War, Peace and Hegemony in a Globalized World

The changing balance of power in the twenty-first century

Edited by
Chandra Chari

Routledge Advances in International Relations and Global Politics

War, Peace and Hegemony in a Globalized World

The collapse of the Soviet Union and the attack on the World Trade Center shook up the international system which had been in place for four decades after the Second World War. The emergence of the United States as the sole superpower, and the unilateralist propensities in its actions in the international arena, have given rise to a debate on the nature of hegemony and the need to work towards a more equitable international order in the twenty-first century. This book focuses on how the US could adapt its foreign-policy initiatives to fit in with the growing aspirations of a multipolar world for a more balanced international order.

Contributors examine if the absence of a superpower status would lead to anarchy, or if an alternative is possible. In view of the globalization process and the changing perceptions of US hegemony in the various regions of the world, it addresses the possibility of re-examining and redefining the nineteenth-century classical balance of power. Is it possible for a new paradigm to emerge for the balance of power that would encompass the entire international system and put institutional systems in place (and even make the existing ones work) to substitute superpower hegemony with a multipolar or multilateral arrangement?

Part I presents analyses of global perspectives on war, peace and hegemony, and the role of the United States. In Part II, each region of the world is examined in the context of the unfolding processes of globalization; the various ways in which economic and socio-political organizations are impacting inter- and intra-regionally; and the role of the United States vis-à-vis the individual countries and regions.

Chandra Chari is a journalist, editor and translator. She is one of the founder-editors of *The Book Review*, a literary journal of repute. Currently, she is Co-Editor of *The Book Review* and Chairperson of The Book Review Literary Trust, New Delhi.

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For Dharma Chari-Letts

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1 Introduction

Chandra Chari

The catalyst for this book was an article in *Foreign Policy* by Niall Ferguson[1] which leads the reader through history to paint a grim scenario if the international system were to look for alternatives to a sole superpower:

> Critics of U.S. global dominance should pause and consider the alternative. If the United States retreats from its hegemonic role, who would supplant it? Not Europe, not China, not the Muslim world and certainly not the United Nations. Unfortunately, the alternative to a single superpower is not a multilateral utopia but the anarchic nightmare of a new Dark Age.

Ferguson ends his article thus: 'The alternative to unipolarity would not be multipolarity at all. It would be apolarity – a global vacuum of power.'

This triggered off a desire to examine, as an interested bystander, if indeed the absence of a superpower would lead to anarchy, or whether an alternative is possible and emerging. Given the well-documented history of the dominance of the Anglo-American tradition in the study of international relations and the ever-present danger of succumbing to one form of 'parochialism' or the other in constructing International Relations theory,[2] Niall Ferguson's prediction is not surprising. Ferguson is one of a growing number of neoconservative thinkers who seek to justify every US action, including its most glaring mistakes, on the grounds that these are the sometimes unfortunate and always unintended by-products of a necessary exercise of hegemony, and that the alternative to the US's exercise of its hegemony is chaos. But this view of the world confuses hegemony with military dominance, and ignores Gramsci's profound observation that hegemony is power buttressed by moral authority. For dependent nations to accept the dominance of a hegemonic power, they need to be convinced that its interests converge – most, if not all of the time – with theirs. Ferguson also glosses over the fact that, while an established hegemony may be conducive to order, the competition to establish hegemony, or challenges to hegemony, leads to violence and instability.

The quest for hegemonic power by Germany in Europe after the weakening of British hegemony at the end of the nineteenth century gave the world the bloodiest half-century it had ever known. The competition for hegemonic power

between the USA and the Soviet Union gave birth to the Cold War.[3] During the Cold War, the escalating arms race provided the *raison d'etre* for avoiding conflict on the home base of the superpowers and thus led to arms control and mechanisms of viable deterrence. However, since power must be exercised to be meaningful, the scene of conflict shifted to the Third World. There it turned localized conflicts into unhealing sores. In more and more countries this is now causing the collapse of the state and the rise of predatory elite groups exploiting tribal, sub-regional and ethnic rivalries. Hegemonic designs that make pawns of states are thus inherently divisive and inimical to the development of a healthy and nurturing international order.

If hegemony is not to be based upon military power alone – indeed, the recent experience of the world suggests that it cannot be so based – then it can only be based upon some form of mutual consent. In short, while military power can be exercised unilaterally, hegemonic power must be exercised within a global, consensual framework.

The processes of globalization, which have economically empowered a large number of countries across the globe, which were, until a few decades ago, relatively powerless, have opened the way for a new attempt to build a multilateral world order. While it is undeniable that several aspects of globalization have distinct overtones of neo-imperialism, the outcome is less likely to be as one-sided as the colonial order that was built during the era of the nation state. Globalization provides bargaining chips to the developing world which the developed world would have to contend with in international fora. This in turn generates a sense of confidence among the developing nations that can militate against the exercise of untrammelled hegemonic power.

Globalization and bargaining chips

Globalization, then, would seem to be the catalyst for a situation, especially in the aftermath of 9/11, that is not unlike what happened after the Russo-Japanese war. The processes of history took a dramatic turn when the defeat of a European power by an Asian one generated a confidence which ultimately, in five short decades, led to the unravelling of colonial empires in the last century.

The changing perceptions of power and dominance in a global context is further strengthened by several factors: the unprecedented information revolution that is shrinking the global space by the miracle of instant communication; an upward mobility in the populations of the developing world, which is a prime factor in the shifting of the economic balance of power to Asia; and an ironing out of the cultural nuances of 'civilizational values' on a global scale. Humanity, then, takes centre stage. But, on the minus side, the shrinking of the global space contains within itself the seeds of conflictual situations which endanger human security across the globe. Migration of human beings in search of education, employment, even life itself, carries with it a feeling of rootlessness, insecurity and fear which often manifests in conflicts to protect the cultural ethnicity of particular groups.

Then again, on the international stage, civilians being no longer beyond conflict zones, vast numbers of hapless human beings are often caught in the crossfire, maimed and scarred for life in body and mind. This too has the potential for a different kind of conflict – the non-state actor who uses terror as a tool to translate insecurities and frustrations into direct action.

Thus, the most important factor that points to multilateralism as the path of choice is that the threats to human security cut across boundaries of state and citizenship, and humanity is intermeshed as one entity. Hegemony has been seen to be divisive and globalization could strengthen the processes of multilateral action to combat the new threats to human security.

All of the above, seemingly disconnected/unconnected events and trends, however, constitute a jigsaw puzzle which may be a kaleidoscopic blur today and yet display all the signs of an international system in search of a new paradigm. In the aftermath of the crumbling of colonial empires, such revolutionary thinking was clearly in evidence among the Third World leaders who spoke in a new vocabulary – of non-alignment, of equality among the sovereign states and, above all, of total disarmament which would open up avenues of peace and global prosperity.

However, that vocabulary in the latter half of the twentieth century was being used from a platform of powerlessness and was hence little more than the wail of the weak. Therefore, the voice of sanity in fact could sound not so much as ideology but as an unworkable blueprint for a utopia. The developing world, struggling against enormous odds to overcome the degradation that colonial empires had subjected it to, and the resultant poverty, was hostage to the developed world. The two superpowers could, with the tools of military and economic aid, divide the Third World into spheres of influence. However, the new millennium and the shift in the economic balance of power to the East, the rise of China and India, the renaissance of the Left in Latin America and other parts of the world, and the new assertiveness of a resurgent Russia could be the framework to provide a new meaning to the vocabulary coined by postcolonial leaders of the Third World in the last century.

About this book

The twentieth century thus provides a spectacular framework from which the twenty-first century can learn valuable lessons in the area of international relations management. To progress from a state of fear, insecurities, misperceptions of the other's motives and designs, all of which characterized superpower rivalry in the second half of the twentieth century, to a more transparent, equitable stance, from competition to cooperation, all lie within the art of the possible.

This study, then, seeks to pose the questions that are troubling scholars, policymakers, statesmen and citizens all over the world. I have gone by Eric Hobsbawm's prescription that the

> test of a book about the current situation of the globe is not whether it is hopeful or disenchanted, but whether it helps us to understand it, that is to say, whether it shows a historical understanding of the present crisis.[4]

It is hoped that by providing an overview of how every region of the world stands today vis-à-vis its neighbours and the regions beyond, and in particular with the USA, the most powerful nation in the world, the reader would form a better understanding of current realities. The book is not meant as an agenda for a utopia on the world order model but is an attempt to understand the nature of power and how it seeks to express itself in the international order, and whether the alternative to hegemony is an anarchical system or if glimmerings of a 'method in madness' are visible. In inviting 18 scholars from across the globe to contribute to this volume, the effort has been to ground the framework in the here-and-now of the existing relationships and the pointers that are emerging out of a kaleidoscopic pattern to build a theoretical model for the games nations *will* play in the twenty-first century.

An edited work, a collection of chapters, such as this book, is at risk of some repetition and at times disjunctures in thought. However, 30 years of editing a book review journal in India has ingrained in one the habit of 'editing' with a light touch. Repetitiveness could be read as resonance of ideas from one chapter to another.

The international system *seems* like a jigsaw puzzle and the contributors have been allowed to reflect that in the book. To have homogenized the contributions with a ruthless pen would have almost certainly detracted from what the book has tried to do – to introduce the reader to seemingly unconnected events and ideas that are likely to loom larger in the international system in the decades to come.

In 'War, peace and world hegemony at the beginning of the twenty-first century', Eric Hobsbawm casts a savant's eye over the twentieth century to highlight the dramatic and sudden break in world history as it has unfolded 10,000 years after the invention of sedentary agriculture. The chapter analyses the social factors which have contributed to this sudden break, then moves on to a discussion of what the new millennium may hold for the international system and the changing balance of power, the impact on it of the swift forces of change wrought by globalization in a unipolar world.

Complementing Eric Hobsbawm's chapter is Akira Iriye's 'Global governance in the age of transnationalism', which looks at the emergence of the international system by analysing a very complex notion of transnational entities, events and processes that cut across national boundaries. He compares and contrasts the post-war international system as defined by the Cold War, in which its protagonists were engaged in an arms race to annihilate the world, with the emergence of other international systems like regional communities, economic transactions and agencies promoting social and cultural interconnections across borders.

Seen across all parameters, the USA will continue to be the predominant power in the world, especially militarily. However, even in a position of predominance, the vulnerabilities are peeping through the cracks. Conditions of interdependence are being created, and a fork in the road would seem to have been reached. Conservative scholarship in the USA argues against any form of

isolationism and advocates that multilateralism must be preceded by unilateralism if American interests and the world order are to be preserved. But the USA is no monolith, and within the United States dissent against unilateralism is widespread.[5] A sustainable American foreign policy in the years to come will require invoking the greater cooperation of others, even if that means that its freedom of action is narrowed, and in according a more substantive role to other states, the United States would end up embracing some form of multilateralism.

Joseph Nye's 'The future of American power' looks at the debate on American power today and whether American preponderance will lead to a sustained hegemony of the USA. He examines the problem of looking at the nature of power and power distribution in the international system over long periods of time, and the difficulties of understanding the rise and fall of great powers throughout history.

The djinn that came out of the bottle in 1945 has plagued the world ever since with its inherent threat of total annihilation of mankind. International Relations theory post-Second World War is dominated by the attempt of the protagonists, the nuclear weapons powers, to manage and control this deadly offshoot of modern technology. William Walker's chapter on 'The troubled quest for international nuclear order' examines these efforts to establish an international nuclear order that was effective, legitimate and lasting, and the predicaments faced by its architects at various times. Is the threat of a nuclear war greater in the twenty-first century? Or, is the international order capable of making a determined effort to eliminate nuclear weapons and disband their associated infrastructures?

Globalization, the new theology of the modern world, as Eric Hobsbawm puts it, cuts across national boundaries and in a few short decades has brought about economic changes so profound that the entire international order is in flux. The fall-outs could mean anything – neo-imperialism that would tighten the stranglehold on the world's populations and widen the gap between the rich and the poor; or it could create interdependence in ways that would take on a counter-hegemonic role by providing bargaining chips to the developing world to contain the hegemony of one or more powers in the future. Prem Shankar Jha's chapter on 'Globalization, hegemony and the failure of empire' highlights the dangers inherent in the processes of globalization of 'systemic chaos', and analyses the prospects for the continued existence of the nation state.

The world has, in more ways than one, shrunk in just a few short decades into a global village. Humanity then takes centre-stage, cutting across national boundaries and borders. Many new threats to humanity have emerged in the latter half of the century: prospects of scarcity of essential resources like oil, food and water, non-state actors like terrorist or fundamentalist religious groups, human migration in search of labour, ethnic conflict in civil society and drug pedalling. All of these contain within themselves the potential for conflict. Two chapters have been included, one by T.C.A. Srinivasa-Raghavan and the other by Paul Evans, to focus on the new and potential threats to global peace and prosperity on the one hand, and the concept of 'human security' which must of necessity make humanity central to security issues, on the other.

T.C.A. Srinivasa-Raghavan's 'Global prosperity and the prospect of war in the twenty-first century' is structured around the games that market economics will lead the international order to play and the consequences that are likely to follow. The millennium has to unfold for the story to be told.

Paul M. Evans's 'Human security in Asia in a conservative era: against the odds, twice' analyses the concept of human security, as opposed to the more commonly accepted concerns of national security, to seek answers to what a human security framework may have to offer. What are the obstacles to it being implemented? What do reactions to a human-security approach tell us about broader patterns in global affairs, especially responses to a more assertive America? The chapter takes the East Asian paradigm as its base, but nonetheless seeks to situate the arguments within the academic and policy discourse of human security. The coming decades will provide answers to whether Asian leaders will not merely be responding to the international debate on human security, but would be shaping it if a 'people-centric' world order becomes more feasible than a unilateralist paradigm.

Discussions around the concept of hegemony and its various theoretical models occupied centre-stage in international relations theory throughout the twentieth century. The debate has been intensified since the collapse of the Soviet Union, and the hegemonic nature of a sole superpower is facing challenges from the international system. It is an open question as to how nations react to American hegemony in the twenty-first century. Is 'balancing' an option? Or will nations try to 'stay below the radar' as China and Japan have tended to do? Or will nations invoke the vocabulary of the non-aligned leaders of the last century to try to evolve 'counterhegemony by moral force'? Or, again, is the world likely to see the unfolding of yet another 'peaceful hegemonic transition'?[6]

The central idea behind this book has been to put forth a theoretical model that is removed from the generally accepted western models for the current debate on hegemony, and whether its absence is likely to lead the international system into anarchy. While the chapters on the different regions provide the ground realities, Chapter 9, by Kanti Bajpai and Varun Sahni, 'Hegemony and strategic choice', plays out the theoretical constructs around which the debate on war, peace and world hegemony in the twenty-first century may be analysed. The authors examine the nature of American hegemony and the possible responses to it, an important part of which is an attempt to construct a typology of an 'Indian grand strategic thought' to analyse the efficacy of some of these postures. The chapter then goes into the question of the constraints on American power and the theory of hegemony.

'Europe, NATO and the emergence of a polycentric world', by Chandrasekhar Dasgupta, takes the debate on the nature of power in the international system a step further by analysing the strengths and weaknesses of the European Union and how the western alliance is situated today. Europe accepts the benefits of US hard power as a guarantee of its own security in lieu of having to increase its own expenditure on defence. This underpins the premise on which

the American and European relationship subsists, despite small turbulences. On the other hand, Europeans face their own dilemma as to how to balance military power, diplomatic adroitness and economic influence in the furtherance of their own interest.[7] Whether the European Union is likely to emerge as a superpower, or whether it employs tools of cultural engagement with the world beyond the western alliance to promote the cause of multilateralism are some of the issues explored in this chapter.

In the decades before the collapse of the Soviet Union, Latin America – perceived as its 'backyard' by the US – was important and efforts were made to develop a collective security mechanism in the region. In the US's perception, the region mattered because of its geographical proximity in a zero-sum game between the two superpowers. What is the importance of Latin America in the post-Cold War and post-9/11 world? What is at stake for the United States in the region? What are the ways in which the region can affect US hegemony? These and allied issues are analysed within the theoretical perspectives of international relations by Jorge Chabat in 'The international role of Latin America after September 11: tying the giant'.

The Middle Kingdom has from times immemorial had a worldview peculiarly its own. Convinced of its own superiority, particularly cultural, until the Revolution in 1949, China had maintained an isolationist, inward-looking stance, with a disdain for the games nations play, even when the country was being cut up into spheres of influence by the most-favoured-nation treaties in the nineteenth century. A fierce national pride, combined with a sphinx-like closeness, enables China to keep the rest of the world guessing.

In just half-a-century, China has scaled unimaginable heights, from a country with a huge population ridden with poverty in 1949 to an incipient superpower status at the beginning of the new millennium. It is being predicted that, in terms of overall GDP, China will have overtaken the USA by 2025 or 2030, and will perhaps grow at a much faster rate thereafter unless the Chinese commit some catastrophic blunders and collapse. Whether it challenges US hegemony or plays the card of soft power and leads Asia into a cooperative framework for security and economic prosperity is one of the questions to which academe and foreign-policy establishments the world over are seeking answers.

Yu Xintian's chapter on 'The change of the world in the early twenty-first century and China's strategy of peaceful rise' analyses the impact of global changes on the traditional theory of hegemony and balance of power in international relations. It highlights the opportunities and challenges in terms of strategic choices for individual states which the new and emerging world structure of a sole superpower amidst a growing number of multilateral forces offers.

'The changing balance of power in the international order in the context of globalization: the case of Japan', by Akiko Fukushima, examines the evolution of Japan's foreign policy against the backdrop of certain historical milestones and the changing international environment. The rise of Japan to nationhood with the Meiji Restoration and the policy choices made in the first half of the twentieth century, leading to the Russo-Japanese War and later the attack on

Pearl Harbor, have had a lasting impact on Japan's role in international affairs post-Second World War. Fukushima examines the ways in which, post-9/11, Japan's choices and its relations with its East Asian neighbours and the United States may be changing, to present a cohesive overview of Japan's quest for a new international order in the context of globalization.

Korea is a prime example of the divisive nature of hegemonic designs. At the receiving end of the ideological battle between the two superpowers, the division of the country in 1945 set the stage for the scenario which emerged in the following decades, and North Korea's quest to become a nuclear weapons power. Vyjayanti Raghavan in 'Security in Northeast Asia: alternative scenarios' focuses on the *raison d'etre* of North Korea's nuclear policy to analyse where Northeast Asia stands today in the international order, and whether a giant regional cooperation zone is likely to emerge as the countries of the region progressively weave patterns of economic interdependence.

Predictions of a shift of the economic balance of power to the East and the East Asian 'miracle' followed by the East Asian crisis – the rise of Japan, Malaysia, Thailand and Indonesia which have suffered the fall-outs of the crisis, and now the rise of China and India – keep the region in tumultuous patterns of guesswork, predictions and reality. Simon Tay's chapter, 'East Asia, ASEAN and regional order: power, cooperation and principle', explores how far Asia will be able to fulfil the predictions of its rise, which countries will emerge as leaders, and what this portends for the USA, which has dominated the region since the end of the Second World War.

The big question mark today is how Asia's rise is likely to impinge on and influence the balance of power in the international order. There is undeniably a palpable synergy in the newly rising economies of Asia which sets the stage for innovative ways of re-ordering the international order. A young population, an explosion in info-technological superiority and an upwardly mobile population spreading its wings are coming together to paint a scenario of vibrancy and vigour. Predictions of the shifting of the economic balance of power to the East have to be weighed in the balance against Asia's ability to fulfil these predictions.

There are, however, tremendous constraints imposed upon the region by the very factors that are, in many ways, the sources of its strength. Huge populations mean that whatever the rate of growth, the results get diluted and endemic poverty does not go away. This in itself poses a terrible danger of conflict arising out of frustrated expectations. Then again, huge populations are prone to another kind of vulnerability when faced with natural catastrophes like earthquakes, floods, the tsunami, epidemics of diseases, which leave them cruelly exposed and cause huge setbacks. Added to this is the enormous power that vested interests continue to wield in the region, and one is left with question marks regarding Asia's capability to seize the moment.

N. Ravi therefore focuses on 'The South Asian economy: a mix of positives and negatives' to seek an answer to the question of how realistic it is to assume that, among the South Asian economies, India will join China as one of half-a-

dozen leading economies of the world; and further, how much weight the South Asian region as a whole would have in the global economy.

US military superiority is not open to question today. It is accepted that in a few years' time, the American military expenditure would be 50 per cent of the global military expenditure. However, though this means that the USA is not likely to face a military challenge, there are limitations to the actual use of military power by the US. It has the ability to punish nations and could try to bomb them out of existence. But the US does not have the ability to occupy a nation and sort out its problems. Operation Iraq amply illustrates this.

Radical Islam has become the Other; the USA seems to regard contending with this perceived threat as of paramount importance and urgency. Afghanistan, Iraq and now Iran all fit into a pattern in which unilateral action is the norm. Ignoring the underlying causes of frustration and anger that finds expression in extremist retaliatory measures basically highlights a shallow understanding of history and ground realities on the part of the USA. Hamid Ansari's chapter, 'West Asia: is there an alternative to sole superpower hegemony?', embedded in a historical overview, provides the background to achieve a clear understanding of how dangerously volatile the West Asian situation is at the beginning of the new millennium.

Africa, with its history of colonization and apartheid, is yet another, more virulent example, of an entire continent under divisive hegemonic influence. The nature and formation of the state on the continent has varied significantly on account of their different colonial experiences, the decolonization process, in some cases short and peaceful and in others long and violent, and the postcolonial economic linkages with Europe. During colonial rule, the African economies were highly integrated and in a subservient position to the world economic order controlled by the European powers. Decolonization brought freedom while the economic linkages remained intact. African elites have aided the continuance of European hegemony. This is the background against which Abdul Lamin discusses 'Africa in twenty-first-century international relations: challenges and responses'. The chapter lays out the historical context in which to locate Africa's international relations; examines the transformation occurring in them since the end of the Cold War; and then attempts to deconstruct the continent's response to the changes in the world order through processes of institution-building, both at the national and regional levels.

Conclusion

There is no doubt that there is a fundamental asymmetry between today's global reality and the existing mechanisms of global governance. Arguments have been advanced in various fora for broadening the representation in the UN Security Council and other key international institutions like the G-8. It has been proposed to elevate the meetings of the G-20 group, composed of ten industrialized countries and ten emerging market economies, to heads-of-state level.[8] However, the language of western scholarship, anachronistically, continues to be couched in terms of 'giver' and 'given', which ignores evolving realities.

The twentieth century thus contains, in more ways than one, the roots of how the twenty-first century would shape up. But it is by no means unrealistic to explore the possibility that the sudden and unexpected collapse of the Soviet Union in 1989, and within a decade the upsurge of changing perceptions regarding unilateralism by the single predominant power, the USA, in the international order, may be painting a scenario in which the millennium could provide – if not an almost clean slate – certainly new and exciting ways of re-ordering of the globe. The chapters in this book have tried to set the stage to begin that voyage of exploration. In conclusion, however, one can at best pose the questions.

So, the most important question is: which path is the US likely to choose? Will it continue to advocate unilateralism, which inherently assumes near identical interests between the leader and the led? Such an assumption could take the world on a path where containment of unilateralism becomes a prime agenda for the rest of the world.[9] Or, will the US be able to rise above the impulse to build nightmarish scenarios based on paranoia about the threat of rivalry with China or the world collapsing into anarchy in the absence of a hegemon, or of 'Cold Wars are coming' in the Ferguson mould?[10] If it does, the USA has a resilience which can restore to it a position of leadership – not necessarily to ensure bandwagoning by other nations, but in a mode of cooperation, through the restructuring of the international institutions, and above all, by accepting multilateralism as the chosen option for the maintenance of a liberal order. This is by no means unthinkable because the greatest strength of the USA in the last century has lain in the sources of its 'soft power', its unique ability to attract the best talent from across the globe and absorb them culturally, socially and economically.

The obverse of this depends on how responsibly the rest of the world plays its role in the international system by rising above the constraints of domestic imbroglios and natural propensities towards conflict and disorder. Again, this depends on whether regions can come together to recover credibility for collectivity, and whether regional institutions do not abdicate responsibility. International relations is the most ideologized as a discipline – one needs to push oneself into a vacuum where one can think of competing representations and competing tropes.[11]

I would like to conclude by recording my debt to a huge number of people who were morale boosters to my hesitant, tentative voyage of exploration into an area in which I can claim no expertise. At the top of the list is Professor Eric Hobsbawm who, when I sent the synopsis for this book with tremendous inward qualms, responded unhesitatingly that he was thinking along the same lines and would structure his Nikhil Chakravartty Memorial Lecture which he delivered in India in December 2004 around 'War, peace and world hegemony in the twenty-first century'. Then, and in the subsequent year-and-a-half during which this book has been in preparation, I have poached on Professor Hobsbawm's time again and again seeking advice and guidance. But for his support, my steps would have tottered.

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Chandra Chari
New Delhi

Notes

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Part I

Global perspectives

2 War, peace and hegemony at the beginning of the twenty-first century

Eric Hobsbawm

Introduction

Present problems have to be approached from the perspective of the past, as is the practice of historians. We cannot talk about the political future of the world unless we bear in mind that we are living through a period when history, that is to say the process of change in human life and society and the human impact on the global environment, has been accelerating at a dizzying pace. It is now proceeding at a speed that puts the future of both the human race and the natural environment at risk. When the Berlin Wall fell, an incautious American announced the end of history. So one cannot use a phrase so patently discredited. Nevertheless, in the middle of the last century we suddenly entered a new phase in world history, which has brought to an end history as we have known it in the past 10,000 years, that is to say, since the invention of sedentary agriculture. We do not know where we are going.

I tried to sketch the outlines in my history of the 'short twentieth century'. The technological and productive transformations of this dramatic and sudden break in world history are obvious;[1] for example, the speed of the communications revolution which has virtually abolished time and distance. The Internet is barely ten years old in 2004. Four social aspects of the sudden break, which are relevant to the international future, can also be singled out. These are the dramatic decline and fall of the peasantry, which had until the nineteenth century formed the great bulk of the human race as well as the foundation of its economy; the corresponding rise of a predominantly urban society, and especially the hyper-cities with populations measured in eight digits; the replacement of a world of oral communication by a world of universal reading and writing by hand or machine; and, finally, the transformation in the situation of women.

The decline and fall of the agricultural part of humanity is obvious in the developed world. Today it amounts to 4 per cent of the occupied population in the OECD – 2 per cent in the USA. But it is evident elsewhere. In the mid-1960s, there were still *five* states in Europe with more than half the occupied population in this area, 11 in the Americas, 18 in Asia and, with three exceptions, all of Africa (Libya, Tunisia and South Africa). The situation today is dramatically different. For practical purposes no countries with over 50 per cent of

farmers are left in Europe and the Americas, or indeed in the Islamic world – even Pakistan has fallen below 50 per cent, while Turkey has fallen from a peasant population of three-quarters to one-third. Even the major fortress of peasant agriculture in Southeast Asia has been breached in several places – Indonesia is down from 67 to 44, the Philippines from 53 to 37, Thailand from 82 to 46, Malaysia from 51 to 18. In fact, omitting most of sub-Saharan Africa, the only solid bastions of peasant society left – say, over 60 per cent of the occupied population in 2000 – are in the former South Asian empires of Britain and France – India, Bangladesh, Myanmar and the Indochinese countries. But, given the acceleration of industrialization, for how long? In the late 1960s the farming population formed half of the population in Taiwan and South Korea: today it is down to 8 and 10 per cent respectively. Within a few decades we will have ceased to be what humanity has been since its emergence: a species whose members are chiefly engaged in gathering, hunting or producing food.

We shall also cease to be an essentially rural species. In 1900 only 16 per cent of the world's population lived in towns. In 1950 it had risen to just under 26 per cent, today it is just under half (48 per cent). In the developed countries and many other parts of the globe, the countryside, even in the agriculturally productive areas, is a green desert in which human beings are hardly ever visible outside motor-cars and small settlements, until the traveller reaches the nearest town. But here extrapolation becomes more difficult. It is true that the old developed countries are heavily urbanized, but they are no longer typical of current urbanization, which takes the form of a desperate flight from the countryside into what might be called hyper-cities. What is happening to cities in the developed world – even the ones nominally growing – is the suburbanization of growing areas around the original centre or centres. Today only ten of the world's 50 largest cities are in Europe and North America, and only two of the 18 world cities of ten millions and over. The fastest-growing cities over one million are, with a single exception (Porto in Portugal), in Asia (20), Africa (six) and Latin America (five). Whatever its other consequences, this dramatically changes the political balance, especially in countries with elected representative assemblies or presidents, between highly concentrated urban and geographically spread-out rural populations, in states where up to half the population may live in the capital city, though nobody can say exactly how.

Less can perhaps be said about the educational transformation, since the social and cultural effects of general literacy cannot easily be separated from the social and cultural effects of the sudden, and utterly unprecedented, revolution in the public and personal media of communication in which we are all engaged. However, the one significant fact to be noted is that today there are 20 countries in which more than 55 per cent of the relevant age groups continue studying after their secondary education. But, with a single exception (South Korea), *all* of them are in Europe (old capitalist and ex-socialist), North America and Australasia. In its capacity to generate human capital, the old developed world still retains a substantial advantage over the major newcomers of the twenty-first century. How fast can Asia, and particularly India and China, catch up?

Lastly, the greatest single social change of the past century, the emancipation of women, is best indicated by the degree to which they have caught up with or even surpassed the education of men, though there are parts of the world where it is still badly lagging.

War, peace and power

With this bird's eye perspective of the unprecedented transformations of the past half-century or so, one can go on to take a closer view of the factors affecting war, peace and power at the outset of the twenty-first century. Here general trends are not necessarily guides to practical realities. It is evident, for instance, that in the course of the twentieth century the world's population (outside the Americas) ceased to be overwhelmingly ruled, as it were from the top down, by hereditary princes or the agents of foreign power. It now came to live in a collection of technically independent states whose governments claimed legitimacy by reference to 'the people' or 'the nation', in most cases (including even the so-called 'totalitarian' regimes), claiming confirmation by real or bogus elections or plebiscites and/or by periodic mass public ceremonies that symbolized the bond between authority and 'the people'. One way or another, people have changed from being subjects to citizens; including, in the twentieth century, not only men but women. But how close to reality does this get us, even today when most governments have, technically speaking, variants of liberal–democratic constitutions with contested elections, though sometimes suspended by military rule, that is deemed to be temporary, but has often lasted a long time? Not very far.

Nevertheless, one general trend can probably be observed across most of the globe. It is the change in the position of the independent territorial state itself, which in the course of the twentieth century became the basic political and institutional unit under which human beings lived. In its original home in the North Atlantic region, it was based on *several* innovations made since the French Revolution. It had the monopoly of the means of power and coercion: arms, armed men, prisons; it exercised increasing control by a central authority and its agents of what takes place on the territory of the state, based on a growing capacity to gather information. The scope of its activity and its impact on the daily life of its citizens grew, and so did success in mobilizing its inhabitants on the grounds of their loyalty to state and nation. This phase of state development reached its peak 40 years or so ago.

On the one hand there was the 'welfare state' of Western Europe in the 1970s in which 'public consumption' – i.e. the share of the GDP used for public purposes and not private consumption or investment – amounted to between roughly 20 and 30 per cent (*Economist World*). On the other hand, there was the readiness of citizens not only to let public authorities tax them to raise such enormous sums, but actually to be conscripted to fight and die 'for their country' in millions during the great wars of the last century. For more than two centuries, until the 1970s, this rise of the modern state had been continuous, and

proceeded irrespective of ideology and political organization – liberal, social democratic, communist or fascist.

This is no longer so. The trend is reversing. We have a rapidly globalizing world economy based on transnational private firms, doing their best to live outside the range of state law and state taxes, which severely limits the ability of even big governments to control their national economies. Indeed, thanks to the prevailing theology of the free market, states are actually abandoning many of their most traditional direct activities – postal services, police, prisons, even important parts of their armed forces – to profit-making private contractors. It has been estimated that 30,000 or more such armed 'private contractors' are at present active in Iraq.[2] Thanks to this development and the flooding of the globe with small, but highly effective weaponry during the Cold War, armed force is no longer monopolized by states and their agents. Even strong and stable states like Britain, Spain and India have learned to live for long periods at a time with effectively indestructible, if not actually state-threatening, bodies of armed dissidents. We have seen, for various reasons, the rapid disintegration of numerous member-states of the UN, most but not all of them products of the disintegration of twentieth-century empires, in which the nominal governments are unable to administer or exercise actual control over much of state territory, population, or even their own institutions. Actual separatist movements are found even in old states like Spain and Britain.

Almost equally striking is the decline in the acceptance of state legitimacy, of the voluntary acceptance of obligation to ruling authorities and their laws by those who live on their territories, whether as citizens or as subjects. Without the readiness of vast populations, for most of the time, to accept as legitimate any effectively established state power – even that of a comparative handful of foreigners – the era of nineteenth–twentieth-century imperialism would have been impossible. Foreign powers were at a loss only in the rare zones where this was absent, such as Afghanistan and Kurdistan. But, as Iraq demonstrates, the natural obedience of people in the face of power, even of overwhelming military superiority, has gone, and with it the return of empires. It is, however, not only the obedience of subjects but of citizens that is rapidly eroding. It is doubtful whether *any* state today – not the USA, Russia or China – could engage in major wars with conscript armies ready to fight and die 'for their country' to the bitter end. Few western states can any longer rely, as most so-called 'developed countries' once could, on a basically 'law-abiding' and orderly population with just the expected criminal or other fringes on the margins of the social order. The extraordinary rise of technological and other means of keeping citizens under surveillance at all times (by public cameras, phone-tapping, access to personal data and computers, etc.) has not made the state and law more effective in these states, though it has made the citizens less free.

All this has been taking place in an era of dramatically accelerated globalization, that is to say, growing regional disparities within the globe. For globalization, by its nature, produces unbalanced and asymmetric growth. It also underlines the contradiction between those aspects of contemporary life which

are subject to globalization and the pressures of global standardization – science and technology, the economy, various technical infrastructures and, to a lesser extent, cultural institutions – and those which are not, notably the state and politics. For instance, globalization logically leads to a growing flow of labour migration from poorer to richer regions, but this produces political and social tension in a number of states affected, mostly in the rich countries of the old North Atlantic region, even though in global terms this movement is modest: even today, only 3 per cent of the world's population lives outside the country of their birth. Unlike the movement of capital, commodities and communications, states and politics have so far put effective obstacles in the way of labour migrations.

The most striking new imbalance created by economic globalization, apart from the dramatic de-industrialization of the old Soviet and East European socialist economies in the 1990s, is the growing shift of the centre of gravity of the world economy from the region bordering the North Atlantic to parts of Asia. This is still in its early stages, but accelerating. There can be no doubt of the fact that the growth of the world economy in the past ten years has been pulled along largely by the Asian dynamos, notably the extraordinary rate of growth of industrial production in China – with a 30 per cent rise in 2003 compared with 3 per cent for the world, and less than 0.50 per cent in North America and Germany.[3] Clearly this has not yet greatly changed the relative weight of Asia and the Old North Atlantic – the USA, the European Union and Japan between them continue to represent 70 per cent of the global GDP – but the sheer size of Asia is already making itself felt. In terms of purchasing power, South, Southeast and East Asia already represent a market about two-thirds larger than the USA. How this global shift will affect the relative strength of the US economy is naturally a question central to the international prospects of the twenty-first century.

Prospects for peace

A closer look at the problem of war, peace and the possibility of an international order in the new century at first sight would show that the prospects of world peace must be superior than in the twentieth century, with its unparalleled record of world wars and other forms of death on an astronomic scale. And yet, a recent poll in Great Britain, which compares the answers of Britons in 2004 to questions asked in 1954, reveals that the fear of world war today is actually *greater* than it was then.[4] That fear is largely due to the increasingly evident fact that we live in an era of endemic worldwide armed conflict, typically fought within states, but magnified by foreign intervention.[5] Though small in twentieth-century *military* terms, the impact of such conflicts on civilians – who have increasingly become their main victims – is relatively enormous, and long-lasting. Since the fall of the Berlin Wall, we once again live in an era of genocide and compulsory mass population transfers, as in parts of Africa, southeast Europe and Asia. It is estimated that at the end of 2003 there were perhaps 38 million refugees inside

and outside their own country, which is a figure comparable to the vast numbers of 'displaced persons' in the aftermath of World War II. One simple illustration: in 2000 the number of battle-related deaths in Burma was no more than 200–500, but the number of the 'internally displaced', largely by the activities of the Myanmar army, was about one million.[6] The Iraq war confirms the point. Small wars, by twentieth-century standards, produce vast catastrophes.

The typical twentieth-century form of warfare, that between states, has been declining sharply. At the moment no such traditional interstate war is taking place, although such conflicts cannot be excluded in various areas of Africa and Asia, or where the internal stability or cohesion of existing states is at risk. On the other hand the danger of a major global war, probably arising out of the unwillingness of the USA to accept the emergence of China as a rival superpower, has not receded, although it is not immediate. The chances of avoiding such a conflict sometime are better than the chances of avoiding the Second World War were after 1929. Nevertheless, such a war remains a real possibility within the next decades.

Even without traditional interstate wars, small or large, few realistic observers today expect our century to bring a world without the constant presence of arms and violence. However, let us resist the rhetoric of irrational fear with which governments like President Bush's and Prime Minister Blair's seek to justify a policy of global empire. Except as a metaphor, there can be no such thing as a 'war against terror or terrorism', but only against particular political actors who use what is a tactic, not a programme. As a tactic, terror is indiscriminate, and morally unacceptable, whether used by unofficial groups or states. The International Red Cross recognizes the rising tide of barbarism as it condemns both sides in the Iraq war. There is also much fear that biological killers may be used by small terrorist groups, but, alas, much less fear of the greater but unpredictable dangers, if and when the new ability to manipulate the processes of life, including human life, escapes from control, as it surely will. However, the actual dangers to world stability, or to any *stable* state, from the activities of the pan-Islamic terrorist network(s) against which the USA proclaimed its global war, or for that matter from the sum-total of all the terrorist movements now in action anywhere, are negligible. Though they kill much larger numbers of people than their predecessors – if many fewer than states – the risk to life they present is statistically minimal. For the purpose of military aggression, they hardly count. Unless such groups were to gain access to nuclear weapons, which is not unthinkable, but not an immediate prospect either, terrorism will call for cool heads, not hysteria.

Another century of conflict?

And yet, the world disorder is real, and so is the prospect of another century of armed conflict and human calamity. Can this be brought under some kind of global control again, as it was for all but 30 years during the 175 years from Waterloo to the collapse of the USSR? The problem is more difficult today for

two reasons. First, the much more rapidly growing inequalities created by the uncontrolled free-market globalization are natural incubators of grievance and instability. It has recently been observed, 'Not even the most advanced military establishments could be expected to cope with a general breakdown of legal order'[7] – and the crisis of states to which reference was made earlier makes this easier than it once was. And, second, there is no longer a plural international great-power system, such as actually was in a position to keep a general collapse into global war at bay, except for the age of catastrophe from 1914 to 1945. This system rested on the presumption, dating back to the treaties ending the 30 years' war of the seventeenth century, of a world of states whose relations were governed by rules, notably non-interference in each other's internal affairs, and on a sharp distinction between war and peace. Neither is valid any longer today. It also rested on the reality of a world of plural power, even in the small 'first division' of states, the handful of 'great powers', reduced after 1945 to two superpowers. None could prevail absolutely, and (outside much of the western hemisphere) even regional hegemony always proved to be temporary. They had to live together. The end of the USSR and the overwhelming military superiority of the USA have ended this power-system. It has ceased to exist. What is more, US policy since 2002 has denounced both its treaty obligations and the conventions on which the international system was based, on the strength of a probably lasting supremacy in high-tech offensive warfare, which has made it the only state capable of major military action in any part of the world at short notice.

The US ideologists and their supporters see this as the opening of a new era of world peace and economic growth under a beneficent global American empire, which they compare, wrongly, to the Pax Britannica of the nineteenth-century British Empire. Wrongly, because historically empires have not created peace and stability in the world around them, as distinct from their own territories. If anything, it was the absence of major international conflict that kept them in being, as it did the British Empire. As for the good intentions of conquerors and their beneficent results, they belong to the sphere of imperial rhetoric. Empires have always justified themselves, sometimes quite sincerely, in moral terms – whether they claimed to spread (their version of) civilization or religion to the benighted, or to spread (their version of) freedom to the victims of (someone else's) oppression, or today as champions of human rights. Patently, empires had some positive results. The claim that imperialism brought modern ideas into a backward world, which has no validity today, was not entirely spurious in the nineteenth century. However, the claim that it significantly accelerated the economic growth of the imperial dependencies will not bear much examination, at least outside the areas of European overseas settlement. Between 1820 and 1950, the mean GDP per capita of 12 West European states multiplied by 4.5, whereas in India and in Egypt it barely increased at all.[8] As for democracy, it is well known that strong empires kept it at home; only declining ones conceded as little of it as they could.

However, the real question is whether the historically unprecedented project of global domination by a single state is possible, and whether the admittedly

overwhelming military superiority of the US is adequate to establish, and beyond this, to maintain it. The answer to both questions is no. Arms have often established empires, but it takes more than arms to maintain them, as witness the old saying dating back to Napoleon: 'You can do anything with bayonets except sit on them' – especially today, when even overwhelming military force no longer in itself produces tacit acquiescence. Actually, most historic empires have ruled indirectly, often through native elites operating native institutions. When they lose their capacity to win enough friends and collaborators among their subjects, arms are not enough. The French learned that even a million white settlers, an army of occupation of 800,000 and the military defeat of the insurgency by systematic massacre and torture were not enough to keep Algeria French.

This question arises because it is puzzling as to why the USA abandoned the policies which maintained a real hegemony over the greater part of the globe, namely the non-communist and non-neutralist part, after 1945. Its capacity to exercise this hegemony did not rest on destroying its enemies or forcing its dependencies into line by the direct application of military force. The use of this was then limited by the fear of nuclear suicide. US military power was relevant to the hegemony only insofar as it was seen as preferable to other military powers – that is to say, in the Cold War, NATO Europe wanted its support against the armed might of the USSR.

The US hegemony of the second half of the last century rested not on bombs but economically on the enormous wealth of the USA and the central role its giant economy played in the world, especially in the decades after 1945. Politically it rested on a general consensus in the rich North that their societies were preferable to those under communist regimes, and, where there was no such consensus, as in Latin America, on alliances with national ruling elites and armies afraid of social revolution. Culturally, it rested on the attractions of the affluent consumer society enjoyed and propagated by the USA, which had pioneered it, and on Hollywood's world conquest. Ideologically the USA undoubtedly benefited as the champion and exemplar of 'freedom' against 'tyranny', except in those regions where it was only too obviously allied with the enemies of freedom.

All this could – and indeed did – easily survive the end of the Cold War. Why should others not look for leadership to the superpower that represented what most other states now adopted, electoral democracy? Its influence and that of its ideologists and business executives was immense. Its economy, though slowly losing its central role in the world and no longer dominant in industry, or even, since the 1980s, in direct foreign investments,[9] continued to be huge and to generate enormous wealth. Those who conducted its imperial policy had always been careful to cover the reality of US supremacy over its allies in what was a genuine 'coalition of the willing' with the emollient cream of tact. They knew that, even after the end of the USSR, the USA was not alone in the world. But they also knew they were playing the global game with cards they had dealt and by rules that favoured them, and that no rival state of comparable strength and with global interests was likely to emerge. The First Gulf War, genuinely sup-

ported by the UN and the international community, and the immediate reaction to 9/11, demonstrated the post-Soviet strength of the US position.

It is the megalomaniac US policy since 9/11 that has very largely destroyed the political and ideological foundations of the former hegemonic influence and left the US with little to reinforce the heritage of the Cold War era but an admittedly frightening military power. There is no rationale for it. Probably for the first time in its history, an internationally almost isolated USA is unpopular among most governments and peoples. Military strength underlines the economic vulnerability of a US whose enormous trade deficit is being maintained by the Asian investors, whose economic interest in supporting a falling dollar is rapidly diminishing. It also underlines the relative economic clout of others: the European Union, Japan, East Asia and even the organized bloc of Third World primary producers. In the WTO, the USA can no longer negotiate with clients. Indeed, may not the very rhetoric of aggression justified by implausible 'threats to America' indicate a basic sense of insecurity about the global future of the USA?

It is difficult to make sense of what has happened in the USA since 9/11 which has enabled a group of political crazies to realize long-held plans for an unaccompanied solo performance of world supremacy. Clearly it indicates a growing crisis within US society, which finds expression in the most profound political and cultural division within that country since the Civil War, and a sharp geographical division between the globalized economy of the two seaboards, and the vast resentful hinterland, the culturally open big cities and the rest. Today a radical right-wing regime seeks to mobilize 'true Americans' against some evil outside force and against a world that does not recognize the uniqueness, the superiority, the manifest destiny of the USA. What we must realize is that American global policy is aimed inwards not outwards, however great and ruinous its impact on the rest of the world. It is not designed to produce either empire or effective hegemony. Nor was the Rumsfeld doctrine – quick wars against weak push-overs followed by quick withdrawals – designed for effective global conquest. Not that this makes it less dangerous. On the contrary; as is now evident, it spells instability, unpredictability, aggression and unintended, almost certainly disastrous, consequences. In effect, the most obvious danger of war today arises from the global ambitions of an uncontrollable and apparently irrational government in Washington.

How shall we live in this dangerous, unbalanced, explosive world in the midst of major shifting of the social and political, national and international tectonic plates? Western liberal thinkers, however profoundly outraged by the deficiencies of human rights in various parts of the world, should not delude themselves into believing that American armed intervention abroad shares their motivation or is likely to bring about the results they would like. As for governments, the best other states can do is to demonstrate the isolation, and therefore the limits of actual US world power by refusing, firmly but politely, to join further initiatives proposed by Washington which might lead to military action, particularly in the Middle East and Eastern Asia. To give the USA the best

chance of learning to return from megalomania to rational foreign policy is the most immediate and urgent task of international politics. For, whether we like it or not, the USA will remain a super-power, indeed an imperial power, even in what is evidently the era of its relative economic decline. Only, we hope, a less dangerous one.

Notes

1 See Hobsbawm, Eric, *The Twentieth Century 1914–1991*,Viking/Penguin, 1994.
2 Keefe, Patrick Radden, 'Iraq, America's Private Armies', *New York Review of Books*, 12 August 2004, pp. 48–50.
3 Australia, France, Italy, the UK and Benelux had negative growth (*CIA World Fact-book* up to 19 October 2004).
4 See Eric Hobsbawm, 'War and Peace in the 20th Century', in Geir Lundestad and Olaf Njølstad (eds) *Proceedings of the Nobel Centennial Symposium: War and Peace in the 20th Century and Beyond* (Singapore 2002) pp. 25–40.
5 *Daily Mail* (London) 22/11/2004, p. 19.
6 Sollenberg, Margareta (ed.), *States in Armed Conflict 2000*, Uppsala, 2001; *Internal Displacement: A Global Overview of Trends and Developments in 2003* (www.idpproject.orga/global_overview.htm).
7 Steinbrunner, John and Nancy Gallagher, 'An alternative vision of global security', *Daedalus*, Summer 2004, p. 84.
8 Maddison, Angus, *L'économie mondiale 1820–1992: Analyse et Statistiques*, OECD, Paris, 1995, pp. 20–21. The figures for Egypt are only from 1900.
9 In 1980 it was of the order of 40 per cent, in the early 2000s between 22 and 25 per cent.

3 Global governance in the age of transnationalism

Akira Iriye

International systems in history

I have been asked to contribute a chapter on the internationalism system in the Asia-Pacific region after the end of the Cold War. But my chapter is entitled 'Global governance in the age of transnationalism' to reflect my contention that an 'international system' is just one aspect of the larger world order that has increasingly come to be called 'global governance', and that in today's world it makes little sense to focus on one region of the globe. So many transnational connections have developed, and many of them constitute trans-regional ties. Therefore, any examination of the contemporary world would have to be at once global and transnational.

First, a word about 'international systems'. The term implies some sort of an arrangement among nations in order to maintain world order. The opposite of order is disorder, or anarchy, and international relations have often been seen as disorderly, chaotic, or even anarchistic. An international system must be built on some recognizable rules of the game, even if the rules are more often than not honoured in the breach. International or global order need not be universally valid, but it would have to be applicable to more than one region of the world.

Thus conceptualized, we may point to several international systems in the past. In the eighteenth century, a balance of power mechanism in Europe defined international affairs in the region and was extended to other parts of the globe, in particular the Western hemisphere. This was not exactly an international system, however, since, in the Middle East, the Ottoman Empire held sway, as did the Qing Empire in East Asia. The eighteenth century was still an age of regional orders.

The first truly international system emerged in the age of the new imperialism in the last decades of the nineteenth century, when the European powers, later joined by the United States and Japan, established colonies and spheres of influence all over the world. Such a system provided a semblance of global governance, both because the imperialist powers agreed among themselves, at least from time to time, about the demarcation of their respective imperial domains, and because the colonial authorities managed to keep indigenous populations under control (in most cases through co-opting segments of the latter as

collaborators). The Ottoman and Qing empires continued to exist, but they were broken up into spheres of influence of the new imperialist powers.

That system disintegrated when the imperialist powers went to war against one another, a war that may be considered to have lasted between 1904 (the start of the Russo-Japanese war) and 1945 (the end of the Second World War). Not only did the belligerents destroy each other's empires, but they also did irreparable damage to an international system based on empires. Of course, the process was accelerated by the anti-colonial and anti-imperialist movements on the part of the indigenous populations, adept at taking advantage of the great powers' inability to preserve the system by coalescing their forces against such movements.

Even during the age of imperialism, however, there were other aspects of world order that might be considered part of global governance. One was economic and technological globalization that developed with its own momentum but was based on some transnational rules like the gold standard and various international agreements governing weights and measures, mail, and maritime traffic. These had little or nothing to do with imperialism as such, and while the gold standard fell victim to vicissitudes of great power politics, transnational economic exchange never disappeared, and many international agreements survived two world wars. As noted below, such agreements and other developments outside geopolitics were to help define a more complex system of global governance in the wake of the Second World War.

It should be noted that the empire-dominated international system was to have come to an end in 1919, not 1945. At the end of the Great War, the principle of nationalism was enshrined as the key to the post-war world order, to replace the now bankrupt practice of imperialism. But the post-war order, the so-called Versailles system, which was embodied in the League of Nations, proved short-lived, as did the so-called Washington system, the regional order defined for the Asia-Pacific region as part of the post-war global order. This was so because, in a presumably post-imperialist system, several empires remained, one of which, Japan, became even more imperialistic than before the war and was joined by the German, Italian, and Soviet empires in a fresh attempt at a new world order. But such an order never materialized, both because other empires, notably the British, aided by the United States, stood in its way, and also because German imperialism sought to expand at the expense of the Soviet empire, forcing the latter to join Britain and the United States to defend itself.

The Second World War was to have ended all empires, once and for all. Since the system of global governance based on imperialism had led to nothing but catastrophes, the victorious nations were determined to replace that system by something different, a system of collective security on the basis of international cooperation. As the victorious allies perceived this new system, there were to be two layers. One would consist of the major powers that would constitute a global police force and manage international affairs at the Security Council of the United Nations. The second layer would have all the other nations that would cooperate with the great powers and with one another for establishing and preserving a stable world order.

The key ingredients of the post-war international system were thus expected to be independent sovereign states, including those that would be formed in the process of decolonization. Altogether there were some 60 independent states in 1945, but the number was expected to grow rapidly as more and more postcolonial nations came into being. All countries, large and small, would work together to strengthen the international system. This was a revival of the 1919 vision of international cooperation but made more consistent because of the anticipated demise of all colonial empires.

The Cold War as an international non-system

In such a context, the Cold War, which came to exemplify post-war world affairs, may be understood as a failure of the new scheme of global governance on the basis of cooperation among independent states. However, the Cold War was not the only, nor even the most dominant, feature of international relations after the war.

To understand the evolution (or failure) of global governance after the Second World War, it will be useful to note that two problems became apparent almost as soon as the post-war international order was promulgated in the wake of the Axis powers' defeat. One was that the Soviet Union continued to act as an imperialist power, suppressing the national freedoms of its neighbouring countries. Other countries, led by the United States, sought to resist the new Soviet imperialism. This confrontation, which would soon be called the Cold War, came to characterize one aspect of post-war international relations.

The United States and its allies took steps to match the Soviet military presence in Europe, prepared to engage in a nuclear war, and sought to ensure that their power would prevent the expansion of hostile influences in all parts of the globe.

Another serious problem with the post-war world order was that nations, old and new, proved to be no more capable of behaving cooperatively toward one another than in the past. Particularly notable was the failure of some of the newly independent states to maintain friendly relations with their neighbours. For instance, as soon as India and Pakistan gained independence in 1947, they began to engage in a serious territorial dispute over Kashmir. Despite efforts by the United Nations to solve the dispute peacefully, tension remained, which occasionally developed into military clashes. In the Middle East, the establishment of the state of Israel immediately provoked a war with its Arab neighbours such as Lebanon, Syria, and Egypt, themselves relatively new states. The conflicts in South Asia and the Middle East would last long, in fact longer than the Cold War, and showed that a mere proclamation of an international system made up of independent countries did not automatically mean a stable world order.

In Europe, on the other hand, France, Germany, Italy, and the Low Countries, traditionally bitter rivals that had gone to war against one another on numerous occasions, now took steps to create a region of peaceful cooperation, first by

establishing a European Coal and Steel Community and then working towards the development of a regional common market. Their efforts would bear fruit in the Treaty of Rome, signed in 1957, that brought together six Western European countries to establish a European Economic Community.

Western European economic integration was an important factor in the region's recovery and growth, but this was an aspect of, and contributed to, the post-war expansion of production and consumption throughout the world. In contrast to the interstate and geopolitical tensions that plagued the international order, in the economic realm a system of global governance was steadily being established. Based on the decisions made at the Bretton Woods conference of 1944, the United States and other nations joined together to create the International Monetary Fund, the World Bank, and other agencies designed to promote post-war trade and to prevent the kind of world economic crisis that had doomed the inter-war international economic order. Although initially dominated by the United States, whose currency, the dollar, became the international medium of exchange by being linked to gold, and by its European allies, whose economic recovery was given massive assistance through the Marshall Plan, the Bretton Woods system was broader in membership and scope than the Cold War and included most countries of the world except those included in the Soviet empire. Both the IMF and the General Agreement on Tariffs and Trade, signed in 1955, provided the basis for the post-war global economic order.

All these developments took place outside the framework of the United Nations, in effect nullifying that body's centrality in the post-war international system. This does not mean, however, that the UN was entirely ineffectual. It certainly failed in its mission to promote and maintain a system of global peace and security. However, it was much more active and successful in such other areas as human rights, global hygiene, and cultural exchanges. The UN's various agencies, notably its Human Rights Commission (initially a sub-organization of the Economic and Social Council), the World Health Organization, and UNESCO, functioned much more efficiently and effectively than the Security Council, providing a solid basis for another international system, one that would be more 'international' than the alleged international system consisting of independent states.

Thus there were at least five patterns of global governance (or the lack thereof) that became visible in the wake of the Second World War: those defined by the Cold War, interstate rivalries, regional communities, global economic transactions, and UN agencies. In other words, the Cold War was only one part of the picture. It pitted the US-led allies against the Soviet Union and its satellites. In a sense it reverted back to the imperialistic system in that Soviet imperialism was being matched by 'free world' imperialism. Since imperialism was an anachronism in the world after 1945, it is not surprising that the Cold War was fated to disappear. It is, however, surprising that historians still continue to dwell on it as the predominant feature of post-war international affairs. If the Cold War defined an international system, its protagonists were making plans to

annihilate each other and even the whole world. It was an international system to end all international systems.

Fortunately for post-war global governance, three other international systems were coming into existence and proved more productive of order: regional communities, economic transactions, and agencies promoting social and cultural interconnections across national boundaries. Transnational networks were being established, and these networks contributed to economic, social, and cultural globalization. Various international systems were being sustained by forces of globalization even as the Cold War was threatening to destroy all such forces.

The international system of globalization

It was globalization, not the Cold War, that provided international order in the decades after the Second World War. Indeed, it may even be said that it was the forces of globalization that contributed decisively to the ending of the Cold War. During the 1960s, for instance, spectacular economic growth in Europe and parts of Asia ensured that they would never fall prey to Soviet imperialism, while at the same time 'revisionist' movements in the West established close transnational connections to protest against nuclear armament, the war in Vietnam, and the Cold War itself.

The triumph of globalization over Cold War geopolitics became evident in the 1970s. To be sure, the 1970s ushered in a period of global economic malaise, starting with the US decision to 'de-couple' the dollar from gold, thus undermining one basis of the Bretton Woods system, and facing a serious energy shortage because of the 'oil shocks'. However, these crises did not derail the process of globalization but, on the contrary, further accelerated its pace by decentring international economic transactions away from the United States. The US prominence in the world economy remained, but neither its government nor its industry would be able to retain the preponderant influence they had enjoyed from the end of the war. Instead, the 'floating' of the world's major currencies led to denationalization of monetary affairs and encouraged transnational speculation by individuals and business organizations. The raising of the price of crude oil by the Organization of Petroleum Producing Countries meant that a non-state actor was entering the scene and challenging the 'free energy' foundation of post-war economic expansion on the part of the United States, Europe, and Japan. Economic opportunities and influences, in other words, were becoming more global.

As if to demonstrate the triumph of globalizing forces, the number of multinational enterprises grew spectacularly during the 1970s. Catapulted in part by the energy crisis and also by the fierce competition for producing better and cheaper goods that could be marketed all over the world at a time of a general economic slow-down, industrialists in the United States, European countries, and Japan avidly sought to combine capital, labour, technology, and resources from many lands. They became 'extra-territorial' enterprises in that they were not clearly identifiable with specific national origins. Thus a product 'made in

the USA' could actually have been made elsewhere, or could have been manufactured by American workers employed in foreign-owned factories in the United States. The number of such multinational enterprises increased from around 10,000 in 1970 to nearly 30,000 ten years later, according to one count. The extra-territorialization of business enterprises never abated, abetted during the 1980s by spectacular advances in communications and information technology. 'Real time' communication across national boundaries challenged the sovereignty of independent states, even as it facilitated the further process of globalization. Against such a trend, Cold War geopolitics made less and less sense as a framework for comprehending worldwide developments. The easing of tensions between the United States and the Soviet Union (the so-called 'détente') and between the United States and the People's Republic of China, both of which came in the early 1970s, can be understood in such a context. In other words, these developments showed that globalization was trumping geopolitics. Globalization was a force for transnational interconnections, and those connections were fast being established across the geopolitical divide, defining the new international system.

It should be emphasized that the history of globalization is not teleological; that is, the growth of globalization is neither an unceasingly upward movement nor productive of positive consequences for global order. Global interconnectedness has been more intense in one period than in another, and such interconnections have triggered the emergence of both constructive and destructive movements, transnational terrorism being an obvious example of the latter. The fact remains, however, that during the decades after the 1970s transnational networks mushroomed not just in the economic realm but in other areas as well. Note, for instance, the spectacular growth in the number and variety of international non-governmental organizations. According to one count, they grew from 2,800 in 1970 to 12,000 ten years later. Non-governmental organizations, defined for the purpose of this chapter as non-state associations that are voluntary in membership, non-profit, not armed, and not involved in religious proselytization, were in a sense complementary to multinational enterprises in providing a basis for world order after the waning of the Cold War. (If we include religious organizations, the picture would be even more impressive, but most of them had existed for centuries, and it makes little sense to speak of them as non-state actors because in pre-modern times they often *were* the states.)

