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OPINION

Soft power delivers big returns, but Trump is slashing it anyway

What may look like savings through layoffs and grant rescissions will in fact cost billions in lost trade, weakened alliances, and diminished global influence.

By **Linda J. Bilmes** Updated July 24, 2025, 3:00 p.m.



A health worker measured a child's arm circumference on July 23 in Uganda. The child turned out to be severely malnourished. Food insecurity in the region has been exacerbated by unpredictable weather impacting harvests and dramatic cuts to foreign aid, including President Trump's defunding of the US Agency for International Development. HAJARAH NALWADDA/GETTY

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A “small but important step for fiscal sanity” is how Senate majority whip [John Thune described last week’s vote](#) to rescind \$9 billion in federal funding for 22 government programs. The programs, related to global health, humanitarian assistance, disaster aid, diplomacy, the Corporation for Public Broadcasting, and water safety, were [“wasteful and unnecessary,”](#) according to Russell Vought, director of the Office of Management and Budget.

What they and the Republican majority are ignoring is the vast economic return that such programs generate for the United States in terms of “soft power.” This term, coined by my late colleague Joseph Nye in 1990, described a nation’s ability to achieve global influence through attraction rather than coercion. It was a profound insight into the enduring appeal of American values, culture, and institutions. Nye never tried to put a dollar value on soft power, but others have — and the results are compelling.

Studies in many countries show that spending on diplomacy, cultural engagement, and humanitarian relief generates a huge economic return on investment — at least six times greater than the dollars invested. [South Korea’s “Korean Wave” initiative](#) produced \$8 billion to \$10 billion in benefits through increased tourism, exports, and brand recognition.

The European Union’s Creative Europe program produced three to four times the amount invested in cultural diplomacy. [Britain](#) and [France](#) discovered similar benefits when they analyzed their countries’ soft power investments. [Canada’s EduCanada program](#) increased gross domestic product by more than \$22 billion Canadian dollars from just \$2 billion in spending on global education. And based on data from 66 countries over 14 years, a recent [International Monetary Fund study](#) found that soft power was linked to improved economic performance and greater currency stability.

The United States has not measured its soft power directly, but there is no doubt that it boosts its image by providing humanitarian and disaster aid. In 2003, the United States spent \$400 million to help Indonesia recover from the massive tsunami in the Indian Ocean. Public approval of the United States in Indonesia, the world's largest Muslim country, [more than doubled](#), from 15 percent to 38 percent by the following year, and reached to more than 60 percent by 2009. When America helped Japan rebuild after the earthquake in 2011, US favorability rose from 66 percent to 85 percent.

Today, the United States is turning away from such opportunities. What may look like savings through layoffs and grant rescissions will in fact cost billions in lost trade, weakened alliances, and diminished global influence.

In nearly every other policy domain — whether approving a medicine, a public safety regulation, or building new infrastructure — government decisions are informed by cost-benefit analysis. No such analysis has been performed here. If cost-benefit thinking were applied to soft power, it would be clear that the benefits of soft power far outweigh the costs.

The concept is well understood in the private sector. Businesses spend heavily to acquire “goodwill” — brand value, reputation, and customer trust. Such intangible assets drive future profits and provide protection against commercial competitors. Governments should treat soft power the same way: as a hedge that reduces economic and military conflict. When nations trust America and see us as a partner rather than a threat, they are far less likely to take hostile actions that would require costly military responses. Soft power investments provide a double dividend that pays off in both economic gains and reduced defense spending.

The full value of America's global engagement may only become evident once it is withdrawn. The Trump administration is working hard to achieve this end. The Trump administration has laid off government scientists, educators, and health experts,

including the recent [firing of 1,350 experienced State Department diplomats](#), including senior analysts in intelligence. Further cuts are looming.

As the United States slashes its soft power budget, China is scaling up. The Chinese Belt and Road Initiative has committed more than \$1 trillion in infrastructure spending. Chinese-funded rail projects in Malaysia, [“Confucius Institutes”](#) that teach Chinese language and culture, and the growing power of China’s commercial brands such as TikTok are all part of a deliberate soft power strategy. Beijing is filling the vacuum left by America’s retreat, making a mockery of our efforts to counter threats from China through military strength alone. According to [the Brand Finance Global Soft Power Index](#), China has risen steadily to rank number 2 in the world behind the United States — its highest-ever position. Meanwhile the US score has declined across many factors, due to reduced global trust in US leadership and a decline in perceptions of governance and international influence.

The dollar “savings” that Thune crowed about amount to less than the cost of a single F-35 fighter jet. But a fighter jet can’t help refugees, teach Afghan girls to read, or persuade African leaders to choose American over Chinese technology. As Nye pointed out, soft power is easy to squander and difficult to recover. The cuts, combined with the Trump administration’s sustained assault on the nation’s leading universities, represent a colossal soft power miscalculation. They will cost America global influence that no amount of military spending can replace.

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