

# Unpacking National Power

## Performance, Institutions, and Innovations

AN INTERVIEW WITH ASHLEY J. TELLIS

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*In this Q&A, Ashley J. Tellis, a senior associate at the Carnegie Endowment for International Peace and research director of the Strategic Asia Program, looks ahead to the release of Strategic Asia 2015–16: Foundations of National Power in the Asia-Pacific. The volume lays the groundwork for a three-year study of geopolitical competition in the Asia-Pacific by examining how national power is generated in the region's major powers. Dr. Tellis explains how the conception of national power can be usefully broken down and analyzed in terms of national resources and performance and how the interaction of these two dimensions generates military capabilities. He also discusses the centrality of state-society relations and argues that scientific and technological innovations will continue to drive changes in relative advantage in international politics.*

**This year's edition of *Strategic Asia* is the first volume in a three-year project to assess the likely path of geopolitical competition in the Asia-Pacific. The chapters examine the ability of the region's states to generate national power. Why is now the right time to perform this assessment?**

The global environment, and particularly the area pertaining to *Strategic Asia*, is in considerable flux. We therefore thought it might be useful at this moment to take stock of the national power of the major Asian states and examine the principal opportunities for and constraints on their growth going forward.

It is a good time to embark on such a project because there is considerable uncertainty about what the future power configurations in the global system will look like. Many years ago, there was a general consensus that China's high rates of growth were inexorable and would continue for a long time. Today,

the uncertainty caused by the country's economic slowdown has raised questions about whether the casual predictions previously made about China's ability to overtake the United States will actually be sustained.

There is also new evidence that India's growth rates might be slowly making a comeback, while Abenomics raises some interesting questions about whether Japan might be able to finally come out of the slump that it has been in during the last two decades. And Russia's future is an open question. Russia was indeed making a recovery after the crises of the post-Cold War years, but then hit a roadblock when sanctions were imposed in response to its aggressiveness in Ukraine. Another uncertainty is Indonesia, which has lagged behind some of the other fast starters.

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The country has, however, a huge untapped potential simply because of its size and could therefore play an important role in future Asian geopolitics.

### **How does this year's volume connect to the whole three-year project? What are the elements that the authors of next year's volume will build on?**

We embarked on a three-year project because we identified three interrelated questions that needed to be examined. The first is the subject of this year's volume: what are the durable foundations of a country's national power? We are hoping that next year's volume will develop that question further by examining strategic culture, which is the ideational frame of reference that shapes how countries use their national power to achieve certain ends. The third year will look at those ends and, in particular, the areas of conflict where national power can actually be brought to bear. If you look at the three volumes synoptically, they offer the progressive development of a certain argument: the first volume looks at the character of the resources of a country; the second volume will look at strategic culture, focusing on the ideational influences that affect how a country uses its resources; and the third volume will look at how resources and culture come together to affect a country's ability to achieve certain outcomes, particularly in the context of interstate rivalry in the broad Asia-Pacific region. These three volumes are thus an iterative effort to develop an analysis of capability that will illuminate trends that are not easily perceived today.

### **What is the unique value of the approach that was adopted for *Strategic Asia 2015–16*?**

The framework that we have used to think about national power in this volume is really a framework that looks at the circularity of national resources—not natural resources—and national performance. The framework starts with the assumption that there is no such thing as purely

national resources. Obviously, there are natural resources, but those resources do not have any economic value unless they are acted on. Translating natural resources into national resources really requires conscious human action: performance. National performance serves as the leavening agent that allows a country to take its natural resources and, by application of artifice and human effort, translate them into national resources. There is a certain circularity that makes this model unique. The volume places a great deal of emphasis on human agency, and state-society relations become a specific application of human agency in this framework.

Once natural resources become national resources through the application of national performance, you get the possibility of creating military resources, which are a specific manifestation of national resources, or alternatively, the tail-end output of national resources writ large. Those national resources really cannot be produced unless deliberate and conscious state and societal action is brought to bear.

What is valuable about this approach is that it compels analysts and policymakers to move away from static definitions of power. It is easy to think of power simply through a listing of a country's national resources; it is also tempting to think of power in terms of a country's military inventory. This volume's approach takes the reader beyond the static indices of power as they are conventionally understood to focus on the mechanisms that explain how a country generates that power. When you look at those mechanisms that are involved in generating power you get a much more textured sense of whether a country's apparent and real power converge, or whether there is a huge gap between the apparent and the real. The value of looking at power in this way is that it reveals whether power that appears to be manifest is actually sustainable, what its foundations are, how durable those foundations are, and how committed a country is to the task of building up national power.