Why the impressive growth of non-governmental organizations? One fundamental factor was the increasing global awareness of issues that transcended national boundaries, such as environmental degradation and human rights violations, whose solution could not be entrusted only to separate countries, or even just to international organizations. Indeed, the 1970s proved to be a watershed because of the emergence of global phenomena that did not coincide with the vicissitudes of the Cold War or even of the world economy but were more genuinely 'human'. It is no wonder that the term 'human security' began to be used around that time to express awareness that security is not just a matter of military preparedness. It is no wonder, then, that the apparatus of the state, whose

primary responsibility is to safeguard its territory and citizens, began to appear less and less adequate to cope with those non-state, extra-territorial problems.

This is where non-governmental organizations proved particularly relevant. By definition, they were private entities, able to move and act across national frontiers and to establish connections with people and their associations throughout the world that shared similar concerns. Non-governmental organizations were, to be sure, not entirely independent of sovereign states. They would have to abide by the laws of the countries in which they operated, and sometimes their staff might even have to turn to police and military force for protection. The crucial point, however, is that non-governmental organizations were free to set up their own agendas and to promote causes that might not coincide with those of any particular country. If international organizations such as UN agencies were interested in the same problems, the two could cooperate and thus act on behalf of the 'international community', which was now becoming more a 'global community' than the sum of nations.

Whether 'global community' was synonymous with 'global governance' was something else. The mere fact that the globe now had many more players than sovereign states – the world at the end of the 1970s consisted of roughly 150 nations, 30,000 multinational business enterprises, 12,000 non-governmental organizations, and many other non-state actors – complicated the problem of governance. There was no system of governance that embraced all these actors. States, businesses, and the various non-governmental organizations followed their own rules of the game. There was nothing comparable to the UN to provide a semblance of structure to the other organizations.

What added to the complexity was the growing self-consciousness and self-assertiveness on the part of ethnic groups, religions, civilizations, and other social and cultural entities that cut across national boundaries. Perhaps symbolizing the growing assertiveness of these entities, in 1972 – the year of the US–Soviet agreement on limiting strategic arms, and also the year when the United Nations convened the first international conference on the environment in Stockholm – a group of Palestinians attacked the Israeli athletes participating in the Munich Olympics. The Olympics should have added further impetus to the trend towards the coming together of nations and people from all over the world to share their problems and their joys. But the terrorist attack in the middle of the athletic event betrayed that spirit and showed that, underneath the apparent impetus toward global integration, dissident forces remained and were willing to let their viewpoints be known through violent means.

If the Munich incident had been an isolated one, it might not have signalled a major trend in global affairs. But other developments took place during the 1970s and the subsequent decades to impress themselves negatively upon the seemingly inexorable march of the forces of globalization. The Iranian revolution of 1978 ushered in a period of theocracy for that country and made a profound impact on other Islamic nations where fundamentalism began to assert itself against secularly oriented states. Islamic fundamentalists pitted themselves against what they viewed to be the universalizing tendencies of the age,

technological, informational, cultural, economic, and political, which many of them believed to emanate from the United States. Globalization and Americanization tended to be equated, so that opponents of US foreign policy joined forces with critics of global trends.

Postcolonialism, namely the view that in postcolonial countries the ideologies that had been earlier imposed on them by the colonial masters still remained influential, provided an ideological context in which anti-globalizers couched their standpoint. They were opposed to globalization because it seemed to represent the reprehensible legacy of the past, the attempt by the Western powers to spread their ideas and institutions in order to dominate the world. Ironically, however, some of the very ideas that opponents of globalization embraced had been developed in the West, especially respect for cultural diversity and mutual understanding across civilizational divides. Moreover, even the most extreme fundamentalists were not averse to making use of technological products of globalization, which facilitated their communication and organization. The fact that the Munich terrorists sought to appeal to world opinion by broadcasting their claims revealed that the opponents of globalization were contributing to global awareness of their position by means of global technology. The fact remains, nevertheless, that the increasing assertiveness of the Islamic fundamentalists and proclivity to violence on the part of some of them, as exemplified by the series of suicide-bombing incidents in the last decades of the twentieth century and beyond, made a mockery of the idea of international order or global governance. How could the global community develop a system of orderly governance when there were forces determined to destroy it even before it was established?

Transnationalism and regionalism

Before indulging in excessive pessimism, however, we must maintain some sense of balance. Fundamentalists and terrorists have assaulted and killed thousands of innocent people, but far greater numbers have died of AIDS, influenza, and other diseases, as well as from natural disasters. Wars have claimed the lives of hundreds of millions. To attribute contemporary international disorder to terrorists alone would be to ignore the fact that in the past, warfare, namely state terrorism, has inflicted horrendous damage to non-combatants. If globalization has coincided with the cessation of mega-violence among nations, is it not a cause for some satisfaction? Is not the task of coping with terrorists and militants in order to save the global community an easier task than what confronted the democratic nations in the 1930s when they were faced with the threat coming from the combined military force of totalitarian states?

Such hopes may have been entertained by thoughtful observers as humanity greeted the coming of the twenty-first century. Indeed, faith in international cooperation and transnational linkages in pursuit of humankind's common interests has persisted to this day. Ironically, the new century has given the impression that the course of history is being reversed, back to world disorder and

chaos on one hand, and to great-power domination as well as nationalistic egoism on the other. In the wake of the terrorist attacks on the United States in September 2001, the nations of the world seem to have returned to defining themselves as garrison states, closing borders to suspicious foreigners and hunting down would-be terrorists through domestic surveillance. Once again, many have embraced patriotism as the only recognizable framework for loyalty and identity. Nations have continued to pursue their own security and self-interests with little regard for the interests and sensibilities of others. Above all, the United States, as the world's leading military and economic power, has not hesitated to act unilaterally to punish terrorists, real and suspected, all over the globe. In the meantime, there is speculation that China and India would soon come to challenge US hegemony.

It is as if history was heading backward towards the era of great-power politics and interstate rivalries. If that is going to be the world of the twenty-first century, there will be little room for hope. But that will *not* be the world of the twenty-first century if nations, people, and non-state organizations are determined to sustain the momentum toward transnationalism that was such a potent force in the last decades of the twentieth century. Those who dwell on the alleged transformation of the world after September 11, 2001 should realize that the first year of the twenty-first century had many other developments, some of which gave evidence that efforts towards constructing a transnational world order never abated. For instance, the UN designated 2001 'the year of dialogue among civilizations', and conferences were held throughout the year to discuss specific means of promoting such dialogue. In December, the United Nations and its secretary general, Kofi Anan, received the Nobel Prize for Peace in recognition of their dedication to the principle of international cooperation and human dignity. 'Realists' might ridicule such endeavours as of little consequence in combating terrorism, but they were being no more realistic than promoters of dialogue among civilizations and of human rights, essential conditions for the eradication of terrorism.

Nationalism will not be the answer to terrorism. Nationalism will beget counter-nationalism as well as interstate rivalries, both generative of terrorist violence. One cannot use state terrorism in order to fight individual or group terrorism. In order to eradicate terrorism, then, it will be necessary to go beyond, or even to diminish, the role of the state.

The development of regional communities and free-trade areas in contemporary history seems particularly important in this regard. The trend towards regional and multinational trade and investment agreements has not abated. Indeed, this may be one of the most remarkable phenomena of early twenty-first-century history. Even if, at one level, nationalistic forces and moods may have grown stronger, the trend towards economic interdependence and integration has not been reversed. If the trend continues, there may emerge a fully global economic marketplace by the middle of the century.

A good example is the Asia-Pacific region. In East Asia, where nationalism has grown stronger in the recent years and caused serious friction among China,

Japan, and South Korea – one key to the friction is undoubtedly Japanese nationalism in defence of the last war – economic ties have also become closer. The bilateral trade between China and Japan in 2004, for instance, surpassed that between Japan and the United States, and serious talks have begun to be held, looking towards the establishment of an Asian common market, comparable to that in Europe. ASEAN, a group that has succeeded remarkably in developing a regional economic order, has initiated talks with Korea, China, Japan, and India for free-trade agreements, and eventually the combination of all these agreements might lead to a pan-Asian regional order. But other countries, notably the United States, Mexico, Australia, and New Zealand, would also be members.

Could such a community develop into something akin to the European Union? It would depend on whether member nations will be able to share fundamental visions and values. The visions and values shared by the members of the European Union are clearly stated in its constitution. Its preamble speaks of the Enlightenment values of tolerance, justice, equality, and human rights that are binding to all. At a meeting of the leaders of 'ASEAN plus Three' (i.e. China, Japan, South Korea) in Kuala Lumpur, Malaysia, on 13 December 2005, they issued a statement expressing their determination to construct an East Asian community which, among other objectives, would seek to struggle against intolerance and promote understanding among cultures and civilizations. Such objectives read remarkably like the EU's. Cynics might sneer at such a statement and say that these were mere words, that what passes for tolerance in China and some other countries would not be considered as such in Europe. However, because of the very fact that Asia contains several prominent religions and historical traditions, it is quite appropriate for the region's countries to recognize that if a transnational order is to develop, dialogue and accommodation among them is of critical importance.

Equally importantly, such a regional order will have to confront the past; Japan and its wartime enemies and colonies must develop a common understanding of their respective histories, much as Germany and its former enemies have done. It will not be easy, but without sharing the past, it will be difficult to share the future. Japanese, Chinese, Koreans, and others will have to understand why Japan's transgression of Chinese and Korean humanity was a crime against transnationalism and why, to effect reconciliation, it will be important for them to commit themselves anew to transnationalism.

Will transnationalism mean transculturalism? Will there emerge a common human civilization? Or will cultural and civilizational diversity remain? The same question fascinated thinkers at the beginning of the twentieth century. A few, notably the British thinkers H.G. Wells and R. Hobhouse, were convinced that the coming together of people of different races and traditions would in time bring about the realization that there was only one humanity and only one world. Most writers, however, were racial and cultural determinists and believed in the coming clash of civilizations. In the West, there was a profound fear of the non-West, particularly of China and Japan, which, if combined, seemed capable of dooming the supremacy of Western civilization. Compared to the undisguised

racism and cultural chauvinism that characterized much discourse about inter-civilizational relations at that time, today's apprehensions about different religions and people, even toward Islamic fundamentalists, seems tame. It is a good measure of the progress made in the second half of the twentieth century that few today publicly call for a racial crusade or express diametrical opposition to what a century ago was called 'race mixing.' Thanks to the global movement of people as migrants, travellers, and transnational workers, inter-racial and inter-cultural encounters and experiences have become common place.

This has not produced a global culture, however. Civilizational diversity remains and is likely to remain for the rest of the century and perhaps forever. What is encouraging is that such diversity seems to be recognized and accepted by the bulk of humanity. The international system, or more accurately global governance, for tomorrow will have to be built upon the progress that has thus far been made in this direction.

4 The future of American power

Joseph S. Nye, Jr

It is generally agreed that the United States is the leading power at the beginning of the twenty-first century, but there is less agreement on how long this will last. Some observers argue that American pre-eminence is simply the result of the collapse of the Soviet Union and that this 'unipolar moment' will be brief, while others argue that America's power is so great that it will last for much of the coming century.

Realists consider it almost a law of nature in international politics that, as one nation becomes too strong, others will team up to balance its power. In their eyes, America's current predominance is ephemeral and multipolarity will re-emerge. Even *The Economist* has argued that

> the one-superpower world will not last. Within the next couple of decades a China with up to 1.5 billion people, a strongly growing economy and probably a still authoritarian government will almost certainly be trying to push its interests. Sooner or later some strong and honest man will pull post-Yeltsin Russia together, and another contender for global influence will have reappeared.[1]

Predicting the rise and fall of nations is notoriously difficult. In February l941, publishing magnate Henry Luce boldly proclaimed the American Century. Yet by the 1980s, many analysts thought Luce's vision had run its course, the victim of such culprits as Vietnam, a slowing economy and imperial overstretch. In 1985, economist Lester Thurow asked why, when Rome had lasted 1000 years as republic and empire, we were slipping after 50.[2] Polls showed that half the American public agreed that the nation was contracting in power and prestige. But the declinists failed to understand that a 'third industrial revolution' of the information revolution was about to give the United States a 'second century.' In 1990, I set forth my disagreement with these declinist views.[3]

On the other hand, nothing lasts forever in world politics. A century ago, economic globalization was as high by some measures as it is today. World finance rested on a gold standard, immigration was at unparalleled levels, trade was increasing, and Britain had a global empire. Yet the ensuing years saw the end of European empires, as well as the end of Europe as the arbiter of world power.

Economic globalization was reversed and did not again reach its 1914 levels until the 1970s.

Balance or hegemony?

Many realists extol the virtues of the classic nineteenth-century European balance of power in which constantly shifting coalitions contained the ambitions of any especially aggressive power. They urge the United States to rediscover the virtues of a multipolar balance of power at the global level today. French President Jacques Chirac has often appealed for a return to multipolarity. But whether such multipolarity would be good or bad for the world is debatable. War was the constant companion and crucial instrument of the multipolar balance of power. Rote adherence to the balance of power and multipolarity may prove to be a dangerous approach to global governance in a world where war could turn nuclear, or where the major new threats come from transnational terrorism. Many regions of the world and periods in history have seen stability when one power has been pre-eminent. As the historian Niall Ferguson has warned, in a disorderly world people may find that the problem in the future is too little American power rather than too much.[4]

The term 'balance of power' is sometimes used in contradictory ways to express either the existing distribution of power or an equal balance, as in a pair of scales. The most interesting use of the term is as a predictor of how countries will behave; that is, will they pursue policies that will prevent any other country from developing a preponderance that could threaten their independence? By the evidence of history, many believe, the current preponderance of the United States will call forth a countervailing coalition that will eventually limit American power. In the words of the realist political scientist Kenneth Waltz, 'both friends and foes will react as countries always have to threatened or real predominance of one among them: they will work to right the balance. The present condition of international politics is unnatural.'[5]

Such a mechanical prediction misses the mark. For one thing, countries sometimes react to the rise of a single power by 'bandwagoning' – that is, joining the seemingly stronger rather than weaker side – much as Mussolini did when he decided, after several years of hesitation, to ally with Hitler. Proximity to and perceptions of threat also affect the way in which countries react.[6] The United States benefits from its geographical separation from Europe and Asia, because it often appears as a less proximate threat than neighboring countries inside those regions. Indeed, in 1945, the United States was by far the strongest nation on Earth, and a mechanical application of balancing theory would have predicted an alliance against it. Instead, Europe and Japan allied with the Americans because the Soviet Union, while weaker in overall power, posed a greater military threat because of its geographical proximity, and its lingering revolutionary ambitions.

A good case can be made that inequality of power can be a source of peace and stability. No matter how power is measured, some theorists argue, an equal

distribution of power among major states has been relatively rare in history, and efforts to maintain a balance have often led to war. On the other hand, inequality of power has often led to peace and stability because there was little point in declaring war on a dominant state. The political scientist Robert Gilpin has argued that 'Pax Britannica and Pax Americana, like the Pax Romana, ensured an international system of relative peace and security.'[7] Global governance requires a large state to take the lead. But how much and what kind of inequality of power is necessary – or tolerable – and for how long? If the leading country possesses soft power and behaves in a manner that benefits others, effective counter-coalitions may be slow to arise. If, on the other hand, the leading country defines its interests narrowly, and uses its weight arrogantly, it increases the incentives for others to coordinate to escape its hegemony.

Some countries chafe under the weight of American power more than others. 'Hegemony' is sometimes used as a term of opprobrium by political leaders in Russia, China, France, and others. The term is used less often, or less negatively in countries where American soft or attractive power is strong. If hegemony means being able to dictate, or at least dominate, the rules and arrangements by which international relations are conducted, then the United States is hardly a hegemon today. It does have a predominant voice and vote in the International Monetary Fund, but cannot alone choose the director. It has not been able to prevail over Europe and Japan in the World Trade Organization. It opposed the International Landmines Treaty, but could not prevent it coming into existence. In 2003, when the United States sought a second resolution in the UN Security Council to authorize its invasion of Iraq, it could not even obtain the votes of Chile and Mexico, countries sometimes described as belonging to the American sphere of influence. Nor could it obtain Turkey's permission for American troops to cross the country to invade Iraq from the north. If hegemony is defined more modestly as a situation where one country has significantly more power resources or capabilities than others,[8] then it simply signifies American preponderance, but not necessarily dominance or control. Even after World War II, when the United States controlled half the world's economic production (because all other countries had been devastated by the war), it was not able to prevail in all of its objectives.[9]

'Pax Britannica' in the nineteenth century is often cited as an example of successful hegemony, even though Britain ranked behind the United States and Russia in GNP. Britain was never as superior in productivity to the rest of the world as the United States has been since 1945, but Britain also had a degree of soft power. Victorian culture was influential around the globe, and Britain gained in reputation when it defined its interests in ways that benefited other nations (for example, opening its markets to imports or defending freedom of the seas). America lacks a global territorial empire like Britain's, but instead possesses a large, continental-scale home economy and has greater soft power. These differences between Britain and America suggest a greater staying power for American 'hegemony' or pre-eminence. Political scientist William Wohlforth argues that the United States is so far ahead that potential rivals find

it dangerous to invite America's focused enmity, and allied states can feel confident that they can continue to rely on American protection.[10] Thus the usual balancing forces are weakened. Whether other countries will unite to balance American power will depend on how the United States behaves as well as the power resources of potential challengers. At this stage, there appear to be only two major candidates capable of challenging American power: China and Europe.

China

Many view China, the world's most populous country, as the leading challenger and possible source of war. Some observers compare the rise of authoritarian China to that of the Kaiser's Germany in the period preceding World War I. Sinologist Arthur Waldron, for example, argues that

> sooner or later, if present trends continue, war is probable in Asia . . . China today is actively seeking to scare the United States away from East Asia rather as Germany sought to frighten Britain before World War I.

Similarly, the columnist Robert Kagan claims

> the Chinese leadership views the world in much the same way Kaiser Wilhelm II did a century ago. . . . Chinese leaders chafe at the constraints on them and worry that they must change the rules of the international system before the international system changes them.[11]

Chinese leaders have often complained about US 'hegemonism.' University of Chicago political scientist John Mearsheimer expects conflict and argues that the 'peaceful rise' of China is unlikely.[12] As two other realist analysts put it, 'it is hardly inevitable that China will be a threat to American interests, but the United States is much more likely to go to war with China than it is with any other major power.'[13]

We should be skeptical, however, about drawing conclusions solely from historical analogies. It is important to remember that, by 1900, Germany had surpassed Britain in industrial power, and the Kaiser was pursuing an adventurous, globally oriented foreign policy that was bound to bring about a clash with other great powers. In contrast, China lags far behind the United States economically, and has focused its policies primarily on its region and on its economic development, and its official communist ideology holds little appeal. Nonetheless, the rise of China recalls Thucydides' warning that belief in the inevitability of conflict can become one of its main causes. Each side, believing it will end up at war with the other, makes reasonable military preparations which then are read by the other side as confirmation of its worst fears.

In fact, the 'rise of China' is a misnomer. 'Re-emergence' would be more accurate, since by size and history the Middle Kingdom has long been a major

power in East Asia. Technically and economically, China was the world's leader (though without global reach) from 500 to 1500. Only in the last half millennium was it overtaken by Europe and America. The Asian Development Bank has calculated that, in 1820, at the beginning of the industrial age, Asia made up an estimated three-fifths of world product. By 1940, this fell to one-fifth, even though the region was home to three-fifths of world population. Rapid economic growth has brought that back to two-fifths today, and the Bank speculates that Asia could return to its historical levels by 2025.[14] Asia, of course, includes Japan, India, Korea, and others, but China will eventually play the largest role. Its high annual growth rates of 8 to 9 percent led to a remarkable tripling of its GNP in the last two decades of the twentieth century. This pragmatic economic performance, along with its Confucian culture, enhanced China's soft power in the region.

Nonetheless, China has a long way to go, and faces many obstacles to its development. At the beginning of the twenty-first century, the American economy was about eight-times the size of China's as measured by official exchange rates. Projecting current growth rates for each country, the American economy would still be roughly three-times the size of the Chinese economy in 2025. If one uses purchasing power parities for comparison (a doubtful procedure when measuring power rather than welfare), and assumes the American economy grows at a low 2 percent rate and China at 6 percent, the two economies could become equal in size sometime in the 2020s. Even so, the two economies would be equivalent in size, but not equal in composition. China would still have a vast underdeveloped sector. Even under these assumptions, China would not equal the United States in per capita income until sometime late in the century. In terms of political power, per capita income provides a more accurate measure of the sophistication of an economy. Even with its impressive growth, China remains a long way from equality. And since the United States is unlikely to be standing still during that period, China is a long way from posing the kind of challenge to American preponderance that the Kaiser's Germany posed when it passed Britain at the beginning of the last century.

Moreover, linear projections of economic growth trends can be misleading. Countries tend to pick the low-hanging fruit as they benefit from imported technologies in the early stages of economic take-off, and growth rates generally slow as economies reach higher levels of development. In addition, the Chinese economy faces serious obstacles of transition, from inefficient state owned enterprises, a shaky financial system, and inadequate infrastructure. Growing inequality, massive internal migration, an inadequate social safety net, corruption, and inadequate institutions could foster political instability. Coping with greatly increasing flows of information at a time when restrictions can hinder economic growth presents a sharp dilemma for Chinese leaders. Politics has a way of confounding economic projections.

As long as China's economy does grow, it is likely that its military power will increase, thus making China appear more dangerous to its neighbors, and

complicating America's commitments in the region. A RAND study projected that, by 2015, China's military expenditure would be more than six-times higher than Japan's. But this study used purchasing power parity rather than official exchange rates.[15] China is tied to the world by exchange rates, not purchasing power parity. The Gulf War of 1991, the tensions over Taiwan in 1995–1996, and the Kosovo campaign of 1999 showed Chinese leaders how far China lagged behind in modern military capabilities, and as a result they nearly doubled military expenditures over the course of the 1990s. In 2005, defense spending increased by 12.6 percent. Some observers think that, by 2005, China might achieve a military capability similar to that of a European country in the early l980s. Others, citing imported technology from Russia, are more concerned.[16] In any event, growing Chinese military capacity would mean that any American military role in the region will require more resources.

Whatever the accuracy of such assessments of China's military growth, the key question for comparative assessment depends on what the United States (and other countries) will be doing over the next decades. The key to military power in the information age depends on the ability to collect, process, disseminate and integrate complex systems of space-based surveillance, high-speed computers, and 'smart' weapons. China (and others) will develop some of these capabilities, but according to the Australian analyst Paul Dibb, the revolution in military affairs (RMA) 'will continue to favour heavily American military predominance. It is not likely that China will, in any meaningful way, close the RMA gap with the U.S.'[17]

The fact that China is not likely to become a peer competitor to the United States on a global basis does not mean that it could not challenge the United States in East Asia, or that war over Taiwan is not possible. Weaker countries sometimes attack when they feel backed into a corner, such as Japan did at Pearl Harbor or China did when it entered the Korean War in 1950:

> Under certain conditions Beijing will likely be fully undeterrable. If, for example, Taiwan were to declare independence, it is hard to imagine that China would forego the use of force against Taiwan, regardless of the perceived economic or military costs, the likely duration or intensity of American intervention, or the balance of forces in the region.[18]

But it would be unlikely to win such a war, and prudent policy on both sides can make such an outcome unlikely. There is no need for the United States and China to go to war in this century, and it is important for analysts on both sides to keep pointing this out to leaders and publics.

In recent years, many diplomatic observers have noted the rise of Chinese soft power. China has always had an attractive traditional culture, but now it is entering the realm of global popular culture as well. Chinese novelist Gao Xingjian won China's first Nobel prize for literature, and the Chinese film *Crouching Tiger, Hidden Dragon* became the highest grossing non-English film. Yao Ming, the Chinese star of the National Basketball Association's Houston

Rockets, could become another Michael Jordan, and China is set to host the 2008 Summer Olympics. The enrolment of foreign students in China has tripled from 36,000 to 110,000 over the past decade, and the number of foreign tourists has also increased dramatically to 17 million last year. China has created 26 Confucius Institutes around the world to teach its language and culture, and while the Voice of America was cutting its Chinese broadcasts from 19 to 14 hours a day, China Radio International was increasing its broadcasts in English to 24 hours a day.[19]

In terms of political values, the era of Maoism (and Mao jackets) is long past. Although China remains authoritarian, the success of its political economy has made it attractive to many developing countries. In parts of Asia, Africa, and Latin America, the so-called 'Beijing consensus' on authoritarian government plus a market economy has become more popular than the previously dominant 'Washington consensus' of market economics with democratic government. China has reinforced this attraction through economic aid and access to its growing market.

China has also adjusted its diplomacy. A decade ago, it was wary of multilateral arrangements and was at cross purposes with many of its neighbors. Subsequently it has joined the World Trade Organization, contributed more than 3000 troops to serve in UN peacekeeping operations, become more helpful on non-proliferation diplomacy (including hosting the six power talks on North Korea), settled territorial disputes with neighbors, and joined a variety of regional organizations, of which the East Asian summit is only the latest example. This new diplomacy, coupled with the slogan of 'China's peaceful rise,' helps to alleviate fears, and reduce the likelihood of other countries allying to balance a rising power.

However, just as China's economic and military power is far from matching that of the United States, China's soft power still has a long way to go. China does not have cultural industries like Hollywood, and its universities are not yet the equal of America's. It lacks the many non-governmental organizations that generate much of America's soft power. Politically, China suffers from corruption, inequality, and a lack of democracy, human rights, and the rule of law. While that may make the 'Beijing consensus' attractive in authoritarian and semi-authoritarian developing countries, it undercuts China's soft power in the West. Although China's new diplomacy has enhanced its attractiveness to its neighbors in Southeast Asia, the continuing belligerence of its hard-power stance toward Taiwan hurt it in Europe in 2005 when China sought to persuade Europeans to relax their embargo on the sale of arms that was imposed in the aftermath of the massacre in Tiananmen Square in 1989.

China is very likely to become a much larger player in global politics as the century unfolds, but it is unlikely that it will be a hegemonic challenger on a global scale, at least in the early decades. Moreover, as its power grows, it may encounter the growing power of India, and if its behavior is too aggressive, it may encourage countries like India, Japan, and others to join together to balance its power.

Europe

The closest thing to an equal in power that the United States faces at the beginning of the twenty-first century is the European Union. Although the American economy is four-times larger than that of Germany, the largest European country, the economy of the European Union is roughly equal to that of the US; its population is considerably larger, as is its share of world exports. These proportions will increase if the European Union gradually expands to include the Balkans and Turkey over the next decades – though the latter prospect remains uncertain. Europe spends about two-thirds of what the United States does on defense, has more of its citizens under arms, and includes two countries that possess nuclear arsenals. In terms of soft power, European cultures have long had a wide appeal in the rest of the world, and the sense of a Europe uniting around Brussels has had a strong attraction. Europeans have been important pioneers and played central roles in international institutions. As Samuel Huntington argued more than a decade ago, a cohesive Europe 'would have the population resources, economic strength, technology, and actual and potential military strength to be the pre-eminent power of the 21st century.'[20] Some today see America and Europe on the road to political conflict. Certainly, the differences over the invasion of Iraq in 2003 led to a sharp decline in American soft power in Europe.

The key question in assessing the challenge presented by the EU is whether it will develop enough political and social-cultural cohesion to act as one on a wide range of international issues, or whether it will remain a grouping of countries with strongly different nationalisms and foreign policies. The uniting of Europe has been a slow but steady process for half-a-century, and the pressures of globalization have added to the incentives to strengthen European regional institutions.

Already, the European Union has effectively constrained American power. On questions of trade and influence within the World Trade Organization, Europe is the equal of the United States. European countries successfully defied American trade sanctions against Cuba and Iran. The creation of the European Monetary Union and the launching of the euro at the beginning of 1999 were greeted by a number of observers as a major challenge to the United States and to the role of the dollar as the dominant reserve currency. While such views overly discounted the unique depth and breadth of American capital markets which make countries willing to hold dollars, the European role in monetary affairs and the International Monetary Fund is nearly equal to that of the US. The size and attraction of the European market has meant that American firms seeking to merge have had to seek approval from the European Commission as well as the US Justice Department – as GE found out to its consternation when the EU rejected its proposed takeover of Honeywell in 2001. And American companies are concerned to make sure that their practices do not contravene European regulations on privacy of information.

At the same time, Europe faces significant limits on its degree of unity. National identities remain stronger than a common European identity, despite 50

years of integration, and national interests, while subdued in comparison to the past, still matter.[21] Integration was driven for years by the engine of Franco-German cooperation. As Germany grew with reunification, developed a more 'normal' foreign policy, and insisted on more weight in votes on European issues, French attitudes toward EU institutions became more cautious. As French Prime Minister Lionel Jospin put it, 'I want Europe, but I remain attached to my nation. Making Europe without unmaking France, or any other European nation, that is my political choice.'[22] Moreover, the enlargement of the European Union to include Central Europeans meant that European institutions are likely to remain sui generis, but tending to the confederal rather than the federal end of the spectrum. The prospects for a strong federal Europe may have disappeared when the original six countries agreed upon expansion that included Britain and parts of Scandinavia. That became even clearer when Europe expanded to 25 in 2004, and when French and Dutch voters rejected a new European constitution in 2005.

The other key question for whether the EU becomes a global challenger to the United States rests on the nature of the linkages across the Atlantic.[23] Some foresee a progressive erosion of ties because the lack of a common threat has reduced cohesion in the alliance; the United States now trades one-and-a-half times as much with Asia as with Europe; and there are growing cultural differences among elites on both sides of the Atlantic. On the other hand, reports of trans-Atlantic divorce are often overstated. Direct investment in both directions is higher than with Asia and helps to knit the economies together. Nearly one-third of trade occurs within transnational corporations. Moreover, while trade inevitably produces some degree of friction in the domestic politics of democracies, it is a game from which both sides can profit if there is a will to cooperate, and US–European trade is more balanced than US trade with Asia.

At the cultural level, Americans and Europeans have sniped at and admired each other for more than two centuries. For all the complaints about McDonald's, no one forces the French (and other Europeans) to eat there, though millions do each year. Differences exist over religion, capital punishment, and the use of force in international politics. As mentioned above, the invasion of Iraq led to major policy divisions, although it split Europe as well as the Atlantic Alliance. On the other hand, NATO has taken a major role in Afghanistan, and on questions of transnational terrorism, cooperation is close. Perhaps most important, in a larger sense, Americans and Europeans share the values of democracy and human rights more thoroughly with each other than with any other regions of the world, and neither the US nor Europe threatens the vital interests of the other.

The distribution of power

The United States had already become the world's largest economy by the end of the nineteenth century. America's economic domination reached its peak (at between one-third and one-half of world product depending on the calculation)

soon after 1945. For the next 25 years, the American share declined to its long-term average as others recovered and developed.[24] Before World War I and again before World War II, the United States accounted for about one-quarter of world product, and it remains slightly above or below that level today (depending on whether market prices or purchasing parity prices are used in the calculation). The American share of the GDP of the seven largest economies that hold annual economic summits was 48.7 percent in 1970, 46.8 percent in 1980, and 45.2 percent at the end of the century.

Can this degree of economic dominance continue? Probably not. As globalization stimulates economic growth in poor countries that are able to take advantage of new technology and world markets, their share of world product should increase much as did that of East Asian countries over the past few decades. The recent rapid growth in India is a case in point. If the US and other wealthy countries grow at about 2.5 percent per year but the 15 largest underdeveloped countries grow between 4 and 5.5 per cent per year, the American share of world product will decline. The US would still have the largest economy, but its lead would be more modest than today. Of course such linear projections can be foiled by political change and historical surprises, and growth in developing countries may not be this fast. Nonetheless, it would be surprising if the US share did not shrink over the course of the century. Nonetheless, as a Canadian political scientist concludes:

> unless the United States suffers a major catastrophe (and one, moreover, that does not also affect other major powers), there is only one way that the relative balance of power capabilities between the United States and the other major powers extant at the turn of the millennium will change: very slowly, and over many decades.[25]

Such catastrophes would have to be multiple and many times larger than the events of September 2001 to have such effects.

Even in the likely event that the United States remains the largest country well into the century, there are other changes occurring in the distribution of power, particularly the rise in the importance of non-state actors. After the collapse of the Soviet Union, some have described the resulting world as uni-polar, some as multipolar. Both are right and both wrong, because each refers to a different dimension of power that can no longer be assumed to be homogenized by military dominance. Unipolarity is misleading because it exaggerates the degree to which the United States is able to get the results it wants in some dimensions of world politics, but multipolarity is misleading because it implies several roughly equal countries.

Instead, power today is distributed among countries in a pattern that resembles a complex three-dimensional chess game. On the top chessboard, military power is largely unipolar. As we have seen, the US is the only country with both intercontinental nuclear weapons and large state-of-the-art air, naval, and ground forces capable of global deployment. But on the middle chessboard, economic

power is multipolar, with the US, Europe, and Japan representing two-thirds of world product, and with China, India, and others becoming major players. As we have seen, on this economic board, the United States is not a hegemon, and often must bargain as an equal with Europe. This has led some observers such as Samuel Huntington to call it a hybrid uni-multipolar world.[26] But the situation is even more complicated and difficult for the traditional terminology of the balance of power among states to capture. The bottom chessboard is the realm of transnational relations that cross borders outside of government control. This realm includes actors as diverse as bankers electronically transferring sums larger than most national budgets at one extreme, and terrorists transferring weapons or disrupting Internet operations at the other. On this bottom board, power is widely dispersed, and it makes no sense to speak of unipolarity, multipolarity or hegemony, or empire in this arena.

Because of its leading edge in the information revolution, its past investment in traditional power resources, the United States will likely remain the world's single most powerful country well into this new century. While potential coalitions to check American power could be created, it is unlikely that they would become firm alliances unless the United States handles its hard power in an overbearing unilateral manner that undermines its soft power. As Joseph Joffe has written:

> unlike centuries past, when war was the great arbiter, today the most interesting types of power do not come out of the barrel of a gun. Today there is a much bigger payoff in 'getting others to want what you want,' and that has to do with cultural attraction and ideology and agenda setting and holding out big prizes for cooperation, like the vastness and sophistication of the American market. On that gaming table, China, Russia and Japan, even the West Europeans, cannot match the pile of chips held by the United States.[27]

The United States could squander this soft power by heavy-handed unilateralism. As Richard Haas, the President of the Council of Foreign Relations, has warned, any attempt to dominate 'would lack domestic support and stimulate international resistance, which in turn would make the costs of hegemony all the greater and its benefits all the smaller.'[28] But America lacks an imperial tradition. Except for a brief interlude at the beginning of the twentieth century, it has eschewed colonialism, and the American public has little taste for prolonged foreign occupations. While the rhetoric of empire is bandied about by many critics, some who advocate a more controlling role for the United States lament the lack of domestic support for such a policy.

The prospect that the rise of new state challengers will threaten a declining United States and plunge the world into the uncertainty and danger of hegemonic transition, and war seems unlikely. At the same time, this more complex distribution of power and the rise of non-state actors in the twenty-first century mean that there are more and more things outside the control of even the most

powerful state. Although the United States does well on the traditional measures of power, there is increasingly more going on in the world that those measures fail to capture. Under the influence of the information revolution and globalization, world politics is changing in a way that means not even the strongest state can achieve all its international goals acting alone. September 11, 2001, dramatized a change that was already occurring in world politics.

The US lacks both the international and domestic prerequisites to resolve conflicts that are internal to other societies, and to monitor and control transnational transactions that threaten Americans at home. There is no alternative to mobilizing international coalitions and building institutions to address shared threats and challenges. The national interest will have to include global interests and the production of global public goods. As a British observer has written:

> the paradox of American power at the end of this millennium is that it is too great to be challenged by any other state, yet not great enough to solve problems such as global terrorism and nuclear proliferation. America needs the help and respect of other nations.[29]

Many of the real challenges to American power are coming not on the top military board on which the realists concentrate, but on the bottom transnational board. Ironically, the temptation to go it alone may ultimately weaken the US in this domain. The contemporary information revolution and its attendant brand of globalization are transforming and shrinking the world. At the beginning of the twenty-first century, these two forces have increased American power, particularly the ability to influence others through attractive or 'soft' power. But, with time, technology spreads to other countries and peoples, and America's relative pre-eminence will diminish. For example, today, the population of America, making up one-twentieth of the global population, represents more than half of the Internet. In a decade or two, Chinese will probably be the dominant language of the Internet. It will not dethrone English as a lingua franca, but at some point the Asian market will loom larger than the American market. Even more important, the information revolution is creating virtual communities and networks that cut across national borders, and transnational corporations and non-governmental actors (terrorists included) will play larger roles. Many of these organizations will have soft power of their own as they attract citizens into coalitions that cut across national boundaries.

September 11 was a terrible symptom of these deeper changes that were already occurring in the world. Technology has been diffusing power away from governments and empowering individuals and groups to play roles in world politics – including wreaking massive destruction – that were once reserved to governments. Privatization has been increasing, and terrorism is the privatization of war. Moreover, the processes of globalization were shrinking distance, and events in faraway places – like Afghanistan – were able to have greater impacts on American lives. The world was changing from the Cold War to the Global Information Age, but our dominant paradigms have not kept pace.

The growth of global networks of interdependence is putting new items on the national and international agenda, many of which Americans simply cannot solve by themselves. International financial stability is vital to the prosperity of Americans, but the United States needs the cooperation of others to ensure it. Global climate change too will affect Americans' quality of life, but the United States cannot manage the problem alone. And, in a world where borders are becoming more porous than ever to everything from drugs to infectious diseases to terrorism, Americans will be forced to work with other countries behind their borders and inside its own.

The great challenge for the United States will be to learn how to work with other countries to better control the non-state actors that will increasingly share the stage with nation states. How to control the bottom chess board in a three-dimensional game and how to make hard and soft power reinforce each other are the key foreign-policy challenges. The test for the United States will be whether it can turn its current predominant power into international consensus and widely accepted norms that will be consistent with its values and interests as preponderance ebbs later in the century. And that cannot be done unilaterally.

Notes

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5 The troubled quest for international nuclear order

William Walker

The destruction of the cities of Hiroshima and Nagasaki in 1945 happened after millions of people had died at the hands of modern technology in two world wars. Yet it was immediately understood that nuclear weapons were out of the ordinary and Janus-faced. They had hastened the end of a war, and their very dreadfulness seemed to confer on them a special utility as instruments of deterrence. Fears of the greatest imaginable catastrophe could be exploited to discourage states from going to war or from pushing one another around.

Some military leaders initially insisted that this was 'just another weapon'. Few illusions were left after the enormous destructive power of the thermonuclear weapon had been demonstrated in the early 1950s. Thereafter it was understood that this was an exceptional weapon that would require an exceptional kind of international politics. Otherwise, everyone and everything could perish, and there could be perennial instability and violence if access to the technology were not constrained.

This chapter will examine the efforts to establish an international nuclear order that was effective, legitimate and lasting, and the predicaments faced by its architects at various times. It is a story of achievement and frustration in equal measure. Unhappily, the recent trend has been more towards disorder than order when so much had seemed possible and essential a decade ago.

The early debates

'The way in which nuclear weapons, now secretly developed in this country, will first be revealed to the world appears of great, perhaps fateful importance.'[1] The Franck Report of June 1945 urged the US government to consider the international consequences of using nuclear weapons against Japan. In the event, the bombing of Hiroshima and Nagasaki in August 1945 brought the technology's arrival to public and international notice in a dramatic way. It spurred an urgent inquiry into the weapon's implications and prospects for its abolition.

Many people argued that the technology necessitated radical change in the international political system. The Franck Report's claim that 'the efficient protection against the destructive use of nuclear power . . . can only come from the

political organization of the world' was echoed in numerous reports and statements, including the Acheson–Lilienthal Report and Baruch Plan, which the US government published in March and June 1946 respectively.[2] Diplomatic attention quickly focused in the United Nations on the creation of an international body possessing the authority to constrain all engagement with nuclear technology, notably through the common ownership and control of uranium.[3] The aim was to construct a novel system of governance for the nuclear sector and to insulate it from external political contamination.

The elimination of nuclear weapons proved beyond achievement as the East–West conflict intensified. The need to find solutions in 'the political organization of the world' was also questioned. In July 1946, Bernard Brodie argued in *The Absolute Weapon* that restraint might be entrenched through a balance of terror once governments and their leaders felt threatened with devastating nuclear retaliation. A transformation should therefore be sought in the aims and strategies of states rather than in the international system and its institutions.[4] As he famously wrote, 'Thus far the chief purpose of our military establishment has been to win wars. From now on its chief purpose must be to avert them.'[5]

In essence, Bernard Brodie maintained that a common profound fear would engender a common rationality and reasonableness among disparate states and their leaders, even when their actions and words suggested irrationality and the rejection of basic standards of humane behaviour. This conjecture was absorbed into NSC-68, the seminal document of the early Cold War.[6] NSC-68 set out a strategy for containing the Soviet Union without recourse to preventive war which it emphatically rejected. The stated purpose was to frustrate the Kremlin's design for international dominion, causing it gradually to accommodate to western norms and practices before a fundamental change in the Soviet system took place. However, only American economic and military superiority could reliably induce caution in this aggressive and tyrannical empire:

> A substantial building up of strength in the free world is necessary to support a firm policy intended to check and roll back the Kremlin's drive for world domination. . . . It is mandatory that . . . we enlarge upon our technical superiority by an accelerated exploitation of the scientific potential of the United States and its allies.

Thus did NSC-68, and the concomitant Soviet refusal to accept inferiority, provide the impetus for the technology-saturated military competition that characterized the Cold War.

The Cold War nuclear order

A highly dangerous absence of political mastery of international strategic relations accompanied the rapid development and accumulation of nuclear weapons in the early Cold War. By the end of the 1950s, the nuclear arms race's obvious perils drew fresh attention to the need for greater international control. There

was additional concern, especially in the Soviet Union, that West Germany might acquire nuclear weapons or a 'finger on the trigger' of US weapons stationed in Europe. And there was mounting pressure to allow the commercialization of nuclear power to happen in reasonably open markets.

The late 1950s and 1960s therefore brought a pronounced return of cooperative efforts to establish an international nuclear order founded on commonly held norms and rules of behaviour. In drawing states into this order, its purveyors face two exceptional problems of reconciliation and legitimation. First, why should some states have rights to use nuclear deterrence in self-defence when others were denied it? How could the division of states into two classes – nuclear and non-nuclear weapon states (NWS and NNWS) – be justified and how could the non-proliferation norm thereby attain international legitimacy? And, second, how could the diffusion of nuclear technology for civil purposes take place without simultaneously creating security dilemmas and facilitating the spread of nuclear weapons?

The answers were expressed in the Nuclear Non-Proliferation Treaty (NPT) and its two famous bargains. The first (Article IV) gave NNWS Parties 'inalienable rights' of access to civil nuclear technology on condition that they honoured their renunciation of nuclear weapons and placed their nuclear materials and facilities under international safeguards. The second (Article VI) obliged NWS Parties to engage 'in good faith' in arms control and disarmament. In effect, the NPT regarded as a temporary trust the deployment of nuclear weapons by the five states which were eligible to possess them under its rules.[7]

The NPT and its associated agreements had the quality of a grand political settlement, albeit one that several influential states, including China, France and India, initially refused to join. As a means of stemming the spread of nuclear weapons, it also represented a commitment to diplomacy rather than preventive war, and to containment rather than aggressive intervention. Insofar as coercion was used to prevent the spread of nuclear weapons, it would be exercised through economic and political sanctions and through constraints on access to pertinent technologies and materials.

By the late 1960s, a civil techno-economic order was also taking shape. The United States had attained dominance of reactor design and the enrichment market, increasing its confidence that nuclear trade could be controlled in its commercial and security interests.[8] Its position was being challenged, however, by French and German suppliers determined to break its monopoly. In the 1970s, the US's hold over the international market began to weaken. Along with India's use of civil materials in its nuclear explosive test of 1974 and the predictions of a coming great expansion in plutonium separation and usage in response to future energy scarcity, this triggered the non-proliferation regime's first crisis. It brought the United States into conflict with Western as well as Southern governments. It was ended mainly by the collapse of Third World investment in nuclear power. The lasting outcome was the agreement, embodied in the Nuclear Suppliers Guidelines, among leading supplier countries on a set of trade rules targeted especially at states – India prominent among them – that claimed

rights to engage in civil nuclear development whilst refusing to join the NPT or to accept full-scope safeguards.

Unfortunately, this increasing regulation of trade did not extend to missile technology, nor was it universally adhered to. The Soviet Union sold Scud missiles, which were capable of carrying chemical and nuclear warheads after straightforward development, to various countries in Asia and the Middle East. Furthermore, China provided Pakistan with missile technology and nuclear warhead designs in the 1980s, thereby enabling Pakistan to counter India's acquisition of weapon capabilities and drawing both states into the arms race that continues to this day.

The early 1980s brought another, more dangerous, crisis in the international nuclear order, this time involving the breakdown of détente between the US and USSR, a return to consideration of preventive war, and Reagan's drive to attain fresh technological supremacy over the 'evil empire'. For a few years, the United States veered away from its policy of containing the USSR, seeking instead to force a change of behaviour through political, economic and strategic confrontation. This was accompanied by Reagan's romantic pursuit of 'Star Wars' which, although a fantasy dressed as rationality, tapped a deep vein of public dissatisfaction in America with the strategies pursued hitherto.[9] This vein would be tapped again 20 years later when a radical wing of the Republican Party gained control over Congress and the White House, and when several of the officials involved in the Reagan administration gained high office in the George W. Bush administration.

The post-Cold War period and the shift in US policy

A second phase of constructing an international system of control began in the late 1980s. The period that opened with Gorbachev and Reagan's meeting in Reykjavik in 1986 became a golden age of arms control. Numerous bilateral and multilateral treaties were negotiated or envisaged, and many states (including Argentina, Brazil, China, France and South Africa) joined the NPT having previously opposed it. In retrospect, the high points were the peaceful reconstitution (completed in 1994) of a nuclear superpower, the USSR, with only one state out of 12 retaining nuclear arms; and the NPT Extension Conference in 1995 at which member states agreed to give the Treaty an indefinite lifetime and committed themselves to a stronger non-proliferation and disarmament programme. At this Conference, and its successor in 2000, the community of NPT States Parties began to act as a quasi-legislative assembly identifying the 'next steps' that should be taken to realize the NPT's disarmament goals.[10] Although nuclear disarmament was viewed more as 'a regulative principle guiding us down the path of amelioration' than as a condition to be instituted with immediate effect, its advocates nevertheless came forward with no proposals on how the restraining effects of nuclear deterrence might be substituted.[11] The Conference's injunctions carried political, moral and legal weight but lacked strategic credibility. The US Senate's rejection of the CTBT in 1999 was a particularly rude reminder of where sovereign authority truly resided.

Far from going from strength to strength, the international nuclear order, which had been constructed with such determination since the 1960s, then fell into disarray, for a number of reasons including:

- as Russia weakened and NATO and the European Union extended their spheres of influence, and as the US demonstrated its overwhelming superiority in conventional weaponry in Iraq and the Balkans, the Russian government reasserted the centrality of nuclear deterrence in its security policy. The various humiliations felt by the Russian people after the Soviet empire's collapse also encouraged a nationalist reaction against cooperative politics.
- India and Pakistan tested nuclear weapons in 1998 in defiance of non-proliferation and disarmament norms and pressures to join the Comprehensive Nuclear Test-Ban Treaty (CTBT). Whilst the Indian government claimed that it was motivated by insecurity, by China's perfidy in assisting Pakistan, and by the NWS's failure to take disarmament seriously, its actions also emanated from a nationalist desire for regional predominance and great power status.[12] It is noticeable that there have been fewer references by India to the 'nuclear apartheid' practised by the NWS since it joined the ranks of nuclear-armed states and gained a natural interest in sustaining the inequality of power.
- Iraq, Iran and North Korea's clandestine weapon programmes posed formidable challenges to the non-proliferation regime's prestige and integrity. Their actions drew attention to weaknesses in international safeguards and export controls whilst exposing the UN Security Council's difficulty in acting decisively or consensually in response to Treaty non-compliance. For a time, it appeared that Iraq and North Korea's disarmament could be achieved through the UN Special Commission on Iraq (UNSCOM) and the Agreed Framework and KEDO Agreement. However, confidence in these multilateral approaches waned as Iraq and North Korea became increasingly defiant as the 1990s wore on.
- in the Middle East, the breakdown of the Israeli–Palestinian peace process ended hopes held out at the 1995 NPT Extension Conference that a general diplomatic solution could be found to the proliferation of weapons of mass destruction in the region.
- the misdemeanours of A.Q. Khan and his transnational network of suppliers revealed the problems of controlling the diffusion of centrifuge-enrichment technology in a globalized industrial environment where criminality was increasingly rife. It appeared that one of the main barriers to weapon manufacture – the high cost of access to fissile materials – was being substantially lowered.
- particularly after 9/11, warnings that terrorist groups might acquire nuclear, chemical or biological weapons had to be taken seriously. It was easy for governments to imagine the panic and chaos that would ensue even if 'mass destruction' was not involved. Partly because WMD had been so success-

> fully stigmatized over many decades, any usage of these weapons would transmit a powerful shock to any political psyche.

Above all, the disarray that befell the nuclear order stemmed from the radical turn in the United States' international strategy which began in the mid-1990s and was confirmed after George W. Bush's election in 2001. It happened first because nuclear deterrence and the non-proliferation regime – the pillars of order inherited from the Cold War – appeared less able to deliver the levels of security that the US deemed necessary. Washington became prey to increasingly pessimistic predictions, especially emanating from the Middle East, of trends in the international system. Second, the 'hegemonic moment' that followed the Soviet Union's collapse, the stagnation of the German and Japanese economies, and the embrace of the 'revolution in military affairs' encouraged the US government to believe that politico-military confrontation now provided a reliable and efficient means of achieving the 'roll-back' of nuclear weapon programmes. In addition, the United States could establish through high spending and technological innovation a lasting military superiority over Russia, China and any other competitor, whatever their characters; other great powers would be forced, Washington assumed, into bandwagoning rather than try to balance US power. Third, the neoconservative movement that provided the Bush administration with its ideological backbone was profoundly antagonistic to the United Nations and to international constitutionalism (including multilateral arms control and even international law); mistrustful of other states and cultures, and of a politics that was purely secular; keen to assert 'the national interest' and US rights to exceptionalism; and unapologetic about actions taken to extend the United States' imperial sway.[13]

In just four years, between 1999 and 2003, the United States all but abandoned arms control, placed counterproliferation, preventive war and regime change (and democratization) at the centre of its security strategies, and changed its relationship to the constitutional order represented by the NPT and other multilateral treaties.[14] Henceforth, the NPT would be upheld primarily as a disciplinary instrument for holding non-nuclear weapon states to their obligations. It would no longer be an institution through which other security instruments were developed, nor through which the strategic postures of the US and the other nuclear weapon states were constrained. The Bush administration's disrespect for the NPT and its processes was demonstrated at the 2005 Review Conference when, abetted by France, it effectively 'unsigned' the agreements reached on next steps at the 1995 and 2000 Conferences.[15] In essence, Washington was placing its trust in hegemonic power over constitutional constraint – in its ability to persuade or coerce others into adapting their behaviour to meet its national interests (as reinterpreted) and the interests of its closest allies. The policy of containment that had hitherto underpinned its deterrence and non-proliferation policies was set aside. Not surprisingly, this caused consternation in other capitals, New Delhi being one of the few exceptions.

In just one regard did states display unity and a willingness to cooperate inside and outside the United Nations. That was in their determination to prevent

non-state actors from gaining access to WMD-related expertise, technologies and materials. Through UN Security Council Resolution 1540, the Council used its authority under the UN Charter to bind all states to honour its provisions. Indeed, it was the perceived terrorist threat above all else that prevented a much stronger international reaction to the shift in US policy and that, by creating a new dependency on US intelligence and other resources, led the US to believe that it could behave unilaterally without seriously jeopardizing its relations with other great and lesser powers.

Come 2006, the Bush administration's stance set out in the National Security Strategy in September of that year, the primary text expounding US strategic thinking after 9/11, had changed little.[16] However, the US government had been weakened and chastened by subsequent events. Whilst demonstrating the immense military power of the US, the Iraq war of 2003 and its aftermath, and the deteriorating situations in Afghanistan and Palestine, have highlighted the limitations on US political power and the fragility of its international authority. It has been forced to concede ground on Iran and North Korea and accept that only diplomatic solutions negotiated cooperatively with other states (and the IAEA) can be contemplated there, however elusive those solutions might be. The policy of containment has, in effect, been reinstated, for the time being at least. Furthermore, the US underestimated the rate at which China would accumulate economic and political power and at which Russia, using the leverage provided by its energy resources, would rediscover its appetite for defiance and for pushing other states and peoples around. At the strategic level, the US may well rue the day that it abandoned the ABM Treaty and the START process and missed the opportunities they provided for embedding further restraint.

Heading towards a breakdown?

Over the past year, there have been many expressions of anxiety over a nuclear 'tipping point' beyond which a 'cascade of proliferation' could occur as states assume that the international nuclear order can no longer provide them with sufficient protection.[17] In the words of the UN Secretary-General's High Level Panel, 'We are approaching a point at which the erosion of the non-proliferation regime could become irreversible and result in a cascade of proliferation.'[18] The implication is that the game may soon be up, and that the diffusion of technology and ineluctable nature of the international system may be turning the nuclear weapon into the common military currency that has long been feared. In part, this has been a natural reaction to a period that has seen India and Pakistan confirm their commitments to nuclear armament, Iran and North Korea maintain their obdurate pursuit of nuclear weapons, and some other states (Japan included) engage in debates that would have been unthinkable a decade ago.

As always, the future is indecipherable. Here are some observations.

First, the difficulties caused by Iran and North Korea's nuclear weapon programmes seem likely to remain and may worsen. In February 2006, the IAEA Board of Governors decided, after months of hesitation, to refer Iran to the UN

Security Council. In significant respects, Ahmadinejad's election and his zealotry create dilemmas akin to those experienced when Milosevic went on the rampage in the Balkans. He has obviously crossed a red line, yet how can external powers agree on how to respond without coming to blows themselves? Both Iran and North Korea will, in their different ways, test the ability and resolve of China, Russia, the US and other states to work together inside and outside the UN Security Council. It is a fair prediction that they will agree that 'something has to be done', but disagree on what should and can be done. The risk is that the United States will again decide to take military action, believing that nothing useful can be achieved through cooperative diplomacy and that the situation in the Middle East cannot get any worse and might even improve if the Iranian regime could be broken. Military intervention may still seem improbable, but desperate situations often drive states to contemplate even more desperate measures.

Second, and linked to the point above, great power relations seem likely to return to the fore after a period of some 20 years when they faded into the background, politically if not economically. China and Russia may soon be in a position to begin balancing US power, and there are signs that alliance formation and deepening are happening in various contexts (China–Russia, US–India, US–Japan). The question regarding nuclear weapons is whether great power rivalries and the rebalancing of power among them can take place without a resumption of arms racing, and whether their deterrent relations can be stabilized without arms control, especially if China is moving beyond modernization towards a substantial expansion of its nuclear forces. Can these nuclear-armed states agree to hold to some concept of minimum deterrence? If so, how can it be formally institutionalized?

Third, a period of confusion and disarray in Washington probably lies ahead where policies on both deterrence and non-proliferation – and on the wider thrust of security policy – are concerned. Against the background of widespread disillusion with the Bush administration and its security strategies, political battles lie ahead on missile defence, the Indo-US relationship, strategies towards Iran and North Korea, nuclear trade and the fuel-cycle, and the whole character of US foreign policy. Those battles seem likely to be fought with particular passion in the US Congress. Strong leadership from the hegemonic power on nuclear issues may be absent, for good or ill, until some consensus re-emerges in Washington, possibly after the next federal election in 2008, a consensus that can begin to repair America's damaged prestige and relations abroad.

Fourth, the combination of high energy prices, insecurity of energy supply and global warming provides the strongest possible incentive for expanding investment in nuclear power. This will give fresh urgency to a long list of familiar questions, including how to establish 'rules of engagement' with nuclear technology that enable its diffusion to happen without fear of weapon proliferation; how and whether to honour the rights expressed in the NPT of all states and societies to acquire sensitive technologies for peaceful purposes; whether the multinational proposals emanating from the IAEA provide any solution;

which fuel-cycle technologies provide the 'best' means of managing and disposing of spent fuel; and how to manage (in democracies) planning processes that ensure accountability and allow proper debate of options without causing paralysis and endless delay. On the negative side, the desire to expand investment in nuclear power in various countries and regions could exacerbate divisions over how to construct a more effective and legitimate system of trade regulation. A division is already apparent between states that are leaning towards cooperation and an even greater discrimination, with the US government even calling for the drawing of a new line in the sand between 'fuel-cycle states', and by implication, 'non-fuel-cycle states'. On the positive side, the prospect of expansion in civil trade will bring into play industrial actors whose primary interest lies in establishing a predictable trading environment resting on agreed rules, albeit rules that favour them over their competitors.[19] We should recall that the foundation of the non-proliferation regime in the 1960s owed much to the prospect of civil engagement with nuclear energy.

Fifth, it is often remarked that the problems of nuclear order are now situated primarily in Asia and its regions. There is considerable truth in this. It begs various questions. Can the deterrent relations among the Asian states that have armed themselves with nuclear weapons (I speak particularly of China, India and Pakistan) acquire stability, or do these states risk being drawn into uncontrolled arms racing and the sharpening of strategic confrontation? Despite their rivalries, can these states agree to cooperate (as the US and USSR once cooperated) on non-proliferation policy, and how can they confer legitimacy on the non-proliferation norm in Asia if they do not themselves make concessions on their nuclear armaments? India has long set itself against the NPT: what does it propose in its place, or does it favour a nuclear security system without common rules and norms, including the disarmament norm, and without any aspiration to achieve justice? How can Japan be dissuaded from taking steps towards nuclear armament in face of threats from North Korea and China, and in face of the perceived slight of India and Pakistan's leapfrogging over it? Can nuclear institutions and infrastructures within Asian states, Pakistan notable among them, be governed well enough to prevent technologies and materials falling into the wrong hands? There is a large agenda.

Back to the perils of the existence of nuclear weapons

My final observation is that the survival of nuclear weapons has long depended, paradoxically, on their not being used accidentally or in war. The devastation of a city, country or region with nuclear weapons would surely place extraordinary and irresistible pressures on governments to eliminate them. Hiroshima was a unique, unrepeatable event that created the images of annihilation that gave the nuclear weapon its special utility as an instrument of deterrence, but only of deterrence. From time to time, scientists and military strategists have toyed with ideas of using them routinely in war (the 'bunker-buster' being the latest example) only to have them discarded when they were submitted to political scrutiny.

As an instrument of international terrorism, however, the nuclear weapon – or weapon of mass destruction – has no utility if it is not used, and used in a surprise attack. Deterrence has little value in irregular warfare, at least from the stance of the terrorist or insurgent. If non-state actors have access, or are believed to have access, to such lethal weapons, then states are bound to be drawn towards using pre-emptive violence against those actors and their supporters, just as they will be drawn towards using intrusion and repression in the public and private spheres to eliminate the risk of access and attack. This is now the catch. Given that the weapon of mass destruction in the hands of the terrorist group is capable of provoking huge anxiety within states and societies, those under threat – or imagining themselves to be under threat – will be easily enticed into strategies of pure elimination of the opponent or into curtailment of freedoms of movement and association. Just the possibility of attack with these weapons of mass effect (their destructive power need not be so great) can greatly disturb confidence in the state's ability to protect. They need only to exist in the imagination of states and security services to become potent agents of violence and of reactionary change in political norms and practices.

