if they get up too late, they will also miss the wave. That knowledge of how to get timing just right is part of contextual intelligence. Another part of it is to understand the culture of the group, or the organization, or the nation that you're dealing with. And yet another part of contextual intelligence is the ability to understand the distribution of power, to know what you need in order to be able to put these parts together.

Perhaps the best illustration of this would be a quote from Jeff Immelt, the CEO of the American multinational company General Electric. Somebody once asked Immelt, "How do you know when to make the decision, or not?" Immelt said, "If I were to look back over the last year, there are six times when I said: I've heard all your arguments. We've discussed this enough. I'm just going to make the decision." Then he said, "If I did that eighteen times, I would lose my best people; they'd go off to other companies. If I did it three times, our company would fall apart." That ability to know the difference between the six, the three, and the eighteen times is contextual intelligence. As we try to train leaders to develop an understanding of this 21<sup>st</sup> century, we need to train them to develop their soft power skills as well as their hard power skills. But above all, we need to help them develop contextual intelligence so that they combine the two sets of skills in smart strategies.

To turn to the issue of US foreign policy, I would submit that, over the last eight years or perhaps more, the United States has not been very good in terms of its leaders developing contextual intelligence. And this is not just a flaw of the current President, George W. Bush. Americans, as a people, have not had a

great enough understanding of the rest of the world, and of what the rest of the world is like, in order to put ourselves in that broader context. That is going to require us to have a much more nuanced understanding of where we fit in the world. In order to develop this, we're going to have to listen more.

Let me give you an example. It's hard to believe but in 1990 the conventional wisdom was that the United States was in decline, we were finished. My friend Paul Kennedy, the great British historian who teaches at Yale, wrote a book called *The Rise and Fall of the Great Powers*, which said that the United States was finished; we were going the way of Spain, or Victoria's England. I wrote a book at that time called *Bound to Lead*, saying the United States would be the leading country of the 21<sup>st</sup> century. I think I might have gotten the answer right, but Kennedy got all the royalties. In fact, a very famous Greek-American, Paul Tsongas, who was a graduate of the Kennedy School, ran a campaign in 1992 with a slogan that said, "The cold war is over and Japan has won." That was the view in the United States.

Within the decade, by the year 2000, the Soviet Union was gone and there was nobody to balance American power. We went almost to the opposite, from declinism to triumphalism. The view in the year 2000 was that the United States was so strong that nobody could do anything if we didn't approve of it. Indeed, a famous columnist for the Washington Post and Time Magazine, Charles Krauthammer, proclaimed a unipolar world. He thought that along with the unipolar world, we needed a policy of what he called "assertive unilateralism", or the "new unilateralism". And his argument was that there is no power that can balance the United States, and therefore the United States should decide what it thinks is right and others will have no choice but to follow.

That has been a disastrous approach to foreign policy. In fact, what we need to do today is to have a president who can understand the middle ground between declinism and triumphalism. Power is distributed differently in different contexts. To talk about power in the world today I sometimes use the metaphor of a three-

dimensional chessboard, where you play both horizontally and vertically.

On the top board of military relations among states, the United States is the only superpower; it is a unipolar world. I don't see China, for all its success and growth, militarily challenging the United States for decades.

When you go to the middle board of economic relations between states, the world is already multi-polar. If the United States wants to reach a trade agreement, it can't get anything without the agreement of the European Union. When General Electric wanted to merge two purely American companies, GE and Honeywell, they got approval at the American Justice Department.

But the Commission of the European Union turned them down and the deal fell apart. That's multi-polarity. On the economic board, Europe acts as a unit that can balance American power, as can China and Japan.

On the bottom board of this three-dimensional chessboard, you find transnational relations that cross borders outside the control of governments. In areas like climate change, or avian flu, or transnational terrorism, nobody is in charge. Power is chaotically distributed in that context. It makes no sense to call this American hegemony or a unipolar world.

I would argue that the problem that we have as a country is that we've taken the imagery from the top chessboard of unipolarity and applied it to the bottom chessboard where it doesn't fit, and where it makes no sense at all. Many of these problems, that are actually the greatest problems we face, cannot be solved by military power, and that's what Secretary Gates was talking about when he said that we weren't investing enough in the tools we needed to face the challenges that are coming up from this bottom board. The danger, of course, is that if you're playing three-dimensional chess and you focus on one board only, you're going to lose in the long run.