### **What role is there for ideational resources in this framework?**

The assumption here is that the resources that ultimately empower a country to achieve its preferred outcomes in international politics are material capabilities. We focus less on other aspects of power, however legitimate they may be, because we don't think they account fundamentally for a country's ability to get its way. This does not mean that the ideational elements are not important, but they are examined in this year's volume as instrumentalities that shape how a country goes about producing its power. For example, the volume considers to what extent a country's culture compels it to think in a very focused way about maximizing its national power. The cultural elements, the context, and the environment all play a role, but more as shaping functions than as elements of power in their own right.

This is exemplified in how the issue of strategic culture is dealt with. To the degree that strategic culture, ideas, and values bear on the production of national power, those dimensions are investigated in this volume. But to the degree that they apply to the use of military power for producing certain external outcomes, those dimensions will be explored in next year's volume.

### **What are some of the major themes discussed across this year's chapters? Are there any commonalities in the analyses that are particularly notable?**

There are two things that come across when you read the chapters in their totality. The first is that natural resources, which many analyses think of as somehow capturing a nation's power, really don't tell you very much by themselves. For example, countries with huge natural resource endowments like Indonesia do not perform as well as a country such as Japan,

which is very poorly endowed with natural resources. A good example in the same vein is Russia, which has huge natural resource endowments and yet has not managed to translate those resources into effective power, particularly power that is sustainable over a long period of time.

The second thing that comes across is that the quality of state-society relations makes a fundamental difference to whether countries can effectively accumulate power. This is conveyed differently in every chapter of the volume. If you have a highly fertile society that is organized in rational ways in the Weberian sense, then that society produces an enormous amount of resources that become raw materials that a careful state can use. There is a certain circularity admittedly: you need a productive society to be able to produce those resources, but you also need a state that is capable of pursuing enlightened social policies to enable that society to be productive. You also need a state that is purposefully structured to allow it to extract those resources from society and use them to pursue national objectives.

Reading the chapters, we obtain a good sense of which state-society relations actually turn out to be the most fecund. For example, the societies that enjoy terrific advantages are often those that have open economic systems, social structures that are stable, and a relatively high degree of elite cohesion. However, those are necessary but not sufficient conditions. The state must also be focused on expanding its national power, and that focus oftentimes comes from being in an environment that is competitive, where the state is compelled to maximize national power. The authors' findings broadly reflect the conclusions of the political development literature, which are that societies that are more open and have space for well-ordered and well-organized markets are more likely to be the most innovative and create the building blocks of national power.

The character of state institutions is also very important, because the state ultimately creates the structural environment within which societies operate. The specific rules, the character of law enforcement, the

character of dispute adjudication—all these things are critical. This *Strategic Asia* volume looks carefully at how each of these facets is incarnated in the countries analyzed, because the existence of good institutions very closely correlates with sustainable national performance. The chapters do a good job explaining how these state-society features account for the quality of a given country's national performance.

**One of the assumptions in focusing on the entire state is that scientific and technological revolutions can allow a state to leapfrog ahead in national power. Frequently discussed in recent years are two caveats to that logic: first, new technologies often contain vulnerabilities, and second, copycat societies may be becoming increasingly effective at closing the gap with technological innovators. Do you believe these considerations affect the validity of the approach taken in this volume?**

These two factors, technological vulnerabilities and imitations, do not modify the volume's approach at all. What you are describing really is a process that is endless and ongoing. A country that is highly innovative and produces disruptive innovations can achieve supernormal gains for a while. Those gains slowly begin to atrophy after a given point because of either emulation or compensating innovations by other countries. Emulation allows others to benefit from innovations because they haven't had to put the resources into developing them. They

can simply emulate or imitate or even sometimes marginally improve on the innovation because they don't have to bear the upfront costs to develop either this technology or the innovation in question. Thus, supernormal gains do diminish over time, and technological capabilities converge.

But if a society is genuinely innovative, by the time others are catching up, that society is already on to the next iteration of innovations, so its relative advantage is never derived from a single innovation. While others are slowly catching up to the first wave of innovation, productive societies are looking beyond that first wave to successor innovations. The cycle does not stop—it remains a competitive process, with others obviously struggling to catch up and imitate and sometimes even leapfrog ahead. Those societies that enjoy effective state-societal relations have the advantage and can continue to maintain a certain margin relative to others.

The disadvantages of some of these innovations and the costs that they impose can also be addressed in the same way. Every innovation will have certain vulnerabilities; it will create a new form of social organization, and that social organization, at a technical or a societal level, will have certain vulnerabilities that can be exploited by others. But the solution to coping with those vulnerabilities is greater innovation. There is nothing that contradicts the basic argument that science-based knowledge revolutions really constitute the foundation for creating national power today and will continue to do so in the foreseeable future. ♦

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