The weapon of mass destruction therefore now poses more than a danger to human and ecological survival: it poses a grave danger to political civility and the rule of law in both domestic and international realms, as developments since 9/11 have amply demonstrated. If enmity is rife, the key questions are whether access to the technology can be denied, and whether that denial is ultimately possible if the technology is coincidentally being acquired and developed by various states in their pursuit of grandeur, deterrence or commercial advantage. Although it probably cannot be denied absolutely, the risks attached to its diffusion can be held in check. Various regulative measures have been promoted for this purpose in the past few years which are beyond this chapter's scope. Unfortunately, the nuclear-armed states have been careful to prevent these measures having significant inroads on their military forces and strategies; indeed, the advance of counter-proliferation has been accompanied by a retreat from arms control and disarmament.

As a consequence, strategies to achieve international nuclear order, now extending to the avoidance of terrorist attack, have not been 'joined up' in recent years. Why, historians will doubtless ask in future, was the emergence of the threat of catastrophic terrorism not accompanied by a much more determined effort to eliminate nuclear weapons and disband their associated infrastructures? Why did this not happen when so much progress had apparently been made in that direction in the decade following the end of the Cold War? Although many reasons will be identified, I expect them to give pride of place to human folly and hubris.

Notes

1 Report of the Committee on Political and Social Problems, Manhattan Project 'Metallurgical Laboratory', University of Chicago, 11 June 1945 (The Franck Report), Section III.
2 A Report on the International Control of Atomic Energy (The Acheson–Lilienthal Report) prepared for the Secretary of State's Committee on Atomic Energy (US

Government Printing Office, Washington, DC, 16 March 1946). The Baruch Plan was presented by Bernard Baruch to the UN General Assembly in June 1946.

3 Attention was also focused on whether permanent members of the UN Security Council should waive their rights of veto to prevent their blocking sanctions to 'break-out' after disarmament. On this last problem which bedevilled debates in 1946, see Corbett, Percy E., 'Effect on International Organization', in Bernard Brodie (ed.), *The Absolute Weapon: Atomic Power and World Order*, Harcourt, Brace and Company, New York, 1946.

4 Brodie was rebutting claims by military strategists that the atomic bomb was just another weapon as much as criticizing international idealists.

5 Brodie, Bernard, 'Implications for Military Policy' in *The Absolute Weapon*, op. cit., p. 76.

6 'United States Objectives and Programs for National Security', National Security Council document NSC-68, Washington, DC, 14 April 1950.

7 The finest account of the NPT's origins and construction remains Shaker, Mohamed, *The Nuclear Non-Proliferation Treaty: Origins and Implementation, 1959–1979*, Oceana Publications, New York, 1980.

8 Accounts of the emerging politics and economics of nuclear energy can be found in Brenner, Michael, *Nuclear Power and Non-Proliferation: The Remaking of US Policy*, Johns Hopkins University Press, Baltimore, 1981; and Walker, William and Måns Lönnroth, *Nuclear Power Struggles: Industrial Competition and Proliferation Control*, George Allen & Unwin, London, 1982.

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10 In a large literature, see Simpson, John, 'The Nuclear Non-Proliferation Regime After the NPT Review and Extension Conference', *SIPRI Yearbook 1996*, Oxford University Press, Oxford, 1996, pp. 561–589.

11 The quotation is from Scruton, Roger, *Kant: A Very Short Introduction*, Oxford University Press, Oxford, 1982, p. 127. Scruton is here commenting on Kant's essay *Toward Perpetual Peace*. Note the 'toward' in Kant's title.

12 Among many texts, see Perkovich, George, *India's Nuclear Bomb*, University of California Press, Berkeley, 1999; and Chellaney, Brahma, *Securing India's Future in the New Millennium*, Sangam Books, New Delhi, 1999.

13 A fine analysis of neoconservatism and its intellectual roots can be found in Williams, Michael C., 'What is the National Interest? The Neoconservative Challenge in IR Theory', *European Journal of International Relations*, 13, 3, 2005, pp. 307–337.

14 On these changes, see Walker, William, 'Weapons of Mass Destruction and International Order', Adelphi Paper 370, Oxford University Press, Oxford, 2004.

15 See Johnson, Rebecca, 'Politics and Protection: Why the 2005 NPT Review Conference Failed', *Disarmament Diplomacy*, 80, Autumn 2005, pp. 3–19.

16 National Security Strategy of the United States, September 2002. Online, available from: www.whitehouse.gov/nsc/nss.html.

17 Campbell, Kurt M., Robert Einhorn and Mitchell Reiss (eds), *The Nuclear Tipping Point: Why States Reconsider their Nuclear Choices*, Brookings Institution Press, Washington, DC, 2004.

18 'A More Secure World: Our Shared Responsibility', Report of the Secretary General's High-Level Panel on Threats, Challenges and Change, December 2004, paragraph 111.

19 The concept of a 'fuel-cycle state' was expressed explicitly in the US government's announcement of proposals for a Global Nuclear Energy Partnership in early 2005. This proposal also entailed reversing the longstanding US opposition to nuclear reprocessing, providing engagement with it was limited to reliable and friendly countries. See US Department of Energy, Fact Sheet on Global Nuclear Energy Partnership (GNEP), February, 2005. Online, available from: www.gnep.energy.gov/pdfs/06-GA50035b.pdf.

6 Globalization, hegemony and the failure of empire

Prem Shankar Jha

In July 2005, the US and India signed an agreement that caught the Indian intelligentsia by surprise. The Bush administration undertook to change US domestic law in order to remove the restrictions on the supply of civilian nuclear technology to India that had been imposed upon it when it exploded its first peaceful nuclear device in 1974, and had been immeasurably strengthened after the Pokharan nuclear tests of 1998. The agreement raised deep suspicions, especially among the Indian Left, about US motives, and these gained a sudden, concrete form when members of the US Congress made it clear, days before the start of the UN General Assembly in September, that the change of legislation would depend upon the extent to which India toed the US line on targeting Iran as a violator of the Nuclear Non-proliferation treaty (to which it was a signatory) and agreed to bring it before the Security Council as a threat to international peace.

Finding itself between a rock and a hard place, the Indian government decided to vote against Iran at a crucial board meeting of the IAEA on 24 September 2005. It voiced its disagreement with the text of the resolution that was put forward by the US and the EU at the meeting, that Iran had become a threat to international security, and made it clear that it had voted for the resolution only after it was assured that the issue would not be taken before the Security Council at least until further discussions between Iran and the IAEA had taken place and Iran's nuclear intentions had been more fully explored. But in India the bulk of the intelligentsia saw this as no more than a fig leaf for surrender to an imperial power.

The truth, however, was a great deal more complex. What the Indian intelligentsia had failed to grasp was that the targeting of Iran, as well as the invasion of Iraq, were both indicators and products of a world in an advanced stage of chaos, and an international state system in an advanced state of decay. Every country faced the challenge of navigating through a field strewn with obstacles in a world that was suddenly without rules. But India, a large and stable democratic country, faced an additional challenge. This was to help to write the rules of a new order. Although taken intuitively and under great pressure, the decision on Iran was the first step in that direction.

The international state system that is on the point of crumbling is the Westphalian system. Originating 350 years ago in the Treaty of Westphalia in

1648, the Westphalian system had gone through several transformations. But throughout these centuries two of its principles had remained inviolate: the sovereignty of nation states, and non-interference in one another's internal affairs. Peace was maintained through deterrence and, after the development of nuclear weapons, was immensely reinforced by the threat of mutually assured destruction. That system came to an unequivocal end when the United States, Great Britain and a handful of misguided 'allies' invaded Iraq without a shadow of justification and without the consent of the Security Council. But notice had been served on the Westphalian system a year earlier by George W. Bush when he announced a new National Security Doctrine that explicitly abjured deterrence in favour of pre-emptive assault to safeguard the United States' security and interests around the globe.[1] The right to pre-emptive assault was nothing short of a declaration of Empire and, by definition, implied an utter contempt for national sovereignty.

Where did this assault on the Westphalian system originate? A plethora of surmises have been put forward, from a panicky attempt by the US to corner the remaining dwindling oil supplies of the world, to an ill-considered and equally knee-jerk response to the terrorist attacks of 9/11, to a test run by Bush's neoconservatives for the creation of a global American Empire. But behind these proximate causes lies a much deeper malaise. The Bush doctrine was indeed a response to the rise of global terrorism. But terrorism itself was a mindless and purely destructive response to the assault on indigenous cultures that had resulted from globalization. Globalization had begun to erode previously stable social systems in the industrialized countries as long back as the early 1970s when the technology-driven unification of national markets triggered a migration of capital from the industrialized countries to a select handful of developing countries and overturned the traditional relationship between high- and low-wage economies, turning many of the former into exporters of raw materials (as happened to Britain after it discovered oil), and the latter into exporters of manufactured products.

The selectivity displayed by capital in its choice of destinations, however, accentuated the economic exclusion of other developing countries, many of which turned into failed or failing states. The extensive violations of human rights in some of these failed and failing states became the pretext for frequent and increasingly ambitious military interventions by the industrialized countries in these states. These began under the rubric of the United Nations Security Council, but rapidly bypassed it and became increasingly unilateral. By the time NATO launched its assault on Serbia in 1999, both the pillars of the Westphalian system were close to collapse. The Bush doctrine and the invasion of Iraq only delivered the coup de grace.

The invasion of Iraq, and, more recently, the naked threat to unilaterally launch a military attack on Iran if it does not abide by its demand – backed by no international treaty or covenant – to stop all uranium-enrichment activities forthwith, has plunged the world back into what Hobbes had called 'The State of Nature'. And as Hobbes himself had said of it, the state of nature was a state of

war. Bush's National Security Doctrine was therefore a declaration of war without end. In eliminating the boundaries between nation states, it eliminated the boundaries between war and peace. It is hardly surprising, therefore, that an opinion poll carried out in the summer of 2004, weeks before Bush's second inauguration, showed that 58 per cent of the people polled believed that his re-election had made the world less safe. Those who felt this way constituted a majority in 16 out of the 21 countries covered by the survey. Fear of an America ruled by Bush was strongest among its traditional allies – Germany, France, Britain, Italy, Canada, Mexico and Turkey.[2]

The Pew survey, and a number of others carried out in the subsequent 18 months, brought one unsettling fact home to all Americans: the global hegemony that the US had enjoyed ever since the Second World War had vanished. Hegemony is more than merely military dominance, and cannot, in fact, be sustained by military power alone. To endure, hegemony requires the subservient states and peoples to believe that what is in the interest of the hegemon is also by and large in their interest as well. Defined thus, the US had enjoyed unquestioned hegemony for 60 years. After 2003, as more and more of its former allies began to question its policies and dissociate themselves from them, it lost that hegemony decisively.

The US offer to lift the ban on the supply of civilian nuclear and other dual-use technology to India was a part of its attempt to recapture some of that lost hegemony by getting one of the largest, most stable democratic nations on its side. India's allure arose from the fact that, while country after country has sunk into crisis, while every military intervention by the major powers, however well intentioned, had deepened the chaos in the international system, India had made a successful transformation into a market economy, had experienced rapid and accelerating economic growth, and had shown exemplary responsibility in the management of its nuclear capability. Its democratic traditions had prevented both terrorism and fundamentalism from gaining a toehold in the country and, above all, it had remained relatively free from internal stresses and strains. It was inevitable that it would be asked to share the burden of management.

Origins of chaos

The growing disorder in the international system is by no means a recent development. In *The Age of Extremes*, Eric Hobsbawm described the last three decades of the twentieth century as 'crisis decades' that saw the re-emergence of disorder in human society and concluded that he felt 'less reason to feel hopeful about the future than in the middle 80's'.[3] He ended his book with the prophetic observation:

> The twentieth century ended in a global disorder whose nature was unclear, and without an obvious mechanism for either ending it or keeping it under control. . . . The future cannot be a continuation of the past, and there are

> signs, both externally and, as it were, internally, that we have reached a point of historical crisis.[4]

His pessimism was well founded, for it has taken little more than a decade after he wrote his seminal work to bring the world to the point of historical crisis.

In that decade, trade unions, the welfare state, the nation state and the Westphalian international order, economic and political institutions that were the bedrock of civilized life and took four centuries to build, have been severely undermined. Not only has nothing taken their place, but the destruction continues mindlessly under the spur of the 'titanic forces' of a new capitalism, whose destructive power few have yet understood and none know how to control.

In the global economy, the disarray that began three decades ago has grown steadily more pronounced. In the industrialized nations, the flicker of hope generated in America by the 'roaring nineties', that a new era had dawned in which inflation and the trade cycle had both been banished, has been extinguished.[5] As Krugman had predicted, it turned out not to be the advent of a 'new economy', but simply an unusually long upswing of the old, cyclical kind.[6] The industrialized nations therefore continue to experience chronic unemployment, erosion of the welfare state through the restriction of benefits and the privatization of public services, widening of income disparities, deregulation of working conditions, and a consequent 'race to the bottom' in both wages and the work environment.

The industrializing world has been split in two. A part has been incorporated into the expanding global capitalist system and has experienced rapid although uneven increases in income. At its leading edge, island enclaves and states like Hong Kong and Singapore have attained the living standards of Europe and the USA in as little as three decades. These have been held out to the rest of the developing world as the models to be emulated, living proof that a free global market economy will deliver them from poverty. But at the trailing edge the number of failed, or failing, states is steadily rising. Over a vast swathe of the world that houses one-quarter of the world's inhabitants, country after country is facing the threat of exclusion from the global economic system. This is creating political forces within them that are steadily reinforcing that exclusion. Predatory elites that base their power upon clientelist relationships have perpetuated misery, violence and civil war. In between these extremes fall a large number of countries whose economies are increasingly linked to the rest of the world, but whose fate nevertheless remains uncertain. These include some of the most populous countries of the world: China, India and Indonesia, Russia, Brazil, Argentina, Mexico and Turkey.

Children have been among the worst, albeit silent, victims for they have not even understood why they have had to leave a school, a neighbourhood, friends, the homes they grew up in, or why they have to starve. For all except the gilded few who own most of the wealth in the industrialized nations, the future has become utterly unpredictable, and therefore indescribably threatening. Unable to

plan for the future, young people in particular have taken to living in a never-ending present. History is being forgotten and planning is at a discount.

The historical crisis point has been reached even more rapidly in the international political system. The American Empire that the Bush administration has sought to put in place of the Westphalian order is also proving unviable. Kosovo, the precursor to Empire, and Iraq, the first ambitious essay in creating it, have both ended in heightened chaos.[7] Kosovo is now a nodal point in the international supply route for opium derivatives from Afghanistan to Europe.

The aftermath of invasion has been eerily similar in Iraq. A life that had been rendered miserable and insecure by 12 years of economic sanctions has become even more so. Iraq has also vividly demonstrated the limits of American military power. By the end of 2005, the US had all but lost control of the central and western parts of the country. Attempts to re-establish it by force had given it only a fleeting respite. The insurgency was coordinated to the point where it was systematically attacking the infrastructure of the oil pipelines, water mains, and power transformers and cables that kept Baghdad functioning.[8]

The US forces' forays into 'enemy'-held towns led to short-term victories, which were reversed once the troops left. Its methods of fighting the terrorists, which relied heavily on electronic intelligence, and the use of bombs, rockets and tanks from safe distances, killed without discrimination. Inevitably, large numbers of innocent civilians were killed, including women and children, and this only fuelled the hatred among Iraqis and their desire for revenge. In 2005 Iraq was not only in acute danger of becoming the world's next failed state, but as the regular use of suicide bombers showed, had also become a base for the recruitment of fanatics to Al Qaeda.[9]

Above all, the failure of the American bid for Empire is reflected by its international isolation. The invasion of Iraq and the steady stream of reports on the way in which US forces have violated rule after rule of civilized behaviour have cost America the hegemony that it acquired during the Second World War. With the failure of the US effort to create an empire, disorder is complete.

The root cause of the chaos that grips the world – Arrighi has called it Systemic Chaos[10] – is the phenomenon we all call globalization. Globalization is perhaps the most extensively used word in the lexicon of the social sciences. It is also the least understood. Although the word 'global' is about 400 years old, it was not turned into a verb or adjective ('globalize' or 'globalizing') until around 1960. *The Economist*'s report that 'Italy's "globalized" quota for the import of cars had increased', on 4 April 1959, may well have been the first such use. *Webster* became the first dictionary to include the term 'globalization' in 1961, and the conservative *Oxford English Dictionary* held off until 1989.[11] Since then there has been a flood of literature on it. Despite this, there is still no consensus on what globalization is. The following set of definitions, picked almost at random, serves to illustrate this.

Zygmunt Baumann a well-known German philosopher, defines, or perhaps describes, it as follows:

> Globalization is on everybody's lips; a fad word fast turning into a shibboleth, a magic incantation, a pass key meant to unlock the gates to all present and future mysteries. For some it is what we are bound to do if we wish to be happy; for others it is the cause of our unhappiness. For everybody, though it is the intractable fate of the world, an irreversible process. . . . The term 'time/space compression' encapsulates the ongoing multifaceted parameters of the Human condition.[12]

According to Malcolm Waters, who has written one of the few books that tries to make sense of globalization for students and non-academic readers, globalization is a social process in which the constraints of geography on social and cultural arrangements recede and in which people become aware that they are receding. It is a spread of Western culture and capitalist society by forces that are beyond human control. He cites three views about when globalization began:

1 It has been going on since the dawn of history but suddenly accelerated recently. When is 'sudden'? It could cover both the emergence of capitalism, i.e. the last 200 to 400 years, or the post-capitalist period which dates from roughly 1980.
2 Globalization is co-temporal with modernization and the development of capitalism and that there has been a (still more) recent acceleration. This recent is not the earlier recent.
3 A recent phenomenon associated with other recent developments such as post-capitalism, post-modernism and the disorganization of capitalism.

Waters says it is basically the second version. He says that from the fifteenth to the sixteenth centuries globalization was a linear, i.e. a continuous, process. The date is significant because it coincides with the rise of the nation state and the first attempts to construct a national market. Waters explicitly rejects the third proposition.[13]

Thomas Friedman, author of another bestseller, *The Lexus and the Olive Tree*, defines it as follows:

> It is the inevitable integration of markets, nation states and technologies to an extent never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper, cheaper than ever before.[14]

Manuel Castells, one of the most profound and thought-provoking analysts of the impact of globalization on human society, defines it as the rise of informational capitalism: 'Space and time, the material foundations of human experience have been transformed as the space of flows dominates the space of places and timeless time supersedes the clock time of the industrial era.'[15]

Samir Amin characterizes globalization as the breakdown (not the continuation) of classical capitalism. The latter was characterized by two develop-

ments. The first was a polarization of the world between the Centre and the Periphery. The second was the crystallization of core industrial systems, which were, in his words, 'national and auto-centred'. This second process went hand-in-hand with the construction of the 'national bourgeois', i.e. industrialized nation state.

By contrast, Amin sees globalization as the industrialization of the periphery. This has taken place as part of the dismantling of the auto-centred national production, and its reconstitution into an integrated international system of industrial production. In short, the key difference is that industrial production, which lay at the core of the classical capitalist organization of society, has ceased to be national and has become international.[16]

Amin apart, all the above definitions are imprecise. They all describe rather than define. They tell us the symptoms of globalization, not its cause. All see it as a continuous process stretching back to at least the early nineteenth century, and in some cases implicitly a long way further back. By implication, therefore, they reject the idea that it is something new, or at most concede that incremental change in many fields has created a previously unforeseen synergy that has opened up new vistas for human progress.

This is not surprising because, unlike the natural sciences where the human observer is essentially outside the phenomenon he or she is studying, in the social sciences the researcher is a part of it. His/her perspective will therefore tend to be shaped by where he/she is located within the change being studied. One way to extricate oneself from this dilemma is to seek the help of history and see whether similar changes have occurred before, and where they have led to.

In my book on globalization[17] I have suggested that the term refers to a sudden explosive expansion of capitalism that has caused it to burst the confines of the nation state. We are now in the middle of an inexorable process by which it is converting a large part (although as yet not quite the whole) of the globe into its new 'container'. The process is highly destructive and is fraught with violence. The concept of a 'container' for capitalism was coined by Fernand Braudel. It refers to the social, economic and political unit that is large enough to organize and contain all the interrelated functions of capitalism – finance, production and marketing. While the linkages that define this unit are primarily economic, the need for a secure environment within which to operate turns it into a political and military unit as well. Technology is the engine behind the relentless growth of capitalism's container over the past seven centuries, for each new development in it enlarges the minimum economic scale of production.[18] This means that the minimum size of an efficient self-sustaining network of economic relations, i.e. of an efficient 'economy', has also grown in each cycle of capitalism's expansion until it has, in the past quarter-of-a-century, outgrown the political confines of even a very large nation state like the US.

This is not the first time that capitalism has burst its 'container'. Since its birth in the north Italian city states in the thirteenth century, capitalism has done this at least three times. In the first cycle, Venice, Florence and Milan saw the rise of industrial capitalism and Genoa of finance capitalism. But the scale of

capitalist production in the first three was small enough to be contained within the container of the city state.

The city state remained the container of capitalism during its second cycle of expansion when Holland and, more specifically, Amsterdam, became its hub. But, by the time capitalism made its next leap, it was too large to be contained within even a hybrid, nation-backed, city state like Amsterdam, and needed to mould economic, technical and political relations in an entire nation state to turn it into its container. That 'container' proved to be England. But by the end of the nineteenth century, capitalism was outgrowing even the small nation state, which is what England really was, and required a large nation state as its container. The US filled that need. Today, capitalism has outgrown the nation state altogether and is turning a large part of the globe into its container. That is the process that the world refers to as globalization.

In each of its cycles of expansion, capitalism has gone through its own internal evolution, from early to mature to late capitalism. The early phase is typically one of increasing disorder. In it capitalism sets about destroying the social, economic and political institutions that had been created by human beings to serve its earlier incarnation. In the middle, or mature, phase of capitalism, new institutions develop that reflect society's attempt to harmonize the interests of the gainers and losers from competition. These become institutionalized, and often fossilized, in late capitalism.

The current cycle of expansion, from the nation to the globe, has brought it into direct conflict with the deeply embedded institutions of nation-state based capitalism. By far the most important is with the nation state itself. This is the root cause of the growing social disorder that is enveloping the world, but it is not without precedent. Growing disorder, eruptions of violence and decades of insecurity have accompanied each rebirth of capitalism in the past. Within states, it has triggered conflict between the new winners and new losers in society – not just individuals, but entire classes of people that enjoyed an assured status, some degree of affluence and, above all, security, have been robbed of all three, and found themselves scrabbling frantically to retain their place in society. At the same time, ethnic, occupational and social groups, like the Jews of Europe, the Marwaris of India and the Mafya in today's Russia, who were treated with condescension or reviled under the older dispensation, have suddenly shot up in status. Such dramatic changes are bound to be resisted and have often led to rebellion and bloodshed. Internal disorder has therefore accompanied every expansion of capitalism.

Capitalism's tendency to burst its container has also given rise to cycles of conflict between states and a remoulding of the international order at the end of each cycle. The Genoese cycle of capitalism was born out of an Italian 'hundred years war' between the northern city states. The Dutch cycle was born out of the Thirty Years' War and the preceding half-century-long struggle of the Dutch against Spain. The British cycle emerged out of a spate of Anglo-French and Anglo-Dutch wars of the mid-eighteenth century, and the American cycle out of two world wars and intervening economic chaos. In every case, finance capital

has been on the side of the 'revisionists' who have been bent upon changing power relations within the state system. This is because whenever capitalism has burst one container, it has looked immediately for the security of another. It is the search for security that has both shaped the container and given capitalism its innate aggressiveness.

The conflict between global and national capitalism in our age is the root cause of the disorder that Hobsbawm has dubbed the 'crisis decades'. The regular recurrence of such conflict in all earlier cycles of capitalism's expansion – Arrighi's Systemic Chaos – arises when a political or economic system suddenly loses the capacity to generate equilibrating responses. This happens when conflict escalates beyond the threshold within which society is able to generate 'powerful countervailing tendencies', or adapt by developing new norms of behaviour and sets of rules without displacing the old.[19] On each occasion its arrival has been accompanied by a sudden loss of function of established institutions and relationships, confusion, anger and, eventually, prolonged periods of violence. In each successive cycle the contradiction between the old and the new, between what was fashioned before and what has to be fashioned now, has become more pronounced and the conflict more intense. For, as the size of the capitalist container has grown, it has enmeshed a larger and larger number of people, living in an ever-expanding portion of the globe, in tightening webs of interdependence. This has raised their vulnerability to developments that they frequently do not understand, and in any case cannot control. Violence is both a symptom and a product of that loss of control.

Today, as capitalism embarks upon its fifth cycle of expansion, it is breaking the mould of the nation state altogether. In doing so it is beginning to generate enormous pressures for shattering the international state system that served a world of nation states. As a result, literally every human institution, from the welfare state to the nation state, is under assault because these institutions, which were until recently regarded as the crowning achievements of civil society, have become obstacles to the development of global capitalism. The Westphalian system is no exception.

In every new cycle of expansion, the task of tearing down old political and economic institutions in order to build new ones has fallen upon one hegemonic power. During the first cycle of its growth, the hegemonic power was Spain, in alliance with the widely dispersed Genovese banking 'nation'. In the second it was Amsterdam allied to the House of Orange. In the third it was Britain, and in the fourth it was the US. In the fifth cycle too it is predominantly the US. What has still to be decided is whether the US will be able to exercise its hegemony alone or will be compelled to do so in concert with other major industrial powers, through organizations like NATO and the UN. The 16 years that have elapsed since the end of the Cold War have seen the US experiment with unilateralism and the reconstruction of the world as an American Empire. This attempt has been conspicuously unsuccessful. Perhaps multilateralism, and government through consensus expressed through a set of international bodies headed by the United Nations, stands a better chance.

Notes

1 Bush, George W., 'The War on Terror.' Speech at the National Defence University, Washington, 8 March 2005.
2 The poll of 21,953 people was conducted by the international polling firm GlobeScan together with the Program on International Policy Attitudes (PIPA) at the University of Maryland. The survey team reports that polling was conducted from 15 November 2004 to 3 January 2005, which included a sample of 1,000 Americans. In eight of the countries the sample was limited to major metropolitan areas. The margin of error per country ranged from +/–2.5–4%.
3 Hobsbawm, Eric, *The Age of Extremes*, Abacus, 1994, p. 584.
4 Hobsbawm, Eric, op. cit. pp. 562, 584.
5 'Let us celebrate', wrote Mortimer B. Zuckerman, in an editorial in *US News and World Report*. 'The Mantra is privatise, deregulate and do not interfere with the Market.' America had thus entered The New Economy. All it had to do was to leave business 'free to innovate, restructure and relocate. Those are essential ingredients for baking an ever larger pie, however distasteful the downsizing and wage inequality that are part of the process.' Quoted by Louis Uchitelle, in 'World Beaters: Puffed up by Prosperity', *New York Times Week in Review*, 27 April 1997.
6 Krugman, Paul, 'America the Boastful', *Foreign Affairs*, May–June 1998.
7 'International Crisis Group: Collapse in Kosovo', ICG Europe report no. 155, 22 April 2004.
8 Glanz, James, 'Insurgents attacking Baghdad's lifelines', *International Herald Tribune*, 22 February 2005.
9 This possibility prompted the 9/11 Commission to warn the US administration: 'If Iraq becomes a failed State, it will go to the top of the places that will become breeding grounds for attacks against Americans at home', p. 367.
10 Arrighi, Giovanni, *The Long Twentieth Century*, Verso, 1994.
11 Waters, Malcolm, *Globalization*, Routledge, 1995, p. 2.
12 Bauman, Zygmunt, *Globalization: The Human Consequences (European Perspectives)*, Columbia University Press, pp. 1–2.
13 Op. cit.
14 Friedman, Thomas, *The Lexus and the Olive Tree*, Anchor Books, New York, 2000, p. 9.
15 Castells, Manuel, *Capitalism in the Information Age Vol. III – The End of Millennium*, Basil Blackwell, p. 1.
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17 Jha, Prem Shankar, *The Twilight of the Nation State: Globalization, Chaos and War*, Sage Publications, Pluto Press and University of Michigan Press, 2006.
18 At least since the development of the water wheel which replaced human and animal power with mechanical power. See Chapter 2, op. cit.
19 Arrighi, Giovanni, op. cit., p. 30.

7 Global prosperity and the prospect of war in the twenty-first century

T.C.A. Srinivasa-Raghavan

Introduction

Public memory is short, so the world has forgotten a very salient aspect of George Orwell's novel, *1984*. In it, the world is clearly divided into three groups – Oceania, Eurasia and Eastasia. The three are constantly at war with each other, with any two allying to fight the third. Each is so strong it cannot be defeated even when faced with the combined forces of the other two.

Was Orwell right, and if so in what degree? After all, except for the superstate of Eastasia, the other two are already pretty much formed. The EU will soon have around 400 million people and if we add Russia and some of the CIS states to it as informal participants, the number goes up to nearly 700 million. And there are the Americas, accounting for another 700 million or so. Thus, even though there may be differences of detail in regard to membership, the basic interest lines are clear – the Americas; EU + Russia + some CIS countries; and the Rest, mostly in Asia, who are in the process of forming up. The ideas of an Asian Economic Community, an Asian Monetary Union, and an Asian Investment Bank all point in that direction.

The idea of superstates, and the pressures that lead to its realization, is basically rooted in economics and technology, with soft elements like culture providing the legitimizing justification. Very simply put, as Karl Marx pointed out a century-and-a-half ago, large-scale production requires ever-increasing levels of technology and capital. Then, to sell, the output markets are needed; and to produce it, sources of supply. Until 1945, the rich and, therefore, the militarily powerful, simply took what they wanted by annexation. One does not have to be a Marxist to agree with the proposition that commerce was the major impeller of imperialism.

That phase ended with the Second World War, not least because the US still had enough by way of resources and a large domestic market. But not only have the limits of those now been reached, but there are others who are looking for markets and resources such as oil, metals, water – India and China, for example. It hardly needs restressing that in the next few decades the world will witness a huge acceleration in the scramble for both. The process has already begun. China has been actively acquiring oil assets in whichever country it can. India

has also got into the race, though so far without much success. China has even begun leasing land in some Central Asian countries to grow wheat. India is in a similar situation. With their economies growing as they are – China at about 9 per cent, India at about 7.5 per cent – and with every prospect of the process accelerating, the pressure on resources is going to become immense.

It is instructive to note in this context that every such episode in the past, starting from Mohenjodaro 3000 years ago down to what is known as the scramble for Africa at the end of the nineteenth century, has eventually led to war. Indeed, war is an integral part of the competition for resources. And, if the US and British invasion of Iraq is any indication, it may not be helpful to adopt a Chamberlainian view of the world. Few people know it, but US oil reserves in 2003 were down to six years and British to 11. Iraq's reserves, on the other hand, are 100-years plus. As are Iran's.

There is also the question of the institutions that prevent wars. Debate usually tends to focus on their effectiveness. But there is another oft-neglected element: their longevity. Gone are the days when such institutional arrangements lasted for a century and more. Indeed, if one starts down from the Treaty of Westphalia, the life of such institutions has been getting shorter. The last truly long phase was the system put in place after the Napoleonic wars. The League of Nations never really took off and the UN has had a clear run of only about a quarter-of-a-century, give or take a few years. It could be argued that the economic institutions that came into being after the Second World War have lasted, but that too is not true. The Bretton Woods system, by which the US became the international guarantor of payments, lasted 26 years. The General Agreement on Trade and Tariffs lasted longer and gave way to the WTO, which is on the way out because the US and EU refuse to play by its rules. The IMF is no longer really needed because private capital flows and central banks have become very good at preventing balance of payments crises. The World Bank is also in search of a role because of the huge increase in private capital flows. UNCTAD has lost credibility because of its ideological orientation. Whichever multilateral institution one looks at, it is the same story of waning influence. Instead, bilateral and regional institutions are gaining in power and status. Eventually, it is not impossible that countries will be represented in multilateral fora by these regional bodies. Negotiations will be by blocs, not individual nation states.

It is this congregation of interests that suggests a movement towards an Orwellian world. But that still leaves open the issue of leadership within the blocs. Who will lead Europe, for example? Or the Asia that lies west of Afghanistan? These questions are worth thinking about in the context of the emerging scarcity of resources.

It is also worth pointing out that this is perhaps the first time that the world has a surplus of both capital and labour. The breakdown of the Bretton Woods system, which has resulted in a paper currency, namely the dollar, becoming the international medium of exchange, and population growth worldwide, have led to this situation. Capital and labour are both seeking higher returns and that creates its own problems, as the debate on globalization shows.

Then there are the security aspects. Non-proliferation of nuclear and other weapons of mass destruction have been a major international concern. As far as nuclear weapons are concerned, there are only seven declared and two undeclared nuclear-weapons states in the world out of a theoretically possible 190 countries. This suggests there is room for more, whatever efforts are made to prevent proliferation, such as the notion that no one except the P-5 should have nuclear weapons – all permanent members of the Security Council, as it happens. But technology diffusion, history shows, especially in the matter of weaponry, proceeds apace, not least because non-proliferation is not everyone's agenda.

Finally there is religion, which has become, for better or for worse, a powerful rallying point. It has the power to disturb established power balances. Also, it is a mistake to believe that its politicization is confined to the Islamic countries alone. American politicians, when it suits them, use it to good effect as well, though not in the same way and not for the same purposes – but, as a way of establishing what Arthur C. Clarke calls 'tribal identities', it is doing as well as ever.

India would not like to see itself as a destabilizer, but the fact remains that in a space of just 50 years it has brought to the ground two established systems – colonialism in 1947 and the NPT in 1998. As an emerging power, who knows what else it is capable of.

This chapter has six sections, including the introduction. Section two discusses the scramble for resources that has started and will intensify. Section three discusses how regionalism is the new name for the old system of alliances. Section four touches on the need for a new framework for dealing with global economic problems which are no longer driven by demand deficiency. Section five discusses India's role as a destabilizer. Section six concludes on, I must warn, a gloomy note.

Resources

This section poses a simple question: what will countries do when supply begins to be so short of demand that the resulting high prices make it cheaper to adopt 'other' means? If this sounds fanciful, one only has to look at what the US and the UK did in Iraq.

It is conceded on all sides now that if India and China continue to grow at around 7 per cent over the next two decades, and the rest of the world grows at half this pace, a huge scramble for resources will ensue. Since the alternative, a massive slowing down, is not realistically available, the aforementioned scramble is a virtual certainty. The first rustlings have already begun in the case of oil and gas. The lead has been provided by China, which is busily acquiring sources of supply outside its borders. India is a latecomer in this, but is beginning to make an impact. Exactly the same thing can be said about metals, water and food. The sudden global interest in Africa has to be seen in this context. It is probably only a matter of time before we see Version II of the 1884 conference

in which the imperial powers divided Africa between themselves. This time things will not be done quite so crudely but the effect is likely to be the same. Africa has everything the rest of the world needs but with a dwindling population and a large number of failed states, it is a sitting duck for international predatory action.

Africa, however, will not be able to provide all that is needed, and this is where the issue becomes grim. The simple point, so marvellously documented by environmentalists and sustainable development groups, is that even with quantum leaps in technology (which must never be underestimated) there may not be enough to go around. A point will be reached when access to resources will be possible only by using force. Nor is it enough or reassuring to say the world has learned from its mistakes in the 100 years up to 1945. We have seen what happened in the conquest of Iraq. It has enough oil under the ground to last for at least another 120 years. The US has enough for just another ten years, and the UK for just another five.

Oil is just the most visible resource, perhaps because it is consumed in such large quantities by the rich. However, there are two other things that could be in short supply – food and water. Once again we have to look at what is happening in India and China, which between them currently have almost 2.5 billion people and which, in the next three decades, will have around three billion. Both are turning into net importers of food already. China has even gone so far as to lease farms in Kazakhstan – just as it is leasing foreign oil fields – to grow grains because it does not have enough arable land. It is also moving over to the cultivation of high-value horticulture produce which it will export in return for the import of grain. But it is worried that this will make it very vulnerable to international pressure. So it is talking, softly at present, of an international treaty along the lines of the chemical and biological weapons treaty that would commit nations not to use food as a weapon against it. Could food be used as a weapon? There is no reason to think it cannot when one sees how energy has been used as a weapon.

India, meanwhile, is slowly stepping into the same boat, but for different reasons. It has the land and the water but there are structural problems that it must overcome, but which it cannot do because of its political structure in which everyone has a veto over whatever is in the public interest but is against private interest. The net result will be the same, though, as for China: India will be a net importer of food in the years to come, and therefore equally vulnerable. Their vulnerability will make them both aggressive because when cornered, countries behave much the same as rats.

Then there is water. Rumblings have already started over the sharing of rivers between countries. This is most notably so in countries created by colonial powers by drawing lines. Thus, Turkey has a rivers-sharing problem with its neighbours, as does India. The dam at Baglihar has the potential to dry out West Punjab, and even if India does not actually do so, the mere threat would be enough to antagonize Pakistan even further. As long as there is enough, it is not an issue. The moment it begins to run short, the problems will blow up. The

tragedy is that this blow-up cannot be prevented because water cannot be traded internationally and therefore its price cannot be used as a mechanism to regulate demand. Fortunately, however, the number of countries that face the sharing problem is not very large. But even if that reduces the number of conflicts, it does not limit the fallout from the few conflicts that are inevitable.

To sum up, then, what we are faced with is a problem that goes well beyond what the sustainable development and environmentalist literature has been suggesting. This is that we are plundering Mother Earth and that bodes ill for future generations. That the world is already running short of resources – witness the high prices of all commodities – as a result if high worldwide growth is a given. The process can only accelerate, even if there are some short-term respites as countries slow down to catch their breath. The real problem is how the world will deal with the shortages. It is to that aspect we turn next.

Alliances

Alliances as a way of furthering the local interest are not new. No alliance, however, has ever been permanent, except the one between the owners of capital. The alliance can be active, in that they join together in various endeavours, including in order to wage war. Or it can be passive, as when they do not prevent other members of the alliance from waging war. It has also been the case, as Marx was able to point out, that the wars are fought between owners of capital belonging to different alliances and that only those who own capital can afford wars. This was always true, of course, but never before has war been as capital-intensive as it is at present. This is a major difference because it makes war by those who own capital not just easier, but also more likely because only the rich can sustain a war. This leaves the less rich, in order to protect themselves well, with not many options. They will, as in the past, form alliances so that they can pool their capital. If we look around us, we can see how the process has already begun, albeit with the innocuous but proliferating trade blocs. The reason is that the rich countries had managed to turn issues of market access into something resembling war. Nor is it a coincidence that some of the regional agreements have a secret defence element tagged on.

This paradoxical move towards regional alliances in the last quarter of the twentieth century, which saw the high noon of multilateralism, has never been sufficiently discussed or explained in terms of self-defence. The key point is that this movement has taken place in the midst of strident nationalism and concerns over sovereignty. But having genuflected at that politically mandatory altar, an increasing number of countries have been deliberately choosing to abridge their freedom of action by belonging to regional groups. It should be clear that the benefits of belonging to a regional group are seen as being greater than not belonging.

The most successful of these groups so far is ASEAN, although ‘experts’ on ASEAN tend to disagree. But success also needs to be measured in terms of the number of countries that want to join the group and the manner in which such a

group can set up institutions that serve it exclusively. The latter is perhaps more important because it shows how countries tend to graduate from relatively less to more sophisticated forms of alliances. Possibly the best example of such a move can be seen in the idea of an Asian Monetary Fund and, later on, perhaps even an Asian monetary union. Having made a huge success of its trading arrangements, ASEAN has been thinking of setting up its own arrangements for monetary cooperation which lies higher on the evolutionary ladder. Such a body would rival the IMF, which is widely perceived as a handmaiden of the rich West.

The idea took form in the wake of the Asian crisis of 1997. It came from Japan, which proposed an Asian Monetary Fund. But it found no takers because China and other Asian countries rejected it, partly because they saw it as a Japanese ploy and partly because they thought it would annoy the US which controls the IMF with its 17.6 per cent vote, the largest by far. But now the idea has been revived and there has also been talk of an Asian Monetary Union. As Fred Bergsten has pointed out:

> suitably elaborated and modified to include the United States and several other countries, however, an Asia Pacific Monetary Fund (APMF) could be extremely useful. . . . It would respond to the strongly felt need, on the part of many Asians, for 'their own institution' that will be more immediately responsive to their concerns. The subsequent deepening and broadening of the Asian economic crisis underlines the merit of creating such an institution.[1]

The real issue here is whether such a body should exclude non-Asian countries. This poses an interesting question for the US: since it is a Pacific power, is it also an Asian power? It thinks so and has consistently used this argument to abort any initiatives towards 'Asians only' groups. Indeed, as Bergsten reminds us: 'here are three reasons why a regional scheme of this type would work only if its participation were broadened beyond the initial "Asia only" concept.'[2]

The first is that Japan is not acceptable and China is not yet ready. The second is that an 'Asia only' grouping would risk dividing rather than uniting the two sides of the Pacific. . . . It would be especially foolhardy to risk dividing Asia and the Americas at this time of global crisis, with its desperate need for leadership from the United States. The third is that without the US the APMF would not work.

It is to be expected that those who stand to lose from a new development will find reasons for opposing it. It is also to be expected that they will seek to prevent unified action towards the realization of that new development. Divide to rule is an old precept which has not lost its potency. The question, however, is for how long it will be profitable for Asia not to unite in, say, creating an Asian monetary fund or work towards a currency union. After all, if it is only paper currency we are talking about, why should the currencies of Western hemisphere countries alone have the privilege of being anchor currencies? This leads directly to the issue of confidence which, in turn, is related to size of output,

innovativeness, productivity and, most of all, financial institutions that trust each other more than they trust others. One only has to hark back to the seventeenth century to see how the sterling became the international standard. Partly, it was because in terms of gold it remained rock steady; but largely it was because English trade was expanding and being financed by English financial institutions. Trust, as Francis Fukuyama was not the first to point out, was the cornerstone on which everything rested.

Despite the best efforts of the West, Asians will learn to trust each other because, if they do not, their self-interest will be adversely affected. Just how and when this will happen and who will lead the process is not easy to predict. It will, however, happen and the consequences for the world may not be very peaceful as those who stand to lose fight back to retain their primacy. The first episode occurred in the 1980s when, faced with the prospect of a dominant Japan, the US first forced it to accept 'voluntary' export restraints, and when that did not work, it forced upon it the Plaza Accord[3] (McKinnon) with disastrous consequences for the Japanese economy. The same thing is being tried with China now but it is unlikely to work as China would have learnt the lessons that Plaza I taught.

Economics – an outdated worldview?

Economists like to believe that their analytical frameworks are as immutable as those of the physical sciences. This is especially true of macroeconomics, whose several conceits can be forgiven as being natural for a relatively youthful discipline. But eventually economics is about people and politics, not physical phenomena that exist independently of humans. This is what makes its analytical framework vulnerable to change. The last time such a change occurred was when John Maynard Keynes questioned the assumptions of classical macroeconomics. His new theory rested on two pillars. One was the quiet smuggling of politics into economics. This took the form of the postulate that, thanks to politics, wages were 'sticky' in the downward direction, which meant that, unlike what classical economics assumed, they would not adjust instantaneously when the demand for labour fell short of its supply. The other pillar was a result of this, namely, economies would face turbulence that would eventually result in output and employment falling far below their potential levels. All this meant that there would emerge a situation of persistent deficient aggregate demand.

Keynes was essentially providing an intellectual basis and therefore respectability to support government spending for propping up the economy in the face of massive unemployment and the Communist threat of the 1930s. He captured the whole economy in a single identity, $Y = C + I + G + (X - M)$, where G, or government expenditure, was the control variable which, Keynes suggested, should be used by governments to boost demand when it fell short. The whole analysis was based on deficient aggregate demand, how the restoration of demand was the key to stabilizing the economy, and how to go about creating such a boost in demand. It was in this manner that the state acquired a very

direct role in the level of economic activity in a country. From being a regulator, it became a player.

Many economists think that Keynesianism has been dead for a long time. In several different ways they are right but, in the most critical aspect, Keynesianism still rules the roost as a way of looking at the economy, namely, through the prism of demand. Certainly, finance ministers (through fiscal policy) and central bank governors (through monetary policy) approach the economy from the demand side – fiscal policy to stimulate and monetary policy to contract are the instruments of first instance. Policy is thus limited by the way the economy is seen by two generations of policy managers brought up on Keynesian orthodoxy with the occasional heckle from unreformed Friedmanians. But, as Alan Greenspan's different kinds of 'landings' and 'steps' reveal, monetary policy is turning out to be a rather blunt instrument. Do what you will, demand refuses to abate, nor, allowing for local blips, for reasons given below, will it do so in the foreseeable future, thus turning the problem on its head.

This brings me to the central question: has the time come to view the global economy differently – that is, not through the demand prism, as we have been accustomed to until now? After all, that prism was a response to the times when weak financial systems led to a collapse, more than anything else, of confidence. Sans such a collapse of confidence, and given the cooperative efforts to keep the banking system in good nick, it may well be that for the next 30 years or so at least, a situation of globally deficient aggregate demand is unlikely to emerge. This would not be the first time, either. The period starting around 1870 up until 1914 was similar in many respects. Growth in the US sustained the world economy then; the likely rates of growth in China and India are likely to do so now. And, gains in productivity that new technologies are bringing along with, most crucially, the removal of the restraint that Keynes's 'barbarous relic' imposed on global liquidity have created conditions that make a massive and sustained collapse in global demand almost impossible. In that sense, and to the extent that the Keynesian system of thought is a deficient demand driven one, it has gone past its expiry date. This means a reversion to classical economics which basically places the lion's share of the burden of adjustment in economic downturns on labour. Capital does not get away unscathed but, in terms of sheer human cost, it is labour that bears the brunt. The question that will be posed ever more starkly in the next few decades is the one that is already being posed in Latin America: what role does the state play in the economy? If the answer is that it should be a direct role, as it was in the period from 1950 to 1990, a conflict between the owners of private foreign capital and the state seems more than likely.

All this has to be seen in the context of a very fundamental change that has occurred now: for the first time in history, both labour and capital are in excess supply and therefore cheap. Superior technology, as Marx predicted, requires fewer units of labour to be employed per unit of capital, whence the excess supply of labour. Also, capital is almost completely mobile and labour, though not mobile, is delivering services in a disembodied way, that is, via satellites, the

outsourcing industry. The net result is that both manufactures and services have become cheaper than ever before. The only limiting factor is the supply of physical resources and it is this that will determine the shape and level of supply, and thus economic activity. This is different from the previous periods when, in the final analysis, it was the supply of gold and, to a lesser extent, silver that eventually determined the levels of economic activity. Since the world is not going to revert to metal-backed currencies, one consequence will be asset-price and commodity price inflation. We are seeing the beginnings of that now. These will fall in what are called 'corrections' from time to time, but the general trend is going to be upwards which, in practical terms, means that more people will be excluded from owning these assets.

The issue therefore is of managing global excess demand against a backdrop of near-full employment, global output, excess liquidity and numerous, mutually interconvertible, financial assets. The potential for conflict here is huge because not only have the people of countries where consumption levels are high come to expect these levels as a matter of right, people in other countries have also begun to look forward to high consumption levels as their right. When everyone fights for a pie whose size, if not fixed, is also not infinitely expandable, conflict will necessarily result. It is only a matter of time.

India as a de-stabilizer

Here, we need to devote a special section to India, which has just arrived on the list of countries that have achieved high growth. Until about 2002, no one really expected India's GDP to grow at anything more than its normal rate of around 5.5 per cent per year. Even this rate had been achieved only since the mid-1980s, because until then the Indian economy had grown even more slowly – at 3.5 per cent, which had prompted an Indian economist to derisively label it as the 'Hindu Rate of Growth'.

Now that has changed. India has begun to compete internationally as fiercely as China, even if not as ruthlessly. Between them, India and China have a middle class of nearly 700 million people, which is the population of the US and Europe combined. China is switching tracks to move from export-led growth to domestic consumption-led growth. India is doing the opposite. These changes will, eventually, spill over into the way the two countries conduct themselves. A great deal has been written about China and that country is now fairly well understood. Not so India. In fact, as we shall see below, whenever it mattered, India has behaved differently from the way it was expected to but it has hidden the fact well.

All countries like to build up mythologies about themselves. The British think of themselves as fair-minded; the Americans see themselves as freedom-loving; the French see themselves as reasonable; the Japanese see themselves as honourable; the Chinese see themselves as being destined to greatness; and so on. India is not an exception. It sees itself as being a stabilizer of morality.

In fact, however, if we examine the record of the last half-century and a bit, it

has been an unusually disruptive country. That this disruption has been caused on what are widely accepted to be moral grounds is not the issue. The fact, as stated earlier in this chapter, is that it has twice brought about the collapse of an internationally accepted order. The first time was in 1947, when it started the process that led to the dismantling of the various European empires; the second time was in 1998 when it started the process that is leading to the collapse of the international security order. It is important to understand why disturbing the status quo ante is its forte.

One fundamental characteristic of Indians in general is their refusal to abide by a consensus and, conversely, their tendency to challenge it. Some people or group of people decide that only what they think is right, never mind what everyone else is agreed on, and never mind what their own social, political or other institutions say. For instance, it is not uncommon in India for activist groups espousing this or that cause to refuse to accept final rulings even by the Supreme Court. They just carry on agitating for the way *they* think things ought to be. In most other societies, such people would be criticized; in India, they are often lionized and held up as exemplars. Non-conformity is thus seen as a positive attribute. It matters little whether the domain of dispute is religious, political, social, economic or anything else, if there can be anything else beyond this. There is always a challenger to the consensus and he or she always receives a fair measure of public support. So, disruptiveness is an integral part of the Indian 'national character'. I think this is what Amartya Sen was trying to say in his book, albeit in a much more refined way.[4] His argumentative Indian ends up being disruptive eventually, something to which the Americans, who have had the pleasure of running the world since 1945, will testify wholeheartedly. It is interesting to note in this context that the US has decided to co-opt India, rather than leave things to chance.

I have already noted the international security order which, with Iran determined to go nuclear, is now unravelling rather more rapidly than anyone would have predicted in 1998 when India went overtly nuclear. Indian objections to becoming a member of the NPT were, in a large measure, moral. How, it asked, can there be two sets of rules, one for the nuclear haves and one for the have-nots? Moreover, how can you say that this must be forever? Although, with the exception of two other countries, everyone else signed on the dotted line, the moral force of the discrimination argument was always going to be irresistible. In the end, the indefinite extension of the NPT in 1993 tipped the balance. As we look to the future, it is possible to identify at least two other major pillars that could come down. These pillars are technology and the international financial system.

For nearly 400 years, the system evolved in a manner suited to serve the needs of the then engines of economic expansion located in the Western hemisphere. The underlying strength consisted of ever-increasing technological prowess and, as a result, the ability to acquire, through the capture of territories, more and more gold. The stories of both are well known. A huge network of trust that shared knowledge and finance was built up. By the end of the nine-

teenth century, this network was dominated by about half-a-dozen countries of Western Europe and America. By the middle of the twentieth century, thanks to the two world wars, membership was further reduced – to just two, the famous Atlantic Alliance of the US and UK. By and large, since the end of the Second World War in 1945, it is these two countries, as victors, that have run the world, with Britain playing the juvenile lead. It is this hegemony that is being challenged now.

In the first decade of the twenty-first century, India does not seem very likely to be as effective a challenger as China. But it is worth bearing in mind that in 1900 it did not look as if it was going to challenge the British Empire, nor in 1950 that it was going to become a nuclear power. Arguably, this could be said about China as well, but there is an important difference: the Chinese political structure does not believe in rocking the boat, lest its own position gets weakened. The Indian political structure and attitude has always been different. One looks at no more than the Indian record at the IMF and other international institutions for its persistent petulance and recalcitrance – and eventual success – in defying the established consensus; for example, its lead role in establishing the non-alignment movement. But that is a subject matter for another book altogether. Here one can only point it out.

In this chapter I will restrict myself to the likely nature of the Indian challenge to the established financial order. Until 1971, when the Bretton Woods arrangement, whereby the US promised to pay the bearer of each dollar a certain amount of gold, broke down, gold was the anchor to which the international financial system was tied. When the US thought it could not honour the commitment, it reneged on the promise and the dollar – for the first time in history, a paper currency – became the anchor. Very soon thereafter India started protesting, asking for a substitute, such as the IMF's Special Drawing Rights. The US refused. There matters have stood since then.

Now however, thanks to what is derided as mercantilism, which is always derided by those at the receiving end of it, Asia has acquired nearly two trillion dollars as a substitute for gold. This is not much, one might say, in the overall scheme of things. But it is a very powerful instrument of leverage and, as we have seen in the last two years, China has been using it very effectively; indeed, so has all of Asia. Interdependence has now acquired a different meaning.

India, which has much less by way of dollar reserves – a mere 160 billion compared to nearly 1000 billion for China – has been thinking several steps ahead because it does not have as much as the rest of Asia riding on the dollar. In the 1950s it was the first to talk about an Asian monetary union and even an Asian currency – and, in recent times, it has been the first to revive it, albeit *sotto voce*. In 1997, Japan voiced a similar desire and, in 2006, the Asian Development bank has echoed it. If such a currency and such a union do emerge which, given the emerging importance of Asia as the region where economic growth originates, they must, eventually the consequences for the established financial order are not hard to imagine. The ensuing effort to maintain Western hegemony over it will not be wholly free of conflict. This is not to say that these

developments are imminent. But, if one takes the long view, it is clear that the seeds have already been sown and it is only a matter of time before the consequences will begin to be felt.

To conclude this section, I should point out that its purpose is merely to point out a pattern of behaviour on India's part that the world needs to keep in view. It is not that India acts according to a design or that it is very purposeful. If anything, the opposite is true. But its doggedness in being just difficult and planting ideas which have a certain moral backing rather than merely practical common sense need careful analysis in the context of its ability to jam up the works.

Conclusion

It is possible that all or most of the foregoing analysis is wrong. I hope it is. But it is one thing to be wrong on the details and quite another to be wrong on the broad picture. It would be very surprising if, given the current competition between countries, they are able to prevent conflict. The mixture, as it is brewing, is altogether too rich and is getting richer by the month. It is true that history can be an unreliable guide to the future. So it may not be very helpful to point out that what we are seeing now is very similar to what the world saw in the three decades prior to the First World War. Economic expansion, the arrival of competitors on the international stage, their self-belief, their sense of destiny, the rapid advances in military technology, the presence of one superpower but in decline, the rate of globalization – to mention but a few of the elements in the potion – were all there. The world could not avert war for a very simple reason: the issue could not be settled by any other means. And it was not for the want of trying, either. This could well happen again. Just when, and what triggers it off, is a matter of detail that no one can predict. But, equally, nor can anyone predict that it will not happen. This is our predicament today.

Notes

1 Bergsten, C. Fred, 'Reviving the "Asian Monetary Fund"', *Policy Brief* 98–8, Peterson Institute, December 1998.
2 Ibid.
3 McKinnon, Ronald, 'Wading in the yen trap', *The Economist*, 22 July 1999.
4 Sen, Amartya, *The Argumentative Indian*, Oxford University Press, 2005.

8 Human security in Asia in a conservative era

Against the odds, twice

Paul M. Evans

American pre-eminence in an era of accelerating globalization presents a contradiction. Despite unprecedented power and preponderance, the United States feels more threatened by forces outside its borders than at any point since the Second World War. American security policy under George W. Bush has responded to these threats in a way that reflects heightened American power and heightened American fear. It is not just a series of responses to specific situations and individual threats, paramount among them terrorism, but a fundamental shift in security doctrine and the US role in the world. The US has been shedding constraints and using its strength to change the global status quo.

The threats to security that states, international organizations and civil societies feel they should address have grown substantially since the end of the Cold War. As seen in other chapters in this volume, to the management of traditional threats including interstate rivalries and Weapons of Mass Destruction have been added a host of non-traditional security threats including terrorism, resource conflict, environmental degradation, trafficking in drugs and people, communicable disease, natural disasters and, for some, poverty. None of these threats are new but they are now perceived to be genuine security threats that demand national and global responses. And many are transnational in origin, growing out of a close interaction between domestic vulnerabilities and external developments.

The idea of 'human security' is one way of framing some of these new threat perceptions and ways to respond to them. It entered the lexicon of international relations about a decade ago as some combination of supplement and alternative to the concept of national security. In its most ambitious form, as framed by Amitav Acharya, 'While national security is the ideology of a state-centric international order, human security is the ideational basis of a people-centric world order underpinned by a global civil society.'[1] What does a human security frame have to offer? What are the obstacles to it being implemented? What do reactions to a human security approach tell us about broader patterns in global affairs, especially responses to a more assertive America?

This chapter will try to answer these questions by looking at the agenda and prospects of human security by focusing mainly on the regional context of Asia. Despite human security's Asian pedigree and its relevance to Asian issues,

Asian governments have been less receptive to it than governments in some other regions of the world, especially Africa and Latin America. In Asia, as elsewhere, its advocates are in a distinct minority. In part this is explained by the widely held view that human security represents a Western agenda, centring on such liberal values and approaches as human rights and humanitarian intervention, and giving too little weight to economic and developmental priorities. These reactions also underline some of the complexities of how the American-led war on terror has narrowed the security agenda at the same time as it has opened up room for a distinctive form of human security that is emerging independent of American initiative and that may, in the long term, provide an alternative to it.

The idea of human security

The term 'human security' only came into wide usage after its formulation in the UN Development Programme (UNDP) *Human Development Report* in 1994. Portrayed alternatively as a new theory, concept, paradigm, analytic starting point, worldview, political agenda, normative benchmark and policy framework, it has inspired a shelf of books, scores of journal articles, several governmental reports and dozens of new seminars and teaching programmes. Less a product of theoretical reflection than changing ground-level realities, its main advocates in North America and Europe were initially politicians, diplomats and NGO activists, not academics and pundits who have, then and now, tended to be critical or dismissive. In Asia, the initial pattern was rather different, with academics and NGOs usually more receptive than governments in promoting a human security agenda. The pattern has become even more complex with governments in Southeast Asia and East Asia more interested in human security approaches than governments in South Asia,[2] this despite an active academic and civil society sector in South Asia supporting human security approaches.[3]

There are frequent disagreements about the nature and meaning of human security. Proponents regularly point to changes in the post-Cold War security environment; the increasing significance of intrastate, as compared to interstate, conflict; the emergence of a 'new diplomacy' that connects states, international institutions and civil society actors; and, more fundamentally, the deepening of globalization that brings with it new information networks and media capacity, which have exacerbated the problems faced by failed and failing states, and which have produced or amplified threats to human well-being.

At the core of human security are understandings of the perennial issues of security for whom, from what, and by what means. Its fundamental assumptions are: (1) that the individual (or the individual in a group or community, say ethnic Chinese in Indonesia) is *one* of the referent points (or in some formulations *the* referent point) for security; (2) that the security of the individual or the group is subject to a variety of threats, of which military threat from outside the state is only one and usually not the most significant; and (3) that there is a possible tension between the security of the individual and that of the nation, the state and the regime.

Constructed this way, human security raises a challenge to traditional conceptions of national security. Philosophically, it raises matters of conscience, obligations beyond borders and domestic legitimacy. Politically, it raises questions about sovereignty, intervention, the role of regional and global institutions, and the relationship between state and citizen. Insecure states almost certainly produce insecure citizens. But, more pointedly, secure states do not necessarily produce secure citizens.

Beyond this common core, human security thinking is divided into two main approaches about how widely to define the threats, how to prioritize them and whether to emphasize the complementarity or tension between the state and the individual. The first emphasizes a broad definition that treats human security as an aspect of human well-being. Echoing the initial formulation of the UNDP 1994 *Human Development Report* in responding to the freedom from fear and the freedom from want, it emphasizes both. The most developed variant of the broad or holistic approach can be found in the work of the Commission on Human Security.[4]

The substantive chapters of the Commission report deal with situations of violent conflict, refugees and internally displaced persons, recovery from violent conflict, economic security, health and human security, knowledge, skills and values for human security. Hunger, disease and natural disasters kill far more people than war, genocide and terrorism combined.