In terms of leadership in American foreign policy, what we need now is a president who will have the ability to understand this context of where America fits

in the world; how to use certain types of power for certain types of issues, and other types of power for other issues; and how to combine them in ways that don't undercut each other. Is this possible? I think so. One of the interesting things about the American society and the American political process is that, for all our faults and flaws, the United States is a country that can recreate itself. For example, back in 1970 during the Vietnam War the United States was very unpopular. But we brought in new policies, like Jimmy Carter's Human Rights policies. And within a decade, America had regained the soft power that it had lost during the Vietnam War. Right now we are suffering a considerable loss of our soft power, as public opinion polls around the world show. But can we regain it? I think we can.

What our political process has done is produce two quite extraordinary leaders, or potential leaders. A year ago, if you thought in terms of the conventional wisdom that money dominates American politics, the winners would likely have been Hillary Clinton on the Democratic side, because she had the biggest donors, and Mitt Romney on the Republican side, because he had his own millions that he could pull into the race.

But that's not what happened. Essentially, Barack Obama used the Internet to bring in small donors – a million and a half people giving money in small numbers (under one-hundred dollars in some cases), galvanizing these people so that he was able to raise more money. As a result, he changed the way we think about politics. John McCain, who was written off last summer as not having enough money to run the campaign, was also able to get back into the race and to prevail.

So, we're fortunate that society still remains open and creative enough so that we can regenerate ourselves. Who will win the election this fall? I don't know. The public opinion polls now slightly favor Obama. I personally tend to prefer Obama. But when I look forward into the future I'm pleased as an American to say that our political process has produced two very fine candidates. That is



encouraging because it also indicates our political process itself has changed. So, I look forward to a situation where we're going to have quite a different American foreign policy, because we're going to have quite a different American leader, whether that will be McCain or Obama.

Richard Armitage, the Deputy Secretary of State in the first term of Bush's administration, and I recently co-chaired a commission, which we called the Smart Power Commission. We recommended a number of changes in American foreign policy, such as to end the use of the term "war on terror"; close Guantanamo; develop a leadership position on climate change; develop more institutions; work with allies more closely; and encourage more multilateralism. The interesting thing is that this Commission was half Republican and half Democrat, and yet we had a broad consensus. This means that there is a good chance that the next president, whether it is McCain or Obama, will in fact be able to change American foreign policy. To that extent, as I look forward, I'm relatively optimistic.

America is not in decline. America is not a hegemon in triumph either. We're going to need a leader who understands how to work with others in that middle ground between these two positions. If we produce that type of leadership, then I think we will in fact be better able to understand the context in which we have to work with friends, allies and others to meet the true challenges that we face in the 21<sup>st</sup> century.

That's my view of leadership and American foreign policy, and I leave you with that modest note of optimism.

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Dr. Nye has served as United States Assistant Secretary of Defense for International Security Affairs, Chair of the National Intelligence Council, and Deputy Under Secretary of State for Security Assistance, Science and Technology.

Dr. Nye is Vice Chairman of the Trilateral Commission, serves on the Board of Directors of the Council on Foreign Relations, and is a member of the Board of the Center for Strategic and International Studies. He is a Fellow of the American Academy of Arts and Sciences, the British Academy, and the Academy of Diplomacy, and a Senior Fellow of the Aspen Institute and Director of the Aspen Strategy Group. Dr. Nye also served as a director of the International Institute for Strategic Studies, a member of the advisory committee of the Institute of International Economics, and the American representative on the United Nations Advisory Committee on Disarmament Affairs.

A member of the editorial boards of *Foreign Policy* and *International Security* magazines, Dr. Nye is the author of numerous books and more than a hundred and fifty articles in professional journals. He published *Soft Power: The Means to Success in World Politics* (New York: Public Affairs 2004); *The Power Game: A Washington Novel* (New York: Public Affairs 2004); and *Understanding International Conflicts* (New York: Longman 2006, 6th edition).

Dr. Nye received his bachelor's degree summa cum laude from Princeton University, did postgraduate work at Oxford University on a Rhodes Scholarship, and earned a PhD in political science from Harvard.

His latest publication is *The Powers to Lead* (New York: Oxford University Press 2008).



The Kokkalis Foundation was established in 1997 by prominent industrialist Mr. Socrates P. Kokkalis as a non-governmental, non-profit organization in Athens, Greece. The central mission of the Kokkalis Foundation is the promotion of a peaceful, democratic and prosperous Southeastern Europe through the advancement of knowledge and education, the enhancement of public, cultural and scientific life in the region, and the development of human capital.

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