The second approach takes a narrower view of the scope of human security, focusing on protection of individuals and communities in situations of violent conflict. Sometimes labelled the 'freedom from fear' approach, the focus is on extreme vulnerability, usually in the context of intra-state war. Adherents, including the authors of the 2005 *Human Security Report*, do not deny that there are multiple threats to human well-being but, for reasons of analytical clarity and operational focus, want to concentrate on one species of threat: violence.[5] Human security, it is claimed, can make the biggest difference if it keeps squarely focused on issues like protection of refugees, women and children in conflict zones, humanitarian intervention, peacekeeping, post-conflict peacebuilding, and conflict management, prevention and resolution.

In policy terms, the most influential expression of the logic of the narrow approach was outlined by the International Commission on Intervention and State Sovereignty in its final report, *The Responsibility to Protect* (2001; hereafter 'ICISS Report'). Eschewing the vocabulary of 'humanitarian intervention' and 'the right to intervene', it focused instead on the needs of people requiring assistance by framing the issues of sovereignty and intervention in terms of the responsibility to protect. It identified a series of core principles connecting state sovereignty, obligations under the UN Charter, existing legal obligations under international law, and the developing practice of states, regional organizations and the Security Council. It extended the responsibility to protect to include the responsibility to prevent, to react and to rebuild when faced with human protection claims in states that are either unable or unwilling to discharge their responsibility.

The list of insecurities from which states should protect their citizens includes hunger, inadequate shelter, disease, crime, unemployment, social conflict and environmental hazard, as well as rape as an instrument of war, ethnic cleansing, genocide and citizens killed by their own security forces.[6] The ICISS Report moves from the broad conception of threats and their indivisibility to a specific focus on two types of threat that might warrant outside military intervention: large-scale loss of life and ethnic cleansing – human security *in extremis*.

The logic found in the ICISS Report and the *Human Security Report* helped to shape the arguments made in the 2004 'Report of the Secretary General's High-Level Panel on Threats, Challenges and Change'. The High-Level report identified six clusters of threats – war between states; violence within states; poverty, infectious diseases and environmental degradation; weapons of mass destruction; terrorism; and transnational crime. The second, third and sixth of these clusters of threats fit squarely within a human security perspective and a fourth, terrorism, can as well, depending upon how it is framed. Recently the UN Security Council affirmed the responsibility to protect principle in its resolution SC/8710 (28 April 2006).

Asian reactions and formulations

Asian reactions to human security have been divided and fluid in the last decade. Individual states and regional institutions are gradually warming to the use of the rhetoric of human security, especially after 1997. The big jolts to human security broadly conceived in the past decade in Asia – the economic crisis of 1997, the SARS epidemic of 1999, the tsunami in 2004 and the emergence of Avian flu – have in common that none were primarily military in nature and none threatened the security or territorial integrity of any state. Each of them was transnational in character and had global reach.

Within regional governmental institutions in East and Southeast Asia, the phrase 'human security' has been used intermittently by political leaders and bureaucrats. Senior officials in the East Asia Study Group and the ASEAN+3 heads of government first employed it in 2001, mainly referring to a range of non-traditional security issues including environmental degradation, illegal migration, piracy, communicable diseases and transnational crime.

After considerable debate, the term was used in the Asia-Pacific Economic Cooperation (APEC) forum, first in official meetings in 2002 and then as part of the Leaders' Declaration on 21 October 2003 and 21 November 2004. Subsequently it has been a regular topic of discussion in official meetings. APEC's prescriptions for enhancing human security concentrated on dismantling terrorist groups, eliminating the danger of weapons of mass destruction, and confronting other direct threats to security including communicable diseases (especially SARS), protection of air travellers and energy security.[7] The use of the term merged conventional understandings of human security in its broad sense and the American-promoted anti-terrorist agenda, producing a politically compelling, if conceptually confusing, new variant.

A variety of track-two regional processes, including ASEAN, ISIS and Council for Security Cooperation in the Asia Pacific (CSCAP), have used the phrase in both its narrower and broader formulations. The East Asia Vision Group introduced it into several sections of its final report in 2000. There were more than thirty track-two meetings between 1998 and 2002 alone that had human security as the principal focus or a major theme. In addition, there are now several large-scale research and publication programmes with a focus on human and 'non-traditional' security, the largest of them coordinated by the Institute of Defence and Security Studies in Singapore. The project on the 'State of Democracy in South Asia', organized by the Centre for the Study of Developing Societies in Delhi, has done pioneering work in survey research on South Asian perceptions of human security, including inside conflict zones in Nepal, Sri Lanka and India. Japan has been a regional and global leader in promoting the broad conception of human security through rhetorical support and a major Trust Fund for Security.[8]

The narrower conception of human security has provoked a more mixed reaction. East Asian governments have generally been cool towards the main global initiatives directly tied to human security, including the campaign to ban anti-personnel landmines, the International Criminal Court, and humanitarian interventions in Kosovo, Haiti, Rwanda, Somalia and East Timor. In the UN, some Asian member states have stated their support for the principles and recommendations of the Report, though to date the Security Council has not been moved to endorse the Report as a set of guidelines for the Council nor has the General Assembly passed even a declaratory resolution of support. Several countries, including Myanmar, North Korea and India, have encouraged the G77 to reject the report on the grounds that it provides a pretext for developed countries to meddle in the domestic affairs of the developing world.[9] None of the regional governmental institutions, including ASEAN, ASEAN Plus Three, APEC, ARF or ASEM, have made any comment on the Report.

Asian critics of the Report have made several arguments: that it is an insidious new form of interventionist doctrine that misunderstands and erodes the concept of sovereignty; that military intervention under any circumstances is not the best option; that it is too dependent on the Security Council as the preferred mechanism for action; that the threshold criteria are too narrow and too demanding such that they rule out action against a country like Myanmar where the level of killing is low on an annual basis but persistent; that it may give false hopes to those facing death and injury that external forces will come to their rescue when this is, in fact, an unlikely prospect; that, in the end, the Report depends upon the powerful being willing to act and that this will only occur when it suits their specific national interests in ways that no guidelines or moral principles can affect, reducing a debate about humanitarian obligations to an exercise in power politics.

In most capitals there has been a shift from an argument based on first principles and philosophy to a more contingent one that takes account of specific situations, circumstances and instruments. In Southeast Asia, the norms of

sovereignty and non-interference have been challenged by the deepening interest in a more intrusive 'flexible engagement' and 'enhanced interaction'. Using the criteria set out in the Report, it is difficult to imagine any scenario in which outside intervention is conceivable in Northeast Asia. For regional institutions in East Asia, military prevention is not realistic. But there are prospects for conflict prevention (the responsibility to prevent) while leaving it to the UN to undertake military protection. If and when the need arises, it is conceivable that many Asian countries would join in a regionally built coalition if the leadership came from outside the region, even without a UN mandate.

Perhaps the most complex evolution in thinking about human security has occurred in China. Some of the domestic aspects of human security – the threats from within – are receiving governmental and academic attention. These include environmental concerns, poverty and social security. Further, human security, frequently referred to by Chinese officials and academics as 'non-traditional security', connects directly to the key elements of China's new security concept, especially the emphasis on cooperative action to address pressing transnational issues. In November 2002, China co-signed the Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issues related to illegal drugs, people smuggling, trafficking in women and children, piracy, terrorism, arms smuggling, money laundering, international economic crime and cyber crime. In 2005 it signed a second agreement, the Kunming Declaration,[10] with Cambodia, Lao, Myanmar, Thailand and Vietnam, dealing with some of the same issues.

A Chinese academic points out that 'the Chinese leadership will continue to defend fundamental national sovereignty rights but . . . simultaneously become more flexible and accepting toward relative new concepts of security, including human security', adding that 'the Chinese recognize that in times of integration and globalization, nations and peoples around the world will gain more than they will lose from changing their traditional positions on national security'.[11]

The sharp end of human security – protection of individuals in situations of violent conflict – is tied directly to the concepts of sovereignty and intervention. Even here Chinese responses are evolving. In June 2005 an official statement outlined support for the principles outlined in the ICISS Report. In the judgement of one American analyst, 'many Chinese elites have now come to accept the general legitimacy of multilateral intervention to resolve particularly prominent humanitarian crises' and 'China has become a reluctant participant in the international trend toward questioning the sanctity of state sovereignty and expanding the international community's right to intervene'.[12]

Human security in an illiberal era

Advocates of human security in Asia, as elsewhere, face an uphill battle in getting beyond rhetoric to policy change. Implementing human security will demand a reallocation of resources in national spending and more reliance on actors other than states to provide solutions. In general terms, while most Asian

states have acknowledged that the list of threats they face are widening, only some are mobilizing civil-society actors as frontline players. In some respects, this takes the form of identifying new non-traditional security threats but dealing with them through traditional instruments.

The Bush administration has been sharply critical of the philosophy that underlies mainstream conceptions of human security. This has been seen in its active rejection of the major multilateral initiatives, including the anti-personnel land mine treaty, the International Criminal Court, and efforts to limit the transfer of small arms and light weapons. However, it is now responding more positively to the basic argument of the ICISS Report, albeit with the caveat that it should be considered a normative framework for guiding action rather than a treaty or obligation that is automatically binding on the UN's P5. This shift may be merely tactical, reflecting the search for a rationale for the invasion of Iraq. But it also reflects domestic pressures, some of them from faith-based organizations, focused on American responsibilities in places like Darfur.

At the same time, the Iraq invasion and the post-facto search for humanitarian justifications of the invasion have produced a backlash against the *Responsibility to Protect*. The authors of the Report went to great pains to provide safeguards against unilateral intervention and advanced a just-cause threshold and precautionary principles. Despite the fact that the Bush administration did not endorse the Report and that its authors adamantly denied that the Iraq case meets the conditions for intervention outlined within it,[13] the Report is seen by many as the slippery slope to legitimating great power intervention and doctrines of pre-emption.[14]

The approach to the 'war on terrorism' after September 11, 2001, has also damaged the human security agenda. Terrorism is a threat to human security, albeit, in statistical terms, a comparatively small one. The *Human Security Report* makes clear that, while the lethality of individual acts of terror is increasing, the number of people killed is miniscule in comparison to other acts of violence, much less natural disasters or disease. Reflecting the view of many Asian leaders, Fidel Ramos has argued that, far from being the most serious threat to human security, terrorism has diverted resources and attention away from more chronic and serious issues including poverty, gross income inequity and disease. Moreover, the war on terrorism may lead to more opposition to globalization itself.[15]

It is unfair to suggest that American attention has turned away from humanitarian assistance and aid. On the contrary, American expenditures in these areas have actually increased since 9/11. But the point remains that the development and trade agendas have been severely affected by the way counter-terrorism is being implemented. The money spent on education, poverty eradication and health lags far beyond expenditures for the military, intelligence and homeland security. This issue is not so much about diversion of funding but, rather, the balance and approach.

Rather than using a human security frame, the war on terror has been defined principally as protecting states and treating states as the target and protector.

Amitav Acharya argues that, as a result of an almost total fear of terrorist attacks, 'the international community led by the US is waging a global war on terror in ways that seriously undermine key bases of human security. Freedom from fear now engenders a fear of freedom.'[16] This includes an overreaction to the scale of the threat, using anti-terrorism as the frame for responding to a host of internal conflicts that are largely domestic in nature and securitizing religion as the basis of a new global identity politics.

Here the US is not acting alone. One of the puzzles of current reactions to US security policy post 9/11 is that, while most governments do not endorse it, they have found ways to accommodate and benefit from it. In stressing state-centric responses to terrorism, it has found partners in many parts of Asia, including India and China in particular.

So far, as promotion of human rights and human security run in tandem, Rosemary Foot concludes that the United States has

> compromised its stance in the area of human rights promotion, as it searches for military bases, intelligence cooperation, and political support in the struggle against terrorism. The United States has moved closer to governments with poor human rights records which it once shunned, has reversed or modified policies that were introduced in order to signal displeasure with a country's human rights record, and has downgraded attention to human rights conditions in some other nations. Moreover, these compromises have run in parallel with a serious curtailment of fundamental civil liberties at home. . . . These trends have undermined the international authority of the US stance in this issue area and imply that there has been a trade-off between the imperatives of security in the 'age of terror' and human rights protection.[17]

Abu Ghraib, torture and detention without trial have depleted America's moral authority and soft power.

Asian futures

Post-colonial proclivities in Asia for admiring strong states, resisting external interference and embracing nineteenth-century conceptions of hard-shell sovereignty seem, at one level, to reinforce the current US thrust for using state-centric instruments for fighting terror. But it is not an easy moment for advocates of human rights or human security.

If international relations were solely composed of bilateral relations between the United States and other countries, the prospects for realizing a human security agenda would be bleak. But the picture at the global level, as seen in the United Nations, is more encouraging. And what is occurring in Asia is promising in two respects. First, as discussed, is the emergence of a new focus within key states in East and Southeast Asia on the broad agenda of human security. This seems to be a common development in both the democratic and many of

the authoritarian states (Burma and North Korea being notable exceptions). Second, at the regional level, one of the surprising features of Asian reactions to the emergence of a single hyperpower is that there is little evidence of efforts to counterbalance American power. America is frequently criticized in private and non-governmental settings but rarely confronted directly in governmental ones. In the context of regional institutions, including ones in which the US is not a member (e.g. SAARC, the ASEAN Plus Three process, the East Asian Summit process, ASEAN, the Shanghai Cooperation Organization), there are few signs of concerted efforts to oppose, criticize or undercut the American role in Asia, including the forward deployment of US troops and the system of bilateral alliances.[18]

The more subtle development is that Asian governments and institutions (again, a partial exception being the SCO) are among themselves less likely to focus on terrorism as the overriding threat to security. And, importantly, they are devising a variety of instruments for cooperation on human security and non-traditional security issues. This can be pursued and led by Asian countries without American leadership and without threatening the bilateral security alliances and forward deployments that are the cornerstones of America's security policy in Asia.

The reframing of issues related to intervention, non-traditional security and transnational problems appear to have opened a new chapter in regional discussions. The conversation includes not only the less controversial aspects of human security related to human welfare raised by the Commission on Human Security but also the more divisive ones on transnational obligations. Rather than poisoning the human security well, ideas like the responsibility to protect may be oxygenating it by opening up a range of issues that were previously seen as too sensitive or intrusive, and by catalysing the activities of a new generation of civil society-based actors.

In its next phase, Asian leaders may not just be responding to the international debate on human security but shaping it. A retreat into ossified Westphalianism with a reassertion of strong states and a Concert of Power or balance of power security framework is certainly tempting for some.

An alternative prospect is that Asian dreams of cooperation on human and non-traditional security issues may be combining with Asian anxieties about American power and its assertive agenda focused on terrorism and the spread of democracy. Together they may be spurring efforts to design a rule-based framework that will endorse collective action on a multilateral basis regionally and globally. This will serve as a constraint, albeit a thin one, on unilateralism, preemption, and exceptionalism, whether of American or other inspiration.

Notes

1 Acharya, Amitava, 'Human Security, Identity Politics and Global Governance: From Freedom From Fear to Fear of Freedom', paper presented at the international conference on 'Civil Society, Religion and Global Governance: Paradigms of Poser and Persuasion', 1–2 September 2005, in Canberra, Australia.

2 P.R. Chari describes South Asia as showing a heavy emphasis on states and traditional military threats. He argues that, for state elites, 'Their sensitization to the need for including human security within this holistic paradigm to discern the totality of security threats to the State and its citizens has yet to occur' (see Chari, P.R., 'Security and Governance in South Asia: Their Linkages', in *Security and Governance in South Asia*, Regional Centre for Strategic Studies, Colombo, 2001, p. 13).
3 Emmers, Ralph, Mely Caballero-Anthony and Amitav Acharya (eds), *Studying Non-Traditional Security in Asia: Trends and Issues*, Marshall Cavendish Academic, Singapore, 2006.
4 Commission on Human Security, *Human Security Now: Protecting and Empowering People* (CHS, New York, 2003). Online, available at: www.pcaps.iar.ubc.ca.
5 *Human Security Report* 2005: VIII, Oxford University Press, 2005. Online, available at www.humansecurityreport.info.
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7 APEC Leaders' Declaration, 'Bangkok Declaration on Partnership for the Future', 21 October 2003. Online, available at www.apec.org; 'One Community, Our Future', 22 November 2004. Online, available at: www.apec.org/apec/leaders_declarations/2004.html.
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10 Kunming Declaration, signed by Cambodia, Lao, PRC, Myanmar, Thailand and Vietnam on 5 July 2005. Online, available from: www.fmprc.gov.cn/eng/zxxx/t202381.htm.
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12 Carlson, Allen, 'Protecting Sovereignty, Accepting Intervention: The Dilemma of Chinese Foreign Relations in the 1990s', New York: National Committee on United States–China Relations, *China Policy Series Number* 18, September 2002: 3, 29.
13 Evans, Gareth, 'Humanity Did Not Justify This War', *Financial Times*, 14 May 2003.
14 Kuah, Adrian, 'War on Iraq: Implications for sovereignty', *Asia Times* 14 May 2003. Online, available at: www.atimes.com/atimes/Middle_East/EE14Ak04.html.
15 Ramos, Fidel, 'The Forgotten Side of the War on Terrorism', *Jakarta Post* 27 January 2006.
16 Acharya, Amitava, 'Human Security, Identity Politics and Global Governance: From Freedom From Fear to Fear of Freedom', paper presented at the international conference on 'Civil Society, Religion and Global Governance: Paradigms of Power and Persuasion', 1–2 September 2005, in Canberra, Australia.
17 Foot, Rosemary, 'Human Rights and Security in US Asia Policy: The Effects of 11 September 2001', London: IISS, 2004: 3–4.
18 The partial exception to this observation is the Shanghai Cooperation Organization. It has been generally supportive of US-led efforts at counter-terrorism but has also raised questions about the US force presence in Uzbekistan. The striking feature of SCO treatment of the US is less the occasional criticism than the efforts to avoid criticizing Washington.

9 Hegemony and strategic choice

Kanti Bajpai and Varun Sahni

There are several road trends that are driving events, shaping behaviour and influencing outcomes in contemporary world politics. Of these, some of the more significant are technology-induced telescoping of time and space, cultural hybridization and religious revival, the shift in the global centre of gravity from the Atlantic to the Pacific, the multiplier effect of lethal technologies in the cause of insurgency and resistance, and the emergence of common global concerns about the fragile planetary ecosystem. However, this listing seems curiously incomplete until we add US hegemony to the top of our list. The purpose of this chapter, first of all, is to analyse the nature of American hegemony. A second objective is to cast our eyes towards possible responses to American hegemony. Here we construct a typology of Indian grand strategic thought and ask how effective these various postures might be. Finally, we return to some thoughts on the constraints on American power and the theory of hegemony.

Before we go any further, it should be clear that when we refer to US hegemony we locate our analysis in world politics qua international or interstate relations, that is, the relations between sovereign entities. This is perhaps more traditionally referred to as the realm of geopolitics which describes the manoeuvring of one state vis-à-vis another. These manoeuvres are sometimes called strategy or, more properly, grand strategy; that is, the more or less coherent plans of states to ensure their survival and their position in relation to other states. Thus, we leave aside the question here of whether or not the US is to be regarded as essentially the nerve centre and executive arm of an extra-national or transnational entity called global capitalism. US hegemony may or may not exist or be exerted on behalf of the overall hegemony of global capital, but that is a second-order problem (or, seen from another angle, a first-order problem) for analysis which we do not confront.

Three meanings of hegemony

There are at least three meanings of hegemony in the social sciences, one relating to domestic politics and society, the other two to international politics. The most prevalent meaning of hegemony is the one given by Antonio Gramsci, denoting the ascendancy of a class not only in the economic sphere, as emphasized in

classical Marxist analysis, but also in the social, political and particularly ideological spheres.[1] Thus, the Gramscian notion of hegemony is about 'manufacturing consent': winning the consent of dominated classes through ideological domination, persuading the dominated classes to view the world in a manner favourable to the ascendancy of the dominant class; consent, in other words, goes hand-in-hand with, and is often more effective than, coercion. Adapted to the field of world politics or international relations, hegemony in the Gramscian sense suggests that a dominant power deploys not just military but also, and more importantly, ideological resources to structure the choices/behaviour of competing and lesser powers in ways that favour the interests of the most powerful state, in particular its desire to remain the pre-eminent actor.

The second notion of hegemony emerges from liberal theories of international political economy, specifically in the 'hegemonic stability theory' of Charles Kindleberger. The central contention here is that 'an open liberal world economy requires the existence of a hegemon or dominant power'.[2] The hegemon must possess both the ability and the desire to establish certain norms for order and must sustain the global structure. This the hegemon does, usually to its own advantage but often to its relative detriment, as its competitors take advantage of the openness of the world economy without paying the costs of maintaining its openness. Thus, the Kindlebergerian sense of hegemony is about the provision of public goods, specifically global public goods such as sea lanes of communication (SLOCs): without keeping the SLOCs open, free trade in an open economy would not be possible.

However, in its original sense, hegemony was squarely related to the realm of interstate security; i.e. the relations, patterns and balances of military capability between states. According to the *Shorter Oxford English Dictionary*, the word implies the leadership or predominance of one state. Its etymology lies in classical Greek, and was used to denote the preponderant position of Athens vis-à-vis the other city states of ancient Greece, as so powerfully portrayed in the Melian dialogue: 'since you know as well as we do that right, as the world goes, is only in question between equals in power, while the strong do what they can and the weak suffer what they must.'[3] It is this Hellenic notion of hegemony that is especially germane to the current position and role of the US in world politics.

Perhaps it is merely a curious convergence of ideas that the three meanings of hegemony outlined above mirror the three predominant schools of contemporary International Relations theory: realism, neo-liberal institutionalism and social constructivism. The Hellenic notion of hegemony, with its emphasis on relative capabilities, particularly military capabilities, fits neatly into realist perspectives on world politics. The Kindlebergerian notion of hegemony, in contrast, focuses upon issues of cooperation and interdependence in the world economy, which are precisely the vantage points from which neo-liberal institutionalism explains world politics. Finally, the Gramscian notion of hegemony privileges the ideational realm, which accords with the constructivist view that states (and other actors) derive their identities and thence interests from the intersubjective (social) process of mutual interaction.

The fact of American hegemony

For slightly over a century, American power has been a central fact in world politics. The US is present in all parts of the world, in all sectors of the world economy and in all areas of technology. The US share of the world economy remains an enormous 30 per cent. The size of the US economy is $11.3 trillion, compared to $12.5 trillion (£10.6 trillion) for the European Union (EU) economy.

The US also accounts for 15 per cent of world trade, if intra-EU trade is included in world trade data. Twentieth-century Americana remains the most attractive, accessible and assimilable culture on Earth. However, the bedrock of contemporary US power is the overwhelming superiority of American military capabilities. Both logically and causally, US hegemony flows out of American military dominance, which is both absolute and relative.

In absolute terms, the US today has military capabilities that can reach any point on the planet accurately, lethally and in real time, thereby crippling the adversary while its own forces are sheltered to the maximum extent possible from the inherent dangers of war. But even more awesome than the absolute capabilities of the US is the fact that no other power can remotely match them. In 2004, the US national defence budget outlays amounted to $400.1 billion; in 2005, the figure was $419.3 billion. In 2004, national defence NIPA (National Income and Product Accounts) outlays, which give figures of money actually spent rather than outlays, was $552.7 billion. This is clearly a huge figure. As the military and diplomatic historian Paul Kennedy has pointed out: 'The Pentagon budget is equal now to the combined defense spending of the next 14 or 15 powers.' Interestingly, these figures do not include the costs of specific items of hardware such as the American web of military satellites, which are placed under other budget heads. Thus, depending on how one counts and what one looks out for, the US today spends more on its military capability than the next 15 to 18 powers combined.

However, this quantitative perspective understates US military dominance, for two reasons. First, many of the powers trailing far behind the US on the military spending list are its own allies. Second, unlike most of the other powers on the list, a large chunk of the Pentagon's budget goes into military research and development, or, in other words, technology. Thus, the military dominance of the US is not just based on higher military spending, but on a qualitative gap, a technological chasm that no other power can at present conceivably span. Furthermore, it would be a mistake to attribute US military dominance to technology alone. Going hand-in-hand with its lead in technology are its superior systems of military organization and strategic planning.

Undoubtedly, the US is now facing a serious security challenge in Iraq, particularly in Baghdad and its environs. It is clear that the US has not been able to 'pacify' Iraq; in other words, to force the Iraqi people into submitting to the occupation forces of the US-led coalition. To fully understand the nature of American weakness, however, we need to have a historical perspective. Imperial

powers through history have used military forces to accomplish only four tasks: to conquer, deter, punish and police. As the Iraq invasion shows, the American capacity to conquer – with its mix of naval forces, mechanized forces, expeditionary forces and special forces – is formidable and unmatched. Similarly, the US capability to deter and to punish is guaranteed by a lethal combination of missiles, long-range aircraft and carrier-borne aviation. Where the US military capability has thus far been shown to have serious weaknesses is in policing an occupied territory. As Andrew J. Bacevich points out:

> An imperial military has three functions: to dominate (thereby deterring or intimidating); to punish (demonstrating the futility of opposition); and to police (maintaining order and a modicum of decency). In the emerging Pax Americana, the first function belongs primarily to the U.S. Air Force, especially as it presses into outer space. The second function is shared between the Air Force and the Navy, with an important place in certain contingencies for the Marine Corps and Special Operations forces. The third function belongs logically to the U.S. Army. But the Army has thus far refused to embrace this essentially constabulary role and resists the cultural, doctrinal and organizational changes that it demands.[4]

The point that Bacevich makes is well taken. The policing function, which would require the conversion of a significant part of US military capability – the US Army – into an imperial constabulary force, is the only one that the American forces are not doing well. The Iraqi resistance is taking full advantage of this weakness and making the US occupation forces bleed and sweat. It is therefore not surprising that Washington is increasingly desperate to sub-contract this vital military task to other states.

What options do other states have in responding to American hegemony? Overwhelming though American hegemony may be, other states nevertheless do retain a certain degree of strategic choice. We will illustrate the range of these choices by focusing on the Indian case in the following section.

Indian strategic thought and responses to hegemony

If American power, and military power in particular, is virtually unassailable, what are the grand strategic choices before other states? What combination of national resources – military, diplomatic, economic and cultural – could be brought to bear to protect national security and autonomy? Here we look at arguments in Indian grand strategic thought as a way into a more general discussion on the response to American hegemony. Indian grand strategic thought since the end of the Cold War can be described in terms of three ‘schools’: Nehruvian, neo-liberal and hyperrealist. The label ‘schools’ is a rather strong word. Not everyone whom we place in these categories would accept our nomenclature or placement. Nevertheless, we would suggest that they do represent the three most important viewpoints, even if we present them rather schematically.

The Nehruvian prescription for dealing with great powers and, by extension, the US is non-alignment. Non-alignment is not neutrality, and it is not amoralism. It is a policy built around three elements: first, a refusal to be permanently attached to any great power and to judge international issues in the light of India's interests and general principles of international security; second, the fashioning of a coalition of Third World countries against great power dominance; and third, mediating between rival great powers and the fostering of international institutions and law so that the international system as a whole is made safer and, in particular, weak Third World powers are afforded more protection. In short, autonomy, balancing, mediation and institutionalism are at the heart of the Nehruvian system for managing relations with the great powers. These points deserve some elaboration.

First of all, according to Nehruvians, non-alignment served to keep India outside the East–West fray for the most part. India was able to avoid being entangled in other people's quarrels and to preserve its freedom to choose one side or other, or not to choose sides as it saw fit. Non-alignment served India's domestic stability as well. If India had chosen one side or another in the Cold War, this may have encouraged the other side to meddle in its domestic politics to punish it for its partisanship. Also, given the ideological divide between left and right within India, alignment with either superpower would have been disruptive.

Second, non-alignment helped to construct a Third World coalition. Nehru himself scorned the 'trade unionism' of the Third World, but Nehruvians generally saw non-alignment as a form of collective resistance against imperial powers. Over the years, the non-aligned countries adopted a perceptible tilt towards the weaker superpower, the Soviet Union. In classical balance of power fashion, NAM drifted towards the weaker of the two superpowers to gain leverage with the more dominant superpower.

Third, in the Nehruvian view, non-alignment is more than a rejection of alliance politics and resistance to the great powers. It is an insistence that the smaller powers can help to mediate the differences between the great powers, and that international institutions, organizations and law matter and are particularly important for the protection of weaker powers. For Nehruvians, this is a vital and, ultimately, the most positive aspect of non-alignment. Non-aligned states, free from the constraints of alliance responsibilities, enjoy a vantage point from which they can not only judge the actions of the great powers but also from which they can help bridge differences. New Delhi might be in a position to offer information, ideas and interpretations of events that would bring the two sides closer together. The mediatory function of non-alignment, Nehruvians argue, is vital for international peace and stability, and especially for the security of the smaller countries because, in any global confrontation, their survival, independence and development will be at risk.[5] Another way of saying this is that Nehruvians argue for a suasive role for non-alignment. A non-aligned power can, indeed must, use its diplomatic vantage point to change the thinking of the great powers. Nehruvians, like Gandhians, are unwilling to 'give up' on a

great power. Just as Gandhians seek to change the values, attitudes and practices of opponents and adversaries, Nehruvians insist on the possibility of change through suasion.

Finally, Nehruvians argue that international institutions can play a role in checking the great powers. International organizations, international law and international norms and conventions are ways of tethering the great powers. By promoting procedures, rules and debate in international relations, the smaller powers might be able to slow down the great powers or, better still, get them to reconsider their goals and policies. The great powers may manipulate international procedures, rules and debate to their advantage, but this is not certain. In any case, an international system with procedures, rules and forums for debate must be better than one without.

Nehruvians argue that non-alignment in this larger sense is relevant in the post-Cold War world. With the US rampant, preserving India's autonomy is an even more challenging task. Non-alignment and NAM continue to be a refuge for countries that do not want to bandwagon with Washington.[6] So, balancing against US power is also a vital interest. Strictly speaking, balancing against the US is impossible. However, a coalition of Southern states could resist US pressures on selected issues by criticizing American policies and putting forward alternatives. The possibility of Indian leadership for a Southern coalition could well enlarge India's bargaining power with Washington. Nehruvians in the post-Cold War period also regard an India–China–Russia combine as a response to US hegemony. In the longer term, a concert of Asian powers could hold the US at bay.[7] Since Nehruvians worry about the polarizing effects of a balance of power politics, they also support the view that India should continue to act as a mediator with the US and use its suasive abilities. Thus, some Nehruvians propose that India can represent Southern and other interests to the US and act as a moderate go-between.[8] Finally, in the post-Cold War period, a non-aligned posture that attempts to rally Southern countries in international institutions and around the flag of international rules and norms can in some measure hope to subvert the US's hold on power. Since the US is using international institutions, laws and conventions for its own purposes, Indian diplomacy must be geared both to sustaining international organization and preventing its manipulation by the US and its allies.

For neo-liberals, relations with the great powers represent opportunities as much as threats. India will be a full-fledged great power, in the neo-liberal view. This is more or less inevitable. While Nehruvians do not disagree with the neo-liberals on India's destiny as a great power, for them India's great power aspirations must be built on autarky, that is, on self-reliance. Neo-liberals, by contrast, argue that in the contemporary world this is not possible. India can only become a great power by raising its economic growth rates, and this is feasible if India works not against, but rather with, the great powers as a way of increasing trade, technology transfers and investment.[9]

Non-alignment and everything it represents therefore seems dreadfully old-fashioned to neo-liberals. In the neo-liberal view, the great powers are no longer

in fundamental conflict.[10] With the end of the Cold War, there is no Manichean conflict animating international relations. One side won the Cold War, namely, the United States and the Western nations, and the other side lost. The victors are not in conflict: the United States and its Western partners and Japan remain allies. Those who lost the Cold War, moreover, have accepted the fundamental tenets of the victors. There are, therefore, no rival alliance blocs vying for India's – or anyone else's – membership. Choosing between two great blocs and two ideological systems is no longer a factor.[11] Given that there are no great powers locked in conflict, the mediatory role of non-aligned states is also no longer a factor of any significance.

Most importantly, for neo-liberals, the idea of resisting the great powers is anachronistic. For one thing, there is only one truly great power, the United States, and its power is so overwhelming that to conceive of resistance in any real sense is impractical. Since the United States leads a coalition of great powers, its preponderance is only magnified. Besides, resistance to the great powers implies that these powers are attempting to force countries to do something that they do not wish to do. Neo-liberals argue that this is not the case. A liberal global economic order and even global non-proliferation, the two areas where the great powers do twist arms, are in the interest of most states. Even India, with some qualifications, gains from both. It is in India's interest to promote an open trading and financial system worldwide. It is also in India's interest to curb the spread of weapons of mass destruction (WMDs). Neo-liberals want India to be a nuclear weapons power, albeit a restrained one, but they want India to join the non-proliferation order as a way of curbing the spread of WMDs.[12]

Neo-liberals argue that, after the Cold War, the US, by and large, is no longer interested in the vast majority of smaller powers. The problem for most of the smaller powers is not therefore pressures applied against them by the big powers but, rather, their own economic backwardness, malgovernance, regional hostilities, and vulnerability to fundamentalism and various non-traditional security threats (small arms, drugs, criminal mafias). The US in particular is a potential resource in dealing with these challenges. For countries like India, the real problem posed by Washington is therefore not so much its desire to dominate as its unwillingness to help the weaker states deal with these challenges. From this vantage point, resistance to the US is tantamount to cutting off one's nose to spite one's face. The challenge before the weaker powers, including India, is not how to resist the US but, rather, how to cut a deal with it pragmatically and with dignity.[13]

Whereas the Nehruvians want to stay aloof from great power entanglements, to mediate between the great powers and to resist the domination of these powers, and the neo-liberals want to cut a deal with the great powers, hyperrealists, by contrast, want India to break into the club of the great powers, to bust into the inner circle of the international order. Their view of India's relations with the great powers does not completely reject the Nehruvian and neo-liberal approaches. It does not reject the Nehruvian non-aligned view of India's role

vis-à-vis the great powers – aloofness, mediation, and resistance – nor does it turn its back on cutting deals with other great powers, as advocated by the neo-liberals. These are acceptable lines of policy when India is weak, but they should not become the ends of policy per se. The hyperrealist view is that India has all the appurtenances of a great power and can, through an act of will, transform its potential into actuality. Ultimately, India must sit at the high table of international affairs as a complete and assertive equal, whether the other great powers like it or not. Sitting at the table, India will help to shape the world order commensurate with its preferences.

Hyperrealists regard the international system as an anarchical arena where power is the ultimate arbiter. In such a system, the only way of restraining the great powers is to make India strong enough to defend its interests. Hyperrealists argue that neither Nehruvians nor neo-liberals understand the necessities of power. Nehruvians are idealistic in their view that non-alignment is a means of achieving autonomy. Non-alignment is the refuge of weak powers. It works as long as it suits the great powers. In the end, India itself, during the Cold War, was forced to play a balance of power game in order to safeguard its interests. As for the rest of the Nehruvian policy – of mediation and resistance to the great powers – this also holds little appeal. Mediation does nothing for India, and a policy of resistance built on a coalition of weak Southern powers is futile. Nor do hyperrealists set much store by international organizations, law and regimes in restraining the great powers, arguing, like all realists, that these are creatures of states and exist at the pleasure of the greatest powers.[14] Thus, procedures, rules and debates are likely to be used by the strong against the weak and not the other way round.

In the hyperrealist view, neo-liberals are just as guilty of woolly thinking. The neo-liberal argument that economics is the key to power in the post-Cold War international system is, in the hyperrealist view, based on a very limited, if not altogether false, reading of international history. The post-Cold War period is not different from any other period of history: military power remains the *sine qua non* of international security and status just as it always has. Hyperrealists maintain that the neo-liberal belief in 'economics over politics' is profoundly mistaken. If anything, politics comes before economics. In international relations, this means that military power comes before economic power. States that are front-rank military powers become front-rank economic powers, not the other way round.[15] A state that resolves to make itself into a major military power will solve the economic and technological problems that confront it. A state that goes around the world trying to beg and borrow economically and technologically cannot gird itself up for the challenges of social transformation and is therefore doomed to remain a secondary power.

Relations with the US must therefore be conducted in quite a different way. New Delhi must be assertive in its relations with Washington. This means, amongst other things, being clear and firm about vital Indian interests.[16] On these, India must refuse to compromise. Thus, the nuclear programme is non-negotiable with the US. US decision-makers must be told that India is a great-

power-in-the-making and that nuclear weapons are essential in solidifying India's status and security. Thus, also, US intervention in regional affairs is tolerable as long as it is supportive of Indian goals, but on the whole Washington is not welcome in South Asia and particularly not as a mediator on Kashmir.[17] Beyond assertiveness, India should signal its desire for a partnership with the US. When the US begins to withdraw from Asia, it will be in its interest to see India become a confident and versatile military power. An India–US alliance is possible, particularly against the common enemy, China.[18] India and the US also have a common interest in combating Islamic fundamentalism and terrorism.[19] In the long term, however, given the logic of international politics, the US will resist India's rise to power as it will China's. Indians must be prepared to tough it out against US intimidation. The only way of dealing with the US is for India to build its military power. India must be in a position eventually to deter the US from intervening militarily in and around India's sphere of influence in South Asia, the Indian Ocean, the Gulf, nearby Southeast Asia and, of course, in Indian domestic politics. While India can take the fight to Pakistan and China, it is not in a position to do so against the US in any foreseeable future. India must therefore rely primarily on dissuasive power vis-à-vis the US.

To summarize: every country in the world has to worry about how to deal with the United States. Nehruvians, neo-liberals and hyperrealists propose three quite different ways of dealing with hegemony. Nehruvians see the US as an imperial power that cannot countenance any rivals and that wants to preserve its pre-eminence at the expense of powers like India. The way to deal with the US is to resist American policies and power by building a coalition of Third World states and others who worry about Washington's dominance and are prepared to criticize it publicly. Out of this form of resistance may come 'conversion' of the US to points of view that are more favourable to India and eventually to cooperation. Neo-liberals take the opposite view. For them, while the US is the hegemonic power, it can be supportive of Indian goals. There is, in any case, little option but to bandwagon with Washington. Hyperrealists differ from both Nehruvians and neo-liberals in arguing that the only way of dealing with the US is to build India into a military power of the first rank.

If we were to map the three strategic choices that emerge from the Indian case onto the three notions of hegemony and the three contemporary schools of International Relations theory that we delineated in an earlier section of the chapter, we find once again an interesting overlapping of concepts. The Nehruvian school, with its emphasis on 'converting' the hegemon, corresponds to the ideational element in Gramscian hegemony and to the identity transformative emphasis within constructivism. The Indian neo-liberals espouse a strategic choice that closely follows the Kindlebergerian notion of other states taking advantage of hegemony through a strategy of bandwagoning and free-riding, and is in accordance with the neo-liberal institutionalist understanding of interdependence and cooperation. The hyperrealist school's preference for building up India's military capability fits comfortably into the Hellenic notion of hegemony and realist conceptions of world politics. For the sake of clarity, we have

tabulated this overlapping of hegemonic notions, theoretical formulations and strategic options in Table 9.1.

History and theory

What do history and theory tell us about these various Indian arguments? Which of the three Indian grand strategic postures would be more effective in a hegemonic world?

The Nehruvian argument that a coalition of the weak, a soft balance, against the US is a useful device rests largely on the possibility of discursive/cultural power being used to slow down, embarrass or persuade the hegemon. Fundamentally, Nehruvians would use argumentation, procedures (as in institutional settings such as the UN or other international bodies) and codes (as enshrined in international law or convention), and value change in the US as ways of slowing American actions, embarrassing the US in the court of its own or international public opinion, or persuading the hegemon to change its basic stance on an issue. Both neo-liberals and hyperrealists answer that this is a feeble response to the brutal realities of power – economic and military. There is no evidence historically that hegemons have been constrained or changed by the contentions of the weak. Speaking truth to power may be morally bracing, but it is futile, certainly over the long term. In any case, virtually all of the resources that the Nehruvians count on against the US could be turned against it by America, which not only disposes of massive military power but also cultural and institutional power. That is to say, America's ability to use arguments, procedures and codes, and promote value change more than matches virtually any power or coalition of powers.

What then of the neo-liberals who see themselves as far more hard-headed and materialist than the Nehruvians in their approach to international politics? Is bandwagoning the way to adapt to US power? Should India go along with the hegemon and use the hegemon's goodwill and support to advantage in one's own quarrels with regional and other rivals? Nehruvians and hyperrealists regard this as surrender, with the possibility that the hegemon's preferences, to which one is adapting, will conflict with India's regional and other interests: going along with the hegemon may end in a situation where fundamental national security goals are compromised, perhaps fatally. Further, if the US is indeed a hegemon, there is little that India and others can do for it. Cutting deals with the US presupposes that America needs India sufficiently and long enough for India to get what it wants. This seems unlikely. The hegemon has no reason therefore to 'reward' bandwagoning. The crumbs that fall from the strategic high table, as the hegemon pursues its interests, are the best that India and other bandwagoning states can count on. For neo-liberals, the fact that hegemony is American is the crucial characteristic of international politics today and for the foreseeable future. America as a liberal democratic power will pursue objectives that are in fundamental consonance with Indian values and interests. In bandwagoning with America, India will gain by a world order that will function to the disadvantage

Table 9.1 Theoretical constructs

Notions of hegemony		*Schools of International Relations Theory*		*Schools of Indian strategic thinking*	
Hellenic	Military preponderance	Realism	Distribution of (military) capabilities	Hyperrealists	Building one's military power
Kindlebergerian	Provision of public goods	Neo-liberal Institutionalism	Mutual cooperation in one's self-interest	Neo-liberals	Bandwagoning and free-riding
Gramscian	Manufacturing consent	Constructivism	Transforming identities and interests through interaction	Nehruvians	Coalition building to resist and 'convert' the hegemon

– or at least greater disadvantage – of its adversaries, such as Pakistan and China, that are neither liberal nor democratic.

How about the arguments of the hyperrealists who at base see the solution to the problem in the balance of power? The first imperial war of Pax Americana clearly demonstrates the US lead in all things military – money, technology, planning and training. Is there any way in which American power can be moderated or balanced? Defensive realism predicts that power imbalances in the international system do not last for very long. To balance a rising power, other states would have no option but to pool their collective capabilities and confront the challenger. This is because power imbalances lead to insecurity and may even threaten the existence of weaker states.

Hegemony, however, implies a situation in which a single state has the capability to dominate the international system. When a state succeeds in establishing its hegemony over the system, there will be a period in which no other state or group of states can challenge its preponderance in the system. In the long term, of course another great power (or group of great powers) will rise to challenge and balance the hegemonic power. This is the lesson of history and the logic of politics, as Christopher Layne has shown so convincingly.[20] Since the sovereign territorial state came into being, notionally after the Peace of Westphalia in 1648, there have been only two previous occasions when a single state has dominated the international system to the extent that the US dominates the system today: France in 1660 and Britain in 1860. In 1660, France under Louis XIV was unchallenged; by 1713, England, Habsburg Austria and Russia were contesting French power. In 1860, the high noon of the Victorian period, Pax Britannica looked secure forever. By 1910, it was clear that Germany, Japan and the US had emerged as contenders to British power. Thus, 20 years from now, another great power, most probably China, or maybe a coalition of great powers including China, the European Union, Brazil and India, could well emerge just as US capabilities are declining in relative terms.

Still, for the conceivable future, balancing is not an option – not for India or for anyone else. Nehruvians have another reason for questioning this solution. For them, balances of power are fatally flawed. They repeatedly collapse into warfare. Given the enormous power of the US and of any possible long-term balancer (e.g. China), a balance of power would be a fearful symmetry, at best. Should the balance collapse, for any number of reasons, the cure (balance of power) may be worse than the disease (hegemony)! Better than balancing, Nehruvians would say, is a fundamental change of heart on the part of the hegemon which deploys its power in the service of others. The way out of hegemony, in this view, is to change the nature of international politics in a very basic way by persuading big powers to become ‘trustees’ (in the Gandhian sense of the term) for smaller states.

Although realism predicts balancing behaviour, the international historian Paul Schroeder has shown that there are other strategies that states may adopt to contend with a gross power imbalance in world politics.[21] One such strategy is for states to ‘hide’: to stay as far removed from the dominant power as possible.

There are many examples of this behaviour as well in inter-state politics today. China, Russia, the European Union – all of them, in different ways, are seeking to stay below the radar, as it were, and not overly and unduly antagonize the US. However, this would not seem to be viable for the big, second-rank powers for very long. While it may be an attractive, viable policy for small states, it is hard to imagine mega-states like China, India and Russia, or huge agglomerations such as the EU, being able to hide for any substantial length of time.

Are there any constraints on American power today? Perhaps we must look elsewhere, within the heart of hegemony. It seems to us that there are three constraints we have not discussed thus far. The first is the institutional architecture of the American state itself. A system of division of powers between the three branches of government places significant brakes upon the unrestrained and immoderate exercise of America's military power by the executive branch. Even in the case of Iraq, we can already see this process at work.

The second constraint on American power is also domestic in nature, and stems from the open nature of American society. Although the American mass media may from time to time impose or promote a particular perspective on domestic public opinion in the US, there is nevertheless a deep scepticism regarding the purposes and methods of government in American political culture. This factor, in the long run, is a huge constraint on US military action overseas.

However, it is the third constraint on the US – which is external in nature – that is perhaps the most important. It is clear that there is only one organization in the international system that could moderate the exercise of American muscularity, and that is the Atlantic Alliance itself. As the member of a security community, the US has an enormous interest in keeping the alliance of liberal market democracies alive.

This is what makes Jacques Chirac's miscalculation in 2002 such a terribly damaging one, not just for France but also for the entire system of states. At this particular moment in world history, to have expected multipolarity to alchemically or magically emerge from an overt confrontation with the US was at best wishful thinking, at worst a blunder of historic proportions. Instead of grandstanding in the UN Security Council and taking on the Americans publicly, French diplomacy ought to have been working within the confines of NATO to convince the US that the multilateral route to disarming Iraq was the only one worth taking. That was a role that France could have played to perfection, and failed to play.

Conclusion

American hegemony, particularly in the military realm, seems unassailable for at least a decade, if not more. The choices before states seem to be few and not very attractive. The Indian strategic debate indicates that there are at least three choices, broadly speaking: soft balancing/suasion; bandwagoning to advantage; and 'hard' balancing. Hiding from hegemony is another strategic choice, though

probably not for bigger states. The constraints on American power might come more effectively from within, in two senses: from within the US political system; and from within the Atlantic Alliance.

Realism, with its accent on hard balancing, is suggestive of a long-term eventuality. No single power in any case is anywhere near balancing the US militarily. A military coalition against the US is even less likely given the contradictions between the second-rung powers, especially China, India and Russia. Strategic choices based on a different perception of the world seem to offer more credible approaches to hegemony. Soft balancing and suasion imply that cultural and discursive power, and not just brute military power, matter between states. The bandwagoning option offers a somewhat different view of power, a micrology of power, where between bigger and smaller there are subtle interdependencies such that the former needs the latter and to that extent there are subtler power equations that can work to the benefit of the bandwagoning state. Those who recommend bandwagoning are in any case closet realists: they lie in wait for the day when they can drift away from the hegemon and balance against the hegemon by means of one's own internal effort or by allying with another power. The soft balancers and the bandwagoners can exploit the domestic politics and alliance politics of the US to expand the space for autonomy. Hiding is a form of sly, intermittent resistance and is probably an attractive option for small, relatively insignificant powers.

There appears to be a range of strategic choices, therefore, for India and other states – limited, to be sure, but a range nevertheless. This range expands when we note that the extent of US influence will vary by issue area as well. States may choose different postures on different issues: soft balancing here, bandwagoning there, hiding elsewhere, and working internally within the heart of hegemony as well.

Finally, we should note that hegemony may be resisted from other social locations. The predominance of the US in the world today is based not only on its military power, but also on its economic prowess and its cultural presence. Joseph Nye has called the latter attribute 'soft power': the ability to persuade rather than coerce.[22] Focusing on the economic and cultural dimensions of American power takes us back to our starting point: to the two non-Hellenic meanings of hegemony. To comprehend the multi-dimensional and omnipresent nature of American power, we need to consider not just hegemony in its Hellenic sense, but also in the sense in which Kindleberger and Gramsci define it. This is a point we will return to in a moment.

The economic preponderance of the US is inseparable from its structural power. In the words of Susan Strange, structural power is the power 'to choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and their professional people have to operate'.[23] To understand the huge cultural influence of the US is to enter the realm of Gramscian hegemony. Robert Cox has aptly defined this particular sense of hegemony as 'the temporary universalization in thought of a particular power structure, considered not only as domination but as the necessary order of nature'.[24]

In a globalizing world, other social actors may matter in the diplomatic–strategic realm: religious and ethnic groups, non-governmental organizations, international organizations and the media. These can offer resistance at the discursive/cultural level and in some cases, as in Iraq, at a local military level.[25] Hegemony may get its way macrologically, over time and over many instances, but it may be resisted successfully micrologically, here and now, in this locale and instance. The *longue duree* of hegemony may be all-too-predictable; but the lived, existential moments of hegemony, day to day, which are by no means irrelevant, may not run along all-too-familiar grooves.

We return in closing to a theoretical point. Is hegemony in world politics one thing or three? This chapter has traversed along an analytical path that has stopped at three different stop signs of hegemony: a Gramscian one emphasizing that domination is a product of coercion and consent; a Kindlebergian one suggesting that domination is achieved primarily through consent; and a Hellenic one of domination through coercion. This is not terribly satisfactory from the point of view of theoretical coherence. Our readers might well ask why we cannot altogether make up our minds about hegemony.

We argue in our finishing remarks that perhaps the three apparently different notions of hegemony are in fact linked in one larger Gramscian perspective which draws on the notion of hegemony as a pattern of coercion and consent. Put concretely, US hegemony is achieved in tandem by the threat or use of force (coercion) and by the deployment of America's non-military resources, economic and ideological, to structure others' choices and preferences in line with US goals (consent). These are the two arms of the hegemonic body, with one arm sometimes stronger and more often deployed than the other. To return to our earlier distinctions, the Hellenic notion of the force of arms and military superiority in producing coercion describes one arm of hegemony, while the Gramscian and Kindlebergian insistence on the importance of ideas, ideology and (asymmetric) interdependence in producing consent describes the other. Hegemony rarely achieves its purpose by acting with one arm tied behind its back; it uses both arms, though not necessarily at the same time and in the same measure.

If hegemony is this combination of coercion and consent, then the resistance to hegemony must also necessarily be a combination of different methods – soft balancing or suasion, bandwagoning or grudging/temporary cooperation, hard balancing, exploiting domestic debates and divisions as well as alliance politics – and an ensemble of different actors, both state and non-state.

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Part II

Regional perspectives

10 Europe, NATO and the emergence of a polycentric world

Chandrashekhar Dasgupta

Few will disagree that, in military and political terms, the United States is today the sole superpower. It has no equal or near equal capable of acting as a countervailing power. Indeed, the lead that it has over other major powers is so large that the United States cannot be countervailed even by a combination of powers. In other words, for the first time in many centuries, the balance of power has ceased to operate. The extent of US primacy also means that none of its allies can claim to participate in decision-making on an equal basis. The United States is the leader of the Western alliance, not merely its most influential member.

Yet the picture is very different when one looks only at the economic dimension of power. In economic terms, the United States and the European Union (EU) are comparable powers. The total population of the 25 EU countries is around 450 million – more than the combined population of the USA and Russia. Even before its recent enlargement from 15 to 25 member countries, the Gross National Income (GNI) of the EU was almost equal to that of the USA amounting, in 2001, to $8,170.5 billion, compared to $9,780.8 billion for the United States. As a trading entity, the EU-15 was already the equal of the United States. In 2002, its merchandise exports stood at $939.8 billion, compared with $639.9 billion for the United States; while its merchandise imports amounted to $933.1 billion, against $1,202.4 billion for the USA. In WTO negotiations, the European Union is as influential as the United States. In regard to international financial matters, the US dollar still remains the world's preferred reserve currency but the euro is rapidly emerging as a viable alternative. In the IMF, the European Union is a close second to the United States in terms of the influence that it exercises.

The European Union clearly has a sufficiently large economic base to support a global political and military role comparable to that of the United States. It cannot currently aspire to such a role because the European Union does not act as a single entity in foreign or defence policy issues. On trade issues, the European Union adopts a 'single' policy based on a weighted majority vote. In contrast, decisions on foreign and security-policy issues require a unanimous vote, the resultant 'common' policy reflecting the lowest common denominator acceptable to all member states. It might be said that the European Union tends to act like a federal state in trade matters and as a regional organization of fully

sovereign nations in foreign and security-policy issues. This dichotomy in the character of the European Union is reflected in the global power structure, which is dominated by a single superpower in its politico-military – but not its economic – dimension.

What are the prospects of European integration progressing to a point where the European Union might emerge as a military and political superpower comparable to the United States? If such a situation were to emerge, the European Union could either play the role of an equal partner in the Atlantic Alliance, or act as a separate 'pole' and a countervailing power vis-à-vis the United States. In order to seek an answer to the question, we shall examine current trends in EU integration and enlargement. Since most EU countries are also NATO members,[1] we shall also examine the extent to which the EU is able to act independently of the Atlantic Alliance and its leading member, the United States. Finally, we shall examine how the policies of European countries, as members of NATO, affect the prospects of a revival of Russian power and influence.

A federal Europe or a Europe of nations?

A great debate is in progress in Europe between those who see the process of EU integration as culminating in some sort of a federal union and those who insist that the European Union must remain an association of sovereign nation states, a 'Europe of Nations'. The proponents of the former line envision a politically united European Union that could play a role equal to that of the United States in a polycentric world. France's Dominique de Villepin, for example, has argued that the

> new world must be based on a number of regional poles. They are the cornerstones of an international community built on solidarity and unity in the face of new challenges. The determination of the European countries to develop a common foreign and security policy must reflect that.[2]

Advocates of the alternative approach are content with a more modest role for the European Union, preferring to preserve the historic national sovereignties of individual member states. In Britain, for example, this sentiment is strongly entrenched and is, moreover, reinforced by perceptions of a 'special relationship' with the United States. After the Second World War, Europe has succeeded in overcoming ancient animosities but not old rivalries. Many Europeans are less uncomfortable with a continent dominated by the United States than the idea of a future federation that, they suspect, may be dominated by a Paris–Berlin axis. In the words of a leading Polish newspaper editor: 'We can't put up with an EU in which France and Germany have the last say. And we don't want an anti-American EU.'[3]

It would probably be true to say that the advocates of federalism are, at present, in a minority and, moreover, that the admission of ten central European countries into the EU in 2004 further strengthened the hands of their opponents.

Memories of Russian or German domination are still fresh in the minds of many central Europeans, who see a powerful US presence in Europe as an essential guarantee against a repetition of history.

The outcome of this debate between the advocates of a federal Europe and its opponents will be one of the major factors shaping the global balance of power in the twenty-first century. It will determine whether in the course of this century a united European federal state will take its place as a leading global power alongside the United States, China, India and, possibly, a revived Russia.

At present, the evolution of the EU's role in foreign and security policy and in defence policy issues remains confined to coordination, wherever feasible, of the national policies of member states. In other words, with minor exceptions, the EU functions merely as a regional intergovernmental organization. Within this limitation, it has created, through a series of incremental steps, a Common Foreign and Security Policy (CFSP) and a linked European Security and Defence Policy (ESDP).

This process began with the Maastricht Treaty (1992), which took European integration a step forward by converting the European Community (EC) into the European Union (EU), conferring on the latter a limited but expandable role in foreign and security policy issues. The treaty envisaged a Common Foreign and Security Policy (CFSP) for the European Union, 'including the eventual framing of a common defense policy which might in time lead to a common defense'. In EU parlance, there is a major difference between a 'common' and a 'single' policy. A 'single' policy – applicable in international trade issues – is adopted on the basis of a weighted majority vote and is binding on all member countries. As we have seen, a 'common' policy must be adopted on the basis of unanimity and its scope is, therefore, limited to questions where all member countries either have an identical view or where differences can be papered over through skilful drafting. The scope of such a 'common policy' is necessarily limited. Enlargement has added to the difficulty of arriving at common EU positions. To quote Lawrence Freedman, the 'new Europe is notable for its diversity, to the point where the possibilities of uniformity in foreign policy is bound to be limited'.[4] Nevertheless, the Maastricht Treaty was an important first step in a slow process that has the potential of leading ultimately to the EU acting as a single, united entity on questions of foreign and security policy.

The process was taken a step further at the Amsterdam summit (1997), where EU leaders decided to introduce certain amendments to the Maastricht Treaty. The resultant Treaty of Amsterdam included provisions for creating the new post of a High Representative for CFSP[5] and bringing within the scope of CFSP questions relating to so-called 'Petersberg missions'. These comprise humanitarian and rescue tasks, peacekeeping tasks, as well as 'tasks of combat forces in crisis management, including peace-making'. Since 'Petersberg missions' might include deployment of armed forces, the Amsterdam Treaty may be said to have opened the way to some sort of an EU military capability.

The next important step in the European project was taken at an Anglo-French summit held in St Malo in December 1998. Somewhat unexpectedly,

Britain joined hands with France to issue a call for an EU 'capacity for autonomous action, backed up by credible military forces, the means to use them and a readiness to do so, in order to respond to international crises'. The St Malo Declaration drew attention to the fact that

> in order for the European Union to take decisions and approve military action where the Alliance as a whole is not engaged, the Union must be given appropriate structures and a capacity for analysis of situations, sources of intelligence and a capability for relevant strategic planning . . .

Under the presidency of Germany, the EU quickly took up the challenge identified in the St Malo Declaration. Meeting in Cologne in June 1999, the EU Council resolved:

> the European Union shall play its full role on the international stage. To that end, we intend to give the European Union the necessary means and capabilities regarding a common European policy on security and defense. . . . the Union must have the capacity for autonomous action, backed up by military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises without prejudice to actions by NATO.

This was endorsed at the year-end at the Helsinki summit in December, where the European Union decided to develop an 'autonomous capacity to take decisions, and where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises'. It was further decided that, by 2003, the EU should have the capability to undertake operations up to army group level – i.e. involving up to 60,000 troops. It should be noted that an EU army was not contemplated; the EU's military capability was to be based on national contingents earmarked for the EU by member governments.

These developments constitute significant progress in the evolution of a Common Foreign and Security Policy as well as a European Security and Defence Policy. The EU's CSFP agenda, set out in the European Security Strategy adopted in 2004, now covers a wide range of 'new threats' of global dimensions (terrorism, WMD proliferation, organized crime, etc.), requiring an extensive range of interactions with foreign governments and international organizations. The EU maintains periodic institutionalized dialogues with a number of regional groups, including its Mediterranean neighbours, a group of ten Asian countries and the OAU. It also maintains a regular dialogue at the summit level with some individual states – USA, Canada, Japan, China and India. EU Special Envoys have undertaken important initiatives in places as distant as the Middle East, Bosnia and the Great Lakes region in Africa. It is currently playing an important role in the Iran nuclear issue. The EU has also acquired a significant defence capability that has been tested in operations in the Balkans and Africa.

Yet, an EU superpower is nowhere on the horizon. The EU's CFSP and ESDP suffer from fundamental limitations. First and foremost, the EU functions as an intergovernmental organization in these areas, adopting decisions only on the basis of unanimity (with some minor exceptions[6]). It is unable to take a position on any issue where any member government has a differing view. Frequently, policies have to be framed in broad and general – or even ambiguous – terms, in order to arrive at a consensus. CFSP is thus severely restricted in scope as well as depth. It does give the European Union a certain degree of international influence, but not one that is comparable to those exercised by some of its leading members. Great nations like France, Germany and Britain have a far more important global role than the European Union. It may be said of the European Union that the whole is smaller than the sum of its parts. Only a federal Europe can reflect the aggregate strength of its individual members.

The ESDP is, of course, subject to the same limitations. Moreover, it has a limited mandate. The defence of the territories of EU member states falls outside its mandate, being regarded as a NATO responsibility. The exclusion of collective action for territorial defence leaves a huge hole at the centre of ESDP. It also raises another question: how 'autonomous' is EU defence policy in relation to NATO and, therefore, the United States? Can its further development confer on the European Union the role of an independent global power centre? We must examine EU–NATO ties in order to seek answers to these questions.

NATO, ESDP and US primacy

NATO was established in 1949 with the primary aim of securing the defence of West Europe. However, the alliance has always served a secondary purpose as well. NATO's first Secretary General, Lord Ismay, once famously observed that the alliance was intended to keep the Americans in, the Russians out and the Germans down! It ensured that the United States would not suddenly disengage itself from Europe, as it had done after the First World War. This was the indispensable requirement for the defence of Western Europe against a presumed Soviet threat. Post-Second World War, Germany was a divided and occupied country but other European countries were still apprehensive about the prospects of a resurgent and revanchist Germany.

Thus, right from its inception, NATO has served to maintain not only an external power balance vis-à-vis Russia but also the internal distribution of power within the Atlantic Alliance. During the Cold War, the major internal question related to the role of Germany. In its early years, the US military presence on the continent was viewed by most of the West European allies primarily as a guarantee against a Soviet invasion and, secondarily, as a guarantee against the spectre of German revanchism. Many Europeans did not see West Germany's rapid post-war recovery as an unmixed blessing. The Korean War, however, led to an intensification of the Cold War and an American decision to strengthen NATO. Washington appreciated the contribution that West Germany could make to NATO if it was allowed to enter the alliance as a member. It

succeeded in overcoming the resistance of its European allies, and the Federal Republic of Germany entered NATO in 1955. The most persuasive argument in favour of the move was that, by admitting the FRG as a member, the alliance would be able to absorb and contain its military potential and pre-empt an autonomous military role of the FRG.

The 'German problem' took a new turn in 1989, when the prospect of German unification appeared rather suddenly on the political horizon. London and Paris reacted with apprehension. Margaret Thatcher recalls in her memoirs that, in a meeting with Gorbachev in September 1989:

> I talked frankly about Germany. I explained to him that although NATO had traditionally made statements supporting Germany's aspiration to be reunited, in practice we were rather apprehensive. Nor was I speaking for myself alone – I had discussed it with at least one other western leader [meaning but not mentioning President Mitterand].[7]

Thatcher's words evoked a sympathetic response from Gorbachev, but she had no success when she pressed her case with President Bush in November. The only common ground between the two leaders was that a united Germany must remain within NATO.[8] Keeping in view the formidable power potential of a united Germany, Washington was clear that it was not prepared to accept an unaligned Germany. Continued German membership of NATO was the only basis on which Washington was prepared to accept German unification.

More recently, the question of the internal power balance in the alliance has undergone a further transmutation as a result of initiatives towards a more unified EU foreign and defence policy. Despite their ambiguity, the St Malo Declaration and the Cologne decisions caused deep concern in Washington. The 'autonomous' defence capability envisaged by the EU was relatively modest and was intended for limited tasks that did not include territorial defence. Nevertheless, the possibility could not be ruled out that these steps would eventually evolve in a direction that might make the European Union a unified and truly autonomous player in the field of defence. It held out, however hesitatingly, the prospect of a federal Europe emerging one day as a rival superpower.

This was a prospect that the United States was unwilling to accept. Washington insisted that ESDP should be firmly anchored in NATO. It insisted that the EU must accept three conditions. First, all European members of NATO should be permitted to play a role in ESDP even if they were not EU members (this was intended to associate Turkey, in particular, with ESDP). Second, any military operations contemplated by the European Union should be discussed in NATO and should be launched only if the alliance as a whole decided not to undertake the mission but to raise no objection to the EU's doing so. Third, the United States insisted that there should be no 'duplication of assets' – in other words, that the EU must not build up its own independent intelligence, planning, and command and control capabilities. The EU would thus continue to be critically dependent on NATO assets. ESDP would be 'separable but not separate' from NATO.

The intention was to pre-empt the possible evolution of a truly autonomous EU capability for deciding to undertake, and for actually launching, major operations without Washington's concurrence. Washington wanted to ensure that the nascent EU defence capability would, in effect, be subordinated to NATO.

Any illusions that the St Malo Declaration heralded the emergence of a truly autonomous EU military capability were soon dispelled. Britain clarified that it interpreted the St Malo Declaration in terms that were consistent with the US view of NATO–EU ties. Washington also received broad support from several other EU countries, which had no desire to weaken the American role in Europe. Whatever their original intentions had been, France and Germany fell in line.

The United States took up its concerns at the highest level at the NATO summit held in Washington in April 1999. EU leaders agreed to seek means of ensuring effective mutual consultation between NATO and the EU; to involve non-EU European allies in ESDP to the fullest possible extent; and to work out arrangements for EU access to NATO planning capabilities and to NATO's military assets and capabilities.[9] Joint Working Groups of EU and NATO officials worked out detailed arrangements over the next few years. The EU–NATO Declaration on ESDP (2002) confirmed that the 'European Union is ensuring the fullest possible participation of non-EU European members of NATO within ESDP' and also that 'NATO is supporting ESDP in accordance with the relevant Washington Summit decisions, and is giving the European Union, inter alia and in particular, assured access to NATO's planning capabilities'.[10] The so-called 'Berlin Plus' Agreement (2003), assured 'EU access to NATO's planning capabilities for military planning of EU-led crisis management operations', as well as 'availability of NATO common assets'. The agreement also provided that NATO's Deputy SACEUR would act as the operation commander of all EU-led operations. (The Deputy SACEUR is always a European, his superior always being an American officer.)

The political implications of these agreements cannot be overrated. In the first place, ESDP involves the entire European membership of NATO, not just EU countries. Non-EU European countries (such as Turkey) are assured the 'fullest possible participation' in ESDP. Second, a NATO officer will command all 'EU-led' operations. This officer will be a European but necessarily a national of an EU country. Third, NATO will be involved at every stage of the initiative, commencing with preliminary planning. Fourth, all ESDP operations require NATO clearance. This gives the United States an effective veto. Finally, ESDP is critically dependent upon NATO planning assets as well as NATO military assets, including communication units and headquarters facilities.

In effect, the EU's military potential has been contained and absorbed within NATO just as, in an earlier period, Germany's military potential was contained and absorbed within the alliance. ESDP will enable the European Union to make a greater contribution to NATO but not to act as a separate power centre. Though obeisance is regularly paid to its 'autonomy', ESDP does not give the European Union a capability for undertaking military actions independently of NATO or the United States.

NATO and 'neo-containment' of Russia

As members of NATO, West European countries have pursued policies that have major consequences for the prospects of a revival of Russian influence in the continent. In the immediate aftermath of the disintegration of the Soviet Union, the main concern of the Western alliance was to assist the Russian Federation to cope with the political and economic chaos into which the new state was descending, and to help it to restore a semblance of order and stability. Anarchy in Russia could pose a whole range of new threats to the West, such as proliferation of weapons of mass destruction and a refugee exodus. It could undermine initiatives to introduce democracy and a market-driven economy and bring the Communist party back to power in Moscow. However, after the Russian Federation successfully overcame the crises of its initial years, a very different factor came into play. The Atlantic Alliance perceived a golden opportunity to permanently marginalize Russian influence in Europe by expanding into the new strategic space created by the dissolution of the Warsaw Pact and the break-up of the Soviet Union.

The proposal for the eastward 'enlargement' of NATO was first mooted by three former Warsaw Pact countries. In April 1993, presidents Lech Walesa of Poland, Vaclav Havel of the Czech Republic and Arpad Goncz of Hungary pleaded with Clinton for admission into NATO. Estonia made the same request in May, voicing fears of a Russian re-occupation.

These pleas posed a dilemma for Washington. On the one hand, 'enlargement' offered a number of long-term advantages. First, since the Soviet 'threat' was no longer credible, questions were being asked about the justification for maintaining NATO. Enlargement would provide a justification of sorts. As US Deputy Secretary of State Strobe Talbott pointed out:

> The decision to expand the alliance began with a question. After the breakup of the Soviet Union and the dissolution of the Warsaw Pact, should there remain, on the landscape of Europe, a military alliance or should NATO retire voluntarily in the ash heap of history?[11]

Second, by expanding into the strategic space vacated by the former Soviet Union in a 'neo-containment' strategy, the West could create a permanent barrier against a revival of Russian influence in central Europe and pre-empt any future Russian move to reabsorb the Baltic republics. Jesse Helms, the Chairman of the US Senate Committee on Foreign Relations, explained that 'a central strategic rationale for expanding NATO must be to hedge against the possible return of a nationalist or imperialist Russia'.[12] Two highly influential American analysts, Zbigniew Brzezinski and Anthony Lake, advanced a similar argument: an expanded alliance provides a hedge against the unlikely but very real possibility that Russia will revert to past behaviour.[13]

On the other hand, NATO enlargement ran the risk of antagonizing Russia, particularly if it involved incorporation of former Soviet republics (Russia's

'near abroad') into the Western alliance. The Pentagon argued that immediate enlargement would be imprudent as it might provoke Russia to halt its on-going force reduction programmes. It might also impede efforts to secure the denuclearization of Ukraine. Finally, public opinion in Western Europe was not in favour of steps that might provoke Russia and jeopardize the process of normalization in the continent. The problem, as President Clinton pointed out in a cabinet meeting, was how to keep Russia 'sullen but not mutinous while we take its former allies into NATO'.[14]

Washington decided to keep the question of enlargement pending for the time being. It would be actively pursued once Russia had downsized its armed forces and the project of denuclearizing Ukraine successfully completed. As an interim measure, it was decided to create a Partnership for Peace (PfP), a limited plan for cooperation with NATO that would be open to all former Warsaw Pact countries, including Russia. PfP was designed to simultaneously provide some satisfaction to the new applicants for membership, to avoid causing offence to Russia and to provide sufficient time to bring European opinion around to the American point of view on enlargement.

Thus, it was not until July 1997 that NATO invited three of the four early applicants – the Czech Republic, Hungary and Poland – to begin accession talks. (The Estonian application was kept pending since Moscow's strongest objections concerned induction of countries that were formerly a part of the Soviet Union.) While curtailing Russia's power potential, the Western allies were careful to accommodate its quest for status. In May 1997, NATO signed the Founding Act on Mutual Relations, Cooperation and Security. This was hailed at the time as an 'historic agreement' creating an 'enhanced partnership'. Moscow had hoped to secure an effective veto in NATO operations through the new arrangement, but this was not conceded by the Western allies. Any lingering Russian illusions on this score were dispelled in 1999, when NATO decided to launch military operations against Yugoslavia, brushing aside Russian protests.

In 1999, coinciding with NATO's fiftieth anniversary, the Czech Republic, Hungary and Poland joined the alliance. A second round of enlargement followed in 2004, when seven other countries – Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia – were admitted into NATO. Of particular significance was the fact that the new entrants on this occasion included three former Soviet republics, Estonia, Latvia and Lithuania. The alliance had expanded into Russia's 'near abroad'. Moscow's reaction was subdued. In March 1997, Foreign Minister Primakov had threatened that 'if any countries of the former Soviet Union are admitted to NATO, we will have no relations with NATO whatsoever.'[15] But when this did come to pass, Moscow merely observed that it was 'high time to start developing structures that would leave no one [i.e. Russia] feeling excluded'. In Clinton's phrase, the Russian reaction was 'sullen but not mutinous'.

In NATO's wake, the European Union has also expanded into central Europe. In May 2004, ten new members were admitted into the European Union,

including eight central European countries – the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Two other applicants, Bulgaria and Romania, are expected to follow in 2007. Once again, the initial impetus came from the former Warsaw Pact countries, for which admission into the wealthy EU held obvious economic advantages.

Thus a majority of the former Warsaw Pact and Comecon countries have been absorbed economically and politically within Western structures – the European Union and NATO. Indeed, the process has extended even to the Baltic republics in Russia's 'near abroad'. This has profound implications for Russia's future role in Europe. First, Moscow can no longer hope to regain political or economic primacy in any part of Europe. Russia has been permanently marginalized in the continent. Second, as a result of the incorporation of Poland and the Baltic Republics in the Atlantic Alliance, the great Russian naval base of Kaliningrad has become an enclave surrounded by NATO countries. The other major Russian naval base in Europe, Sevastopol, faces an even bleaker future. Since it falls within Ukraine, Russia's access to the base is subject to lease arrangements with the host government. In 2005, following the so-called 'Orange Revolution' which brought a pro-West president into office in Kiev, NATO extended an invitation to Ukraine to begin talks for membership of the alliance. On 8 December 2005, within hours of the conclusion of the visit of US Secretary of State Condoleezza Rice, Kiev demanded a heavy increase in the rent. The Ukrainian Foreign Minister, Boris Tarasyuk, asserted that it is 'absolutely abnormal that Russia illegally holds 148 hectares of land in Ukraine's Sevastopol'.

Ukrainian politics reflects a deep ethnic and cultural divide between the Russian-speaking south-east and the Ukrainian-speaking north-west. NATO membership is a highly divisive issue between these two regions. The outcome will have a major impact on Russia's future role in central Europe.

Conclusion

Current trends suggest that, while political integration will continue to make slow and halting progress in the European Union, it is unlikely in the proximate future to result in a degree of unity that might pose a threat to American primacy in the continent. Further development of CFSP may be expected to give the European Union a greater say in global issues such as terrorism, migration, drug-trafficking and to enable it to expand the range of its peacekeeping operations. But in most spheres, leading EU member states – France, Germany and Britain – will individually continue to be more influential than the Union as a whole. In defence matters, the prospects of the European Union emerging as a truly independent player are even more unlikely. Though regular obeisance is paid to its 'autonomy', the fact is that ESDP has been contained and absorbed within NATO. The EU is incapable of launching, or even planning to launch, a military operation without NATO's clearance and without use of NATO assets. This gives the United States a veto over any ESDP initiative. NATO remains the indispensable instrument of US primacy in Europe.

It is possible, of course, that this picture may slowly evolve as ever-expanding economic integration creates a greater identity of political interests within the European Union. The long-term prospect of a Federal Europe cannot be ruled out. Such a prospect, however, is highly unlikely in the next decade, and is unlikely even in the next two decades. The enlargement of the European Union has made political integration even more problematical, not only because expanded membership makes it more difficult to arrive at consensus decisions, but also because most of the new entrants are inclined to accept US primacy, rather than risk the prospect of a union dominated by two or three major European powers. Enlargement is likely to make the European Union an even more powerful player in the economic field, but a weaker player in the political and security fields. In all likelihood, the first challenge to unipolarity will come from a rising China rather than the European Union.

The role played by the European countries as members of NATO have also affected the prospects of polycentrism in another way. By expanding into the strategic space vacated by the former Soviet Union, the Atlantic Alliance has marginalized Russia's future role in Europe. In particular, Russia's ability to deploy naval forces in European waters has been severely curtailed.

To sum up, current trends in Europe tend to consolidate, rather than undermine, American primacy. A federal Europe is only a distant and uncertain prospect. The EU's military potential has been contained and absorbed within the US-led NATO. Moreover, the eastward expansion of NATO and the EU has restricted the possibility of a revival of Russian influence in Eastern and Central Europe. The challenge to unipolarity is thus likely to originate in East Asia, not West Europe.

Notes

1 All but the following EU countries are members of NATO: Austria, Cyprus, Finland, Ireland, Malta and Sweden. The following European members of NATO are not members of the European Union: Bulgaria, Iceland, Norway, Romania and Turkey. Bulgaria and Romania are expected to join the EU in 2007. Turkey is an applicant for membership.
2 Dominique de Villepin's address to IISS, London, 27 March 2003.
3 Adam Michnik (editor of *Gazeta Wyboreza*), cited in an article entitled 'Union But Not Unanimity, as Europe's East Joins West', *New York Times*, 11 March 2004.
4 Freedman, Lawrence, 'The Transatlantic Agenda: Vision and Counter-Vision', *Survival*, Winter 2005–2006.
5 The draft EU Constitution provides for upgrading this post to that of a EU foreign minister. The draft constitution was rejected by voters in France and Netherlands in 2005 – for a variety of reasons – and its future is uncertain. Since France and the Netherlands have traditionally been proponents of the European project, the results of the two referendums were a significant setback for EU integration.
6 The general rule is that CFSP decisions require unanimity. However, there is a restricted provision for 'constructive abstention'.
7 Thatcher, Margaret, *The Downing Street Years*, HarperCollins, New York, 1993, p. 792.
8 Ibid., pp. 794–795.

9 *An Alliance for the 21st Century*, Washington Summit Communique, 24 April 1999.
10 NATO–EU Declaration on ESDP, NATO Press Release 142(2002), 16 December 2002.
11 Talbott, Strobe, 'Why the Transformed NATO Deserves to Survive and Enlarge', *International Herald Tribune*, 19 February 1997.
12 Helms, Jesse, 'New Members, Not New Missions', *Wall Street Journal*, 9 July 1997.
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14 Talbott, Strobe, *The Russia Hand*, Random House, 2003, p. 234.
15 Ibid., p. 236.

11 The international role of Latin America after September 11

Tying the giant

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The prospects of a 'new world order' have been analysed extensively during the 1990s, following the fall of the Berlin Wall in 1989. However, the initial optimism evaporated quickly when the old world order proved to be too entrenched to show any significant change. The discussion about the post-Cold War world contemplated the role of peripheral states and the possibilities they had to change their position in the world system. There were some minor changes in the 1990s, like the signing of some free-trade agreements between developed and peripheral countries that promised to bring prosperity to some of the poor areas of the world. However, the terrorist attacks of September 11, 2001, complicated everything in a substantial way. The emergence of terrorism as a serious threat affected in a negative way the process of globalization that was accelerated by the end of socialism, and put some shadows on the possibility of a prominent role of Third World countries in the world. As a result of the US war on terrorism, anti-American feelings spread all over the Third World (as well as in some other regions like Europe), which made a collaboration between the United States and the rest of the world much more difficult. In this context, one inevitable doubt was about the role of Latin American countries in the post-September 11 world. Latin America had played an important, though subordinate, role during the Cold War. Geographical proximity to the United States and the possibility that communism could 'infect' some countries of the Western hemisphere made the region an important piece for a game of 'world chess'. Some countries, like Cuba, perfectly understood the nature of the game at that time and took advantage of it, by blackmailing the US with a military alliance with the Soviet Union. Some others received huge amounts of money for domestic reforms to prevent the spread of the communist 'virus'. Certainly there was no room for revolutions in the continent (Cuba was the only exception) and those who defied US hegemony suffered the consequences. However, Latin America was important because the region was perceived by the US as its backyard. That is why American diplomacy put a great emphasis on the development of a collective security mechanism in the hemisphere, the Rio Pact. Of course there was no country on the continent that defied the military hegemony of the United States and those who attempted to develop nuclear capabilities were dissuaded from doing so. But the region mattered to the US, not because of its

direct ability to threaten American interests but because of its geographical proximity in a zero-sum game between the United States and the Soviet Union.

What is the importance of Latin America in the post-Cold War and post-September 11 world? What is at stake for the US in the region? Most important: what is the ability of the region to affect US hegemony? What is the role, if any, of Latin American countries in the war on terrorism? What does the spreading of leftist governments mean for the US, some of them with strong anti-US rhetoric? What is the role of Latin American economic pacts, like the MERCOSUR? I will address these questions in this chapter. In the first part, I will refer to the discussion about the role of the Third World after the end of the Cold War and the risk of becoming irrelevant. In the second part, I will analyse the US war on terrorism developed after the attacks of September 11. In the third part, I will review the role of Latin America in the US strategy. Finally, I will outline some conclusions.

The end of the Cold War and the role of the Third World

During the Cold War, most of the discussion about the international system was centred on the number of poles that determined it and how it affected international stability. Some authors maintained that bipolarity was a determining factor for the absence of a major military conflict, while others argued that a bipolar system was very unstable. Most of the scholars did not consider the Third World as a main actor in international politics. Actually, the most important theoretical approach about the Third World developed in that region – the dependency theory acknowledged the irrelevance of peripheral countries. However, there are a few examples of situations in which underdeveloped countries have played a role in international affairs, like the 1973 oil embargo. But, in general, the basic assumption was that the Third World had no margin to manoeuvre in a bipolar system. However, with the end of the Cold War, the role of the Third World again surfaced in international strategic debates.[1] Even when there was no total agreement about the nature of the post-Cold War system, there was a consensus that, at least in military terms, the only superpower left was the United States. This idea was reinforced by the leading role played by the US in the First Gulf War in 1991. Another discussion was about the nature of the changes propelled by the fall of the Soviet Union. John Lewis Gaddis identified three 'tectonic' tendencies which converged to provoke the changes in 1989: the emergence of new criteria of world power, basically an increase in the importance of economic capacity of states; the collapse of authoritarian alternatives to liberalism; and the decline of brutality in the state's domestic and international affairs. Gaddis's argument also emphasizes the importance of the issues of the 'new international agenda', like democracy and human rights.[2]

However, it would be a mistake to think that these tectonic movements were regular and uniform. Actually, co-existing with these tendencies – which give substance to the argument about a 'new' world order – some characteristics of the 'old' international agenda reappeared: nationalism, dictatorships, ethnic and

religious conflicts, and hegemonic ambitions of some Third World countries, which imply the use of physical violence.[3] The self-evident contradiction between these tendencies and the characteristics of the 'new' world order allowed speculation about a world broken in two parts: an industrialized and interdependent core, ruled by universal regimes, where negotiation – and not violence – is the mechanism for conflict resolution and where the values of democracy and the market prevail, co-existing with an underdeveloped periphery, poorly interconnected with the core, where the rule for domestic and international conflict resolution is physical violence.[4] This perspective was interpreted by some authors as the result of a cultural differentiation between the West and the 'rest'.[5] The perception of the world as a 'clash of civilizations' put the accent on the gap between the First and the Third World from a perspective beyond the degree of economic development. However, independently of the defining criteria of this gap, it is evident that the 'new world order' was new and ordered only for some countries. The nationalistic explosions and ethnic conflicts that ensued after the end of the Cold War suggest that the use of military force was not deterred from the international arena and that the 'whole' world could not be explained through theories of interdependence and cooperation.

The fact that there was a gap between the rich and non-violent developed countries does not tell us too much about the conditions under which the Third World countries could have some leverage in international politics. The post-Cold War literature does not show an absolute consensus about the importance of the Third World,[6] but the perception that the periphery had few and decreasing possibilities of influencing the decisions taken by the 'core' seems to be confirmed by the lack of interest of the industrialized countries in solving conflicts like that of the former Yugoslavia, Liberia, Sudan, Ethiopia or Rwanda.[7] The reason for this indifference would lie in three factors: a) the inability of Third World states to eradicate domestic conflict, which actually accelerates the excluding tendencies from the industrialized core; b) the inability of Third World countries to transmit this conflict to the world power centres which would facilitate the help of industrialized countries;[8] and c) the inability (and lack of interest) of the core countries to solve the conflicts in Third World countries, in the cases in which these could be transmitted to them.[9]

However, there were some cases in the 1990s that suggest that peripheral countries can have a limited impact in international affairs and attract the attention of the big powers. The approval of the North American Free Trade Agreement (NAFTA) in 1993, between the US, Canada and Mexico, is a proof of that. The reason for that concession given to a Third World country is probably the geographical proximity of Mexico to the United States, which gave that country a bargaining power that only some peripheral countries possess. In the end, geographical proximity facilitates the transmission of instability from peripheral to core countries and supports negotiations among them. However, proximity is not the only bargaining tool that Third World countries had in the post-Cold War era. It seems that an ability to negotiate with developed countries and have, in that way, some impact in international affairs, derives from a combination of

factors, some of them related to traditional bases of power and some related to the 'new' agenda. Andrew Hurrel suggested that, in the case of Latin America, there were three issues, generated in the South, that attract the attention of the big powers: migration, ecology and drug trafficking.[10] Steven R. David has emphasized the threat that some Third World countries could develop nuclear or chemical and biological weapons. He has also mentioned the importance, for Middle East countries, of possessing oil.[11] Stanley Hoffman agrees with both diagnoses and mentions the following sources of world insecurity: a) poverty, overpopulation and migrations; b) ecological disasters; c) fight for the access to natural resources, like oil; d) the threat of drug trafficking and weapon smuggling; e) the ideology of nationalism that materializes in advanced weapons or massive means of destruction.[12] Gaddis saw massive migrations, for example from Eastern Europe to Europe, as one of the most dangerous disintegrating tendencies for world security.[13] Consequently, we can conclude that the factors that gave peripheral countries some leverage in the post-Cold War years were: a) geographic proximity with 'core' countries; b) possession of strategic natural resources: c) possession of nuclear weapons; d) capacity for producing massive migrations to the 'core' countries; e) ability to produce or transport illegal drugs to 'core' countries, f) possession of ecological resources, whose deterioration affects 'core' countries.

Based on these criteria, the only Latin American countries that had, in the 1990s, some possibilities of influencing world politics were Mexico, the Central American and Caribbean countries, and maybe Colombia and Peru, because of their capacity to produce illegal drugs. The different treatment given by the US to Mexico and Argentina during the crises of 1995 and 2001 confirms this perception. In 1995, President Clinton implemented a $50 billion package of financial aid for Mexico, while in 2001–2002 the US did not lift a finger when Argentina's economy collapsed. But, how did September 11 affect the limited international relevance of Latin America?

September 11 and the Bush revolution in foreign policy

Even when some disagree about the depth of the changes in US foreign policy during the Bush administration, there is consensus that the traditional parameters were modified. Some authors talk about a revolution in US foreign policy. According to Daalder and Lindsay, the Bush revolution rested on two beliefs: a) the best way to ensure US security is by maximizing America's freedom to act, without depending on others for protection; and b) an America unbound should use its strength to change the status quo in the world.[14] Based on these beliefs, American foreign policy has three characteristics: a) a decided preference for unilateral action, even when multilateralism is not excluded; b) a preference for the use of pre-emptive measures to attack possible enemies; and c) the US should use its unprecedented power to produce regime change in rogue states.[15] Jervis agrees with this characterization, and adds that Bush foreign policy rests on the assumption that 'peace and stability require the United states to assert its primacy in world politics'.[16]

A common assumption is that Bush's foreign policy was developed as a response to the September 11 attacks. The truth is that the beliefs that support the change in foreign policy were present in Bush's team from the beginning due to the presence of an important group of neoconservatives with a 'deep scepticism of traditional Wilsonian commitment to the rule of law and its belief in the relevance of international institutions'.[17] Neoconservatives believe that the defence of national interest rests in power and resolve, not in diplomacy and treaties. This belief has led, as a natural consequence, to the preference of the Bush administration for acting alone. It does not mean that the US rejects international institutions as a norm. It only means that when they do not fit American needs, the belief is that it is perfectly admissible to act unilaterally. Also, this policy does not exclude alliances with other countries, but they are not open and institutional: they are 'coalitions of the willing'. As it is very easy to infer, it does not mean isolationism at all. Actually, this perspective of the world is totally compatible with a very active involvement in world affairs. However, this involvement does not present any concern for legitimizing American actions. This unilateralism has provoked a 'crisis of legitimacy' which is leading to a collapse of the traditional US alliances with Europe.[18] This weakness could be counterbalanced by the third pillar of the Bush revolution: getting rid of rogue states. This characteristic makes it difficult to define the Bush strategy as simply conservative. Probably the best definition of the US foreign policy under Bush is that of 'democratic imperialism'.[19] Actually, this is a liberal belief that presupposes that the 'main source of a state's foreign policy is its domestic regime' and that the 'only route to lasting peace is through regime change, and once democratic regimes are established, they will live at peace and cooperate with one another'.[20] However, it is amazing how this alternative source of legitimacy – the most important in the post-Cold War era – has been substantially eroded because of the human rights abuses by the US Army in Afghanistan, Iraq and Guantanamo.

After September 11, 2001, the fight against terror contemplated the building of alliances with other countries, but it did not focus on international organizations. The strategy was to work with 'allies and friends'.[21] However, in 2003 – when it was clear that the United Nations Security Council was not going to endorse the US war against Iraq – 'allies and friends' were in fact 'coalitions of the willing'. Pre-emptive war was a logical consequence of the way in which Bush defined the war on terrorism. One purpose of the National Security Strategy was to defend 'the United States, the American people, and our interests at home and abroad by identifying and destroying the threat before it reaches our borders'.[22] There was another element of the anti-terrorist strategy that was inevitably a source of conflict with other countries. The Bush administration established as part of its strategy the denial of 'further sponsorship, support and sanctuary to terrorists by convincing or compelling states to accept their sovereign responsibilities'.[23] A third element in the Bush strategy was the support of democracy abroad. One of the goals of the US National Security Strategy was to 'expand the circle of development by opening societies and building the

infrastructure of democracy'.[24] The purpose was to support 'moderate and modern government, especially in the Muslim world, to ensure that the conditions and ideologies that promote terrorism do not find fertile ground in any nation'.[25]

As a direct consequence of September 11, American foreign policy adopted a strong moral language that resembled Reagan's 1982 'evil empire': 'Just as September 11 galvanized Bush to pursue his foreign policy revolution, so it also swept away any inhibition he might have felt about speaking publicly about evil.'[26] Three days after the September 11 attacks, Congressmen gave Bush the authorization to retaliate against those responsible for the attacks and seven weeks later the Patriot Act was approved, which expanded federal law-enforcement powers, especially electronic surveillance.[27]

The Iraq adventure

It is difficult to know the final reason for Bush's decision to invade Iraq. It is probably related to many factors: bringing democracy and stability to the Middle East, completing the unfinished work of his father, George Bush, discouraging tyrants throughout the world, assuring oil supply, demonstrating American willingness to provide world order and demonstrate American power in the Middle East.[28] Whatever the reasons, the war had a disastrous effect on the relations with most of the European and Latin American countries. Differences with some European governments were quite evident, and weakened in a significant way the post-Second World War alliances. The reasons for Europe's disagreement are probably more related to the US hegemony than to the use of force.[29] For many people in Europe and Latin America, the invasion of Iraq had nothing to do with the war on terrorism, and has a big dose of old-fashioned imperialism. Additionally, as I have mentioned above, the human rights abuses by the US occupation forces in Afghanistan and Iraq, as well as the illegal treatment of prisoners in Guantanamo, combined with the efforts of the US government to legalize some torture practices,[30] have affected in a very negative way the only source of legitimacy of Bush's foreign policy: the democratization of the world. However, the main cost for American hegemony has not come from the lack of legitimacy of the war on terror: it has come from the lack of results. After four years of occupation, the situation in Iraq is quite unstable, and the number of American deaths increases every week. In economic terms it has also been a disaster, costing American taxpayers more than 200 billion dollars. The final balance of the war in Iraq is that it has undermined in a substantial way the Bush revolution in foreign policy. As Jervis has pointed out:

> Machiavelli famously asked whether it is better to be feared or to be loved. The problem for the United states is that it is likely to be neither [. . .] Bush's policy has left the United States looking neither strong nor benign, and we may find that the only thing worse than a successful hegemon is a failed one.[31]

The cost of the war: a softer approach

After two years of turbulent occupation of Iraq, Bush decided to make some adjustments in his foreign policy. He replaced the liberal Colin Powell as Secretary of State with Condoleezza Rice, a member of the neoconservative team that has surrounded Bush since his first administration. At first sight, the arrival of Rice would have meant a victory for the hard-liners and unilateralists over the soft multilateralists. However, there are signs that this is not totally true. Rice is a pragmatic politician and, despite her background, the changes she has implemented in American foreign policy suggest a move in the direction of diplomacy and multilateralism, more than a strengthening of any military tendencies.[32] In 2005, the peace process in the Israeli–Palestinian conflict has made important progress, due in part to the role played by the US. There has also been a growing interest from the Bush administration in using diplomatic tools. The US asked the United Nations to participate in the elections in Iraq, which suggests an acceptance of the importance of international organizations. As Robert Keohane pointed out:

> once they attacked Iraq they discovered that they needed international institutions, because you can't mobilize a longstanding coalition which is legitimate, of democratic countries whose publics care about legitimacy, unless you are aligned in some way with an international institution – the UN or something else – which is seen as representing the views of not just ourselves.[33]

There have also been changes in the discourse. In her statement before the Senate, when she was confirmed as Secretary of State, Condoleezza Rice talked about freedom and democracy and redefined US foreign policy goals: a) unite the community of democracies 'in building an international system that is based in our shared values and the rule of law'; b) strengthen 'the community of democracies to fight the threats to our freedom and democracy throughout the globe'; and c) 'spread freedom and democracy throughout the globe'.[34] Rice also announced more emphasis on the promotion of trade as a way to create jobs and made a surprising call for alliances and collaboration with 'multilateral institutions' as a way to 'multiply the strength of freedom-loving nations'.[35] The emphasis in creating jobs through commerce and economic reforms was also present in the relations with Latin America. In the US, goals for the Fourth Summit of the Americas that took place in Mar del Plata, Argentina, on 4–5 November 2005, job creation is the most urgent task that has to be done in the region. Also, the US perceives that improving competitiveness in the Latin American countries is a priority.[36] Finally, another sign of change in US foreign policy is the appointment of Tom Shannon as Assistant Secretary of State for the Western Hemisphere. Shannon is a professional diplomat with a deep knowledge of Venezuela. It allows us to expect that a softer approach to the region as well as an emphasis in negotiation more than in military confrontation, even in

rhetorical confrontation with some governments, like those of Cuba and Venezuela, will prevail.[37]

As it is easy to see, there is a clear emphasis on non-military instruments to address the challenges that the US is facing now. And this change of tone is clearly a consequence of the complications of the adventure in Iraq and the need for international legitimacy. Certainly, the domestic political problems that George Bush has been facing during 2005 have contributed to this change. The outrageous performance of the Bush administration after Hurricane Katrina, combined with the scandal of the revelation of the identity of a CIA agent, supposedly made by people belonging to Bush's inner circle, and the withdrawal in October 2005 of Bush's nominee to the Supreme Court, Harriet Miers, suggest that the Bush Presidency is considerably weakened. Additionally, in the public mind, some of these problems are in some way related to the mistakes in foreign policy, particularly the invasion of Iraq. When Hurricane Katrina hit New Orleans in September 2005, there were many voices that remembered that half of the Louisiana Guard was serving in Iraq.

What role for Latin America?

What is the impact of Bush's foreign policy in Latin America? One answer would be that it was not a big one, since the region is neither a terrorist threat in itself nor a haven for terrorists. Actually, this is probably the reason why the US has not paid too much attention to Latin America after September 11.[38] As Peter Hakim pointed out: 'the region will remain peripheral to the central concerns of US foreign policy, which are the war against terrorism, securing and rebuilding Iraq, the Arab–Israeli conflict, and nuclear proliferation.'[39] However, it does not mean that US foreign policy has not provoked any reaction in the area. Moreover, the Bush strategy against terrorism, especially the invasion of Iraq, generated a strong negative reaction. Even when most of the Latin American countries condemned the September 11 attacks, the war against Iraq was also rejected by a majority of them: 'of the 34 Latin American and Caribbean countries, only seven supported the war.'[40] It is worth mentioning that the countries that supported the war had a particular interest in maintaining good relations with the US:

> six of them (Costa Rica, the Dominican Republic, El Salvador, Honduras, Nicaragua and Panama) were engaged in trade negotiations with the United States at the time. And the seventh, Colombia, receives more than $600 million a year in U.S. military aid.[41]

Notwithstanding this, contrary to what used to happen in the past, the rejection of the war in Iraq was not only rhetorical. At the time of the war, two Latin American countries were non-permanent members of the United Nations Security Council: Mexico and Chile. Both countries refused to support the US's attempt to get the Security Council approval for the invasion of Iraq. Even when

this refusal provoked a strong reaction from the Bush administration, in the end there was no retaliation. Moreover, the two countries that opposed the invasion were the only ones that had a free-trade agreement with the United States. Certainly, opposition to the war cannot be seen as an act of hard balancing against the United States. However, the opposition at the United Nations tells us what could be the future role of Latin America: a policy of broad agreement in the goal of fighting terrorism but disagreements in the means to do it.[42] This can be defined as a 'soft balancing' strategy against the United States that has been followed by other states in the war in Iraq, like France, Germany or even Turkey, which denied the US access to its territory for the Iraq invasion.[43] This strategy does not contemplate a military confrontation but the use of soft instruments, like diplomacy or procrastination, which could increase the costs for the hegemon in carrying out some policies. This can also be described as the 'tying the giant' strategy.[44]

The 'soft balancing' strategy does not mean that Latin American countries are unwilling to cooperate with the US in some aspects of the war on terrorism. It only presupposes that this support has a clear limit: the domestic legitimacy of the governments in the area. Actually, cooperation between the United States and Latin America has increased after the terrorist attacks and, with the exception of Cuba and Venezuela, the countries of the region are reported by the State Department as reliable partners.[45] It is worth mentioning that terrorist threats perceived by the US in the region are basically domestic, with the exception of the activity of Hizbullah and Hamas among the Muslim communities in the Triborder area of Argentina, Brazil and Paraguay. That is why the US has no big interest in the region: it is not perceived, in general terms, as a source of terrorism that can endanger American security in a direct way. But there is a clear concern for the US territorial border with Mexico, which can be a point of entry for terrorists and organized criminals.[46]

It is highly probable that most of the Latin American countries do not think that the possibilities of a terrorist attack in their territory are very high. However, they do not want to put at risk the relationship with the United States. Actually, 'only Cuba and Venezuela are openly hostile toward the United States. And most Latin American governments continue to seek close ties with the United States, including free-trade agreements, immigration accords, and security assistance.'[47] This is so despite the opposition to the Free Trade Area of the Americas (FTAA) shown by some governments during the Fourth Summit of the Americas that took place in November 2005 in Argentina. Even when the opposition to this project was led by Venezuela, and endorsed by some other South American countries, like Argentina, Brazil and Uruguay, the truth is that most of these governments are disposed to negotiate with the US. That was quite evident during the visit of President Bush to Brazil after the Summit of the Americas in 2005. Other countries like Mexico and Chile have been supporting the FTAA in an open way.

However, it is impossible not to see the political changes in the region during the recent years. Nowadays, there are nine governments in the area that can be

defined as leftist in some degree: Cuba, Venezuela, Argentina, Brazil, Uruguay, Chile, Bolivia, Peru and Nicaragua. However, it would be a mistake to think that all these regimes are the same.[48] There are big differences between Venezuela and Cuba, on the one hand, and Chile, Brazil and Uruguay, on the other hand. Castro and Chavez have openly supported socialism, while Lagos (and Michelle Bachelet), Lula and Vazquez are in favour of the free market. One of them, Chile, has a free-trade agreement with the United States, and Brazil would be very happy with such an arrangement. In other words, even when there has been a turn to the left in the region, it does not mean that all governments maintain radical anti-US policies. Even in the case of US–Venezuelan relations, where there is very noisy rhetoric, the chances for an open conflict between the countries are low. However, some minor friction is not discarded between the region and the United States, but this will take the form of 'soft balancing', that is diplomatic disagreements and delays in supporting US positions. At the same time, it is highly probable that differences between moderate and radical leftist regimes increase, which complicates the coordination of policies among the different countries. If Chavez continues radicalizing himself, confrontation with moderate governments of the region, like Chile, is very possible. That scenario appeared during the Sixth World Social Forum (the anti-globalization meeting that pretends to be an alternative to the Davos World Economic Forum) that took place in Venezuela in January 2006. In that meeting, some radicals from the left accused the Presidents of Argentina, Brazil and Uruguay of being 'coward reformists'.[49]

However, it would be a mistake to think that all the countries in the region have the same leverage in the international system. There are clearly two major powers in Latin America: Brazil and Mexico. The former has a hegemonic project that contemplates a permanent seat at the Security Council, while the latter is the major Latin American trade partner of the United States and possesses a large bargaining power with Washington. Chile is a wealthy country with a consolidated democracy that also has a free-trade agreement with the US and, consequently, it possesses some margin for manoeuvre. Colombia is the major producer of cocaine in the world and has in its territory three groups that the US has defined as terrorists. That attracts the interest of Washington, but given the high volume of aid provided by the US, it is difficult to expect a disagreement on American policy. Colombia, like Central America, is also negotiating a free-trade agreement with the US. Consequently, it seems that the biggest opposition to the United States will come from Venezuela and Cuba, but if those countries are not able to obtain the support of some of the major countries of the region, their ability to restrain the giant is limited.

There are also economic limits to the power of Latin America. Mercosur, the most ambitious South American commercial pact, including Venezuela, represents 31.93 per cent of the total trade of the region, while Mexico itself represents 37.26 per cent and the Andean Community of Nations only 10.17 per cent.[50] In terms of world trade, Latin America (excluding Mexico) represents 3.21 per cent, while the North American Free Trade Agreement (Canada,

Mexico and the United States) represents 17.53 per cent and the European Union 39.7 per cent.[51] Even when the participation of Latin America in the global trade is not totally irrelevant, it is not sufficient to have some impact on the international system.

Conclusions

The future of the region is not clear. Even when some countries are disposed to tie the giant through diplomacy within the international organizations, they cannot do more than that, unless some major changes take place in the area. Even when regional organizations like Mercosur have evolved in a satisfactory way, the economic importance of Latin America is still low. Actually, behind the aggressive rhetoric that some of the governments use, there is a lot of interest in improving the terms of trade with the industrialized countries, especially for agricultural products. If that does not happen, the role of the region in world affairs would be secondary in the future. Certainly, in political terms there are two countries with a hegemonic project: Brazil and Venezuela. These countries can have a limited influence in parts of the region. However, they cannot go too far, especially if they want to confront the United States. Certainly, they can annoy the giant and, in some cases, tie him up in multilateral organizations. But they need more than that if they want to have a leading role in world affairs.

Notes

1 The works about the post-Cold War, from this perspective, are abundant. See, among others, Mearsheimer, John J., 'Back to the Future: Instability in Europe after the Cold War', in Sean M. Lynn-Jones (ed.), *The Cold War and After: Prospects for Peace*, MIT Press, Cambridge, MA, 1991, pp. 141–192; Krauthammer, Charles, 'The unipolar moment', in Graham Allison and Gregory F. Treverton (eds), *Rethinking America's Security*, W.W. Norton and Company, New York, 1992, pp. 295–306; Layne, Christopher, 'The Unipolar Illusion: Why New Great Powers will Rise', *International Security*, 17, 4, Spring 1993, pp. 5–51.

2 In this regard, see Halliday, Fred, 'International Relations: Is There a New Agenda?', *Millennium: Journal of International Studies*, 20, 1, 1991, pp. 57–72.

3 The bibliography about nationalistic movements and ethnic conflicts in the post-Cold War era is large. See, for example, Moynihan, Daniel Patrick, *Pandemonium: Ethnicity in International Politics*, Oxford University Press, New York, 1993; Burg, Steven L., 'Nationalism Redux: Through the Glass of the Post-Communist States Darkly', *Current History*, April 1993, pp. 162–168; McGarry, John and Brendan O'Leary, *The Politics of Ethnic Conflict Regulation*, Routledge, New York, 1993, p. 321; Gurr, Ted Robert, *Ethnic Conflict in World Politics*, Westview Press, Boulder, 1994, p. 206; Diamond, Larry and Marc F. Plattner, *Nationalism, Ethnic Conflict, and Democracy*, Johns Hopkins University Press, Baltimore, 1994, p. 146. See also, *Survival*, 35, 1, Spring, 1993, dedicated to 'Ethnic Conflict and International Security'.

4 Goldgeier, James L. and Michael McFaul, 'A Tale of Two Worlds: Core and Periphery in the Post-Cold War Era', *International Organization*, 46, 2, Spring, 1992, pp. 467–491.

5 Huntington, Samuel P., 'The Clash of Civilizations?', *Foreign Affairs*, 72, 3, Summer, 1993, pp. 22–49.

6 There are many authors who think that the Third World represents little or no threat to the 'core', specially the United States. See, for example, Maynes, Charles William, 'America Without the Cold War', *Foreign Policy*, Spring 1990, pp. 3–26; Hendrickson, David, 'The Renovation of American Foreign Policy', *Foreign Affairs*, 71, 2, Spring 1992, pp. 48–63.
7 On the war in Bosnia, see Doder, Dusk, 'Yugoslavia: New War, Old Hatreds', *Foreign Policy*, 91, Summer 1993 and Mayall, James (ed.), *The New Interventionism 1991–1994*, Cambridge University Press, Cambridge, 1996, p. 238. On the lack of interest of the First World on what happens in the periphery, see Goldgeier and McFaul, op. cit., p. 487 and Mahbubani, Kishore, 'The West and the Rest', *The National Interest*, 28, Summer 1992, pp. 3–12. For a good overview of the peacekeeping efforts, see Durch, William J. (ed.), *UN Peacekeeping, American Politics, and the Uncivil Wars of the 1990s*, St. Martin's Press, New York, 1996, p. 502. For the failure in Rwanda's genocide, see Kuperman, Alan J., *The Limits of Humanitarian Intervention: Genocide in Rwanda*, Brookings Institution Press, Washington, DC, 2000, p. 154.
8 Lake and Rothchild suggested that ethnic conflicts tend to spread in the international arena. However, they admit that the involvement of the United States and other countries has been limited. See Lake, David A. and Donald Rothchild, *The International Spread of Ethnic Conflict*, Princeton University Press, Princeton, 1998.
9 In this regard, Deibel argues that this lack of interest originates in the fact that the US government strategists did not see the existence of American strategic interests all over the world that justify humanitarian interventions. The policy of confining the Third World to the Hobessian 'state of war' is strongly influenced by political realism, for which the domestic ideology of a regime is less important than its behaviour (Deibel, Terry L., 'Internal Affairs and International Relations in the Post-Cold War World', *The Washington Quarterly*, Summer 1993, pp. 13–43). See also Mueller, John, 'Quiet Cataclysm: Some Afterthoughts on World War III', in Michael J. Hogan (ed.), *The End of the Cold War*, Cambridge University Press, Cambridge, 1992; Stedman, Stephen John, 'The New Interventionism', *Foreign Affairs*, 72, 1, 1993, pp. 1–16.
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14 Daalder, Ivo H. and James M. Lindsay, *America Unbound*, Brookings Institution Press, Washington, DC, 2003, p. 13.
15 Ibid., pp. 13–14. Fukuyama, Francis, 'The Bush Doctrine, Before and After', *Financial Times*, 11 October, 2005, p. 21.
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17 Daalder, Ivo and James M. Lindsay, op. cit., p. 15.
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12 The change of the world in the early twenty-first century and China's strategy of peaceful rise

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After the Cold War ended, huge and rapid changes have taken place in the world. We are still in the process of transformation; hence it is certain that we are limited in our awareness of the outcome of those changes. However, some dimensions in the process of transformation that are becoming more and more distinct are the swift global progress promoted by the new scientific and information revolutions; the complicated world structure never seen before, consisting of both a sole superpower and some other big powers, multilateralism and multi-dimensional forces; the emergence of non-traditional threats and non-state actors. We are compelled by these changes to reconsider the traditional international relations theory on hegemony and balance of power, reconstructing the threats to the world and conditions of war and peace, including opportunities and challenges in terms of the strategic choices for individual states. This chapter will closely analyse these new problems and study the strategic reaction with regard to China's peaceful rise.

The impact on hegemony and balance of power of changes in international relations

Since the theory of realism has occupied the dominant position in the theory of international relations, the theories derived from it, such as 'vie for hegemony', 'stability because of hegemony' and 'balance of power', have been accepted and quoted by many scholars. But the huge changes in international relations after the Cold War deserves scholars' attention.

After the Cold War, there is only one superpower, the United States. Being the champion in the information revolution, America's economic power is equal to the sum total of that of Japan, Germany and France. Militarily, America's military budget is equal to the sum total of the 15 states directly behind it, and America could launch war anywhere in the world. America also possesses enormous soft power. However, compared with the hegemony of old colonialism and imperialist states, America's hegemonic power has been constrained greatly. On the one hand, America's comprehensive power has exceeded that of any hegemonic state in history. On the other hand, unlike the Roman Empire or Great Britain in history, America cannot do whatever it likes. As Joseph Nye has

stated, today's allocation of power among states is similar to a game of international chess with a complicated three-dimensional space. On top of the chessboard is unilateral military power; in the middle of it, there are multilateral economic powers – two-thirds of the world's production is provided by America, Europe and Japan, while China is rising rapidly. At the bottom of it, there are international relations beyond the control of governments, such as transnational corporations, terrorist organizations and a series of non-national actors which cannot be defined as unilateral, multilateral or hegemonic.[1] Playing in this three-dimensional space, attention cannot only be paid to the contrast of military power without heeding the other two aspects. If America refuses to readjust its strategy, the situation of 'the more you fight, the more terrorism there will be' might appear.

In the foreseeable future, America will maintain its position as a superpower. However, with the rise of other states' comprehensive power, the relative position of the US will decline. Brzezinski predicted that, by 2020, the GDP of America will make up 10–15 per cent of that of the world, while the GDP of Europe, China and Japan will approach that of America's, and the global economy will no longer be dominated by any one single entity, which will produce far-reaching political and military impact. Allocation of responsibility and power will be linked with the great changes of the global forces. America's goals are: (1) to maintain its dominant position for at least one generation, but preferably for even longer; (2) to establish a more steady geopolitical framework.[2] In this transitional period, America might have the following choices, first to move towards greater cooperation with the countries of the world so as to establish a new global, economic, political and organizational framework; second, to spare no efforts to maintain and strengthen its own dominant position, which will result in more friction and conflicts with other countries of the world; third, to give consideration to both goals and vacillate between the two choices; fourth, to be isolationist. Although America once possessed the tradition of isolationism, this possibility has now receded. During the Clinton administration, America's foreign strategy was the first option, while in the Bush administration, America's foreign strategy favours the second choice. In the days to come, it will be more possible for America to choose the third one which is a combination of the first two choices.

A hot topic under discussion is whether balance of power will be achieved in order to deal with hegemony, and whether there will appear another new superpower taking the place of America. In particular, many scholars worry that China is the most likely candidate. Actually, fundamental changes have taken place in the areas of balance of power and domination; in this sense, America perhaps is the last superpower. The developing dimension of a future big power not only depends on its own ability and will, but is also decided by the new trends in the international system.

The first trend is that peace and development have become the mainstream in the world and war is constrained. The factors that have contributed to this are an acknowledgement of the concept of sovereignty of all nations, of international

laws which are binding and nuclear deterrence. Conflicts and war have not been wiped out, but they have been constrained. Even if war breaks out between countries, the original state will be recovered by other countries through group actions.

The second trend is that the relations among big powers is no longer one of life-and-death hostility, but includes both cooperation and competition. We still have military alliances, but their nature is undergoing some changes. For instance, NATO is becoming more European in style. Since Germany and France did not support the war in Iraq, the US could not utilize NATO. The US–Japan military alliance also declared that its goal was not only to safeguard Japan's security, but also regional peace and security.

The third trend is the rising role of small and medium-sized countries. They are, without exception, carrying out balanced foreign policies. For instance, members of ASEAN welcome America, Japan, China and India to enter the region and play the leading role in regional cooperation. Countries in Central Asia also implement a balanced policy towards America, EU, Russia, China and Japan which results in their getting more aid. In such a situation, the impact of small or medium-sized countries on big powers is rising greatly and contributes to stability in the international order and, to some extent, contains hegemonic power. I do not think it is proper to call such a policy 'balance of power', therefore I call it 'balanced policy'.

These new trends have made it impossible for China to embark on the traditional development road of old strong powers, to expand in the ways utilized by old colonialism and imperialism, nor to establish its status by force or by starting wars. Even in East Asia, where China used to enjoy great influence, it is impossible for China to be the dominant power in the traditional sense. Because of the background of globalization, it is impossible for China to exclude any big power from entering the region and playing its role. China has no choice but to cooperate or coordinate with big powers or small or medium-sized countries. China puts forward the policy of 'peaceful development road', not only because China has suffered greatly from invasion and humiliation historically, or that China possesses a noble and peaceful cultural tradition, but because the changing times and situation make it possible for China to be accepted by the world only by selecting that path.

The new security threat and its impact on China

Following the end of the Cold War, nations have been facing new security threats, which not only include the tangible non-traditional security threats, but also comprise the metamorphosis of traditional security threats. The conflicts and wars in the post-Cold War era are different from those that took place during the Cold War if their major patterns are compared. There were four main categories of warfare during the Cold War – wars of decolonization, national independence and maintenance of national interests; wars launched by the two superpowers vying for world power; state-to-state wars among developing countries; and the civil wars within developing countries.

The first categories no longer exist and the two remaining categories can be broken down into: civil wars and state-to-state wars among developing countries; wars of interventions; and conflicts and wars caused by non-traditional security threats, which so far mainly refer to terrorism of mass-destruction. The fourth category is the most controversial in academic circles. Some categorize terrorism as criminal activities. Others put it in the category of conflicts and wars. This author is more eclectic and regards terrorism as a conflict that only causes massive and severe destruction.

Not only have the patterns of wars greatly changed, but so have the motivations for wars. In the early days of the post-Cold War era, civil wars and state-to-state wars of developing countries accounted for over 90 per cent of total conflicts and wars. This is not very different from the case during the Cold War, if only in terms of numbers. But the motivations are different. During the Cold War, the newly emerging nations went to war mainly with the aim of contending for resources and military importance.[3] With the end of the Cold War, however, the civil wars and state-to-state wars largely involve ethnic, religious and cultural as well as economic and strategic factors. The modern nation-building undertakings lay the foundation of national equality on the one hand, and paves the road to the rise of nationalism on the other. Cultural, religious and ethnic differences are often negligible in closed and tiny societies, but matter in maintaining national security and core national identities in the context of economic globalization. Today, nationalism is a special patriotism;[4] it functions at a more profound and fundamental level and outperforms any ideologies.[5] In addition, few countries in this world are ethnically homogeneous. Therefore, this complex hybrid is prone to translate into international conflicts. Developed nations are not free of the contradictions of ethnicity, religion and culture either, although developing countries are more vulnerable to the conflicts and wars triggered by the contradictions, for they are in a lower stage of ethnic integration and national identification.

Rapid economic globalization has boosted economic interdependence on the one hand and, on the other, expanded the inter-national and the intra-national disparities of wealth in the developing, as well as in the developed, countries, which have resulted in outraged discontent. In addition, injustice and unfairness are widespread in the international system. The disadvantaged groups become helpless, desperate and even rebellious, and turn into hotbeds of various types of extremism and terrorism with access to nuclear and chemical weapons and international networks. They are restrained by no international laws and attack ordinary people just to produce the maximum shock effect. In addition, non-traditional security threats include global warming, environment deterioration, scarcity of resources and fatal epidemic diseases, and have the potential for causing conflicts.[6]

The other new motivation stems from the increase of external intervention. Of the two types of external intervention, interventions based on consensus by regional organizations – which includes the use of force to resolve disputes, turmoil and conflicts that may undermine regional stability, e.g. the African

Union's intervention in the Great Lakes Region – are both positive and effective. But NATO's intervention in Kosovo seems to be controversial and is being re-evaluated by the Europeans. The other type of external intervention is the swelling unilateralist approach by the sole superpower, which resorts to force and pre-emption while no other nation is powerful enough to curb it. The Iraq War in 2003 is a case to the point. Since the US is at the peak of its economic, military and soft power, the motivation for external intervention remains.

The future trends of war and peace can be judged as follows. First, world war will not break out in the foreseeable future as current conflicts are basically regional or subregional ones, while most nations are generally in a state of peace. Second, the soft belly of the Eurasian continent, the crescent area starting from the Balkans, the Middle East, the Caucasus, Central Asia, South Asia to East Asia and Africa and some Latin American countries, are most frequently visited by conflicts and wars. Some of them are mixed with traditional security threats, like the wars invoked by 9/11. Finally, confronting new challenges, nations have a strong will towards cooperation, while new contradictions emerge.

The dilemma lies in how to define, and deal with, conflicts and wars caused by non-traditional security threats. The war in Iraq is most controversial, which exactly demonstrates that mankind is perplexed and bewildered at the dramatic change in the world. Traditional theories of IR were concerned more with state-to-state behaviour and interactions, and less with non-state actors; more with political areas and less with other areas that are regarded as low politics, and therefore, brought about the dichotomy between high politics and low politics. It is hard to explain the facts of today using those theories. Therefore, some scholars suggest converging the two lines of 'international politics' and 'globalization', and other scholars try to distinguish between a world system and world society and so forth, which are indeed enlightening.[7] Actually, we have to develop a totally new comprehensive theory of global relations to interpret the predicament of the human society.

The principles of sovereignty and non-interference in internal affairs – the foundational principles of international organizations and mechanisms such as the UN since the Second World War – are severely challenged today. At this critical juncture of war and peace, the options to intervene or to be intervened run counter to the traditional principle of sovereignty. However, the state is still the irreplaceable prime actor. Just as Anthony Giddens, the well-known theorist and the father of the Third Way, puts it, modern international relations are the *raison d'etre* of the nation state. On the issue of sovereignty, there exists strong pressure on the mutual recognition of states as equal actors, no matter how large the gaps between powers are in reality. Sovereign states are in control of the limited territories.[8] Thus, inter-state cooperation and inter-governmental organizations are still the centre of the international arena. Conflict prevention and peacekeeping require closer security cooperation among nations and brings in the non-state actors.

Where does the security threat come from? Many people with stereotypical ideas in China will name a major power, either in reality or in potential, as the

major source of threat. In fact, the major powers today are no longer hostile to each other, which is the important guarantee of peace and development, the theme of the times, and also the important precondition for China to realize the strategic opportunity period. Those who think that cooperation between China and other major powers are 'ad hoc' or 'abnormal' by nature, and that there will be a return to the 'normal state' where major powers confront one another, are actually drawing on the Cold War experiences and are, therefore, bound to make decision mistakes. This author is going to start from the aforementioned four categories of major conflicts and test them on likely scenarios that may occur in China.

Scenario one: internal instability, unrest and even conflicts are highly likely. China is at a critical juncture when two transitions coincide. One is the acceleration of modernization; the other is the transition to the market economy from a planned economy. Both are inundated with contradictions and highly prone to cause conflicts. The two transitions are so intertwined that they further expand the urban–rural disparity, interregional disparity, wealth disparity and ethnic disparity, which will trigger social unrest if tackled maladroitly. Even limited unrest in China will have an impact on East Asia or beyond. In addition, China is a country ringed with the most neighbours in the world, 15 continental neighbour countries and eight maritime ones. Most of them are at a low stage of development. Some are even the most underdeveloped in the world. Thus, their intrinsic difficulties and uncertainties are big. China's relations with them involve complicated interwoven issues of border disputes, cross-border ethnic issues and cross-border religions, which are sure invitations to terrorism, extremism and separatism, and collusion among drug-trafficking, arms-trafficking and transnational crimes. While China's reform and open policy is riddled with enormous internal contradictions, the disparate discontent of all social strata, geographic regions and walks of life will not cause social turmoil at once, unless they are compounded by external elements or serious policy mistakes.

Scenario two: China's vulnerability to non-traditional threats due to its weak institutional and physical preparedness since the 1990s – such as the threat to economic security (East Asian financial crisis), health security threat (SARS, avian flu, HIV/AIDS and so on) and environmental security threat (flood, sand storm, drought etc.) – puts it at risk. Terrorism and transnational crimes have already harmed China's security, and will only grow rather than fall in degree. Epidemics and environmental problems are common to Chinese history, but thanks to globalization and liberalization, their risks have surged, their international repercussion and domino effect will be immense, and the shocks and destruction will be devastating.

Scenario three: the likelihood of external intervention is slight in spite of issues involving Taiwan, the US role in it and the US eastward strategic shift. China is one of the few yet-to-be-unified countries in the world. The US supports Taiwan through the 'Taiwan Relations Act', and is even contemplating defence coordination with Taiwan, and has in fact included Taiwan in its TMD system. However, China will not abandon its commitment to the use of force to prevent Taiwan independence and the intervention of external forces.

It is very important to comprehend US strategy, given that the Taiwan issue is inextricably linked to the possibility of US intervention. Recently, there has been widespread belief that the US will attempt to launch a strategic encirclement of China by virtue of the counter-terrorist war; that China and the US are bound to have a showdown because of the Taiwan issue; and that the US will never want to see the rise of China and will therefore adopt a containment strategy once the counter-terrorist war is over. To this author, those views are oblivious to the new trends in the world and the shift of US strategy, and hence lack vision.

First, the US bears the brunt of the new threats of the post-Cold War era, despite the swift shift of US strategy in the wake of 9/11, i.e. placing homeland security as the first priority, taking terrorism and proliferation of WMD as prime threats and diverting its concern with the 'rising powers' to the concerns about the 'failed states'. President Bush had defined the major threats to US in his National Security Strategy of the United States of America, citing Russia, India and China as cooperation partners.[9] The US and China share broader bases for cooperation, not only in respect of counterterrorism, but also in other areas, like Asia-Pacific security. This is not an expedient and temporary trend, but a long-term and fundamental one. This trend is true not only as the US is trapped in the Middle East for the time being, but also as it will extricate itself from the Middle East. Why? The world is changing faster than one can imagine. There will be no return to another Cold War.

Second, whether the US will intervene in China is not directly related to whether the US is making an eastward strategic shift. Although the US strategic priority was Western Europe during the Cold War, it went to war with China twice – the Korean War and the Vietnam War. However, it would be abnormal if the US had not shifted its strategic importance to East Asia now that it has grown to be the economic peer of Europe and North America, which constitute the trilateral equilibrium of the world economy. The US presence in Asia has its negative as well as positive dimensions. The positive dimension is demonstrated in the close economic, social and cultural relations between the US and Asia. The negative dimension lies in the fact that the US always dominates East Asian affairs to serve its own interests. The US military presence surrounding China is not only a cause of China–US competition, but also provides a chance for cooperation. Whether or not the US intervenes in China will depend upon how China and the US define their respective national interests and their bilateral interactions.

Third, the will and capability of the US to intervene in China on the Taiwan issue are quite limited. The US cardinal principle on its Taiwan Straits policy is 'no unification, no independence and no war', and 'maintaining the status quo', which overlaps China's present position. China and the US are not playing a zero-sum game on the Taiwan issue. They are able to find the common denominator of cooperation. President Bush has been well aware of the provocative stance of the Taiwan authority and the danger of 'Taiwan independence' and will join China in constraining the move for 'Taiwan independence'. The cost of US intervention in China would be unimaginable.

Finally, China's rise is not something the US can stop unless policy mistakes are made by the nation itself. Germany, Japan and an integrated Europe have emerged following the end of the Second World War, which indicates that a peaceful rise is acceptable to the world.

Scenario four: the likelihood of conflicts between China and its neighbours is slight. Most of China's neighbours have lagged behind it in terms of comprehensive national strength. In addition, thanks to China's pursuit of 'good-neighbour, rich-neighbour and tranquil-neighbour' policies, the non-use of force in settling mutual disputes has become consensual. The chances of China's neighbours uniting among themselves and joining with the US against China are slight. The US has established a number of military alliances in the Asia-Pacific and engaged in military cooperation with a number of countries following the end of the Cold War. Some elements in those military arrangements might be directed at China. However, most of them are directed at regional security threats. As a specialist predicts, the change in the international strategic environment will put an end to all the US military alliances in ten years. He makes this assertion by drawing on the examples of the changes in NATO, the US–South Korean alliance and the US–Japanese alliance.[10] Although it is premature to confirm his predictions, it is necessary to take note of the change of the nature of military alliances. If the 'Taiwan independent attempt' prompts China to use force, the US's allies, Australia or the East Asian countries, may not follow the US in its action against China.[11] The Iraq War is a case to the point.

China's foreign policy trend through to 2020

Since its reform and liberalization policy began in the late 1970s, China's foreign policy has radically shifted. From being an isolated and closed revolutionary state in relation to the world system, China has been changed into an enlightened, cooperative and active player participating in the world system. China-watchers often attribute this change to external pressure. They are at least partly correct, but they have omitted the indigenous impulse, which is more important in my understanding. By drawing on the lessons of the past and its foreign experiences, those of East Asians in particular, the Chinese government and leaders have realized that only by concentrating on economic development and modernization can China become a prosperous, democratic and civilized nation, and improve the living standards of the population. Therefore, the indigenous impulse is more basic and enduring.

As targeted by the Chinese government, the per capita GDP of China will quadruple that of 2000 by 2020, and China will have the living standards and level of social development equivalent to that of a 'moderately prosperous society (*xiaokang shehui*)', which will lay the foundation for fulfilling the goal of 2050 to quadruple the per capita GDP of 2020. By 2050, China's economic level and social development will basically achieve modernization. The period from now through to the year 2020 is called the 'strategic opportunity period', i.e. China may develop and exploit the advantageous factors, internal and

external, to overcome difficulties and challenges and fulfil this tremendous task. In the coming five years, the Chinese government will focus on addressing the following issues: building a new society on the socialist model; advancing the readjustment of the economic structure; shifting the mode of economic growth; reconciling regional developments; boosting R&D in Chinese enterprises; accelerating the development of education in science and technology; deepening institutional reform; expanding and opening up to the outside world; and emphasizing the realms of employment, social security, education, healthcare and so on.

China's foreign strategy and policy are mainly designed to realize the aforementioned goals and cultivate a propitious international environment for China's modernization. In this section I am going to examine these new trends of China's foreign policy.

China will continue to take advantage of the opportunity provided by globalization for quickening the pace of integrating domestic markets into the world market and will pay more attention to the risks that arise and address various frictions and contradictions.

China believes that economic globalization will have both positive and negative impacts. But China underlines the opportunities brought by globalization that contribute to world peace and development. China will react to globalization and China's access to the WTO by further opening up to the outside world, while at the same time aiming to take advantage of globalization and avoiding its hazardous impacts. The Asian financial crisis in 1997 prompted the Chinese government to acknowledge that globalization was a two-edged sword. The report of the 16th Party Congress held in 2002 regarded globalization as offering an 'opportunity and advantageous conditions'. This assumption seems to run counter to the powerful anti-globalization movement in the world. For China, the largest developing country, and for its ruling party and government to affirm that globalization is advantageous is significant. Like other East Asian nations, China has seized the opportunity provided by economic globalization, to accelerate China's modernization.

From 2005 on, the Chinese government, leaders and academics have noticed a new phenomenon. China used to care about the impact of the outside world on itself, but now China has to simultaneously care about the impact of its own development on the world. For instance, Premier Wen Jiabao has stated that China's per capita GDP would double by 2010, and the energy use per unit of GDP in 2010 must be reduced by 20 per cent from 2005.[12] The Chinese government has also put forward 'the scientific concept of development', i.e. seeking coordinated and sustainable development, shifting the old concept of development, creating a new development model. Different regions are asked to take different measures. Some areas that are ecologically fragile are restrained in their development. China is going to apply instruments like trade, investment, joint development and so on to ameliorate the negative impact, if any, it exerts on the outside world and to seek a win–win and all-win outcome.

The major threat to the world has changed. China puts forward a new security

concept, and pursues a new security policy. According to the report to the 15th National Congress of the Communist Party of China held in 1997, the world is heading towards relaxation as a general trend. Hegemonism and power politics are the major threats to the peace and development of the world. After 9/11, however, the report of the 16th Party Congress, held in 2002, had reconfirmed that peace and development were the major issues of our times, but also warned that the uncertainties impairing peace and development were on the rise. Traditional and non-traditional threats go together. Hegemonism and power politics have their new manifestations. The Chinese government is more concerned with security issues, and regards traditional and non-traditional threats as equally vital. China not only opposes hegemonism and power politics in general, but, in particular, it also specifies new forms of hegemonism, as later testified by the Iraq War. As for the rising threats of terrorism, China has put forward its own policy proposals, which are shared by the majority of the developing countries, but also new security concepts, which are based on mutual trust, mutual benefit, equality and coordination. China favours dialogue and cooperation instead of using force or threat of using force in settling disputes. China has not only announced the new security concept, but has also put them into practice.

The Chinese government took the lead in joining the Treaty of Amity and Cooperation in Southeast Asia, which has entrenched mutual trust between China and the ASEAN nations. Sino-Indian border negotiations, long stalemated, is now progressing steadily, thanks to the atmosphere of mutual trust between the two nations. China has held joint military exercises practising rescue operations with India and Pakistan. China has joined international cooperation efforts against terrorism, which serves its national interest. However, China has also expressed its own independent position on anti-terrorism operations and on the Iraq War.

China's foreign policy will increasingly emphasise 'obtaining security through cooperation', and participating in multilateral dialogues and multilateral cooperation mechanisms. China has solved land-border issues with most of its neighbours, but has just begun to solve maritime-border issues. For instance, China has concluded talks with Vietnam on the demarcation of the Beibu Bay border. China has signed an agreement with Vietnam and the Philippines on cooperation in exploring the seabed resources of the South China Sea. China must maintain contacts with all interests and join regional neighbours in seeking new mechanisms and regimes that strengthen mutual trust and security.

China's foreign policy underlines its relations with neighbouring countries and, given that its influence in the long run lies mainly in East Asia, China has to accumulate more experience in regional affairs and also has to learn to act as a regional and global power.

The report of the 16th Party Congress has stated the principle of building good-neighbourly relationships and partnership with neighbouring countries. Premier Wen Jiabao has further interpreted this principle as 'building an amicable, tranquil and prosperous neighborhood', reflecting China's new look towards the East Asian region.

China's policy towards its periphery has changed from bilateral relations to both bilateral and multilateral relations through regional cooperation organizations. China is in favour of combining the national interests of both China and other countries in the region. China's modernization process has been deeply intermingled with the East Asian economies ever since the early stage of reform and opening-up, not to mention that China is now entering a new stage of development. China's further development will no doubt exert a political and economic impact on the region and the world as well. The worries in the region about 'China threat' and 'China collapse' are understandable, but can only be eliminated in the process of cooperation and shared development.

China's foreign policy will emphasize cooperation with all major powers and keeping on good terms with them. Sino-US relations have entered a relatively mature and stable stage. 'The candid and constructive partnership' has reaped bilateral cooperation. The US administration will renew, but the basis of Sino-US relations is relatively stable and solid. The strategic partnership between China and the EU is in good shape. Sino-Russian relations are in the best period of their history. The only relatively difficult relationship is between China and Japan. Sino-Japanese relations cannot improve if they cannot find ways to solve the historical issues, the Taiwan issue and the issue of two rising East Asian powers finding ways to co-exist. But, there are bright aspects in Sino-Japanese relations: the deep economic interdependence of the two countries and burgeoning communications between the two peoples. However, the present difficulties could prompt the two governments and peoples to rethink and acknowledge the importance of their interrelations. This presents a starting point for the improvement of their relationship.

Major power relations involve the newly emergent powers of developing countries. Sino-Indian relations have completely thawed and entered into a warm spring. China and Brazil are getting closer. China has established amicable, and even strategic, relations with most regional developing countries.

Multilateral diplomacy is high on China's foreign-policy agenda. In the past, China was not very active in multilateral diplomacy, as the Chinese government was unfamiliar with this process and feared that China would be economically and politically constrained. Now, Chinese leaders have realized that multilateral diplomacy is the most important platform in world affairs and one in which China can play an important role as well.

Shedding stereotyped conceptions, China's diplomacy is taking more initiative. President Hu Jingtao's debut at the informal South–North meeting among the G8 leaders proved to be successful. China not only maintains contacts with the G8 Group, but has also established new cooperation with Group 20. China is more active in the UN, where it speaks for developing countries and coordinates with the developed world, which is appreciated by all countries.

China will attach more importance to soft power, improve its image, carry forward the values of Chinese culture, i.e. peace, harmony and cooperation, and at the same time, co-exist and share progress with all other cultures of the world.

The 16th National Congress of the Communist Party of China has for the first

time set forth the idea of 'going along with the tide of history and safeguarding the common interests of all humankind'. This indicates that China emphasizes 'the common interest of the whole human race' as well as Chinese national interests. Chinese nationalism and patriotism are growing, which is positive and boosts the self-confidence of the people. However, radical nationalism is hazardous. Stressing 'the common interest of the whole human race' combines regionalism and internationalism with nationalism and patriotism and, thus, softens radical nationalism. After the tsunami in the Indian Ocean, not only did the Chinese government provide aid to the disaster area, but the Chinese people also donated spontaneously, which showed international compassion. Many Chinese youth went to Laos and other poor countries to serve as volunteers, which is also a new phenomenon.

The Chinese government issued a white paper on political democracy for the first time in October 2005, showing its resolution to further political reform and build up democratic institutions. It is difficult for the Chinese government to make instant improvements, as China is a special country with a huge population, with large gaps of income between different regions, and is at a low stage of economic development. Anyway, China will follow a step-by-step approach in introducing new policies, provided they permit social progress. For example, in its campaign against SARS, Chinese leaders rectified their mistakes, accepted the monitoring and intervention of the WHO, and cooperated with the ASEAN leaders. One can find that China is making progress on aspects such as democracy, human right, freedom, civilization and so on.

China's fast economic growth will persist. Thus, China has to anticipate and answer questions on how it will employ its power once it gets strong, where it will orient its development and what role it will play in the world. Mr Zheng Bijian, the former Vice-President of the Central Party School, had put forward the theory of 'peaceful rise'. He has published an essay in foreign affairs (Summer 2005). His theory will influence China's foreign policy over the next 20 to 50 years. However, his theory is controversial even within China. Some comment that 'rising' is too strong a word, as China seems to surface from nowhere abruptly, which will cause fear to its neighbours. So, they suggest using 'peaceful development', a more acceptable wording. Leaders in China adopted this proposal. Thus, the official policy is 'peaceful development' rather than 'peaceful rise'. Of course, academics can use whatever term they like. Others worry unnecessarily that the notion of 'peaceful rise' will restrain the Chinese government from using force in response to possible 'Taiwan independence'. Germany has used force many times after the Second World War, but no one would accuse Germany of not being a 'peaceful' nation. Regardless of whatever term is used, what matters is the connotation the term is supposed to carry.

China has also put forward the principle of 'One China, Peaceful Unification' which will be in the interests of the Chinese across the straits but also prove favourable to the stability and prosperity of the Asia-Pacific region. The Anti-secession Law passed in March 2005 by the Chinese People's Congress subjects

the movement for Taiwan independence to the rule of law. At the same time, the Chinese government has unilaterally offered preferential treatment to the people of Taiwan including use of Chinese airspace by Taiwanese airlines, designating Taiwan as a tourist destination for mainland residents, bank loans for business and scholarships for Taiwanese students in mainland universities. Currently cross-straits trade relations and exchanges of personnel are getting closer, which lays the foundations for the settlement of the Taiwan issue.

The rise of a major power leads to war, with few exceptions in modern history. However, we have witnessed the peaceful emergence of Germany and Japan, and the peaceful reunification of Germany. Now the peaceful emergence of an integrated Europe is underway. China is different from Germany, Japan and Europe. Therefore, China needs to explore a new way of peaceful emergence. Chinese leaders have mapped out the goal to quadruple the GDP by 2020 compared to 2000 and to realize China's modernization by 2050. With regard to foreign policy, 'peaceful rise' is the best choice for Chinese development to be accepted by major powers, neighbouring countries and the rest of the world. After the end of the Cold War, no major powers see each other as real enemies. China does not mean to make an enemy of any of the major powers. China will not seek hegemonism, or replace the other hegemons with a Chinese one.

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13 The changing balance of power in the international order in the context of globalization

The case of Japan[1]

Akiko Fukushima

Since it yielded to the demands of Commodore Perry and opened its doors to the outside world in 1858, Japan has sought a legitimate status in the international community. The nation initially attempted to establish its international position by catching up with Europe and the United States. In the first half of the twentieth century, Japan attempted to expand its territories and its influence in order to become a power that could compare to other imperial powers, a quest which ended in the nation's defeat in the Second World War. In the second half of the twentieth century, Japan focused on post-war reconstruction and economic growth, adopting a pacifist stance and playing a limited security role.

The most recent international event that brought about changes in Japanese foreign and security policy was the terrorist attacks in the United States in September 2001. Following as it did the sarin gas attacks on the Tokyo metro system by the Aum Shinrikyo cult, 9/11 had a strong impact in Japan. Terrorism is not a new threat. A draft treaty dealing with terrorism, mainly political assassination, was discussed in the 1930s at the League of Nations. Globalization and technological advances have made terrorism more lethal. Every point of the globe has become vulnerable, including mainland USA. The latest Quadrennial Defense Review (QDR), announced on 6 February 2006, has identified the war on terrorism as the 'long war'.[2] Since 9/11, Japan has modified its foreign and security policies, and has dispatched personnel from its Self Defense Forces to support US counter-terrorism operations in Afghanistan and to assist in the reconstruction of Iraq after the US invasion in 2003. This represents a major departure from the nation's post-Second World War tradition of pacifism, as will be discussed in the following sections.

This chapter examines the evolution of Japan's foreign policy in the context of certain historical milestones and the changing international environment. It commences with the changing balance of power from the perspective of Japan by looking at two major historical events of the previous century, namely the Russo-Japanese War and the Portsmouth Treaty, and the Second World War and the subsequent Yalta agreement. These events had an enormous lasting effect on Japan's international relations, and still affect Japan's contemporary relations

with other nations in Asia, with the United States and with the international community in general. This chapter goes on to take a closer look at Japan's changing foreign policies post-9/11, and at its relations with other East Asian nations and the United States, and concludes with an examination of Japan's quest for a new international order in the context of globalization.

The historical context

2005 marked the centennial of the Russo-Japanese War and the conclusion of the Portsmouth Treaty. These events had a long-lasting impact on the nation and its relations with its neighbours, and led it into the Second World War. The year 2005 also marked the sixtieth anniversary of the end of the Second World War. The Yalta agreement left similar seeds of contention between Japan and its neighbours impacting on the contemporary geopolitics of Northeast Asia.

The Russo-Japanese War was actually fought in China (Manchuria). The Japanese army landed in Korea and proceeded north to Manchuria. The interests of Japan and Russia in China, Manchuria and Korea were the *casus belli* of the war. In addition, the United States played a key role as the mediator of the Portsmouth Treaty. Thus all the key players in Northeast Asia, namely China, Korea, Russia and the United States, were involved in the Russo-Japanese War and the agreements ratified by the Portsmouth Treaty.

A number of books published in Japan around the centennial of the Russo-Japanese War identified its outcome as an honourable victory for Japan, and praised the patriotic devotion of Japanese soldiers.[3] The war was portrayed as the culmination of efforts by the Meiji government to maintain Japan's independence and prevent it from being colonized by imperialist powers as other Asian nations had been. Japan perceived Russian moves to expand its influence eastward to Manchuria, and eventually to Korea, as a mounting threat. The construction of the Trans-Siberian railroad would also make Japan more vulnerable. Japanese leaders forged a broad consensus to the effect that, in order to prevent colonization, Japan should expand its influence towards the west rather than defending its national borders. Thus, the Meiji leadership concluded that Korea should be under Japanese influence, even by war.

Meanwhile, Japan moved to ally with Britain, who acknowledged Japan's rights over Korea and shared its concern over Russian expansion to the south, namely to India and China. The first Anglo-Japanese alliance was signed on 30 January 1902.[4] When diplomatic negotiations concerning the exchange of Korea and Manchuria failed to produce results, negotiations were broken off and an ultimatum was sent to Russia on 6 February 1904. The Russo-Japanese War broke out with an attack by Japan on the Russian fleet. Japan won, but the war and the treaty left numerous unresolved issues in Northeast Asia. Forty years later, Japan realized that the consequences of Portsmouth had cost it dearly, though it got what it wanted, namely dominance over Korea, lease over Liaotung Peninsula from Russia and the rights over the South Manchurian Railway from Russia. Despite its victory, the Japanese leadership did not seek absolute

dominance over Manchuria.[5] On the other hand, the general public were outraged about the Portsmouth Treaty, because it perceived Japan's gains as being smaller than the nation deserved as the victor in the war. The Japanese public expected sizable reparations and substantial territories from Russia.

After Portsmouth, in the 1910s and 1920s, Japanese foreign policy oscillated between realism, the quest for power and national identity, and an idealistic desire to play a greater role in international relations, given that the nation was now recognized as a power that could defeat one of the strongest European powers. Japan chose a path of rigorous imperial expansion which led the nation into the Second World War and defeat in 1945.

Prior to the Russo-Japanese War, given its wish to secure economic interests in China, the United States had been concerned over Russian expansionism. Thus, when the war broke out, President Roosevelt was sympathetic to Japan and mediated a peace treaty. After Portsmouth, however, a series of new issues emerged between Japan and the United States that became the origin of future tensions, including naval competition and the status of Japanese immigrants in America. In particular, the Japanese government rejected Edward Harriman's proposal to purchase the South Manchurian Railroad. Meanwhile, the United States announced its policy of respecting China's territorial integrity and the principle of equal opportunity for all. The United States therefore became concerned over Japan's expansion in China.[6] Had Japan accepted the US principle of the open door and equal opportunity in China, the latter's approach towards Japan would have been critically different. In fact, in the 1920s, Japanese foreign policy made a turn towards that direction. Japan became the signatory of the nine-party treaty on China at the Washington Conference in 1922, agreeing to the principle of respect for China's sovereignty and territorial integrity. But the nation subsequently shifted towards the establishment of an autarkic empire, with the Manchurian Incident in 1931, the establishment of Manchukuo in 1932 and the war with China from 1937 which estranged Japan from other powers. The Japanese autarkic sphere of influence subsequently expanded from Manchuria to northern China, southern China and eventually to Indochina, leading to the Pacific War.

For Korea, the Portsmouth Treaty led to Japan's annexation of Korea in August 1910. Although the people of Korea hailed Japan as the first Asian victor against the Euro-American imperialist powers, Portsmouth became the starting point of their humiliation and isolation. In Japan, the Meiji leadership was initially not united on the annexation. Some, including Hirobumi Itoh, pursued the Egyptian model to preserve outward independence. Although Itoh, who was appointed as the first Governor-General to Korea, remained firm in his strategic thinking that Manchurian sovereignty should not be infringed, he accepted the annexation of Korea.[7] Japan had the support of the United States and the United Kingdom for its rule over Korea, but the nature of Japan's rule left a bitter historical legacy. This is the background to the tension and high emotions that characterize contemporary relations between Korea and Japan.

With regard to Manchuria, Japan first tried to capitalize the right of lease over the Liaotung peninsula and the South Manchurian Railway between Changchun

and Port Arthur. The Japanese army began to push for the introduction of military rule in Manchuria, but the Japanese Ministry of Foreign Affairs was strongly opposed and asserted that China's sovereignty should be respected in Manchuria.[8] China was in political turmoil during this period, while the First World War was being fought in Europe. Japan took advantage of the situation to interfere in China's domestic affairs in 1915. This particularly angered the Chinese, with the result that nationalistic feelings rapidly asserted themselves. Japan eventually conceded by withdrawing its proposals with regard to China's internal affairs.

For Russia, defeat in the Russo-Japanese War signalled the need for internal reforms, and ultimately led to the revolution and the demise of Tsarist Russia in 1917. In Portsmouth, the Southern part of Sakhalin was ceded to Japan. In fact, when Japan and Russia concluded their first border agreement, the Treaty of Commerce and Friendship in 1855, the frontier between Japan and Russia was established between Etorofu and Urup in the Kurile Islands, and Sakhalin was left without border demarcation. In the second border agreement between Japan and Russia in 1875, the Treaty of Exchanges concerning Sakhalin and the Kurile Islands, Russia ceded eighteen of the Kurile Islands north of Etorofu and, in exchange, Sakhalin entered Russian territory. In 1945, Stalin identified Russia's war against Japan as an opportunity to redress the Russian shame incurred in the Portsmouth Treaty. The Yalta agreement and the transfer of Southern Sakhalin and the Kurile Islands marked the realization of Russian irredentism.

Despite the declared principle that 'their countries seek no aggrandizement, territorial or other', in the Atlantic Charter of 1941, and that 'the signatories covet no gain for themselves and have no thought of territorial expansion' in the Cairo Declaration, the Yalta Declaration of February 1945 prescribed that Southern Sakhalin and the Kurile Islands should be returned to the Soviet Union. If one looks at the Yalta Declaration from the viewpoint of realizing idealistic post-Second World War principles, the handing over of the Kurile Islands is a crude violation of these principles. But if one looks at Yalta from the viewpoint of realism and power, the result was hardly surprising. Territorial issues concerning the four northern islands have remained unsolved between Russia and Japan, even after sixty years of the Yalta Declaration.

Portsmouth and Yalta have impacted on Japan and its relations with countries in Northeast Asia in different but equally long-lasting ways. Power politics in 2005 differ from power politics in 1905; the game that is played is different. However, to understand the changing balance of power and its implications in Northeast Asia, it is useful to look back at history and examine, from the perspective of power, identity, realism and liberalism, what choices there are for Japan in the twenty-first century.

Japan in the post-9/11 era

In hindsight, 9/11 marked a new era for security affairs beyond the borders of the United States. Post-9/11 the blurred post-Cold War international order has

been called into question. The United States has delineated a new confrontation between democracy and tyranny. Will a new paradigm for the post-9/11 balance of power emerge?

In the 1980s, the Japanese economy had grown to such a scale that the international community indicated that it would not tolerate its being a free rider on the international system. Japan, for its part, sought to play a political role in addition to its economic role. This was manifested in the Japanese dispatch of Self Defense Force personnel to UN peacekeeping and peace-building missions, first to Cambodia, then to Mozambique, Rwanda and the Golan Heights from 1992. In 1999, Japan sent the largest ever contingent of 750 Self Defense Force (SDF) soldiers to a peacekeeping and reconstruction mission in East Timor. In dispatching the SDF to these missions, Japan made it clear that they were not to engage in combat and that their role was focused on human security, assisting in the reconstruction of infrastructure, medical care, the provision of food and water, education, communications and transportation. This was the most fitting international political role that Japan could play given the constraints on the use of force stipulated in its National Constitution.

After the 9/11 terrorist attacks, however, Japan joined the war against terrorism, again not for combat though. In the post-9/11 context, Japan had to choose between joining the US-led coalition or the more moderate counter-terrorism policy approved by the United Nations. Japan opted for the former but used the United Nations to legitimize its participation. Following 9/11, Japan introduced new security-related legislation to enable it to participate in the alliance. This included the enactment of the Counter-Terrorism Special Measures Law, which enabled Japan to participate in Operation Enduring Freedom (OEF) by dispatching Maritime Self-Defense Force support vessels (two destroyers and one supply ship) to the Indian Ocean to supply fuel, initially to US naval vessels and, subsequently, to naval vessels of the coalition forces. This is the first time that the SDF has been sent overseas in a non-peacekeeping role.

Moreover, Japan introduced the Special Measures Law on Humanitarian and Reconstruction Assistance in Iraq in 2003, and has sent some 600 Ground Self Defense Force (GSDF) troops to Samawah in southern Iraq since December of that year. This dispatch of GSDF personnel outside the scope of a UN peacekeeping operation was a major political breakthrough in Japan.

Meanwhile, Japan has also made progress towards the reconfiguration of its security policy framework. The Council on Security and Defense Capabilities was created to examine future Japanese security and defense policies to assist in the revision of the 1995 National Defense Program Outline (NDPO), and published its report (the Araki Report) in October 2004. (The Council established to discuss the revision of the previous NDPO, which published the Higuchi Report, was named the Council on Security and Defense Capabilities.) The Council's report delineated changes in the international security environment and the consequent requirement for changes in security policy and the constitution of defence forces. While noting the importance of regional threats emanating from Russia, China and North Korea, including a possible armed clash across the

Straits of Taiwan, the Araki Report also observed that Japan faces a range of threats, from traditional interstate wars to civil wars, ethnic conflicts, piracy and international terrorism, in addition to domestic threats from endogenous terrorist and criminal organizations. The Araki Report recommended an 'integrated security strategy' to meet these threats.

On 10 December 2004, the Japanese government released the new NDPO (now called National Defense Planning Guidelines, or NDPG). It follows the Araki Report in noting the existence of new threats in addition to traditional threats. The NDPG points to the situation on the Korean Peninsula and across the Straits of Taiwan, in addition to the fact that China 'has been modernizing its nuclear and missile capabilities as well as naval and air forces and expanding its area of operation at sea' as matters to which Japan must be attentive. Following the Araki Report, the NDPG indicates two objectives for Japan's security policy: 'to prevent any threat from directly reaching Japan and … to reduce the chances of any threat arising in various parts of the world in order to prevent it from reaching Japan.' The NDPG states that Japan will achieve these objectives through its own defence preparedness, by the maintenance of a multi-functional, flexible and effective defence force, its alliance with the United States and cooperation with the international community. This constitutes a departure from the Basic Defense Force Concept embraced by the NDPO since 1976. In the new NDPG, the significance of defence capabilities is described as residing in action.

Japan has opted to participate in research and development for the US Ballistic Missile Defense (BMD) programme, in order to protect itself from a possible missile strike by North Korea. The Japanese government will consider moving into the joint development phase in FY 2006. The proposed system, comprising land- and sea-based interceptors, will be activated in 2007.

Serious consideration is now being given to constitutional reforms. The current debate concerns whether to keep the preamble of the Constitution, which states that

> we shall secure for ourselves and our posterity the fruits of peaceful cooperation with all nations and the blessings of liberty through this land and resolve that never again shall we be visited with the horrors of war through the action of government,

or to revise Article 9. Article 9 of the Constitution, which states that:

> Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. In order to accomplish this aim land, sea, and air forces, as well as other war potential, will never be recognized.

There is a debate on the possibility of revising the wording and/or interpretation of the second paragraph to allow Japanese SDF to participate in collective

defence and security operations, perhaps limited to peace-building and peace-keeping-type activities.

Japan's relations with the region

There is a new push for regionalism in East Asia, as demonstrated by ASEAN+3, the East Asia Summit and the vision for an East Asian community which is presently under debate. In addition to the 1997 financial crisis, the post-9/11 threat of terrorism has come to occupy the minds of many in Asia, with terrorist networks active in the area. This has also made people more aware of non-traditional security issues, including pandemics like SARS and avian flu, piracy, energy supply and environmental conservation.

In Northeast Asia, where mutual suspicion has prevented sub-regional cooperation from taking root despite several proposals made in the 1990s, six-party talks have been initiated to solve the North Korean nuclear issue. The interests of the various parties in these talks – Russia, China, the Republic of Korea, Japan and the United States – are obviously different, but members share an interest in preventing North Korea from acquiring nuclear weapons. The extension of the six-party talks beyond the North Korean nuclear issue has been discussed, with a possible agenda of non-traditional security issues. In this configuration, a North Korean seat would be kept but the framework would commence with five parties. This would develop into six-party talks if North Korea was to fulfil its commitments. Francis Fukuyama uses the analogy of the Organization for Security-Cooperation in Europe (OSCE) for this idea.[9]

How does Japan relate to the rest of Asia? How is Japan positioned with respect to the emerging trend towards regionalism in Asia? Professor Takashi Inoguchi of Chuo University indicates that there are geopolitical and historical reasons for Japan's pursuit of bilateralism rather than regionalism. He further argues that there was no clear balance of power in the region which would have provided a base for multilateralism. Instead, Asia has opted to involve outside powers like the United States to engage with the region.[10] Nevertheless, with globalization and deepening economic interdependence, Japan has also perceived the need to promote regional cooperation in Asia. Japan has been an initiator and participant in regional frameworks like the Asia Pacific Economic Cooperation (APEC) Conference and the ASEAN Regional Forum (ARF) which emerged in the 1990s. During this period Japan promoted regionalism because it wanted a forum to explain that it had no intention of becoming a military power despite its pursuit of a more proactive and responsible role in relation to peace and security. Suspicions of Japan's intentions in taking these initiatives have remained strong in Asia, representing the lingering impact of the historical legacy since Portsmouth. Japan has been perceived as sending mixed messages with regard to regionalism, perplexing other nations in the region. This has sometimes led to the complaint that Japan is not forthcoming in regional cooperation. As an illustration, Japan was instrumental in launching APEC in 1989 and hosted the APEC Osaka Ministerial Meeting in 1995, but it was criticized for

being uncooperative at the time of the debate over Early Voluntary Selective Liberalization (EVSL) at APEC. The nation's tense political relations with China have also been singled out as undermining regional cooperation in East Asia. Below, I examine the case of ASEAN+3 and the East Asia Summit (EAS), and Japan's involvement in them, to analyse the way in which Japan relates to the region.

ASEAN+3 Summits have been held since 1997. This East Asia framework is the first attempt to create a regular framework for consultation between East Asian nations. The regional unit of East Asia is a relatively recent creation. In the 1980s, Asia was identified with the wider footprint of Pan Pacific or Pacific Rim, as exemplified by the Pacific Basin Economic Conference (PBEC) or Pacific Economic Cooperation Council (PECC). In the 1990s it was Asia Pacific, as exemplified by the commencement of the Asia Pacific Economic Cooperation (APEC) conference in 1989. Since 1994, regional conferences have been organized in the form of ASEAN+X, for example ASEAN+3. Prime Minister Mahathir of Malaysia proposed the East Asia Economic Group (EAEG) in 1990, but this proposal was not realized. It faced outright opposition from the United States and could not gain the support of ASEAN. In March 1997 Mahathir proposed to invite the leaders of Japan, Korea and China to Malaysia as guests at the ASEAN Summit scheduled for December 1997, at which the participants would be exactly the same as those suggested in his EAEG proposal. Mahathir's invitation in 1997 was a reaction to Japanese Prime Minister Ryutaro Hashimoto's speech in January 1997 proposing a regular summit meeting between Japan and ASEAN. Concerned with a possible reaction from China, ASEAN opted for ASEAN plus China, Korea and Japan. The proposal was finally accepted by the three Northeast Asian countries but had to take the form of ASEAN+3. The Asian monetary crisis that took place in the summer of 1997 ironically gave a substantial push to ASEAN+3. However, the ASEAN+3 Summit in December 1997 could not come up with a meaningful solution, nor could the participants agree to institute an annual ASEAN+3 Summit. When Vietnam hosted the ASEAN Summit in 1998 and invited China, Japan and South Korea again, it was agreed that an annual summit meeting would be held. At this ASEAN+3 Summit in Hanoi, President Kim Dae Jung of South Korea proposed the creation of an East Asia Vision Group (EAVG) composed of non-governmental opinion leaders to produce a mid- to long-term vision for East Asia; this was the start of discussion concerning the East Asia Community (EAc). The 'Joint Statement on East Asia Cooperation' was adopted at the 1999 ASEAN+3 Summit. It was significant that, in this statement, in addition to economic and social issues, political–security and transnational issues became the object of regional cooperation.

In 1999, Japanese Prime Minister Keizo Obuchi launched an initiative to convene a Japan–China–South Korea tripartite breakfast meeting on the margins of the ASEAN+3 Summit. This meeting commenced after some hesitation on the part of China, and has been held every year since, except 2005. It has concentrated on trade and economic matters, avoiding any political issues such as

North Korea. Given the complexity of Japan's relations with China and South Korea, a tripartite gathering was a real achievement.

Meanwhile, ASEAN+3 has evolved beyond annual summit meetings. With regard to financial cooperation, the May 2000 finance ministers' meeting in Chiang Mai established a web of bilateral swap agreements, which came to be known as the Chiang Mai Initiative. 'Spider-web bilateralism' has been the characteristic of ASEAN+ 3 regionalism. Triggered by this financial cooperation, ministerial meetings in many areas began to be held regularly. In addition to meetings of ministers of finance and foreign affairs from 1999, ministers of trade and industry began regular meetings from 2000 and ministers of labour and agriculture from 2001. The EAVG report was submitted at the fifth ASEAN+3 Summit in 2001, raising the issue, among others, of holding an East Asia Summit (EAS). The East Asia Study Group (EASG), an inter-governmental study group, was formed to examine the recommendations of the EAVG.

Meanwhile, Prime Minister Mori proposed an Asian Conference on piracy at the 2000 summit, which has been realized by regular meetings. A trend towards the establishment of Free Trade Agreements in the region has also emerged. In bilateral talks in 2000, China proposed a China–ASEAN Free Trade Agreement, and in 2001 a framework agreement to have it concluded in principle by 2010 was reached. Japan's involvement in FTA commenced with the conclusion of an agreement with Singapore in 2000. From ASEAN's point of view, however, Japanese selectivity risked splitting the organization. Japan subsequently proposed an EPA with ASEAN as a whole in 2003. The China–ASEAN FTA, however, had a more dynamic image as it encompassed the entire region and was scheduled for completion within a decade, and the region thus viewed it more favourably.

Japan's approach with regard to an East Asian community (EAc) took clearer shape in two speeches made by Prime Minister Junichiro Koizumi during his visits to Singapore on 14 January 2003 and Australia on 1 May 2003. In the Singapore speech, Koizumi defined 'East Asian community' as a 'community that acts together and advances together'. On the issue of trade liberalization in this community, Koizumi proposed a Comprehensive Economic Partnership Agreement (EPA) between Japan and ASEAN. To the surprise of many, Koizumi named Australia and New Zealand as core members of the EAc, which perplexed ASEAN and even Australia and New Zealand. But it succeeded in creating an impression of inclusiveness, contrasting somewhat with China's focus on the thirteen countries of ASEAN+3. In his Australian speech, Koizumi emphasized functional cooperation as the mainstay of East Asia cooperation. The fact that equal importance was placed on APEC and ASEM was puzzling. APEC is, together with the ARF, the leading organization in the Asia-Pacific region, and Japan has always been a core member. But ASEM, from the Asian point of view, was an organization established to engage in dialogue with an outside entity: Europe. The logical conclusion from this conceptualization was that Japan was placing greater emphasis on cooperation in East Asia, rather than cooperation in the wider Asia-Pacific. Although the pendulum of inclusiveness

has swung back since the latter half of 2003, shifting back to the original conception of a community within ASEAN+3, the issue reappeared in 2005 over the modality of the East Asia Summit (EAS).

The seventh ASEAN+3 Summit was held in Bali in October 2003, and Japan and ASEAN at last signed an agreement for a Framework for Comprehensive Economic Partnership and agreed to establish an EPA/FTA in principle by 2012. With this agreement, ASEAN had agreed to conclude EPAs/FTA with China by 2010, India by 2011 and Japan by 2012.

Also in Bali, China, Japan and South Korea signed a Joint Declaration on the Promotion of Tripartite Cooperation, the first document signed independently by these three countries.[11] In December 2003, Japan hosted an ASEAN–Japan summit in Tokyo, the first time in ASEAN's history that an ASEAN meeting with a dialogue partner has been held outside the ASEAN region. The document agreed on at this meeting included crucial indications of the future direction of the East Asian community. After almost sixty years of development in Asia since the Second World War, an agreement was reached between ASEAN and Japan to uphold Asian traditions and values. For Japan, which has long been rejected as an accepted member of the Asian nations, this declaration was a manifestation of greater acceptance by them and a step towards the re-establishment of the nation's Asian identity.

In November 2004 in Laos, the East Asia Summit (EAS) became a controversial issue when Malaysia proposed to host the first EAS in the following year. For ASEAN it was a difficult choice. ASEAN's initiative for the EAS was based on its desire to create 'an East Asia, where there's outreach of ASEAN's modality'.[12] On 29 November 2004, a compromise was reached at the ASEAN Summit between a reluctant Indonesia and an eager Malaysia and Laos that an EAS would be held in Malaysia in 2005. Thus, 2005 began on a positive note regarding the East Asian Summit and East Asian community, but the EAS was the subject of criticism from the United States, which was not included in the EAS as a participant.

In 2005, regional nations devoted themselves to a discussion of the modality of EAS. It was agreed that the US, India, Australia and New Zealand should be included for functional cooperation on trade and investment. It was debated whether the US could be left out. When the EAS was initially proposed by the EAVG, it was suggested that the EAS would be a product of the evolution of ASEAN+3, and ASEAN and non-ASEAN members would host the EAS in turn. In 2005 Japan proposed to co-chair the first EAS in Malaysia, while China proposed hosting the second EAS. ASEAN proposed three conditions for participation in the EAS, namely having substantive relations with ASEAN, being a dialogue partner of ASEAN and signing a Treaty of Amity and Cooperation (TAC). Based on these criteria, India, Australia and New Zealand were invited to participate in the first EAS. As the actual Summit meeting approached, it was reported that there were intense debates as to whether ASEAN+3 should be the venue for discussing the EAc or whether the EAS should be the venue. China apparently insisted that ASEAN+3, where it could exert more influence, should

be the venue for discussions concerning the EAc. On the other hand, Japan wanted to use the EAS to discuss the EAc to reduce Chinese influence.[13] Witnessing the inclusion of India, Australia and New Zealand, China was reported to have shifted its policy towards further expansion of the EAS on East Asia. Chinese Prime Minister Wen Jiabo is reported to have mentioned in December 2005 that the EAS should strengthen its partnership with the US, the EU and others.[14] The Kuala Lumpur Declaration of the ASEAN+3 Summit on 12 December 2005 stated that 'the ASEAN Plus Three process will continue to be the main vehicle in achieving [an East Asian community]',[15] while the East Asia Summit declaration on 14 December 2005 stated that 'the East Asia Summit could play a significant role in community building in this region'.[16] This seems to have been a compromise between the Japanese and Chinese positions. The EAS declaration also mentioned the driving role of ASEAN in EAS. The invitation by the Philippines to host the EAS in 2006 indicates de facto agreement that the EAS will be held every year, which was not decided during the negotiations in 2005.

Both ASEAN+3 and the EAS have evolved despite clashes of national interests between members, but decisions were ultimately driven more by the holding of conferences than by political declarations. Both ASEAN+3 and the EAS had to wait for their second meetings before the meetings were made regular. ASEAN+3 has developed from a summit to include ministerial meetings and SOMs.

The spring of 2005 was rocky for Japan. Political ties between Japan and China reached a nadir. Since Prime Minister Koizumi came to power in 2001 and made a commitment to paying an annual visit to the Yasukuni shrine, Sino-Japanese tensions have been on the rise. Stronger security ties with the United States, Japan's decision to join the missile defence system, increasing friendliness towards Taiwan, and a US–Japan joint statement referring to peaceful settlement of the Taiwan issue have all further enhanced Japan's image as a threat in China. Press reports of the EAS have portrayed the tense relations between Japan and China as undermining the process of achieving regional cooperation in East Asia. China postponed the tripartite meeting between Japan, China and South Korea at the fringes of ASEAN+3 which has been held since 1999. Looking at the competition between China and Japan from the Southeast Asian perspective, Jusuf Wanandi of the Center for Strategic and International Studies has stated:

> In its approach as well as diplomacy, China has become very adept, and has played its cards quite well in Southeast Asia. It is only recently that Japan has become more aware of the competition and tried to do more in relation to ASEAN and East Asia. ASEAN will not be taking sides in this competition. In fact ASEAN expects that both will be able to develop normal relations and together with India will play an important role in the region's future. . . . Only after their bilateral relationship has been improved will the two nations be able to assume leadership in the region.[17]

This perception of political tensions and competition over regional cooperation between Japan and China has to be eliminated or at least ameliorated in future, as will be discussed in the final section of this chapter. Japan should not repeat the mistakes it made post-Portsmouth in dealing with nationalism in China and within its own borders.

Would closer links with Asia mean a departure from Japan's alliance with the United States? On the contrary, as discussed in the previous section, since 9/11, Japan has strengthened its alliance with the United States and has joined its anti-terrorism campaign. Given the current volatile security environment in Northeast Asia, and the weapons of mass destruction (WMD) in the possession of Russia, China and possibly North Korea, Japan clearly requires deterrent capabilities, including the extended deterrence that the Japan–US Security Treaty offers. This view of the necessity for the US to maintain a military presence in Asia may be shared with Southeast Asians, given in their case the spreading threats of terrorist networks in the region.

The choice for Japan is not whether to give up its alliance with the United States or not. The issue is for Japan to maintain its relations with the United States but also to be a responsible actor in East Asia and in Northeast Asia.

In conclusion: Japan seeking a more equitable global order

Some 100 years have passed since the Russo-Japanese war; sixty years have passed since the end of the Second World War. New generations have emerged. Has the memory of Japanese militarism and colonization faded? Are new relations being forged post 9/11, with Japan being treated as a normal country?

On the contrary, the wounds of the past have still not fully healed. Questions of responsibility for atrocities, and the adequacy and sincerity of apologies, continue to bedevil Japan's relations with its neighbours. The issue has come to be symbolized by the controversy over the Japanese Prime Minister's visits to Yasukuni Shrine, a Shinto memorial that honours Japan's war dead, including fourteen Class-A war criminals. Japan is still living in the shadow of its historical legacy, and in fact animosity towards Japan's past evils seems to be increasing rather than fading. In China, a new-found national assertiveness is rising, while Japan embraces an aspiration to become a 'normal country'. South Korea has expressed its aspirations to be a 'balancer' in the region. This rising nationalism will not lead to an all-out war immediately, but exacerbates longstanding disputes over history and territory, including Takeshima (Tokdo) and Senkaku (Diaoyu), between Japan and China, and Japan and Korea.

However, Sino-Japanese relations have not always been strained. Immediately after the Japan–China joint declaration in 1972 and the Japan–China Peace Treaty in 1978, relations between Japan and China were friendly. As an illustration, Figure 13.1 shows that 70 per cent of the Japanese public felt friendly towards China until 1988. In the following fifteen years, the figure dropped to around 50 per cent and had declined further, to 32.4 per cent, in an opinion survey conducted in October 2005. In the past ten years, the Japanese public has

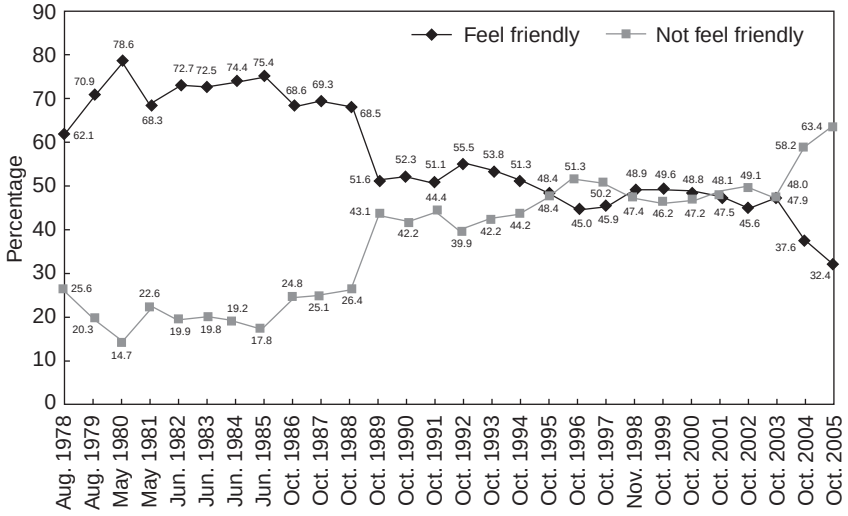

Figure 13.1 Do you feel friendly towards China? (source: public opinion survey by Cabinet Office, Government of Japan, www8.cao.go.jp/survey/h17/h17-gaikou/images/ z05.gif)

become increasingly frustrated over the way China has ignored post-Second World War Japanese pacifism and continued to criticize Japan's actions before and during the war. Anti-Japanese sentiment displayed by Chinese soccer fans at the 2004 Asian Cup increased this feeling.

Since the mid-1990s, China has made no secret of its anti-Japanese sentiment, both at the level of the Jiang Zemin government and at the grassroots level. Professor Toshio Watanabe of Takushoku University observes that since China has opened its market, an ever-increasing income gap has developed. The Chinese leadership finds it difficult to maintain national unity under the Communist Party regime. Stirring up anti-Japanese sentiment is a way of diverting attention from dissatisfaction with the economy and maintaining unity within China.[18]

However, Japan should not focus only on China's anti-Japanese sentiment but should understand the sources of the nation's rising nationalism. In linking with the region, Japan has to develop its own Asia policy. ASEAN+3 and the EAS will offer venues for Japan to share its vision for the future. For these regional frameworks to continue, they must have a goal. A community in the European sense would be difficult to achieve in East Asia. The aim ought to be peace and stability in Asia, but in the form of a regional partnership which is already underway. Asia cannot emulate the EU, in which nations have reached the stage of sharing their sovereign rights. What Asia can do is to respect mutual sovereignty and strive for the common good. As Takakazu Kuriyama argues, reconciliation demands courage and effort on both sides. The aggressor has to have courage to face its past squarely and never to forget its actions. The victim

has to have courage to distinguish between past and future and show tolerance to the aggressor.[19] This would mean that Asia would be able to share a future with Japan, putting together the pieces of the jigsaw puzzle of identity, power and idealism to achieve peace, stability and prosperity.

Notes

1 The views expressed in this chapter are solely those of the author, and do not represent the position of the institution with which she is affiliated.
2 Department of Defense, *Quadrennial Defense Review Report*, 6 February 2006, p. 9.
3 As an illustration, Matsumura, Masayoshi, *Nichirosenso 100nen* [*100 Years After the Russo-Japanese War*], Yokohama: Seibunsha, 2003; Yokote, Shinji, *Nichirosensoshi* [*History of the Russo-Japanese War*], Tokyo: Chuokoron Shinsha, 2005; and Yamamuro, Shinichi, *Nichirosensono Seiki* [*The Century of the Russo-Japanese War*], Tokyo: Iwanami, 2005.
4 Masaru, Ikei, *Nihongaikoshi Gaisetsu* [*Japanese Foreign Policy*], Tokyo: Keio, pp. 82–85, 1992.
5 Japan was prepared to renounce both reparation and territory but received last-minute intelligence from Britain that Nicholas II was prepared to cede Southern Sakhalin.
6 Kawashima, Makoto, *'Nichirosenso to Chugoku no Churitsumondai* [The Russo-Japanese War and the Problem of China's Neutrality]', in *Gunjishigaku*, 40, Tokyo: Menseisha, 2004, pp. 84–85.
7 Okazaki, Hisahiko, *Komura Jyutaro to Sono Jidai* [*Komura Jyutaro and his Era*], Tokyo: PHP, 1998, p. 299.
8 Ikei, op. cit., p. 98.
9 Fukuyama, Francis, *'Keizai Kyoshitu: Nihon Fukkatsu no Shinro – Ajia ni Anpo Wakugumi'* [*Towards Japan's Revival: a Security Framework in Asia*], Nihon Keizai Shinbun, 5 January 2006.
10 Inoguchi, Takashi, *Kokusai Seiji no Mikata*, Tokyo: Chikuma Shinsho, 2005, pp. 180–181.
11 Online, available at: www.mofa.go.jp/region/asia-paci/asean/conference/asean3/joint0310.htm.
12 The Council on East Asian Community, *Seisaku Hokokusho: Higashi Ajia Kyodotai Koso no Genjo, Haikei to Nihon no Kokka Senryaku* [*Policy Report: Status of the Concept of an East Asian Community and Japan's National Strategy*], August 2005, p. 21.
13 *'Higashiajia Shuno Kaigi 14nichi Malaysia de Kaisai'* Sankei Shinbun, 8 December 2005 and *'Kinrin Gaiko, Heisoku Tuyomaru'*, Tokyo Shinbun, 5 December 2005.
14 *'Higashi Ajia Summit Heimaku, Chugoku Beiouro Sanka wo Unagasu'* ['EAS closes, China encourages the participation of the US, Europe and Russia'], Tokyo Shinbun, December 15, 2005.
15 Online, available at: www.mofa.go.jp/region/asia-paci/asean/conference/asean3/joint0512.html.
16 Online, available at: www.mofa.go.jp/region/asia-paci/asean/conference/eas/joint0512.html.
17 Wanandi, Jusuf, 'Japan's future role in the East Asia Community', *Japan Times*, February 2006.
18 Watanabe, Toshio, *'Higashi Ajia Kyodotai ha Seiritsu Suruka'* ['Can we build East Asia Community?'], in Watanabe, Toshio (ed.), *Nihon no Higashi Ajia Senryaku* [*Japan's Policy Towards East Asian Economic Integration*], Tokyo: Toyokeizai Shinposha, 2005 p. 214.
19 Kuriyama, Takakazu, *'Wakai – Nihon Gaiko no Kadai'* [*Reconciliation – Agenda of Japanese Foreign Policy*], Gaiko Forum, 210, January 2006, p. 9.

14 Security in Northeast Asia

Alternative scenarios

Vyjayanti Raghavan

Introduction

From 1945 onwards, when the US tested and then used the first nuclear device, an important goal of its foreign policy has been to prevent the proliferation of nuclear weapons. The last 60 years show that, depending on the viewpoint, it has been very successful or has failed badly. The first view takes sustenance from the fact there are only seven declared and two undeclared nuclear weapons states in the world out of a theoretically possible 190 countries. That is not a bad record. The second view depends for validation on the perception that no one except the US should have a nuclear weapon, and that while four more were somehow acceptable – all permanent members of the Security Council, as it happens – anything more is totally, wholly and completely unacceptable.

However, since that is not how technology proceeds, we proceed with the view that US non-proliferation efforts have been spectacularly successful. With the exception of Pakistan, in whose case the US wilfully turned a blind eye during the 1980s while China and North Korea were exporting nuclear technology to it in spite of treaty obligations not to do so, the US has succeeded in preventing proliferation – except when it has occurred due to the indigenous development of technology. Amongst the declared weapons states, only two countries fit this description – India and North Korea, which recently exploded a nuclear device of low yield.

This chapter is about South Korea, and this section is about non-proliferation and North Korea's nuclear policy because, without discussing that, albeit very briefly, Northeast Asia cannot be understood fully.

The sensible way of approaching the East Asian security problem is to try to understand what has been driving North Korean security policy. Here I would like to mention a little-known fact. During the Korean War, President Harry Truman of the US threatened to use the atom bomb on North Korea ('any weapon necessary').[1] In 1953, President Eisenhower, by his actions (moving large bombers), conveyed a threat to use nuclear weapons to hasten a truce.[2] And even though it was not known at the time, US planes dropped infected fleas, ticks and spiders in the Chorwan, Kumhwa and Pyongyang areas of North Korea during February and March 1952, leading to outbreaks of plague and anthrax.[3]

In 1957, nuclear weapons were secretly stationed in South Korea. It was then that Kim Il Sung, the North Korean supremo, decided to acquire a nuclear weapon. I would say the fact that it took his country 40 years to do so speaks for the success of non-proliferation, not its failure.

It is also not generally known that North Korea invaded the South in 1950 only because it did not accept the partition of the country when the Second World War ended in 1945. As far as Kim Il Sung was concerned, he was a nationalist seeking to restore the status quo ante that had prevailed earlier.[4] That communism was his preferred ideology was incidental to the whole enterprise. It is also not generally accepted that, to a very large extent, the exigencies of domestic politics led Kim Il Sung to pursue nuclear weapons. He saw it as a way of strengthening himself and the succession.[5]

Most people regard North Korea as a culprit but not Pakistan, which is a client state of the US. But, without holding a brief for North Korea, it seems worth pointing out that the US and other powers of that region have often followed policies that left North Korea with little or no choice. Thus, South Korea had begun its first nuclear research after the US concluded a bilateral treaty for the peaceful use of nuclear energy in July 1954. Later, after the announcement of the Nixon Doctrine which aimed at scaling down the US commitment to its Asian allies, in July 1969 South Korea started pursuing a secret nuclear weapons programme. Between 1968 and 1975, South Korea attempted to obtain a plant to reprocess plutonium from spent fuel as well as an intermediate range missile-delivery system. It collaborated with France for this and, by 1974, had the technical design of a plant that could manufacture enough fissionable plutonium for two nuclear bombs per year. In 1985, North Korea was 'persuaded' by the USSR to sign the NPT. But, within five years, the USSR had collapsed and North Korea found itself without a nuclear security umbrella. Then, to add insult to injury, Moscow informed Pyongyang of its decision to establish diplomatic ties with South Korea in 1990**.** This prompted the foreign minister of North Korea to state that 'North Korea had no choice but to facilitate the development of necessary weapons, indicating a possible development of nuclear weapons'.[6] US policy in East Asia also often appeared contradictory to North Korea. Washington was talking peace with it and China but, at the same time, strengthening its own and its allies' military capabilities in the region. The nuclear umbrella was an integral part of this.

In 1993, when North Korea gave notice to quit the NPT, after decades of isolating it, the US began negotiations with it. In October 1994, an agreement was reached. Called the Agreed Framework Accord, it laid out a comprehensive road map to a peaceful end to Pyongyang's nuclear programme as well as a peaceful development of the two countries' relationship. But, simultaneously, when the going was tough, US started upgrading its own and its allies' military capabilities in the region. By 1999, the Accord had come unstuck. The reason was that neither party had kept its part of the bargain**.** In the case of the US, this happened because of the haste in which the agreement was signed. The haste was because the US was convinced that the North Korean regime would soon col-

lapse, just as other communist regimes had done. But this did not happen because of the $500 million financial aid given by the US as part of the Agreement!

Of the six countries in the region – North Korea, South Korea, Japan, China, Russia and the US – only Japan and South Korea do not have nuclear capability. But, if need be, both can get there in quick time. This makes the region unique. The region as a whole, including China, sees North Korea as a problem.

China needs both markets and resources. Of the latter, it is physical resources that are going to be in short supply. The question therefore is: how will China's limitless claim on physical resources shape its behaviour? The two Koreas and Japan are not resource-rich at all, but Russia is, especially in oil and gas. This fact alone will make it a very big player in the coming years. Both Japan and China are vying to strike a deal with Russia for an oil pipeline in the eastern Siberia region. China is also proactively engaging in forging a Russia–China strategic partnership. Indeed, one can also argue that, because of its resource shortages, China, far from being a mighty unstoppable machine, is in fact very vulnerable, just as Japan and South Korea have been. It is likely, therefore, not to be overly aggressive and seek, on the other hand, peaceable approaches in the region, provided it is the one that sets the rules. Japan remains an economic force in the region, both as a very big seller and a very big buyer. Militarily, however, to coin a phrase, the 'insecurity quotient' in Japan appears to be on the rise. It is therefore debating possible amendments to Article 9 of its Constitution that could provide Japanese self-defence forces with a renewed role. This is now almost certain, as North Korea may well have forced its hand. South Korea, meanwhile, having made spectacular strides economically, is endeavouring to assert its identity politically by taking an independent stand in international issues. It no longer wishes to be identified as just an ally of the US. Instead, it wants to establish itself as an equal in the decisions regarding the region. It is therefore realigning its relations with other countries in the region, mainly China and Russia. Domestically, there is a shift in the sentiments of the people towards the US. The new generation no longer feels indebted to the US.

The short point is that, as the hangover of the twentieth century recedes, the region is fashioning a new identity, based in part on nationalist impulses and in part on regional coherence.

The current situation

Relations between China and Japan have been sour for a couple of reasons. The East China Sea has become the bone of contention between the two. Japan claims administrative control over the Senkaku islands (called Diao-Yu by the Chinese), while China claims it as having been part of China since ancient times. Again, the quest for oil and gas deposits by the two has brought the East China Sea Continental Shelf demarcation problem to the fore, with each side trying to take actions to strengthen their positions before any negotiations are to take place at the UN. But, on the other hand, realizing the need to engage with each other and not to let such issues fester, the issue of the Continental Shelf

demarcation is taken up by the two at various levels of bilateral discussions time and again. Koizumi's apology to Hu Jintao at the Jakarta meeting for wartime atrocities has also gone a long way in easing the tensions. The two are also waking up to the importance of boosting their trade relations that has been on a downhill footing because of the growing tensions. They realize the likely negative consequences of these tensions for the economies of both countries and are taking corrective actions. Their combined role in working out an East Asia Free Trade Area in the ASEAN+3 (China, Japan and South Korea) Forum is also a positive step towards this end.

Japan and South Korea have a dispute over the Tokdo Island or group of islets that Japan calls Takeshima in the Sea of Japan. The issues of the past colonial history regarding Japan's invasion, occupation, enslavement, forced labour, comfort women, etc., are raked up on and off by the South Korean President, more to appease the sentiments of the people than as a deliberate government policy. But the two realize the futility of letting these issues get out of hand and neither wants this coming in the way of economic relations. Towards this end, they are also seriously working out a basic framework for a Free Trade Agreement (FTA). Again, even if there are minor differences between the two over the issue of North Korea's recent missile launches and explosion of nuclear device, both are agreed on using a strategy of pressure inside the framework of dialogue to deal with it.

China–South Korea relations could not be better, even though there are minor disputes between the two. Again the basis is economic. Studies conducted by study groups on the possible trilateral investment arrangements between the three countries of the region include making the laws and regulations transparent for attracting FDIs, which are being considered seriously by all three governments. Since the 1990s, there has, in any case, been a rapid and intensive increase of FDI flows among China, Japan and South Korea, dominantly led by inflows to China. Since 2003, South Korea's FDI into China has overtaken that of Japan, not only in terms of numbers but also in terms of value. Therefore, issues like the sovereignty of Koguryo, an ancient kingdom in the history of South Korea over which both are laying claim, or the 'Kimchi War', are not likely to mar their economic relations. Besides, 'Hallyu' or the 'Korean Wave' that is sweeping China, Japan and some Southeast Asian countries in terms of Korean music videos, television dramas, etc., enjoying broad popularity, is also sure to go a long way in sweeping away the other differences.

Economic ventures between North and South Korea involve the construction of a trans-peninsula railway that will link the two sides and will eventually connect with the Trans-Siberian railway. The creation of the Kaesong Industrial Complex north of the Demilitarized Zone (DMZ) will also boost cross-border economic trade. At the moment, 15 South Korean firms are already producing consumer goods there. At the end of the second stage of construction, this number is projected to go up to 1,000 and provide employment for 400,000 people. Although North Korea's recent nuclear explosion has certainly put a spoke in the project, South Korea is not likely to totally abandon it. The free-

trade zones in North Korea – Ranjin-Sonbong, which borders China and Russia, and Shinuiju, a town on the border with China – are both waiting to take off.

What the crystal ball could show

It is probably too early to say that a giant economic union will emerge soon, but the signs are certainly there. Much will depend on how China and Japan are able to come together and the degree to which the other East Asians will accept what may seem like a Sino-Japanese hegemony that resembles the Anglo-American Atlantic alliance which has dominated the world since 1945. But if economic integration proceeds apace, a convergence of views on security issues will also occur, almost *pari passu*. This will raise serious issues in respect of the role of the US in the region. Against this backdrop we can visualize two possibilities in the region. One is where security considerations overshadow the economic ones, as a result of which countries work out various strategic alliances. The other is where non-security considerations play a more dominant role and countries opt to cooperate. Since a lot has been spoken and written about the former, in this chapter I will focus on the latter.

Demographic changes will make these countries more interdependent and force them to cooperate. According to the study by Maurice D. Van Arsdol *et al.*, demographic trends in China, Japan, North Korea, South Korea, Mongolia and Russia show that population transitions in many of these countries have included a migration transition characterized by a wide variety of cross-border population flows, bringing with it a host of issues, including: increasing scope of infectious and parasitic diseases like HIV, AIDS, SARS, avian flu, etc., illegal immigration, mass movement of refugees, lack of assimilation of new immigrants, tension with labour-supplying countries, and so on.[7] These are major issues of regional concern and, even if they become the proximate cause of conflict, the countries will feel the need, more and more, to cooperate.

What we need to ask, in this context, is what, or who, could jeopardize the impulses towards greater cooperation? During the Cold War, the US was the pre-eminent Asia-Pacific power that ensured the region's stability and security. But that no longer seems to be the case. The presence of US forces based in Japan and South Korea has been a major irritant for North Korea. The possibility of these becoming the target of North Korean attack has made both Japan and South Korea feel threatened. Quite simply, there would be no reason for North Korea to target Japan and South Korea minus the US forces on their soil.

Stronger South Korea–North Korea cooperation could either lead to a US–North Korea détente or to a worsening of relations between South Korea and the US. Though both situations seem distant at the moment, a number of new alliance groups could emerge in the region as a result of it. For instance, there could be a South Korea, North Korea and China grouping on one side with a Japan–US alliance as a counterweight, or it may also result in a two Koreas–US–Japan cooperation on one side with China and Russia joining hands on the other. Or, more ambitiously, it may even result in an EU-type of a

coalition. It is important to re-emphasize here that the outcome that eventually emerges will depend almost wholly on the method adopted. The alternatives are either regional cooperation or policing by an international organization such as the UN. However, in my understanding, an international organization may not be able to achieve much for the following reasons:

- inadequate representation of the countries concerned;
- ineffectiveness due to the continuation of Cold War mindset and division of camps, where no action is allowed to be taken against or for any member of a particular camp; and
- the sheer absence of true understanding of the subtleties and nuances while dealing with the regional problem.

It is far better to have the countries of the region cooperate and find their own solutions. After all, if this is possible in Europe, why not in other parts of the world?

It is also rather self-serving to say that, because of the range of contentious issues in the region, cooperation may not be effective without the presence of a hegemonic regional player. The Cold War, we would do well to remember, is over. It does not make much sense to impose its framework on an entirely different situation, unless of course there is an expectation that a new Cold War, this time involving China, is about to start. But, and here lies the crux, even if it is, Japan and South Korea do not view China as a threat in the same way as they viewed the USSR. Both need China's markets and China's goodwill, and both also realize that they will need more of the latter in the future to meet their growing energy demand. There has been a marked paradigm shift which cannot be ignored.

It might be asked, of course, if the region is ready with the institutions needed to make regional cooperation a success in the absence of a hegemonic presence or an international policeman. It would seem so. The first requirement is that there should be a common idea. Then come interests, followed by the institutions that bring these two together in a harmonious way, as the idea, I venture to suggest, already exists. It consists of economic prosperity achieved via greater trade and economic integration. For the last 35 years, this is the ideal that the countries of the region have pursued. There seems to be no reason why they should abandon it. As for interests, these have already been forged – cross-border investments, common maritime concerns and a general sense of being Asian in the way the Europeans have of being European.

China and North Korea

From 1953 to 1990, China was North Korea's strongest ally in the region. After the collapse of the USSR, however, there was a subtle change in the relationship, which became less cordial. This state of affairs continued throughout the 1990s because of various developments, including generational changes in both

the North Korean and the Chinese leaderships. By the time the twentieth century ended, China's objectives in the region had become congruent with those of the US, Japan and South Korea, namely to maintain strategic stability in the region. North Korea, however, was moving in the opposite direction during this period, and matters came to a head late in 2002 when the US declared that it had positive proof that North Korea was continuing to build up its nuclear capabilities and that it had weapons-grade plutonium. This resulted in intense diplomatic activity, in which China, unlike in the past, sided with the other powers in the region. It was partly as a result of this that the six-nation talks over the nuclear issue were held in Beijing. China had become the honest broker. It was acting, on the one hand, to dissuade North Korea from persisting with its nuclear programme and, on the other, to persuade the US to provide certain guarantees to North Korea.

North Korea began its search for nuclear technologies with the assistance of the former Soviet Union in the 1950s. But until the 1980s there was little evidence that it was developing its nuclear technologies for military use. This was because, first, it did not possess the scientific and material wherewithal for it and, second, there was no need to do so since the security agreements with the Soviet Union and China provided an adequate nuclear umbrella.

During 2000 and 2001 there was an uneasy standoff. Then, in October 2002, the US Administration dramatically disclosed that North Korea had admitted to having a programme to enrich uranium for use in nuclear weapons. North Korea denied this the very next day as being a misunderstanding of a 'turn of phrase'. But it had become clear that North Korea had abrogated the Agreed Framework signed in 1994 with United States, under which it agreed to freeze its nuclear weapons programme. In December 2002, North Korea announced it would restart plutonium production and eject the International Atomic Energy Agency (IAEA) inspectors who monitored North Korea's compliance with the Agreed Framework. On 10 January 2003, it withdrew from the NPT and declared itself a Nuclear Weapons State. The US made some belligerent noises initially but eventually, with the help of China, it managed to get all parties concerned to come to the negotiating table in Beijing. Though the talks stand suspended, they show signs of resuming, largely with the help of China. Again, even though the international community might feel that the recent nuclear test by North Korea was a 'slap in the face' for China, the fact remains that it was the only country that was informed about it before the tests took place. North Korea still values its relationship with China, and China will continue to play a very important role in the affairs of the Korean peninsula.

China is equally concerned about stability in the North Pacific. It is thus also affected by North Korea's acquisition of nuclear weapons. The existence of nuclear weapons would affect Beijing not only because it would endanger China but also because it would provoke a regional arms race. Japan, South Korea and possibly even Taiwan would get into the fray by developing their own strategic deterrents. If China were not to intervene and the North Korean regime were to collapse either due to its domestic faultlines or under American pressure, China

would be saddled with an influx of refugees across the border. In fact, it is already faced with the problem. It would also be faced with a threat of South Korean and American troops moving up the peninsula just across the border – besides, of course, its own internal economic development goals also getting stymied midway.

The US, too, through its various stages of futile negotiations with the North Koreans, has come to realize that its only source of leverage over Pyongyang lies with China. Ironically, in the post-Cold War period, China has also become the most formidable challenger in East Asia to the US. Due to distance and geostrategic obstacles, the US is not able to enforce compliance or establish complete dominance in the region. This is precisely China's strength. However, on the other hand, China also cannot ignore or challenge US naval or maritime supremacy in East Asia; nor can China underplay US economic power in the region.

China had remained silent on the North Korean nuclear issue, saying it was a matter to be settled between North Korea and the US through bilateral negotiations. However, it later decided to be more pro-active when it found that North Korea was actually moving from having a mere nuclear programme to actually building nuclear weapons. Also, as the crisis escalated, because of the inability of North Korea and the Americans to work out a compromise, it became difficult for China to stay out. This is what led to the start of the six-nation talks in Beijing in August 2003. Now, for reasons mentioned above, China realizes that it will have to play a more proactive role.

China–North Korea trade relations have also grown recently, with the trade volume between the two increasing by 55 per cent in 2005 over what it was in 2003, to reach US$1.7 billion.[8] China supplies 31 per cent of North Korea's imports and accounts for 37 per cent of its exports. While Beijing provides North Korea with about 70 per cent of its food and about 70 to 80 per cent of its fuel requirement, North Korea has also been providing China with coal, iron ore and even electricity.

North Korea thus knows that it can depend on China even in times of crisis. However, it also realizes that, of late, China has been finding South Korea to be a more valuable economic partner. South Korea has become the fifth-largest export market for Chinese goods. Nearly two million Chinese travel to South Korea annually, and more than 22,000 South Korean students study in China. So North Korea has also come to realize that it cannot take China for granted.

Moreover, China's recent overt discussions with the US about North Korea's nuclear programme is enough of a signal to Pyongyang that Beijing is beginning to harden its attitude towards it. China has also been increasing its pressure on North Korea to reach a settlement with the United States. China has been able to drive home the point that it would not tolerate a North Korea that would create a political, economic or social problem for it. China had cut off its supply of oil to North Korea for three days in March 2003, ostensibly for technical reasons but, in fact, because it was displeased about its withdrawal from the Nuclear Non-proliferation Treaty. There were also reports in September 2003 that China had

sent about 150,000 troops to guard its border with North Korea. Recently, it has also been pressurizing North Korea to return to the talks. Just like North Korea, China also hopes for the removal of US military bases from South Korea and it would not let the North Korean nuclear crisis get so out of hand that it would then justify their continued presence.

At the same time, North Korea knows that, unlike the US, China is not looking for a regime change in North Korea. At best it would want a reformed regime that would take care of its people, not drag it into a conflict, as well as accommodate China on major issues. It would not want any kind of coercive sanctions that would lead to the collapse of the Pyongyang government. Thus North Korea knows that, as a result of this mismatch of US and Chinese interests, its survival is not at stake. It therefore keeps playing its nuclear card quite deftly so as not to overturn the balance. It keeps the crisis simmering to ensure that it is not forgotten.

Korean unification

No discussion of the security situation in the region can be complete without considering the possibilities of Korean reunification. This seems remote at present, but history can move in unpredictable ways, as we saw in Europe at the end of the 1990s. There are various scenarios under which reunification could take place, and the corresponding costs and benefits to the two halves would be different. This in turn will depend on the timing of the reunification.

The central obstacle to reunification is not, as most people believe, ideology, but the dynastic interests of the family of the late Kim Il Sung. His son, Kim Jong Il, who succeeded him, is 65 years of age. Little is known about his health but there are rumours that he is not in very great shape. Sooner perhaps than later, he will have to deal with the problem of succession. In a country that has no experience of succession by means other than nomination, that too of a family member, and that too only once since 1950, it is hardly a surprise that Kim Jong Il has named one of his sons to succeed him. No one, however, knows which of the three sons he will eventually pick and how the other two will react. In that sense, it is more a question of how effective the successor would be.

Other factors will impact his effectiveness. Will the populace hold him in as great reverence? It took Kim Jong Il more than 20 years to be built up. His father had done so by assigning him important 'portfolios' like the nuclear weapons programme. Yet, after Kim Il Sung's death in 1994, Kim Jong Il had to wait for three years before being assigned the title of even Secretary General of the Korean Workers' Party (KWP), let alone that of 'President'.[9] The scholarly and official circles in the US as well as South Korea had predicted an 'impending collapse'.[10] That it did not happen is a different matter. However, his hold on the psyche of the people is much less compared to his father's. For Kim Jong Il's successor, the problem of legitimacy will be even more acute.

Similarly, political reform may also be expected, wherein even if a complete collapse or an overthrow of the regime might not happen, a reinterpretation of

the *Juche* philosophy is adopted. The element of nationalism on which it depends might get weakened and the people might not be so tolerant of a state that does not keep its contract with the people.

One must also not forget that if there is a generational change elsewhere in the region, there is one in North Korea, too, even if the young have remained cocooned within their system. This generation is not the one belonging to the guerillas who fought the Japanese or the Americans. Then, there is also the army – it may end up playing a role as well.

In addition, it is not possible to disregard the change taking place within North Korea wherein the fundamentalists are either losing hold or getting converted to accepting reform. On the economic front, the country is experimenting with things like a dual pricing strategy for the industrial sector, cutting down of state subsidies in certain enterprises, wage revision in certain key sectors and market oriented prices in the agricultural sector. Though these have not really taken off, the fact remains that they are being experimented with.

Conclusion

It is probably futile, for the foreseeable future at least, to expect the US to withdraw from the region. It has far too many economic and national security interests for it to be able to do that. The US attaches great importance to regional stability, which tops the list of its strategic goals. Seen in that context, regional stability means, apart from maintaining the current types of regimes in place, also maintaining the US veto:

> In Northeast Asia, we will continue to focus on the transformation of the Korean Peninsula and on the positive integration of China into global and regional regimes and institutions. . . . We will continue to do all we can to keep peace and ensure stability in the Taiwan Strait. While foreign assistance funds factor less in our Northeast Asia objectives, it is essential that we have adequate diplomatic presence, public diplomacy funding, and other resources to permit us to pursue active, successful diplomatic strategies.[11]

Cooperation to counter the proliferation of weapons of mass destruction remains an important factor, as do international crime and trafficking in drugs and persons. The latter has become a major problem in recent years.

To attain these goals, the US works with its key allies, namely, Australia, Japan, South Korea, Thailand and the Philippines. The chief instrument is what Revere calls ‘force deployment adjustments’; that is, military intervention. Thus, he says, ‘In the Philippines, we want to sustain and enhance the ongoing process of building the operational capabilities of the Armed Forces of the Philippines (AFP).’ Military links with Thailand are also strong, as they are with Japan and South Korea. The US also thinks that terrorism in the region is ‘a serious threat to U.S. national security interests’. So it supplies the funding to train and equip

counterterrorism units in Indonesia, the Philippines, Malaysia, Singapore and Thailand, Cambodia and the Pacific islands. There is also the threat from piracy to shipping:

> We will seek to build greater regional capabilities and new forms of cooperation to address the vulnerability of maritime shipping in Southeast Asia, where an attack on the Malacca Strait or other key sea lanes could have an enormous impact on the regional, and indeed, the global economy.[12]

On the economic side, the US is a major trading and investment partner of the region. The countries there hold over $2 trillion as foreign exchange reserves, and if they took this money out, it would seriously damage the US economy:

> We will seek to maintain the region's dynamic growth rates through expanded trade and investment . . . through bilateral assistance, free trade agreements (FTAs), and multilateral trade and investment liberalization and facilitation programs in APEC and ASEAN.[13]

The crucial issue in the twenty-first century, then, is: will the security of the region be overseen by a community that includes the US or excludes it or uses it as an ally along the lines of what we have seen in Europe? The answer depends on many factors, but above all on Sino-Japanese relations. These are the two major powers in the region. If they do not cooperate, as France and Germany did in Europe, the results will not be very encouraging.

What is reassuring, however, is that East Asia has moved away from being a region of rivalling spheres of influence or empires. With the re-emergence of China, the unshackling of the constitutional pacifist Japan and with the political and economic maturity of other smaller Asian nations, no one nation remains a dominant power; and what is even more encouraging is that, for all countries of the region, peace remains the common valuable objective. All countries in the region are aware of this and are working towards it through closer economic integration.

We can sum up by saying the following. Ever since the North Korean nuclear programme was revealed in 1993, Northeast Asia has been experiencing serious tensions. The US tried to persuade North Korea to give up its quest for nuclear weapons, but without success. It has since given up the bilateral route in favour of multilateral talks that involve four major countries – Japan, China, South Korea and Russia – albeit that no solution has emerged so far. This chapter argues that a solution to the problem is more likely through cooperation of countries in the region than with the intervention of the US. By explaining how the conditions for such regional cooperation already exist, this chapter also argues that, as economic interdependence among countries of the region deepens, they will become increasingly indispensable partners to each other and, in the not-too-distant future, a form of regional economic integration will happen that will ease political tensions and strengthen regional security.

Notes

1 Selig S. Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement* (Princeton: Princeton University Press, 2002), p. 197.
2 Michael J. Mazarr, *North Korea and the Bomb: A Case Study in Non-Proliferation* (London: Macmillan Press Ltd, 1995), pp. 17–21.
3 Selig S. Harrison, *Korean Endgame*, p. 10.
4 Bruce Cumings, *Korea's Place in the Sun: A Modern History* (New York: W.W. Norton & Co., 1997), pp. 154–162. The resistance to the Japanese is the main legitimating doctrine of Kim Il Sung and North Korea. The origin of the North Korean army, the leadership and their ideology can all be traced back to this. Kim Il Sung viewed himself as the true nationalist wanting to unite Korea, while Syngman Rhee of South Korea was viewed and propagated by him as an American stooge who went ahead with the American and UN decision to divide the peninsula.
5 Kim Il Sung, after having openly designated Kim Jong Il, his son by his first wife, as his successor, had to ensure party loyalty. Developing and handing over the nuclear programme to him seemed as a good way of enhancing his prestige both within and outside Korea. It also 'set the stage for the first hereditary transfer of power in the history of communist regime' (Michael J. Mazarr, *North Korea and The Bomb*, p. 31).
6 Don Oberdorfer, *The Two Koreas: A Contemporary History* (Basic Books: A Member of the Perseus Books Group, 1997), p. 216.
7 Maurice D. Van Arsdol Jr, Stephen Lum, Brian Ettkin and Glen Guarin, 'Population dynamics and migration pattern in Northeast Asia.' Online, available at: www:gsti.miis.edu/CEAS-PUB/2003_Van_Arsdol.pdf.
8 Alexandre Y. Mansourov, quoted in a report by *The Associated Press*, 'Lips and teeth: North Korea–China ties strained by nuclear test vow.' Online, available at: www.iht.com/articles/ap/2006/10/08/asia/AS_GEN_China_Koreas_Tested_Ties.php.
9 Kim Il Sung has been assigned the title of 'President' in perpetuity.
10 For details, see Marcus Noland, *Korea After Kim Jong-Il* (Washington, DC: Institute for International Economics, 2004), pp. 12–13.
11 Evans J.R. Revere, Acting Assistant Secretary for East Asian and Pacific Affairs, Testimony before the Senate Foreign Relations Committee, Washington, DC, March 2, 2005, 'US Interests and Strategic Goals in East Asia and the Pacific.' Online, available at: www.state.gov/p/eap/rls/rm/2005/42900.htm.
12 Ibid.
13 Ibid.

15 East Asia, ASEAN and regional order

Power, cooperation and principle

Simon S.C. Tay

Introduction: Asia's rise – version 1.0 and version 2.0

Predictions of Asia's rise were in vogue in the early 1990s until the crisis that began in mid-1997.[1] Many questions remain on whether Asia will ever fulfill such predictions. Challenges to progress are multiple and varied. On the assumption that Asia does rise, questions of regional and global order follow in tandem. Which countries will emerge as leaders? What does this portend for USA, which has dominated the region since the end of World War II? What roles can be played by the smaller and medium-sized states in the Association of South East Asian Nations (ASEAN)?[2]

In discussing these questions, we may begin by noting the differences between the pre-crisis prediction of Asia's rise and what is currently emerging. Three differences bear particular mention.

First, the 'Asian miracle' before 1997 was led by Japan, followed by the newly industrialized economies (NIEs) and the near-NIEs of Malaysia, Thailand and Indonesia, in a 'flying geese pattern' of development.[3] In today's Asia, Japan is only recently emerging from a decade of no or slow growth and many others have not recovered from the years of crisis and economic uncertainty, especially Indonesia. Instead, more attention is given to the Asian giants, China and India. There is more tumult and competition instead; the larger Chinese dragon and Indian tiger economies are running ahead of many smaller developed countries.

Second, the patterns of governance and political economy have changed. In the 'Asian miracle', many leaders propounded 'Asian values' that gave different emphases to human rights and democracy.[4] In Asia today, what used to be seen as strengths are now regarded as liabilities that contributed to the crisis – crony capitalism and corruption, the lack of rule of law and accountability. Asia today features democracy more strongly than it did before the crisis. Calls for good governance in both public and private sectors, and the clean up of corrupt systems, are widespread – with every country, from China and Vietnam to Indonesia and Malaysia, giving attention to these needs.

Third, the potential impact on the role of the USA is also different. In predictions of an 'Asian miracle', the lead economies – Japan, South Korea, Taiwan,

Singapore and Thailand – were allies or had close strategic ties to the USA to explicitly accept predominance in Asian affairs. In contrast, Asia's current rise features countries that are not allies of the USA, post-World War II, most notably China and India.

This chapter will discuss these questions of regional and global order from the perspective of the ASEAN member states. These states cannot dominate the regional order in Asia, as the USA does today, and the larger and more powerful Asian countries, China, India or Japan, might in the future. This chapter is concerned with the possible regional and global arrangements for the future.

First, it will briefly review the regional order that has existed since the end of World War II. The USA has played a dominant role in a network of bilateral security arrangements for security and political cooperation in Asia, supplemented by increasing multilateral dialogue and cooperation, with ASEAN as the hub. The result has been described by some as 'multiplex' arrangements for security in the region, and by others as an incoherent mess.

Second, the chapter will consider some other possible re-arrangements that could arise in the future. Already patterns of intra-Asian cooperation are changing. In the economic arena, a burgeoning and confusing web of free trade and other economic cooperation agreements entangle the region. In political dialogue, the ASEAN+3 process and the first East Asian Summit, organized at the end of 2005, bear consideration, together with ASEAN's own proposed 'community'.

Third, the chapter will consider principles that the ASEAN and other states may wish to promote in future dialogues on the regional order. In this part, I will argue that it is possible for ASEAN to play a role in influencing the regional order. Much depends on the nature of relations among the major powers and their possible tensions, but also on the increased coherence among ASEAN members, intra-murally and in relation to common foreign policies towards the major powers. I also suggest that ASEAN should seek to ensure that Asia's regional order must increasingly consider normative dimensions of international law and values such as democracy. Institutionalization and a degree of what some scholars call 'legalization' must arise in parallel.[5]

Thus far, ASEAN has played a significant role in giving some direction to the emerging regional order in Asia. Indeed, ASEAN's role to date has been more central and influential as a de facto hub than would have been justified by its economic or political security power (or, more accurately, powerlessness). However, this chapter suggests that ASEAN must not take the current position for granted. Both collectively and individually, ASEAN member states must evolve or face the prospect of having others decide their future. Major efforts in that evolution are for ASEAN to further its integration as a community, and engage the major powers in the region proactively.

American power, ASEAN talkshops and the multiplex

In the longer sweep of history, we can see that different powers have sought to dominate and influence Asia and, more so, Southeast Asia.[6] Since the end of

World War II and the Cold War period, Asia has known only one dominant power – the USA. The colonial empires in Asia were briefly reinstated after Japan's defeat but were then rolled back by indigenous independence movements, with USA's support for self-determination and the end of European colonialism.[7] Some became formal allies, like Japan, South Korea, Thailand and the Philippines, and close friends, like Singapore. Other Asian states, like Indonesia and Malaysia, may have publicly staked out positions that were more neutral and non-aligned. Yet these states also accepted and depended on the US presence for political stability and economic progress.

ASEAN has exemplified this mix between ostensible independence and implicit reliance on the USA. The Association was expressly designed without American membership and evolved after the failed experiment of SEATO (the Southeast Asia Treaty Organization) that was parallel to the North Atlantic Treaty Organization (NATO) alliance in Europe. Yet ASEAN was unified not by common shared values but by a common resolve to counter the expansion of communism, especially after the invasion of Cambodia by Vietnam, allied with the USSR.

This anti-communist rationale cemented its ties with the USA in Cold War logic notwithstanding talk of non-alignment. In contrast, the ties between ASEAN member states and China – officially communist even if outside the orbit of the USSR – were cool, if not frozen by the tensions of the Cold War and the period of emergency. Ties with India – which had cultivated a staunchly non-aligned profile and a close relationship to the USSR – were also distant.

These circumstances shaped the first and still enduring regional order for Southeast Asians: ASEAN was their collective, unique and independent effort in regional co-existence and cooperation, while – at a bilateral level – different ASEAN member states relied on the USA for assurances of stability and economic progress. These two modes exist in parallel, notwithstanding considerable differences in their underlying conceptions of security and the means to ensure security.

ASEAN unity in this period centered on extricating Cambodia from Vietnam's orbit. In comparison, intra-ASEAN cooperation was limited to national issues. Indeed, in the field of economics, early efforts at intra-ASEAN cooperation were ineffective, half-hearted or even non-existent.

Things changed after the end of the Cold War. ASEAN recognized the impact of that change and seized the opportunity to offer membership to its one-time opponents, Vietnam, and then to Laos and Myanmar and, finally, Cambodia, who had, for different reasons, been isolated from the original ASEAN member states. With this expansion to ASEAN-10, the regional association was complete. In the post-Cold War period, ASEAN also began its first real effort at intra-ASEAN economic cooperation: the ASEAN free-trade area (AFTA) from 1993. AFTA has reduced and banded intra-ASEAN tariffs in all sectors save those declared sensitive, and on a 'negative list'. While insufficient for fuller economic integration, AFTA was a necessary first step for economic integration among ASEAN member states. It is also not insignificant, given the

development levels of some member states. From the 1990s, ASEAN began to engage more actively in extra-regional fora, initiating the ASEAN Regional Forum to increase dialogue on security among the key players in Asia, and taking a significant role in the Asia-Pacific Economic Cooperation (APEC) process. These efforts were notable for trying to develop dialogue and cooperation in the 'ASEAN way', by seeking to avoid legalism, cumbersome bureaucracy and the predominance of the major powers.

It was in this context that scholars began to label the regional order, especially in security terms, as a 'multiplex', which suggested a variety of institutions, modes and conceptions that were in play concurrently. The term and the thinking behind it suggested that there were no inherent and insuperable contradictions between the differences that existed.

Looking back, this period – from the start of the 1990s and before the 1997 crisis – was a high point in the idea of multilateralism and institutionalism in Asia and the Pacific. This period was marked by high confidence that institutions in Asia and the Pacific could be effective in maintaining stability, peace and progress. Moreover, there was a belief that these Asian institutions could be shaped and organized in ways that could be effective and different from other institutions in international society and their regional, European counterparts.[8]

The regional financial crisis that began in mid-1997 with the devaluation of Thailand's currency, the Baht, has sapped confidence in the ASEAN way and in Asia-Pacific institutions. ASEAN was seen to be in disarray, with little effective coordination among its member states in responding to the crisis, and even less in providing leadership for the wider region.[9] APEC was also adjudged to be ineffective, and the plea that it was never designed to deal with financial crises was not accepted. The ASEAN Regional Forum did little or nothing to respond to the political and security issues that arose in this period, perhaps most significantly in East Timor. With the loss of confidence in these Asia-Pacific institutions and ASEAN's role and influence in them, the multilateral ideal seemed to falter.

In the wake of the crisis, security analysts suggested that the region had returned to the future; that it was the predominant position and presence of the USA that counted, which reinforced the importance of the bilateral ties that different ASEAN and Asian states had with the USA. Thus, the hub-and-spoke arrangements of the region came again to the fore. On the analogy of the Asian 'multiplex': the shows continued, but the biggest draw was clearly US-centered, a Hollywood blockbuster, while the multilateral and ASEAN shows drew smaller audiences and tepid responses.[10]

The bilateral ties between Asian states and the USA were reassessed in this period. The dominant judgment was that ties with the USA are of renewed significance; that they are vital and, indeed, critical to stability and order in Asia. There are, however, differences from the past. American pre-eminence is less readily accepted in Asia. In some cases, this is the result of developments in their domestic and even local politics, as witnessed in the change of government and foreign policy in South Korea. In other cases, the change relates to reactions to US policy post 9/11.

Like many others, Asians were initially sympathetic to the USA after the attacks of 9/11. Even the US action in Afghanistan was broadly supported. Public opinion in Asia, however, has shifted since the US-led intervention in Iraq, which some see as unjustified. Such views are widely felt in Asian countries where Muslims form a majority, like Indonesia. Even in other societies, however, polls suggest that anti-American sentiments have risen.[11] America's 'soft power' (to use Joseph Nye's concept) has clearly ebbed.

Yet, almost all Asian governments have not converted such sentiments into official policies. Rather, most Asian states have supported the USA or at least sought to limit their differences. In Indonesia, for example, strong initial sentiments against the USA have softened over time; in part due to the bombings in Bali (twice) and in Jakarta. Recognition of a joint interest in containing and combatting terrorism has tied some Asian governments to the USA. Some have done so with enthusiasm to engage the USA in the region and in their national agendas. The Arroyo government in the Philippines, for example, has invited American advisers to help them to deal with the restive south. Singapore, for its part, has negotiated a free-trade agreement and a framework strategic agreement with the USA in the post-9/11 period. For many states in ASEAN and East Asia, there has been a realist reckoning that there is no choice but to cooperate with the USA on such terms as the Americans will allow. The position of the USA as the single superpower, with unrivalled economic strength and security, underpins this position. Yet even if these realist calculations of American predominance have become ascendant, there are other strands in regional thinking that differ.

Potential re-arrangements: looking beyond American power?

In looking at arrangements for a regional order in Asia, there is a diverse range of activities that vie for attention. Some are within ASEAN. Others are centered around it, such as the ARF or the ASEAN+3 and East Asian summit processes.

Another phenomenon is the web of free-trade agreements (FTAs) in the region. Many involve ASEAN with, separately, China, Australia, New Zealand, Japan and South Korea. Other FTAs are among non-ASEAN Asian states (e.g. discussions between Japan and South Korea, Australia–Thailand), or with non-Asian states (e.g. Singapore–USA). This flourishing of FTAs has received considerable attention, both for their economic efficacy (vis-à-vis the global WTO regime) and the underlying diplomatic signals.[12]

Asia's nascent regionalism is presently something of an alphabet soup. Some of these groupings will undoubtedly struggle for interest and relevance in future years, even if they are not abandoned. Others, however, may flourish and help a new regional order arise.

What may be more useful is to suggest how these different undertakings relate more broadly to regional order and the roles of China, the USA and ASEAN. In so doing, I will briefly sketch the roles being played by the

ASEAN+3 and East Asian summit processes, in which ASEAN has been playing a central role.

Relations with China

Ties between the ASEAN peoples and China have historically been troubled. China played the role of suzerain in much of the region, influencing and intervening in domestic political struggles, holding some parts of the region (most notably present-day Vietnam) and dealing with the region through an unequal 'tribute trade'. Perhaps the greatest symbol of this period are the epic voyages by Admiral Cheng He through the region (the anniversary of which was marked in 2006). One legacy of this history is the name of the body that links China to Southeast Asia, the South China Sea.

More recently, post-World War II, China experienced tense and conflictual relations with Southeast Asia. It supported indigenous communist insurgency movements in Thailand, Malaysia and Singapore. China's hand in promoting communism in Indonesia led to a long hiatus in relations between the two countries. Chinese relations with Vietnam, bad historically, worsened over Cambodia.

Even as China began to open up under Deng, relations between China and Southeast Asia remained tense, which continued into the 1990s. Indeed, China's activities in the South China Sea and developments leading to the Mischief Reef incident galvanized a united ASEAN stance against China. The Philippines and others in ASEAN argued that Chinese activities in the areas of contested sovereignty were a 'litmus test' for the future of China's relations with the region. In addition to ideology and sovereignty, concerns among Southeast Asians about China took on an economic dimension after the 1997 crisis. But the storm bypassed China, and has led to a different economic order in the past ten years.

For these reasons, the attitude towards China among Southeast Asians until 2000 could be described as one of alarm. However, Chinese relations with ASEAN have improved markedly since the low point over the Mischief Reef in the early 1990s. China's economic progress is often seen as posing a direct competition to ASEAN. China has been largely responsible for this improvement in relations. It has deliberately embarked on what commentators have dubbed a 'charm offensive'.

The ASEAN–China FTA – an initiative by China announced at the 2000 ASEAN Summit – has helped the region to see the possibilities of win–win economic cooperation in a market of some 1.7 billion people. Negotiations appear to be progressing relatively well, and Chinese negotiators offered an early harvest by a unilateral lowering of Chinese tariffs to assuage concerns among some ASEAN member states. While there will be bumps on the road going towards the full FTA, this is a marked success in economic diplomacy by China.

In strategic affairs, China has made its agreement a code of conduct in the South China Sea. It has propounded its theory of a 'peaceful rise'.

Bilaterally too, China has reached out to a number of ASEAN member states

– especially in Indo-China, but also Indonesia and Myanmar – with increased official development assistance. A bilateral trade agreement between China and Thailand has been concluded and would be envied by other ASEAN member states. For, while China presents competition to them, there are emerging reasons why ASEAN member states should look at the prospects of cooperation with a rising China for mutual advantage. Trade figures for Singapore, Malaysia and Thailand with China have shown positive and often sharp growth.

Although still at low levels, this growth in trade has been a significant factor in helping these economies when demand from Japan and the USA has largely been flat. FDI from China into ASEAN is another emerging factor, although it has been largely confined to natural resource sectors (as opposed to the manufacturing sector); so too is the growth of Chinese tourists, who come in increasing numbers and with spending power. These early figures and trends suggest a realignment and growing integration between the economies of ASEAN and Asia with China.[13]

A similar sentiment may well be beginning in the areas of foreign affairs and security. China's foreign policy has been defensive in guarding its perceived self-interests. There have been fewer concerns about Chinese aggression projected towards other countries.

The ebb of communist ideology in China has coincided with the end of the insurgency movements in Southeast Asia. Even if China is not a democracy, few in Southeast Asia see that as an obstacle to closer relations, especially as China has signed onto the ASEAN Treaty of Amity and Cooperation; China also seems to have growing influence in Indochina and Myanmar. The visits of Chinese leaders and the provision of assistance to these countries are signs of this; so too are the improving road and transport links, especially between Southern China and Myanmar. The improvements in China–Southeast Asian relations, however, have caused some concern outside Southeast Asia, but also within it.

These improved China–Southeast Asian relations are viewed negatively by some, like the USA, as signs that the region may be falling into China's orbit. This may not alarm Washington very much. However, signs of tension in Sino-US relations are surfacing across a broad range of issues – from trade in textiles to Chinese investments in American companies and the value of the Yuan; from Taiwan to democracy and human rights; and from China's growing military expenditure to relations with North Korea and Iran. Set in this context, Southeast Asia has become an easy political play against the USA; this is because American standing among people in the region has been adversely affected by its unequivocal prosecution of the war on terrorism and the invasion of Iraq.

Within ASEAN, too, there are concerns that China is dividing ASEAN solidarity by reaching out selectively, especially in relations with the countries of Indo-China and Myanmar, relatively recent ASEAN members. The association as a whole has struggled to address the realities of a two-tier ASEAN, dividing older and newer members, and China's influence over these newer members has been seen as negative to ASEAN integration.

China too is adding to these new signals of concern. While many Chinese see

the mainland as trying to make Japan face its World War II record, the deterioration in Sino-Japan ties also signals that a growing nationalism in China can turn ugly. While all Southeast Asian states have a 'one China policy', many have viewed China's pressure on cross-Straits issues as indicating a growing assertiveness, with Southeast Asians being expected to take Chinese positions, as evident from China's strong rebuke to Singapore, after the then Deputy Prime Minister Lee Hsien Loong's visit to Taipei. While Southeast Asians are not permanently or blindly aligned to the USA, ASEAN governments have realistically seen the need to support the United States or at least minimize their differences. Thus China's tensions with the USA place Southeast Asia in a difficult position if they are expected to choose, instead of enjoying good relations with both sides.

For these and other reasons, while improved relations and 'charm' prevail at present, there are newer and emergent signs of a third phase in China–Southeast Asian relations, more ambivalent and complex than either 'alarm' or 'charm'. After all, the region is famously diverse and common perceptions on politics, economics or society are still limited. It is therefore little surprise that attitudes towards China are also diverse, and will become more diverse and divergent.

If we must generalize about ASEAN perspectives, the rise of China is being accepted, and on terms that are not antagonistic or negative. This has allowed some in ASEAN to imagine a regional order in which the USA no longer plays the dominant role it had since the end of World War II, and has reasserted since 9/11. In contrast, some in ASEAN have begun to think of a regional order in which a peaceful and benevolent China will play a major role alongside the USA, or even to displace the region's American dependency. For others, however, there are signs of a continuing, indeed renewed, sense of ambivalence towards China's influence in the region. This will be explored below.

Relations with the USA and its surrogates

ASEAN member states, like much of the world, have realized their own vulnerabilities and the continued primacy of the United States. American markets have been the central hope for countries seeking to increase their exports to stimulate their economic recovery. The multilateral Asia-Pacific vision of parity, equity and community has given way to a realist assessment of what and who matters.

The post-9/11 agenda in the United States responds first to American domestic opinion and has largely witnessed a univocal and uni-dimensional engagement with the region, whereby the USA and the Bush administration are seen to dictate. For ASEAN, however, their own domestic politics must be considered, as in Indonesia and Malaysia, where there are Muslim majorities. This has led these governments, at times, to disagree with US policy, in order to assuage internal dissent. But such measures have not always been understood or well taken by the USA, given Bush's stated view that 'either you are for us, or against us'. The USA is showing more recognition and accommodation of these needs of late. Ties between the USA with Singapore and with Indonesia have

been better managed in the second Bush term than the first. Relations with Malaysia also appear more stable due to Prime Minister Badawi than they were with his voluble predecessor, Mahathir Mohammed. The USA also took a step forward by arranging for ASEAN leaders present at the APEC summit at the end of 2005 to meet with President Bush on the sidelines of that meeting.

However, other steps add to the perception that the USA continues to ignore ASEAN or is arrogant in its dealings with the grouping. Evidence that the USA continues to ignore ASEAN is drawn from the failure of US Secretary of State Rice to attend the ARF in 2005, and for her neglect of the region on her first Asian visit in office (she went to India and then China). Specific evidence of an arrogant America is, sadly, unnecessary; under the Bush administration, arrogance has become a widely held assumption about America.

The East Asian Summit, held at the end of 2005, exemplifies this mix of American ignorance and arrogance towards the region. At first, the USA barely knew or cared about the Summit. Later, the Bush administration shifted its position and wished, indeed insisted, that it be invited. This was notwithstanding the geographical realities of its being in an 'East Asian' grouping, or the criteria set for the meeting; the latter included agreement on a Treaty of Amity and Cooperation that ASEAN member states have as a basis for cooperation for themselves and key partners, but to which the USA has pointedly not agreed.

While the USA continues to be a power that ASEAN member states must deal with on political–security and economic issues, its influence or 'soft power' has eroded. The relationship has changed as a result, with admiration slipping and influence waning, to depend more on raw calculations of power.

Not all Asian states have become more ambivalent about American power. Some have especially sought to strengthen their ties in this period. Most notable among these are US ties with Japan and Australia.

US–Japan ties, close since the end of World War II, are at unprecedented levels, especially on security issues. Japan appears to be on the way to becoming a 'normal' country, putting aside its post-World War II pacifist postures, to emerge as a formidable security force, ever more closely allied to the USA. It has also been problematic that, in tandem with a military build up and closer relations with the USA, former Japanese premier Koizumi has raised regional temperatures with his visits to the Yasukuni war shrine.[14] Strain in Sino-Japanese ties has been evident, despite the close economic integration between the two countries; not confined to only government officials and elites, but widespread among ordinary citizens.[15]

Ties between the USA and Australia, under Bush and Howard, have also reached new heights. The sense among some Asians is that Australia's premier John Howard sees himself as the 'deputy sheriff' for the region.[16] Australian missions in East Timor and the Solomon Islands are seen as evidence of this ambition. However, Australia's relations with Indonesia have been prickly on a range of issues, including the Bali bombings in which many Australians were killed.

American ties with India are not perhaps at the same level. But the level of

diplomatic engagement between these two countries is unprecedented, when compared to the Cold War period and its immediate aftermath.

These evolving bilateral ties between the USA with, separately, Japan, Australia and India have strengthened the emphasis on the 'hub and spoke' architecture of the region. Japan, Australia and India are seen as surrogates for the USA and the emerging regional order in Asia.

ASEAN+3 and East Asian Summit

ASEAN has sought to balance the grouping's *de jure* independence from the USA with a de facto dependence on the American presence. This has evolved through the 1990s into engagements between ASEAN and the USA centered on Asia-Pacific frameworks, like the Asia Pacific Economic Cooperation (APEC) process and ASEAN Regional Forum.

Political expression has been given to this Asian regionalism in different ways. Currently the most significant of these has been the ASEAN+3 (A+3) process that has, over almost a decade, increased interactions between the ten ASEAN member states with the Northeast Asian three of China, Japan and South Korea. A second, more recent, expression of Asian regionalism was the East Asian Summit (EAS), which held its first meeting at the end of 2005.

Both the A+3 and EAS are limited to Asian states and offer the beginnings of a regional order that would exclude American membership and limit its influence. Asian response to this possibility, however, differs: some welcome while others are alarmed by that prospect. Another major issue is Sino-Japanese tensions. A competition for influence between Japan and China can be detected in their policies towards providing assistance to different ASEAN member states, like Indonesia and Vietnam.

However, this competition has led to some evolution in relations that might be seen as being a healthy competition, along with cooperation. The evolution of free trade and economic agreements among Asians is an example. The offer to ASEAN by China for a free-trade agreement (FTA) was a major impetus for Japan to go beyond the economic partnership agreement that it concluded with Singapore (the JSEPA) and reach out to ASEAN member states with bilateral FTAs. These FTA developments have, in turn, influenced South Korea to begin negotiations with ASEAN. Taken together with ASEAN negotiations with Australia–New Zealand, and with India, ASEAN has become a default hub for economic relations among the Asian states.

These developments have positive aspects for both ASEAN and the wider region. Rather than splitting ASEAN and the region into two spheres of influence, these developments have helped East Asia take steps towards closer economic cooperation and integration – albeit in a patchwork manner, rather than a grand design.

The evolution of the EAS is affected by these same factors. Initially, the East Asian Summit was introduced to bring together only the A+3 states. It was also envisaged that such an East Asian framework would bring about a more equal

ownership of the process, by which the Northeast Asian states could chair the summits, apart from those within ASEAN. As it has evolved, the EAS is a different animal, this framework that brings in India and Australia–New Zealand alongside the three Northeast Asian states and ASEAN. The EAS has also confirmed that summits will be hosted and chaired by the ASEAN states for the present. This re-emphasizes the central position for ASEAN to play in regional order as being most acceptable to all.

Can ASEAN play such a role effectively?

Power and principles: how ASEAN might influence the region's future

When major powers turn their attention to smaller and medium-sized states, the expectation of many is that the former will dominate the latter, and the prediction would be that they might well suffer from these attentions and even splinter. Thus, even if they accept that ASEAN presently holds the status of a de facto hub in Asia, there are those who would predict that ASEAN will suffer from such a position and, even more, be powerless to influence the regional order. Much depends of course on the course of relations between the major powers. But there could be positive possibilities to depending on the policy choices taken by ASEAN and if the relations between major powers are kept on a fairly even keel. What ASEAN does, and does not do, in its current de facto hub role can make a difference. Some key considerations for ASEAN follow in brief.

First, ASEAN should not assume this de facto hub role will be permanent, or that it results from some intrinsic and irreducible strength or worth. ASEAN must avoid choosing between aligning itself with one major power or another, either broadly or (worse) permanently. This does not mean that ASEAN must remain aloof or neutral. Rather, it means that ASEAN should be actively engaged with the different major powers, and try to do so as equally as possible. It should not be equidistant but 'equi-proximate' to the major powers. For example, while the ASEAN–China FTA negotiation is presently the most advanced, ASEAN should be open to speeding up and strengthening the respective FTA efforts with Japan and other powers.

Second, ASEAN should increasingly work towards sharing perspectives towards the major powers and developing common stances in their relations. This is ambitious, given the diversity among ASEAN member states in their economic, political and cultural outlooks. But steps in this direction are not impossible; common points need not be comprehensive to cover all issues in advance, but instead develop more organically. For example, in the ASEAN–China FTA, ASEAN member states are finding that, despite and because of their differences, they do best to sit down together to discuss and understand each other's positions before responding to China. Other examples show the possibility and strength of common agreement on political and security issues: ASEAN's common stance on China after the Mischief Reef incident in the early 1990s and, of course, the unity of the then ASEAN member states in

pursuing their political campaign against the Vietnamese occupation of Cambodia. In like manner, if ASEAN member states can confer amongst themselves on vital issues concerning the major powers, on a timely basis, they can seek out shared positions that may well accommodate their diversity, and better advance their common interests; somewhat akin to a limited form of a common foreign policy.

Third, ASEAN must emphasize and work towards an ASEAN community, as announced at the ASEAN summit at the end of 2003. The pillars for the community include economic, security and socio-cultural dimensions, and the tenets within each of these areas are being discussed. ASEAN is working towards greater integration among its member states and, in the process, reviewing its norms and institutions for cooperation. We may also expect that the institutions of ASEAN, including the ASEAN secretariat and the meetings of the senior officials, will also need to be consolidated and focused to be more efficient and effective.

As such developments unfold, ASEAN will move towards what some scholars have termed 'legalization' – with norms and rules that are agreed upon and then are monitored for compliance. This does not necessarily mean that ASEAN will become as institutionalized and legalistic as some other regional groupings, like the European Union with its powerful European Commission, but trends suggest a marked shift.

A fourth and related point is ASEAN's potential influence on the regional order. ASEAN's potential influence depends on its contributions and role in developing norms and institutions for the wider region, inevitably drawing from ASEAN norms and modes of cooperation. For example, in the coming together of the EAS, each attending state was required to have accepted the ASEAN Treaty of Amity and Cooperation.

However, while ASEAN ways may be commended for the wider regional order, they cannot and should not be commanded. Indeed, ASEAN must recognize that its own modes and norms are evolving, and remain open to change and improvement. This often reflects the internal changes within ASEAN member states. For instance, the emphasis that ASEAN has brought to bear on the domestic situation in Myanmar is not merely reflective of the downward trend in that country. It also reflects the upsurge in the ethos of democracy among some other member states, especially in post-Suharto Indonesia. This demonstrates how ASEAN is evolving and incorporating new norms and values into its expectations for its member states and how they are to cooperate with each other.

ASEAN cannot balance power with power. ASEAN's potential influence depends on norms and values, and the development of ASEAN 'soft power' in providing possible models for wider regional cooperation and order. Thus where ASEAN's relations with the major powers in Asia (and, indeed, with each other) have predominantly been viewed through the optic of realism and calculation of power, this must change in the future. The change should not of course replace such views with naive and unrealistic assumptions. Rather, the optic of realism and power needs to be complemented by a greater recognition of the potential

role of ASEAN as a 'soft power', whose norms, values and institutions are admired as being acceptable and, indeed, something of a model for the region.[17]

Conclusion: moving toward tomorrow

Kissinger famously remarked that the future of Asia will be Europe's past. The prediction of rising powers – not just China but also India – spawns predictions of increasing competition, contestation and possible conflicts. Some see volatile shifts in the architecture of the regional order ahead, as we shift from an American predominance to a Chinese hegemony. Others predict a concert of major Asian powers. Neither future gives much assurance to ASEAN and other small and medium-sized states. We must, moreover, recognize that there are many critical issues that increase the competition and tensions between the major powers over which ASEAN has little influence.

But it does not mean that such predictions are unavoidable diagnoses. Rather, we should see that they are best as a basis to stir thinking about more desirable alternatives, and the means to attain such alternatives.

The present impasse in relations among the major powers presents ASEAN with opportunities to play a part in the development of Asia's regional order for this new century. It is by no means guaranteed that ASEAN is capable of seizing those opportunities. Nevertheless, there are signs and hopes that the grouping is increasingly aware of the opportunities.

If ASEAN can rise to the occasion, the potential benefits will accrue not only to the member states of the grouping but also to the wider region of Asia. ASEAN's role is thus not necessarily marginal among the major powers. Despite or indeed because of its relative lack of 'power' – in the realist calculations of that word – it can and must seek power by other means, especially through principles and example. By such means, ASEAN may offer to play a historic role in the shaping of a new Asia.

Notes

1 Many books published shortly before 1997 lauded the rise of Asia. For one of the more balanced views, see Godemont, Francois, *New Asian Renaissance*, Routledge, 1997.
2 The ten member states of ASEAN are: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.
3 See the World Bank Report 1993.
4 For a skeptical view of the Asian values debate, see Tay, Simon S.C., 'Culture, Human Rights and the Singapore Example', *McGill Law Journal*, 1996.
5 Goldstein, Judith *et al.* (eds), *Legalization and World Politics*, MIT Press, 2001.
6 There were some notable indigenous kingdoms in Southeast Asia, like the sultanates of Malacca and the kingdom of Srivijaya, but more often than not the dominant powers came from beyond the region. China dominated as the 'middle kingdom', with many seeking to recognize it as suzerain, to benefit from its protection and access to 'tribute trade'. Similarly, the historical influence of India on pre-colonial Southeast Asian kingdoms through trade and religious influences has led some classical historians to speak of them as the 'Indianized' states through successive waves

of religious influence, from Hinduism and Buddhism through to Islam. The arrival of various European powers ushered in an Asia that was colonial (with the exceptions of China, Japan and Thailand). More recently in the Second World War, Japan imposed what was termed 'a co-prosperity sphere'. Thus, most of Asia has been brought together mainly as a function of power (outside of the Indian influence, which was more religious and commercial). Some of these experiences, like the spread of Islam or the trade with China, helped to knit the region closer together, but often the experience of being dominated divided them. In the colonial period, for example, different European powers divided up the region, and have left different legacies in culture, language, history and institutions.

7 Asia's rise.

8 Acharya, Amitav, *The Quest for Identity: International Relations of South East Asia*, Oxford University Press, 2000.

9 See, for example, Funston, J. (1998) ASEAN: Out of its Depth, *Contemporary Southeast Asia*, 20, 1 (April).

10 This was notwithstanding a proliferation in such wider dialogues, with efforts at interregional dialogues like the Asia–Europe Meeting (ASEM), the Forum for East Asian and Latin American Countries (FELAC) the most recent Asia–Middle East meeting, and others like the Asian Cooperation Dialogue that straddle different parts of Asia (Southeast, Northeast, South and West). Such multilateral meetings proliferated. But the content and follow up of such meetings – questions of their importance – remain to be judged. Indeed, some commentators have already found them wanting.

11 See the polls conducted by The Chicago Council, *Foreign Relations Survey*, Worldviews 2002: American Public Opinion and Foreign Policy, p. 14.

12 There are various groupings that meet ostensibly for security, development and/or cooperation, like the Shanghai Cooperation Organization and the BIMSTEC (which includes Bhutan, Bangladesh, India, Nepal, Myanmar, Thailand and Sri Lanka). Several of these deal with sub-regions and shared borders, rivers or seas. Other groupings are so wide that their focus remains uncertain.

13 See *Asia Wall Street Journal*, 21 May 2002, 'China's Demand Drives Recovery in Asia', p. 1.

14 These visits are seen to symbolize an unrepentant Japanese militarism, especially when combined with other aspects of the historical issue, such as the official textbooks used in some Japanese schools and (especially in China) the lack of a full and unqualified apology.

15 Strategists are concerned over this major triangular relationship between USA–Japan–China. The present shifts in all three members of this triangle suggest the likelihood of an increasing tension between US–Japan on one side, and China on the other. This may well have implications for other current strategic concerns in the region, including the question of North Korea and of Taiwan and cross-Straits issues.

16 Notwithstanding that, this statement was subsequently said to have been wrongly attributed to Howard.

17 Underlying this project, and its perceived value, will be a debate between realist and liberal theorists in international relations, and differing views about the relationship of power to norms and the roles of international law for Asia.

16 The South Asian economy

A mix of positives and negatives

N. Ravi

The old and the new

Nostalgia is a sentiment associated with nations rather than subcontinents and regions, and invariably yearns for a lost historical glory in terms of conquests or cultural achievement. If the South Asian region as a whole were to look back, some element of nostalgia would certainly be justified. And, quite aside from the cultural and historical traditions, it would be justified in terms of the economic strengths too.

Descriptions of the economy in the distant past no doubt included a great deal of romanticism, particularly of India – comprising then of the whole of the Indian subcontinent, including what is now India, Pakistan and Bangladesh – and its fabled riches. Walt Whitman went on to describe it as 'The old, most populous, wealthiest of Earth's lands'. It was not just pure romanticism, however, and hard data lend support to the idea of what, relative to the times, was a large and flourishing economy. The Cambridge historian Angus Maddison estimates that, in 1700, India's share of world income was 22.6 per cent; in 1952, it had collapsed to 3.8 per cent.[1] Other historians have also provided similar estimates. According to Paul Kennedy of Yale, for instance, India's share of the global industrial production was 24.5 per cent in 1750.[2] As for the subsequent decline, another estimate has it that India's share of the global economy had fallen to 1.7 per cent in 1900. In the British colonial period, the economy had been shaped to serve the interests of the metropolitan power and had been looked upon as a source of raw materials and as a market for finished products.

The period of decline saw the mood swing the other way, and the emergence of extreme pessimism. This was reflected in the writings of Catherine Mayo, for instance, and in the assessments of James Mill and Macaulay. The economic story of South Asia was one of huge populations, poverty and mass deprivation, low levels of literacy and health indicators, stagnant economies awaiting modernization and dependence on external aid, including food.

The post-Independence period saw the beginnings of modern industrial development with a state-directed economy laying emphasis on heavy industry in the public sector and an inward looking approach that stressed self-sufficiency

through import substitution. Export markets were disregarded, and the state which intervened often wrongly in economic decision making failed in its primary task of tackling mass deprivation – poverty, hunger, illiteracy and ill-health. In the result, while a base of heavy industry and science and technology had been created, per capita income remained abysmally low and social indicators of literacy, infant mortality and life expectancy were very poor. The statist model led to some growth but not quite enough – around 3 per cent a year, which came to be dubbed 'the Hindu rate of growth'. With GNP growth barely keeping ahead of the rate of growth of the population, per capita income grew at a minimal pace, providing little hope of tackling mass poverty in the immediate future. This pessimism continued well into the mid-1990s when the economic signals started changing and positive, even dramatic, movement came to be noticed in many areas.

The new romantics

In the case of India, as the growth rate rose sharply from the mid-1980s, from the 3 per cent of the earlier decades to a sustained 5 per cent and more, this new romanticism was most marked. Course correction in public policy – moving away from excessive regulation of industrial activity, an environment that was inhibiting exports and an unsustainable fiscal situation towards freer markets, a greater integration into world markets and sounder management of public finances and external debt – was seen as the main contributing factor to the improved performance.

When growth touched a sustained level of 6 per cent, this optimism reached a new high. 'The USA is the world's only superpower. But China and India in a few decades will be the world's largest economies, each of them with populations three times that of the whole of the EU', the British Prime Minister Tony Blair told the European Parliament on assuming the presidency of the European Union. Blair was of course trying to sell the Anglo-American model of lower taxes, rolling back of government and flexible labour laws enabling easier hiring and firing of workers as an alternative to the social model of France and Germany with high taxes and high levels of social security which is seen as leading to economic stagnation and high unemployment. Yet his raising the bogey of India along with China to persuade the other European Union members to reform their economies only reflected the changed perception of the Indian economy. How realistic is it to assume that, among the South Asian economies, India will, in the not too distant future, be joining China among the half-a-dozen leading economies of the world, living up to the fables, both ancient and modern? And, more generally, how much weight will the South Asian region as a whole have in the global economy?

The South Asian economy

In many ways, the story of South Asia is one of large absolute size but low in per capita terms. This is illustrated by the following tables, derived from World Bank data.

Table 16.1 South Asia data profile 2004

Surface area (2003) (million sq. km)	5.1
Population (billion)	1.4
Population growth rate	1.6
Life expectancy (2003) (years)	63.5
Infant mortality/per 1,000 live births (2003)	66.0
Literacy rate, males over 15	70.2
Literacy rate, females over 15	45.5
GNI (current $)	860.3
GNI per capita (current $)	590.0
GDP growth rate	6.7

Table 16.2 Size of the economies, 2003

Country	*Population (millions)*	*Surface Area (thousand sq. km)*	*Population density (population per sq. km)*	*Gross National Income ($billions)*	*Income (rank)*
Bangladesh	138	144	1,061	55.0	51
India	1,064	3,287	358	570.8	12
Nepal	25	147	172	5.9	113
Pakistan	148	796	193	77.6	44
Sri Lanka	19	66	298	17.8	74

Table 16.3 Per capita income

Country	*Gross National Income*		*PPP Gross National Income*		
	$billions 2003	*Rank 2003*	*$billions 2003*	*per capita 2003*	*Rank 2003*
Bangladesh	400	173	258	1,870	163
India	540	159	3,062	2,880	146
Nepal	240	192	35	1,420	179
Pakistan	520	161	303	2,040	159
Sri Lanka	930	140	72	3,740	136

Table 16.4 Economic growth

Country	*GDP (2002–2003) (growth rate)*	*GDP per capita (2002–2003) (growth rate)*
Bangladesh	5.3	3.4
India	8.6	7.1
Nepal	3.1	0.8
Pakistan	5.1	2.6
Sri Lanka	5.9	4.7

Alternating between optimism and extreme pessimism

Looking at South Asia's place in the world, one finds room for optimism looking at the aggregates, but lapses into extreme pessimism when faced with the figures in per capita terms. The region as a whole comprises a population of 1,425 million, or 22.7 per cent of the world's total, sharing a total Gross National Income of $3,761 billion (in purchasing power parity terms in 2003), or 7.3 per cent of the world income of $51,401. Its average per capita income of $2,640 (in PPP terms in 2003) compares with the world average of $8,190.

In terms of its weight relative to other geographical regions, South Asia's total income of $3,761 billion is higher than Sub-Saharan Africa's $1,236 billion, Middle East and North Africa's $1,826 billion. On the other hand, the total for Europe and Central Asia is $3,555 billion, for Latin America and the Caribbean $3,801 billion and for East Asia and the Pacific $8,542 billion.

Looking at the largest of the South Asian economies, India is projected to become the fourth largest economy after the United States, China and Japan by 2025. Even if this lends weight in absolute terms to the South Asian region, in per capita terms, and even more in terms of human development indicators, the region as a whole is faced with the problems of mass poverty, illiteracy and ill-health. For instance, the average literacy in the region, at 64 per cent, compares with the world average of 82 per cent, and among the different regions, all others except Sub-Saharan Africa rank very much higher. Similarly, its average life expectancy of 62 for males compares with the world average of 64, and for females at 64 with the world average of 69. Indeed, in per capita terms, South Asia lags so far behind the developed world that the leeway cannot realistically be made up even in the medium term. Yet there are regions within countries such as the state of Kerala in India and even a country as a whole – Sri Lanka – where some of the human development indicators are as good as in parts of the developed world, underlining the need for a layered and nuanced, rather than a generalized, analysis.

An indicator of the region's immediate potential is its wealth comprising natural capital, produced capital and intangible capital as compiled by the World Bank. The per capita wealth figure for the region ranges from $3,802 (for 2000) in Nepal to $14,731 in Sri Lanka, with Bangladesh at $6,000, India at $6,820 and Pakistan at $7,871. These figures compare with the levels of $400,000 and more for the developed countries, with the US at $512,612 and the UK at $408,753. China's per capita wealth is estimated at $9,387 and Singapore's at $252,607.

If one were to look at how globalized the region is in terms of trade, trade in goods and services formed 24.1 per cent of the GDP for the region as a whole in 2003, while the debt service ratio at 10 per cent of the exports of goods and services was fairly comfortable. As for foreign direct investment, net inflows of $6.5 billion were reported in 2004.

Strategic weight of the region

With the region significant in its overall weight, but not affluent or developed when considered in per capita terms, how vulnerable would it be to the hegemonistic designs of outside powers, particularly the United States? The overall size, of course, is not to be ignored, but the real index of technological development would be per capita income which also represents the strength of a region or a country.

As both aggregates and per capita levels are important in assessing a country's power, Arvind Virmani has developed an index of power potential that could be applied to different countries to assess the relative strengths of the economies.[3] This index is a function of aggregate income which indicates the overall size of a country and the per capita income which stands in as a proxy for the state of technological development. Using the figures for the United States as the standard, he calculates the power potential of India at 8.5 per cent of the US level in 2005, qualifying it as a regional power. He puts the figure for China at 25 per cent of the US level, which places it in the league of global powers along with Japan and, of course, the US. The composite score suggests that the region as a whole, and particularly its largest economy, India, are unlikely to fall under the hegemony of any power.

Among the main strategic strengths of the region, three are particularly noteworthy: its manpower resources and technological capability. In absolute terms, the region has emerged as a major source of manpower, both semi-skilled and skilled. For two decades now, it has been providing manpower with middle-level skills to West Asia. More recently, it has emerged as a major source of manpower trained in computer software engineering, and also in other areas of services, including banking and sea-faring. Ensuring freer mobility of manpower through negotiations in the World Trade Organization and other forums would be of vital importance to the region.

The unimpressive state of overall development in the region masks high levels of technological capabilities that exist in specific sectors. Those capabilities have, on the one hand, brought nuclear weapons into the region and pushed India and Pakistan into advanced missile and military technologies, for example. On the other, they could serve as a major source of strength for the region in the future, and even in the immediate context they provide the region with a bargaining power beyond what would be associated with its economic levels.

The third strength is the fairly developed institutional structures in the region. In the case of India, one assessment quoted in the Government of India's Economic Survey 2006 has it that it has institutions of a quality that can support a far higher level of per capita income. Democracy has had wide acceptance in the region, with the sporadic exception of Pakistan and more recently Nepal. The rule of law, well-established administrative and judicial structures are in place.

India–China comparison

No assessment of South Asia would be complete without a look at the comparative picture of the region's largest economy with the largest in Asia, China. China's social-sector policy since its early years had led to dramatic improvements in literacy, health, longevity and infant mortality rates, while its switch to an outward-oriented strategy in the 1980s encouraged exports, foreign investment and the private sector, which led to a sustained growth of 9 per cent over two decades. In contrast, the growth rate in India has averaged 5 per cent over the last two decades and its social indicators remain far below China's. In the area of trade and finance, China is more closely integrated into the global markets, with exports from mainland China touching $483 billion in 2003 in contrast to $60.6 billion from India. The contrast is most dramatic when one looks at foreign direct investment: as against the $49.3 billion that China received in 2002, just $3 billion came into India, according to the figures of the World Bank.

Despite such figures, there are economists and analysts who see India holding a greater potential in the longer term. Dani Rodrik and Arvind Subramaniam believe that growth in China is running ahead of what its institutions can support, and is less sustainable than India's. India's strength is seen as lying in its large pool of university-educated workers and strong institutions. In an article[4] that created quite a stir in 2003, Huang Yasheng and Tarun Khanna raised the question of whether India could overtake China and concluded that, while India was not outperforming China overall, it was doing better in 'certain key areas'. Their cautious conclusion was that 'success may enable it to catch up with and perhaps even overtake China'. Be that as it may, looking at the hard figures, it is difficult to escape the conclusion that, at the moment, it is an uneven match in terms of both the overall state of the economy and the momentum of growth.

Economic pressures

A region's vulnerability to hegemony also hinges on its integration with the economies of the outside world, particularly with the American and the European economies. The region is not outward-oriented in the sense the South East Asian region with its dependence on exports is. As for the other issue of the largest economy in the region itself turning into a regional hegemon, the levels of trade and commercial interaction within the region would seem to preclude it. Indeed, it is such a fear that is holding the smaller economies from agreeing to a greater integration within the region. In terms of integration, South Asia remains at least ten years behind the ASEAN countries in removing barriers to intra-regional trade. The South Asian Free Trade Association which came into being on 1 January 2006 represents a halting step at best and the region has a long way to go in terms of integrating the economies. Political inhibitions, rather than hard economic considerations, seem to be standing in the way of a faster and closer economic cooperation.

Competition for resources within the region exists in the area of water among India, Pakistan, Bangladesh and Nepal, and it has largely been contained at the level of diplomacy, though at times it breaks out into a war of words. The region as a whole is energy deficient, depending on massive imports of both oil and gas from West Asia. With an estimated energy use per capita of just 463.8 kilograms of oil equivalent in 2000, there is not much scope for economy in this area. If anything, the energy intensity of the economies is bound to grow in the coming years. Likewise, in electricity use per capita, at 324.2 kilowatt hours, the region is well below the world average. Nuclear and non-conventional sources seem to hold the key to making the region less dependent on oil imports.

In the area of greenhouse gases, the region's per capita emission of 0.9 tonnes of carbon dioxide is also well below the world average. Because of its relatively huge population, however, the total level of emissions is quite high, reinforcing a specific position in the global negotiations on reducing greenhouse gas emissions. Thus, while other nations may seek to lower South Asia's total, the interests of the region clearly lie in obtaining more elbow room in per capita terms as development becomes more and more energy intensive.

A complex mix of positives and negatives

The South Asian economy as a whole presents a mixed picture. Large aggregates and the overall size give it a certain weight on the world stage. The sheer size of the populations and of the economies of the region ensures that outside powers will not find it easy to gain a position of dominance. The region as a whole has enough economic weight to resist outside hegemony if it so chooses.

On the other hand, low per capita levels of income, mass deprivation, illiteracy and ill-health undermine its credibility. Again, low levels of literacy sit side-by-side with islands of high technology and skills, making any generalization, either positive or negative, misleading. The very low per capita income level, mass deprivation in terms of poverty, ill-health and illiteracy and the slow pace of growth relative to the needs, necessarily create some dependence on support from the outside world. Aid givers, whether it be the World Bank and other multilateral agencies or individual country donors, would inevitably seek some influence, even if it does not turn into outright hegemony.

Within the region, considering only the size of the economies, India and Pakistan would seem less vulnerable to outside hegemony. On the other hand, strategic considerations do come into play, with Pakistan getting into a close partnership with both the United States and China. India has remained relatively independent and away from alliances, though from the point of view of the left in Indian politics, the current government is moving away from that independent stand and getting closer to the United States. Be that as it may, in the case of both India and Pakistan, economic factors tend to protect them from outside designs and are not a source of vulnerability. On the other hand, countries such as Bangladesh and Nepal that have a far greater dependence on outside economic support, are found to be much more vulnerable to the dictates of aid agencies.

New sources of vulnerability

Beyond the classic vulnerability created by dependence on aid, in the current period of globalization at least three different sources of outside influence or pressure can be identified. The first is the pressure to open up the economies to foreign investment. In India, for instance, the United States and European governments are lobbying for opening up the retail-trade sector to foreign investment and to allow a higher foreign participation in insurance. Alongside is the pressure to open up the markets of the region to the developed countries. With the multilateral negotiations in the World Trade Organization moving at a tardy pace, bilateral trade pacts are becoming more common. In these, the countries of the region would be required to open up their markets more in return for access to the markets of the industrial countries.

The second source of pressure is on energy resources. The region as a whole is energy deficient and dependent on imports of oil and gas from West Asia. Even in the medium term, this level of dependence is unsustainable, particularly after oil prices have reached dizzy heights in the recent period. Quite apart from the economic burden of oil and gas imports, there is another concern as well in the industrial world. Both Pakistan and India are looking to Iran more and more for its energy needs, which on strategic grounds is quite disturbing to the United States. Both the countries are facing tremendous pressure not to get into long-term energy dependence relationships with Iran, particularly in the matter of building an Iran–Pakistan–India gas pipeline. While the Iran pipeline is the most advantageous economically – security considerations are quite another matter – both India and Pakistan are being pushed to consider the pipeline that would bring gas from Central Asia through Afghanistan and Pakistan.

A third tendency that is becoming more and more noticeable with increasing globalization is the loss of national autonomy in decision-making. While the region is nowhere as integrated and harmonized as Europe, the space for national decision-making in such matters as trade and tariffs has shrunk dramatically under the WTO regime. Though somewhat less intrusive, the South Asia Free Trade Area agreement would also change the rules of the game.

A regional hegemon?

Within the region itself arises the question of Indian hegemony. If one were to look for an economic basis for hegemony, the region's economies are not integrated enough to give India such a leverage. The smaller countries have closer trade and economic ties with countries outside the region, including the United States, Japan, Europe and China. Fear of dominance by the large and fast-growing Indian economy is inhibiting the other countries from moving towards closer trade integration within the region. Thus, Pakistan, Sri Lanka or Bangladesh would rather trade with Europe or Japan than with India. Even after closer integration in the future, the smaller countries are likely to retain their trade and economic links with the developed countries outside the region, which may minimize their vulnerability to hegemony by the regional power. With

closer regional integration proving to be so demonstrably beneficial all over the world, the South Asian region cannot remain an outlier for too long. With the inevitable integration, the dominant Indian economy will gain greater leverage, raising questions over whether India will try to use it to establish its hegemony.

Quite apart from the political opposition from the other countries standing in the way, India itself may be inhibited in even seeking to establish hegemony over the region. Indian foreign policy has come a long way from the days of Indira Gandhi, who was seen by the outside world as seeking to demonstrate Indian power in bringing about the birth of Bangladesh in 1971. The current Indian mindset would seem far removed from any notion of applying Indian power or leveraging its economic size and military might to push the other countries around or to gain an undue advantage in its dealings with them.

The change was brought about by what is called the 'Gujral doctrine' in dealing with its neighbours. As spelt out by the then Prime Minister, Inder Kumar Gujral, the doctrine had three key elements. The first was that India would deal with all the countries in the neighbourhood in the true spirit of equality, extending beyond the formal declarations to that effect. Second, the neighbours were required not to jeopardize India's security by allowing their territory to be used by hostile groups or forces and were, in turn, guaranteed non-interference in their internal affairs. The third, and perhaps the most striking, element was that in relations with neighbours like Sri Lanka, Bangladesh, Bhutan, Nepal and the Maldives, India would not ask for reciprocity but would give and accommodate what it could in good faith and trust.

Problematical security relations with Pakistan have put it outside the area of non-insistence on reciprocity in dealings, and the issue of harbouring violent and hostile groups on its territory has come up with Bangladesh as well. Nevertheless, in the overall context, good neighbourliness rather than any quest for dominance has since been the guiding principle of Indian foreign policy in dealing with the region.

In sum, in terms of objective factors, the size of the Indian economy in a scenario of closer regional integration would give it a great deal of leverage. At the same time, the strong trade and investment linkages that the other countries have established with outside powers, including the United States, Europe, China and Japan, serve to dampen Indian reach and influence within the region. Beyond all these lies the change in the Indian foreign policy mindset that is less inclined towards hegemony and would seem to be keen on demonstrating good neighbourliness.

Notes

1 Cited by Prime Minister Manmohan Singh in his address at Oxford University, 8 July 2005.
2 Kennedy, Paul, *The Rise and Fall of Great Powers*, Vintage, New York, 1989.
3 Virmani, Arvind, 'Global Power from the 18th to the 21st Century: Power Potential (VIP2), Strategic Assets and Actual Power (VIP)', ICRIER Working Paper No. 175, November 2005.
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17 West Asia

Is there an alternative to sole super-power hegemony?

Hamid Ansari

> Hegemony is 'imperialism with good manners'.
>
> Georg Schwarzenberger (1959)

> It is against the impregnable rock-wall of Islam, as a system embracing every sphere and duty, and act of life, that the waves of missionary effort beat and buffet in vain.
>
> Lord Curzon (1892)

Throughout recorded history, the urge to dominate the region from the Nile to the Tigris has been the principal theme of power politics in West Asia. Every regional power in all periods of history, and many extra-regional ones, particularly in recent times, has responded to the impulse and developed an imperative. The region has also been a graveyard of empires. Arnold Toynbee, who drew a distinction between 'the diversity of growth and uniformity of disintegration', described the latter process vividly:

> Where there is no creation there is no mimesis. The piper who has lost his cunning can no longer conjure the feet of the multitude into a dance; and if, in a rage and panic, he now attempts to convert himself into a drill-sergeant or slave driver, and to coerce by physical force a people that he can no longer lead by his magnetic charm, then all the more surely and swiftly he defeats his own intentions; for the followers that had merely flagged and fallen out of step as the heavenly music died away will be stung by a touch of the whip into active rebellion.[1]

In many ways this was true of the greater part of West Asia at the dawn of the twentieth century. The decline of the Ottoman Empire manifested itself in many ways. The inroads and rivalries of the European powers went hand-in-hand with the rise of national movements. The same period witnessed new ingredients being added to the traditional concept of what constituted *power*. In 1898 a British Prime Minister remarked that the world was divided into 'living' and 'dying' powers. By 1943 the *multipolar* world of 1885 was replaced by a

bipolar one.[2] Earlier, and despite an acknowledgement of British primacy in matters relating to West Asia, America's pursuit of its oil interests in the region resulted in a sharply worded exchange of letters between Churchill and Roosevelt. It ended with a commitment to respect each other's interests.[3]

The period from 1945 to 1989 saw the United States drawn into the region by the desire to contain Soviet expansion and by 'the creation of NATO-like organizations to resist actual or potential military threats' from the Soviet Union despite the fact that 'for the most part, the nations of the Middle East did not share America's strategic views'.[4] An equally substantive reason was the realization, by early 1948, that the domestic production of oil was no longer able to meet the American demand level and that this shortage was therefore a matter of national security. Its dimensions were clearly perceived by Defence Secretary Forrestal who noted that

> the Marshall Plan for Europe could not succeed without access to Middle East oil, that we could not fight without access to it and that even in peacetime our economy would be unable to maintain its present tempo without it.[5]

The centrality in US interests of the region's petroleum resources, and of the security of Israel, was reiterated 30 years later by the Joint Chiefs of Staff in a 1978 'Review of U.S. Strategy Related to the Middle East and Persian Gulf'. It was formally reaffirmed in the Carter Doctrine of January 1980.[6]

The Cold War manifested itself in different ways in West Asia. The states of the region, perceiving themselves as a sub-system, were seen to be pro-US or pro-Soviet, moderate or radical; as a result, a number of regional issues (Israel–Palestine, Yemen, Lebanon) came to be viewed in Cold War terms. The super-powers supported and reinforced these dichotomies. The area became bipolarized and the regional states, anxious to derive the fullest advantage from these polarities, projected them in their regional and global political engagements. The regional conflicts themselves, however, were not necessarily 'a function of the East–West conflict'.[7]

The collapse of the USSR ended the Cold War. In a speech to the US Congress on 11 September 1990, President Bush proclaimed a New World Order: 'an era in which the nations of the world, East and West, North and South, can prosper and live in harmony.' This was amplified in a speech to the UN General Assembly on 1 October. The unstated major premise of the speech was American leadership. The lapse nevertheless was seized upon by political opponents who criticized him for having 'invoked a new world order without enunciating a new American purpose'.[8]

The end of the bipolar world resulted in *unipolarity*. The ingredients of such overwhelming power were carefully listed: global military reach, global economic impact, global cultural–ideological appeal and global political muscle.[9] These identified the United States as the only truly global power. The Kuwait War of 1991 demonstrated it in ample measure.[10] The war made visible the

American military profile in the Persian Gulf; the process, in fact, had commenced earlier during the Iraq–Iran War. It also resulted in a number of bilateral military agreements concluded by the United States with Kuwait, Bahrain, Saudi Arabia and Qatar. These were, in the case of Saudi Arabia, to arouse internal opposition.[11] This was aggravated by the Arab misgivings arising out of the failure to move ahead in the Palestinian–Israeli peace process.[12]

The transformation of traditional international politics into a global one also focused attention on the modalities of the exercise of this power: 'The question arises whether a global power that is not guided by a globally relevant set of values can for long exercise that predominance.'[13] Equally relevant was the question of capability: 'America is more preponderant than it was ten years ago; yet, ironically, power has also become more diffuse. Thus, America's ability to employ it to shape the rest of the world has actually decreased.' The limitations in the projection of power thus became 'a key conceptual challenge for American foreign policy'.[14]

The Clinton Administration sought to define a new American purpose. It put economic policy at the heart of its foreign policy agenda in an effort to open markets to American business. This was spelt out in the *National Security Strategy of Engagement and Enlargement* (February 1995):

> It is premised on a belief that the line between our domestic and foreign policies is disappearing – that we must revitalize our economy if we are to sustain our military forces, foreign initiatives and global influence, and that we must engage actively abroad if we are to open foreign markets and create jobs for our people.

American power, it added, is the basis on which 'to reshape existing security and economic structures and create new ones'. As a result 'the post-Cold War era thus acquired a distinctive identity: it was the Age of Globalization' that had an irreversible logic and was beneficial to the United States.[15] US foreign policy also 'became increasingly militarized' as it resorted to 'use of force' (rather than outright war).[16] Thus the three ingredients of military policy after the Cold War, aimed at maintaining international order and furthering globalization, were seen to be: (a) a broad consensus regarding the inherent desirability of military power; (b) a commitment to maintain US global military supremacy in perpetuity; and (c) support for maximizing this military might by pursuing an activist agenda.[17] Despite this, by 1997 (principally on account of the failure of the policy of Dual Containment of Iraq and Iran), sections of conservative opinion in the United States sought to advocate a more activist approach:

> We cannot safely avoid the responsibilities of global leadership or the costs that are associated with its exercise. America has a vital role in the maintenance of peace and security in Europe, Asia and the Middle East. If we shirk our responsibilities, we invite challenges to our fundamental interests. . . . The history of this century should have taught us to embrace the cause of American leadership . . . based on military strength and moral clarity.[18]

The thesis was amplified as the debate developed. It was argued that promotion of interest in an anarchic Hobbesian world, where international laws and rules were unreliable, depended 'on the possession and use of military might'; hence discussion should be on 'the efficacy of power, the morality of power, and the desirability of power' together with a willingness to exercise that power 'unilaterally if necessary'.[19]

The Republican foreign-policy agenda was spelt out in some detail by close advisors to the President-elect. It focused on 'national interest', premised itself on the use of American power 'to open minds and markets', discounted the value of international agreements and institutions, called for overhauling ties with partners and allies and face the great challenges in Eurasia (China, Russia and India). In relation to West Asia 'the United States must counter those dangerous states that threaten its closest friends, such as Israel, or its vital interests, such as maintaining access to oil in the Persian Gulf'. The new strategy should 'shape the world so as to protect and promote American interests and values for the next 50 years'.[20]

On the eve of the assumption of office by President George W. Bush, a bipartisan Presidential Study Group sponsored by the Washington Institute for Near East Policy assessed the strategic situation in West Asia:

> While most regional states seek close political and military ties with the United States, Arab–Israeli relations are in crisis, regional radicals are buoyant, and the popular mood in much of the Arab world is critical of U.S. policy.

The situation, the Group concluded, is 'characterized more by challenges than by opportunities'. It identified Arab–Israeli diplomacy, weapons of mass destruction, terrorism, Iraq and Iran as the primary challenges and recommended a regional strategy focused on 'investment in critical relationships' – expand outreach to Arab and Muslim-majority countries, encourage new leaders in friendly countries to undertake reforms that 'strengthen their legitimacy', promote democratization, good governance and human rights, and strengthen key bilateral partnerships (Israel, GCC, Egypt, Jordan and Turkey).[21] This was a reiteration of the Clinton agenda, perhaps with greater vigour.

The opportunity to take up the more radical agenda was provided by 9/11. On the morrow of the attack, National Security Advisor Condoleezza Rice asked a sharply focused question: 'how do we capitalize on these opportunities' to change American doctrines and the shape of the world? In her view, 9/11 'was one of those great earthquakes that clarify and sharpen. Events are in much sharper relief.'[22] Introspecting on the event, a Pentagon analyst said much the same thing: 'To me, 9/11 was an amazing gift – as twisted and cruel as that sounds. It was an invitation from history, albeit one with a horrific price tag. . . . On that morning, America was forced to wake up from the dreamlike nineties.'[23] Its direct consequence was the ousting of the Taliban regime in Afghanistan, the enunciation of the doctrine of pre-emption, and the decision to invade Iraq in

contravention of international legality and, as now known, on a false pretext. The war itself was called 'the most important military victory since World War II'.[24] Barnett analyses its deeper purpose:

> Operation Iraq Freedom was an overt attempt to create a System Perturbation centered in the Persian Gulf: to throw rule sets there in flux, to shake things up, to trigger a Big Bang that would transform the region's security system and, we hoped, so much more.[25]

This security is essential for the continued functioning and furtherance of globalization. The whole process, in Barnett's view, gets integrated in an extended syllogism: stability is essential for markets and growth; growth requires resources, resources need infrastructure, infrastructure depends on money, money on rules, and rules on stability; this stability requires a Leviathan having the will and capability of using force. The United States personifies the Leviathan.[26]

Strategic imperatives in West Asia

The strategic imperatives in West Asia need to be viewed within this wider policy paradigm.

The primacy of energy was reiterated comprehensively in May 2001 when the National Energy Policy Development Group, chaired by Vice-President Cheney, recommended making 'energy security a priority of our trade and foreign policy'. It assessed that 'by 2020 Gulf oil producers are projected to supply between 54 and 67 percent of the world's oil' and, for this reason, the Gulf 'will remain vital to U.S. interests' and the 'primary focus of U.S. international energy policy'.[27]

The *National Security Strategy 2002*, enunciated by President Bush on 17 September 2002 is the bedrock of post-9/11 policy. It situated the United States as a country with 'unparalleled military strength and great economic and political influence', prescribed 'a single sustainable model for national success: freedom, democracy and free enterprise', identified a new threat in 'the shadowy network of individuals' located at 'the crossroads of radicalism and technology', and proclaimed a new strategy 'to disrupt and destroy terrorist organizations of global reach and attack their leadership; command, control and communications; material support and finances' as well as by waging 'a battle of ideas' that would include 'supporting moderate and modern governments, especially in the Muslim world, to ensure that conditions and ideologies that promote terrorism do not find fertile ground in any nation'. In this endeavour the United States will seek partners and friends but 'will be prepared to act apart when our interests and unique responsibilities require'.[28] (Diplomacy and public relations were not listed in the instruments of national power that were to be used for pursuing these objectives. The need for them surfaced later, in the light of the Iraq experience. In September 2004, the *Report of the Task Force of the Defense*

Science Board on Strategic Communications focused on the need 'to strengthen the U.S. Government's ability to understand global public opinion' and to communicate with global audiences since 'policy, diplomacy, military operations and strategic communications should not be managed separately'.)

The continuing relevance of the approach enunciated in *NSS 2002* was underlined in the *National Defense Strategy of the United States* and its proclamation that 'America is a nation at war' and to pursue this war successfully, the United States needs 'to project power anywhere in the world from secure bases of operations . . . in four forward regions – Europe, North East Asia, the East Asian Littoral and the Middle East–Southwest Asia'.[29]

A full and consistent picture of US interests in West Asia thus emerges when the 1978 recommendation of the Joint Chiefs is read with the 2001 suggestions of the Presidential Study Group and the post-9/11 policy pronouncements of the Bush Administration. These can be summed up in a set of prepositions:

- West Asia is, and will remain in the foreseeable future, a very important source of energy supplies;
- Control over West Asia is essential for the energy security of the United States;
- Political dominance of the region is imperative. No power, or a combination of powers – regional or extra-regional – should be in a position to challenge the US's position in West Asia;
- The epicentre of the Global War on Terrorism (GWOT) is located in West Asia and strategies, general and specific, have to be given the highest priority for countering terrorist threats emanating from there;
- A significant military presence in the Gulf is essential and includes control of sea lanes. The Gulf facilities are to become central hubs in the network of bases stretching throughout central and south Asia and the horn of Africa which will perform missions associated with the war on terror;
- The US commitment to Israel's security, as perceived by Israel, constitutes the fundamental cornerstone of the US–Israeli relationship;
- The traditional US policy of support to 'moderate' governments in West Asia stands modified with the stipulation that the United States would promote modernity 'to ensure that the conditions and ideologies that promote terrorism do not find fertile ground in any nation';
- Economic, educational and political reforms are essential to modernize the West Asian countries, and sustained persuasion and pressure is to be maintained, in a calibrated mix, to have these initiated;
- Vigorous public diplomacy, to undo the negative image and create a favourable impression of the United States, is to be an essential ingredient of the policy approach;
- West Asia constitutes an important market for US exports of goods and services in general, and for defence equipment in particular. The American financial market is a lucrative destination for oil revenue surpluses of most West Asian states. The total value of the US–West Asia (excluding Israel) trade in 2004 was $50.9 billion.

A number of questions arise. Has this policy produced the desired results? Can the US sustain it? Would the regional states, and local public opinion, accept and accommodate themselves to the resulting *pax Americana*? Has the process unleashed other forces? Are alternate approaches feasible?

The notional and practical point of commencement of the new hegemonic approach is Iraq. The stage for an assessment was set by a sobering report in early July:

> The war has diminished the stature and weakened the credibility of the United States around the world. And it has delivered a body blow to the readiness of America's armed forces. Much of the military is now over-deployed, under-trained and overworked. Many of the troops are serving multiple tours in Iraq. No wonder potential recruits are staying away in droves.[30]

For this reason it has been asserted with good reason that 'success in Iraq is critical to U.S. national security. Permanent instability in Iraq could set back American interests in the Middle East for generations, increase anti-Americanism, multiply threats from tyrants and terrorists, reduce our credibility.'[31] Expert witnesses in the hearings stated that the policy pursued so far has not been successful, that insurgency would reach its peak in the January–September 2006 period, and that the next six-to-eighteen months would therefore be critical for the counter-insurgency effort. A change of approach became evident towards the end of July, at the time of Rumsfeld's visit to Baghdad. The American media was more specific with numbers.[32] Thus while the United States achieved its objective of 'Systems Perturbation' in the region through the war and occupation of 2003, its subsequent inability to subdue Iraq, and the possibility now of a damage-limitation exercise through an early withdrawal, raises other questions.[33]

A judgement on the success of the Iraq experiment, therefore, needs to be withheld. In all probability, the manner of extricating the United States from the Iraq quagmire would have a wide-ranging impact on future policy. This notwithstanding, the physical presence of the United States, in the shape of the forward operating bases, forward operating sites and pre-positioned equipments and stocks, is declaratory of intent to remain in the region.

Reforms and democratization were the other ingredients of the post-9/11 West Asian policy, pursued in parallel with Iraq and in the expectation that visible success in Iraq would have a demonstration effect. There is now evidence to suggest that wider strategic considerations were modulating the initial thrust of this approach:

> the Bush administration – if you like neoconservatives in power – has been far more inclined to pursue democratic realism and to consign democratic globalism to the realm of aspiration. This kind of prudent circumspection is, in fact, a practical necessity for governing the real world. We should, for example, be doing everything in our power, both overtly and covertly, to encourage a democratic revolution in Iran, a deeply hostile and dangerous

> state, even while trying carefully to manage democratic evolution in places like Egypt, Saudi Arabia and Pakistan.[34]

What has been the impact of this presence on local public opinion? Thomas Friedman is a credible witness:

> We are in danger of losing something much more important than just the war in Iraq. We are in danger of losing America as an instrument of moral authority and inspiration in the world. I have never known a time in my life when America and its president were more hated around the world than today. . . . The war on terrorism is a war of ideas and to have any chance of winning we must maintain the credibility of our ideas. . . . We cannot win a war of ideas against [Al Qaeda] by ourselves. Only Arabs and Muslims can. . . . But it is hard to partner someone when you become so radioactive no one wants to stand next to you.[35]

Arab opinion, in fact, sees 'Bush's promotion of democracy as a crude screen for American strategic and economic interests'.[36] The turbulence in Iraq, nevertheless, had a wider impact in the region; this has been summed up by an Arab observer of moderate views:

> I sense a common mood across the Arab world: the prevailing status quo is neither satisfying to the majority of citizens, nor sustainable for the rulers in its current state; but neither is it on the verge of revolutionary or violent change. . . . Everywhere in the Arab world the calm on the surface is tenuous and vulnerable.
>
> The parallel danger is that Arab and foreign officials will allow themselves to be so mesmerized and distracted by the criminal antics of a few terrorists out there that we end up perpetuating the basic mistakes that have plagued Arab, American, British and other anti-terror policies in recent years: misdiagnosing the root causes of terror; exaggerating the religious and minimizing the political dimensions of terror; and responding mainly with heavy-handed political and military policies that, astoundingly, only fuel the criminal hormones of the terrorists themselves and also further alienate the hundreds of millions of already fearful ordinary Arabs . . .[37]

Changing public perceptions

Whatever the outcome of the misadventure in Iraq, current American thinking does not visualize a material change in the physical profile of the United States in West Asia. Over time, however, the US would need to reckon with changed public perceptions:

> Growing numbers of people around the world, especially in the Middle East and the broader Muslim world, believe the US is bent on regional domination

> – or direct political and economic domination of other states and their resources. . . . *Most countries are likely to experiment with a variety of different tactics from various degrees of resistance to engagement in an effort to influence how US power is exercised* [italics added].[38]

The impulse for change could emanate from within the region or externally. It would relate, directly or indirectly, to the ability of the United States both to confront pressures and to accommodate them. This accommodation could lead to a substantive dilution of the reform and democracy agenda. An instance of the latter is the Bush–Abdullah meeting earlier this year and the assertion in the Joint Statement that the United States 'does not seek to impose its own style of government on the government and people of Saudi Arabia'. In return it received a *fatwa*-like pronouncement from the representative of the Custodian (and now the Custodian) of the Two Holy Mosques: 'Saudi Arabia reiterates its call on all those who teach and propagate the Islamic faith to adhere strictly to the Islamic message of peace, moderation and tolerance and reject that which deviates from those principles.'[39]

Confronting the pressures, on the other hand, would throw up a different set of problems. 'Pervasive insecurity' is the backdrop chosen by the National Intelligence Council when assessing the likely role that the United States would continue to play in West Asia. Scenario-building seminars outlined it in some detail:

> Participants felt that the role of U.S. foreign policy in the region will continue to be crucial. The perceived propping up of corrupt regimes by the United States in exchange for secure oil sources has in itself helped to promote continued stagnation. Disengagement is highly unlikely but would in itself have an incalculable effect.
>
> Regarding prospects for democracy in the region, participants felt the West placed too much emphasis on the holding of elections, which, while important, is only one element of the democratization process. There was general agreement that if the United States and Europe can engage with and encourage reformers rather than confront and hector, genuine democracy would be achieved sooner.
>
> Some Middle East experts argued that Washington has reinforced zero-sum politics in the region by focusing on top Arab rulers and not cultivating ties with emerging leaders in and outside the government.
>
> Although the Middle East has a lot to gain economically from globalization, it was agreed that Arabs/Muslims are nervous that certain aspects of globalization, especially the pervasive influence of Western, particularly American, values and morality are a threat to traditional culture and religious values.[40]

Another disconcerting factor for the US is 'radical Islam', whose spread will have 'a significant global impact leading to 2020, rallying disparate ethnic and

national groups and perhaps even an authority that transcends national boundaries'.[41] From an American perspective, therefore, the promotion of democracy and globalization on the one hand, and the countering of radical Islam on the other, would thus depend very much on American power.

Despite the pervasiveness of American power in West Asia, its desirability and legitimacy remains to be demonstrated. The post-9/11 situation for the United States has thrown up a set of conflicting options and challenges: acceptance or rejection of this hegemony in the region and beyond; military success versus failure in Iraq; meaningful social and political change in West Asia versus superficial democratization; homogenizing globalization versus a selective one that would accommodate religion and/or tradition-based cultural diversity; external efforts to 'change' Islam versus an internal debate among Muslims to find answers to challenges of modernity. US policy has yet to bring forth a globally relevant set of values having universal acceptability in the region, and many would argue that might, in Rousseau's words, 'does not make right, and we are bound to obey none but lawful authorities'.

A staff paper for the *Global Alternatives* dwelt on the principal objectives of policy in the region up to 2020: moving Arabs and Israelis towards a settlement, forging a new political and economic system in Iraq, being the principal guarantor of several regional states and the principal *bete noire* of several others, and being the main source of an alternate culture.[42] Each of these, it is evident, would demand local acceptability; none would be durable if imposed.

What, then, are the prospects of providing solutions to each of these problems that would not seem to be imposed? The oldest, and most intractable, pertains to Palestine and, in regard to it, US behaviour is coloured by nationalist and religious passions of high intensity. This has obstructed a realist approach; policy, in fact,

> is an attempt to combine the promotion of values and behaviour among Arabs based on the American Creed and American civic nationalism with support for an Israeli state whose policies are based on the American antithesis: strong and exclusive ethno-religious nationalism, a dominant militarist ethic and rule over another people based on a mixture of claims none of which is related to universalistic liberal values. The result is not a synthesis but a horrible moral and political mess.[43]

This approach leaves the Palestinians bewildered. The Israeli expectation, on the other hand, is to dispense with the need for serious negotiations based on the internationally endorsed principles:

> What is emerging is that Israel and the United States have created the framework for an imposed resolution of the conflict, as it will not be the result of negotiations between the sides but negotiations between each of them with the United States.[44]

The question of security guarantees for friendly states in the region was a principal ingredient of policy in the Cold War period and was modified and reinforced after the Kuwait War of 1991. Each of these, however, dealt with specific or general scenarios of *external threats.* The nature of threat itself has now undergone a change. The challenge today is of *regime security*; the principal threats are therefore perceived to be internal rather than external. It has been argued in some quarters that this new threat to regime security and internal stability is a direct or indirect result of US policy. This tension is reflected in policy pronouncements:

> For 60 years, my country, the United States, pursued stability at the expense of democracy in this region here in the Middle East – and we achieved neither. Now we are taking a different course. We are supporting the democratic aspirations of all people.[45]

A logical consequence of this would be the irrelevance, or considerably reduced relevance, of the earlier bilateral security arrangements premised on external threat perceptions. By the same token, any new or revamped security guarantee may well be specific rather than general, finely calibrated in each individual case. The danger is that this degree of involvement in domestic politics, through US security guarantees, would inevitably generate resentment and would not assist American image-building. A better option would be to explore collective and cooperative security arrangements.

'The war on terrorism,' said President Bush in *NSS 2002*, 'is not a clash of civilizations. It does, however, reveal the clash inside a civilization, a battle for the future of the Muslim world. This is a struggle of ideas, and this is an area where America must excel.' The words are reflective of a sweeping typecasting that has plagued US policy ever since the end of the Cold War when undifferentiated 'Islam' ceased to be an ally against 'atheistic communism' and, in the wake of the Kuwait War of 1991 and the failure to induce democratic change in different Arab countries, became a source of concern. The failure of the Oslo Process provided a focal point for aggravation of feelings on one side and parallel developments in Israel and the United States set the stage for clashing perceptions:

> Thus the September 11 attacks represented a crossroad for two diametrically opposed ways of thinking. Each group responded by formulating a project for radical transformation of the Middle East. The jihadists endeavoured to capitalize on the 'triumph' of September 11 to attract sympathizers to their cause. . . . The neocons, on the other hand, saw September 11 as a tragic opportunity to sell their radical new deal for the Middle East to the shell-shocked Bush administration.[46]

Is hegemonic power desirable?

Headley Bull, who had analysed the unilateral exercise of local preponderance by a great power, concluded that this could take three forms: *dominance* involving habitual use of force against lesser states, *hegemony* resulting in occasional and reluctant use or threat of force, and *primacy* when 'preponderance is achieved without any resort to force or the threat of force and with no more than the ordinary degree of disregard for norms of sovereignty, equality and independence.'[47]

The debate about the desirability of hegemonic power, and its sustainability, is far from settled in the United States itself. Theorists of the typology of power have lamented the neglect of the substantial *soft power* that the US wields: 'neglect of allies and institutions has created a sense of illegitimacy that has squandered our attractiveness.'[48] Others, basing themselves on the self-correcting mechanism rooted in the values of the American Creed, describe American character as 'bellicose but not militaristic'. A variant of this, focused on elite perceptions, describe it as 'imperialist and militaristic but not bellicose'. A display of greater self-confidence by the American elites and more concern for the example their country set to the world through their institutions and values would therefore make possible 'a form of U.S. hegemony by consent'.[49] Still others hold the view that 'America's marriage of a militaristic cast of mind with utopian ends' in the 1990s was reaffirmed and sanctified by the post-9/11 approach:

> The marriage of military metaphysics with eschatological ambition is a misbegotten one, contrary to the long term interests of either the American people or the world beyond our borders. It invites endless war and ever deepening militarization of U.S. policy. . . . As it alienates peoples and nations around the world, it will leave the United States increasingly isolated. If history is any guide, it will end in bankruptcy, moral as well as economic, and in abject failure.[50]

The assertion of robust nationalism also has implications for globalization that was understood as the unification of the world economy under a neo-liberal model. The re-nationalization of world politics may mark the end of this phase:

> Seeking monopoly is of course the polar opposite of interdependence. Since the U.S. is the systemic centre of the global capitalist system, the shift to militarism is having global effects, some obvious, some insidious. The disruptive effects are spilling over into the world economy. Structural imbalances in the international economic system are translating into protectionist outcomes, economic competition taking the classic form of increasingly bitter currency and trade wars between rival countries and blocs.
>
> But monopoly in a plural world is an illusory quest. While the US is the leading state in the international system, it is ensnared in webs of

> dependence of its own making: US patterns of consumption and living standards, while helping to maintain Asian economic activity, require the absorption of ever larger volumes of world savings, currently 80 per cent. Over time this will prove unsustainable.[51]

'America's vocation,' it has been argued, 'is not an imperial vocation. Our vocation is to support justice with power.'[52] The manifestation of this vocation in West Asia is not dissimilar to what Thrasymachus proclaimed in Plato's *Republic*: 'Justice is nothing else than the interest of the stronger.' Its impact on regional perceptions would range from resistance to engagement, as anticipated in the NIC forecast.[53] Hegemony, in short, would not go unchallenged and may be costly both for the hegemonic power and the subjects of its quest.

Is an alternative feasible? This could be examined in terms of the *stated* reasons for the US presence in the region: denial of space to communism, access to and security of oil supplies, security of Israel, settlement of Palestinian–Israeli conflict, vacation of aggression on Kuwait, destruction of WMDs and regime change in Iraq, promotion of regime change in Iran, promotion of region-wide reform leading to democratic and accountable governance and, in general, 'diminishing the underlying conditions that spawn terrorism'. A fair assessment would show that the demise of the Soviet Union no longer makes it a factor of influence and rivalry in West Asian politics; oil supplies are regulated by market factors in conditions of globalization; Israel is the most powerful state of the region, secure and in no threat from its neighbours; a blueprint for the settlement of the Israeli–Palestinian problem has universal acceptance and can be implemented given American support; Kuwait is free and its territorial integrity secured by the UN Security Council; a new arrangement of governance in Iraq has been put in place and would – hopefully – succeed; and the governments and public opinion in the region are sufficiently sensitized to the imperative need to move towards better governance through the instrumentality of the *Arab Human Development Reports* of 2003 and 2004 and various other local, regional and extra-regional initiatives. Iran, despite considerable social and political evolution in the post-Thermidorian period, remains, in American eyes, intractable; on available evidence, however, a military venture is unlikely to produce the desired results.

On the other hand, it has also been demonstrated that occupation, continued support to neo-patriarchal structures of dominance and overt interference in governance has generated resentment, resistance and resort to targeted as well as indiscriminate acts of terrorism. Furthermore, and in sober American assessment, the Global War on Terror has failed to achieve its objectives because the nature of the problem was misunderstood.[54]

A change of approach, of policy and of tactics now seems unavoidable. The impulse for it would emanate as much from the domestic pressures and compulsions of the United States as from the resistance or alternate forms of engagement of the regional states. It has been argued that 'Americans are still working their way through the aftermath of September 11' and are 'torn between differ-

ent approaches to the implementation of the new strategy'.[55] To the region and the rest of the world, America remains oblivious to the fact that, in the process, it has destroyed a country and a society, traumatized a whole region, enhanced insecurity almost worldwide:

> In 1997, the proponents of new activism in global policy had raised questions: Does the United States have the vision to build upon the achievements of past decades? Does the United States have the resolve to shape a new century favourable to American principles and interests? We are in danger of squandering the opportunity and failing the challenge.[56]

Eight years later, the answers are becoming evident. Hegemony remains but partially achieved; its aftermath may be messy. An alternative approach is not in sight. On the horizon, instead, are changing American public opinions and the American political calendar by which, in another 12-to-18 months, the presidential authority would begin to wane; the murmurs of discordant votaries would then circumscribe the omnipotence of US power, inducing it to be accommodative rather than prescriptive.

Postscript: This chapter was completed on 13 August 2005. Since then, a wider debate on US role and capacity in West Asia has come to the fore and perceptions about it, across a broad spectrum of opinion within the United States itself, have crystallized. One aspect of it was spelt out in a paper published in October 2005 by the US Army War College:

> Empowering the government and security forces is the key to an endstate in Iraq acceptable to the United States. . . . The United States may also have to scale back its expectations for Iraq's political future.
>
> The United States needs to renounce interest in permanent bases in Iraq on a strong and continuing basis . . . [instead] small wealthy [Arab] states, such as Kuwait, Qatar, the United Arab Emirates and Bahrain clearly see U.S. bases as an important source of protection. . . . These states are much easier to work with in time of crisis, and their facilities can meet the same operational requirements as bases in Iraq.
>
> All future wars should have carefully planned out strategies based on something other than best case planning for the future of the countries involved. In undertaking such plans, the United States must take care to maintain realistic expectations of what it can actually achieve with military intervention, especially with regard to the imposition of market economies and democracy on states that we do not fully understand.[57]

Alongside, some new thinking has taken place, within the region and beyond it, about an alternate security architecture for the Persian Gulf. These tend to go beyond the existing hegemonic perceptions and in the direction of cooperative ones. Some amongst the regional states have spoken of the need to bring (a) Iran and (b) larger Asian countries like China and India into a comprehensive

security dialogue for the region.[58] The view in academic discussions is also interesting:

> Only by dumping the failed strategies of local hegemony, global hegemony, armed victory, and pure power politics can the United States help construct a new security order that is seen as equitable by all states in the region, ultimately to the benefit of US national security goals.[59]

Official perception, of course, take time to change and even longer to be made public. Some trends are, nevertheless, becoming evident. A senior strategist in the US Central Command has now gone on record to say that (a) the US would in future be 'more sensitive to the culture' of the people who live in the Middle East; (b) would 'not maintain long term bases in Iraq'; (c) would 'retain sufficient military capacity' to strike Iran if needed; and (d) would use the US base in Djibouti as a 'model for the future' since it has a 'very small footprint on the ground'.[60]

Notes

1 Toynbee, Arnold J. *A Study of History – Abridgment of Volumes I–VI*, 1956, pp. 245–246.
2 Kennedy, Paul. *The Rise and Fall of the Great Powers*, 1989, pp. 195, 197.
3 Kuniholm, Bruce R. *The Origins of the Cold War in the Near East: Great Power Conflict and Diplomacy in Iran, Turkey and Greece*, 1980, p. 184.
4 Kissinger, Henry. *Diplomacy*, 1994, p. 525.
5 Palmer, Michael A. *Guardians of the Gulf: A History of America's Expanding Role in the Persian Gulf*, 1992, pp. 42–43.
6 Ibid., pp. 102–106.
7 Tibi, Bassam. *Conflict and War in the Middle East: From Interstate War to New Security*, 2nd edition, 1998, p. 167.
8 Bacevich, Andrew J. *American Empire: The Realities and Consequences of U.S. Diplomacy*, 2002, p. 2, quoting Bill Clinton's speech of 1 April 1992.
9 Brzezinski, Zbigniew. *Out of Control: Global Turmoil on the Eve of the 21st Century*, 1993, p. 87.
10 The Saudi Joint Forces Commander in the war, General Khalid Bin Sultan, described it with some precision: 'A superpower will want to lead and will insist that others follow . . . the junior partner will have to run to keep abreast' (*Desert Warrior: A Personal View of the Gulf War by the Joint Forces Commander)*, 1995, p. 306.
11 Al Mazidi, Feisal. *The Future of the Gulf: The Legacy of the War and the Challenges of the 1990s*, 1993, pp. 73–76.
12 Watkins, Eric. 'The unfolding US policy in the Middle East', *International Affairs* 73, 1, 1997, pp. 1–14: 'The US bias towards Israel is threatening its own policy objective of securing oil.'
13 Op. cit., p. xiii. The italics are Brezezinski's.
14 Kissinger, op. cit., p. 809.
15 Bacevich, op. cit., p. 38.
16 Ibid., p. 49.
17 Ibid., p. 128.
18 *New American Century*, Statement of Principles, June 3, 1997. In a letter to President Clinton on 26 January 1998, the 18 signatories to the Statement urged him to take

military steps 'for removing Saddam's regime from power'. Online, available at: www.newamericancentury.org/iraqclintonletter.htm.

19 Kagan, Robert. *Of Paradise and Power: America and Europe in the New World Order*, 2003, pp. 3 and 61.

20 Zoellick, Robert B. 'A Republican Foreign Policy', in *Foreign Affairs* 79, 1, January/February 2000, pp. 63–78. Also, Condoleezza Rice: 'Promoting National Interest', pp. 45–62.

21 Washington Institute for Near East Policy. *Navigating Through Turbulence: America and the Middle East in a New Century*, 2001, pp. ix–xx.

22 Younge, Gary. 'Blair's blowback', *Guardian*, 11 July 2005.

23 Barnett, Thomas P.M. *The Pentagon's New Map: War and Peace in the Twenty-First Century*, 2004, p. 34.

24 Perle, Richard. 'Relax, Celebrate Victory', *USA Today*, 2 May 2003. The author, Chairman of the Defense Policy Board and a 'Vulcan', reflected the prevailing euphoria:

> This was a war worth fighting. It ended quickly with few civilian casualties and with little damage to Iraq's cities, towns or infrastructure. It ended without the Arab world rising up against us, as the war's critics feared, without the quagmire they predicted, without the heavy losses in house-to-house fighting they warned us to expect.

In a book authored by Perle with David Frum – *An End To Evil: How To Win The War On Terror* (2003) – the rationale for the war on Iraq is spelt out: 'we had to strike back and hard after 9/11, to prove that terrorism was *not* winning', p. 28. Furthermore, 'seven great objectives' were achieved by the toppling of Saddam Hussein, pp. 32–33.

25 Barnett, op. cit., p. 277. Other analysts like Daalder and Lindsay – *America Unbound: The Bush Revolution in Foreign Policy*, 2003, pp. 125–126 – came to the same conclusion: 'The Bush strategy, of abandoning a decades-long consensus on deterrence and containment, represented a profound strategic innovation'. See also Alex Callinicos. *The New Mandarins of American Power*, 2003, pp. 48–53 and the sources cited therein.

26 Barnett, ibid., pp. 199–205.

27 *National Energy Policy* – NEPD Group's Report to the President of the United States, 16 May 2001, pp. 8–4, 8–5 and Appendix One.

28 *National Security Strategy of the United States of America*, The White House 17 September 2002, Introduction and pp. 6 and 23.

29 *National Defense Strategy of the United States*, March 2005, pp. iv, 13, 16–17.

30 Herbert, Bob. 'It just gets worse', *New York Times*, 11 July 2005.

31 Senator Richard Luger, Chairman, Senate Foreign Relations Committee, 18 July 2005 – opening remarks at a Hearing on the 'options for improving security' in Iraq.

32 Seymour Hersh and Barry Bouzan. 'Drawing down in Iraq: drastic troop cuts are in the Pentagon's secret plan', *Newsweek*, 8 August 2005. Quoting General George Casey, the magazine said the plan is to scale down the number to 80,000 by mid-2006 and to 40,000 to 60,000 by the end of that year: 'The Bush administration wants to pre-empt growing public pressure for withdrawal.' Earlier, on 5 July 2005, the *Mail on Sunday*, UK, had given details of a secret British memorandum indicating that 14 out of 18 Iraqi provinces could be handed over to Iraqi control by early 2006.

33 Baker, Peter. 'In Iraq, no clear finishing line', *Washington Post*, 12 August 2005:

> Bush plainly cannot count on indefinite public patience. Administration officials have all but given up any hope of militarily defeating the insurgents, instead aiming only to train and equip enough Iraqi security forces to take over the fight themselves.

34 Krauthammer, Charles. 'The neoconservative convergence', *Wall Street Journal*, 21 July 2005.
35 *New York Times*, 6 May 2004. The same evidence came forth from other sources: see Joseph S. Nye. *Soft Power: The Means of Success in World Politics*, 2004, pp. 127–128.
36 Seale, Patrick. 'What hope for Arab democracy?', *Al Hayat*, 3 June 2005.
37 Khouri, Rami G. 'Lessons from a journey across the Arab world', *Daily Star*, Beirut, 20 July 2005.
38 *Mapping the Global Future*: Report of National Intelligence Council's 2020 Project, December 2004, p. 63.
39 Joint Statement by President Bush and Saudi Crown Prince Abdullah, Crawford, Texas, 25 April 2005. The visit itself completed the process of rehabilitating the bilateral relationship that was strained after 9/11. Recent media comments underline the interdependence: 'Like it or not, the United States is more dependent than ever on Saudi Arabia,' wrote Jad Mouawad in the *New York Times* on 6 August 2005 and quoted a Rice University expert on oil matters: 'All the countries we thought we could diversify our production away from Saudi Arabia haven't lived up to our expectations. . . . We are definitely more dependent on the Saudis, absolutely, than we were before 9/11.'
40 *Mapping the Global Future*, op. cit., p. 115.
41 Ibid., p. 81.
42 '20/20 Vision? The Middle East to 2020', *Middle East Quarterly*, Winter 2004.
43 Lieven, Anatole. *America Right Or Wrong: An Anatomy of American Nationalism*, 2004, p. 215.
44 Helevy, Efraim. 'The Coming Pax Americana', 24 April 2005. Online, available from: www.haaretz.com. Helevy is security advisor to Prime Minister Sharon and a former head of Mossad.
45 Speech by Secretary of State Rice at the American University, Cairo, 6 June 2005.
46 Kepel, Gilles. *The War for Muslim Minds: Islam and the West*, 2004, p. 5.
47 Bull, Hedley. *The Anarchical Society: A Study of Order in World Politics*, 2nd edition, 1995, pp. 207–208.
48 Nye, op. cit., p. 147.
49 Lieven, op. cit., pp. 168–169 and 222.
50 Bacevich, Andrew J. *The New American Militarism: How Americans Are Seduced By War*, 2005, pp. 3–7.
51 Golub, Philip S. 'Sequel to globalization – United States: The Slide to Disorder', *Le Monde Diplomatique*, July 2005.
52 Frum and Perle, op. cit., p. 279.
53 Op. cit., n36 supra.
54 Johnson, Thomas H. and Russell, James A. 'A hard day's night? The United States and the global war on terrorism', *Comparative Strategy* 24, 2005, 127–151:

> A neo-realist view of the world asserting that the United States must assume the mantle of sheriff or policeman in the absence of effective international institutions is doomed to failure. Institutions designed around assumptions of hegemony and unipolarity remain fundamentally mismatched to the broader environment. The temporal and spatial dimension of the global *jihad* makes it virtually impossible for the U.S. to tackle the enemy alone. The U.S. does not have the forces, organisation, equipment and it is doubtful that the U.S. public has the will to commit the resources that would be necessary to conduct a long and dispersed conflict. The limits of U.S. resources are vividly on display in Iraq.
>
> (p. 147)

55 Nye, op. cit. pp. 146–147.
56 *New American Century*, op. cit.

57 Terill, W. Andrew and Crane, Conrad C. 'Precedents, variables and options in planning a U.S. military disengagement in Iraq.' Monograph published by the Strategic Studies Institute, US Army War College, October 2005, pp. 43–47. Online, available from: www.carlisle.army.mil/ssi.
58 'Towards a new framework for regional security', speech by HRH Prince Saud Al Faisal, Foreign Minister of Saudi Arabia, at the First IISS Regional Security Summit, *The Gulf Dialogue*, Bahrain, December 2004.
59 Kraig, Michael Ryan. 'Forging a new security order for the Persian Gulf', *The Stanley Foundation: Policy Analysis Brief*, January 2006, p. 15.
60 Norton-Taylor, Richard. 'US general maps out strategic refit for Iraq, middle East and Asia', *Guardian*, 7 February 2006.

18 Africa in twenty-first-century international relations

Challenges and responses

Abdul Lamin

Introduction

The end of the Cold War in 1989 and its impact on international politics unleashed a sea of optimism among observers about the future of the so-called new world order. The bold assertion that the 'end of history' was finally on us underscores the breadth and depth of this thinking.[1] In this view, the disintegration of the Soviet empire marked the triumph of liberal democracy over socialism, two dominant political ideologies that had shaped the course of international politics for the better part of the last century. The spread of liberal democracy, it was argued, had brought about an historic opportunity for the once marginalized to play a constructive role in redefining their political future. The central element of this argument was clear: political and economic liberalization, based on free-market principles, were irreversible processes that could no longer be manipulated or controlled by elites who once enjoyed an entrenched position in society.

At the normative level, the transformation of geopolitics in the last two decades has had a profound impact on the nature, character and legitimacy of the state as the main actor in international relations. State sovereignty, understood in its classical Westphalian sense, was on the verge of decline by the close of the last century. The concept could no longer guarantee state actors a 'free ride' in the new international system. The increasingly assertive voice of non-state actors in debates about the future of the evolving international order to a large extent undermined state authority and watered down state sovereignty, beginning in the last decade of the twentieth century. Thus, at the dawn of the twenty-first century, sovereignty was neither a sacrosanct phenomenon nor was it any longer the exclusive preserve of political elites who had historically used it to escape accountability for their actions. Rather, state actors were now compelled to account for their actions before national and international publics. Simply put, sovereignty became a responsibility and not a privilege.[2]

A consequence of this geopolitical transformation is that security, as a concept in international relations, is equally being re-thought. Historically associated with the state, both in its evolution and conception, security in the post-1989 dispensation suddenly became a contested terrain. The classical realist

conceptualization of security, defined as a strictly militaristic and state-centric paradigm, suddenly came under attack. An alternative perspective, arguably quite elastic both in definition and conceptualization, emphasizing a 'human' dimension, rapidly made its way into the debate.[3]

Almost two decades after the end of the Cold War, the promise of universal peace and security championed by proponents of the 'new' world order remains merely a dream to be realized by ordinary people around the world. Notwithstanding an increase in the number of states that have pursued liberal political and economic reforms, the twenty-first century has equally witnessed fragmentation, and in many cases the utter collapse, of states; a rise in incidents of international terrorism, especially since the events of September 11, 2001;[4] and, above all, economic globalization has had a harsh impact on weak economies, particularly in the global south. In effect, the geopolitical dispensation of the twenty-first century can best be described as a paradox of freedom and human suffering.

This chapter teases out and locates the international relations of Africa within the broader context of the post-Cold War international order. Given its history and diverse processes of state formation, coupled with the challenges associated with state legitimation, an analysis of Africa's international relations within the context of the geopolitical transformations of the last two decades is vitally important. This chapter is divided into three broad areas. We start off by examining the transformation of Africa's international relations since the end of the Cold War, analyzing the paradoxes that have accompanied these processes in the continent. Here, we provide a broad picture of the current realities in Africa, highlighting in a macro sense some of the key indicators of economic development and the inability of many states to achieve the developmental aspirations of their people. The objective is to assess Africa's performance in the current international political and economic order vis-à-vis other geographic regions. Third, we deconstruct Africa's response to changes in the international order, by subjecting the evolving processes of norms development and institution-building both at national and regional levels, particularly in the last decade, to scrutiny. We further briefly highlight transcontinental strategies, otherwise referred to as south–south cooperation, formulated by key African states, designed to counter the harsh effects of globalization on the economies of the continent. Finally, we analyze Africa's position in debates around hegemony, counter-hegemony and anarchy in the twenty-first-century international order, and conclude that while it may be unavoidable for the continent to participate in these debates, this should however be done with caution, so as not to undermine the gains made in the last two decades, particularly in the liberalization of the political systems.

Africa in post-Cold War international relations: rethinking the state?

The promise of political freedom, constitutional democracy and economic development that greeted the world following the collapse of the Berlin Wall in 1989

resonated in Africa. Clearly, superpower rivalry during the Cold War undermined efforts aimed at creating viable democratic governance in Africa. Intense ideological struggles between the two superpowers prevented serious debates around questions dealing with constitutionalism, the rule of law, civic participation in governance, respect for human rights and so forth. Such debates were neither a priority for domestic political elites, nor were they high on the agenda of their external patrons. Civil wars in Angola and Mozambique, and South Africa's brutal apartheid regime, all bear testimony to a lack of commitment, both domestically and externally, to the promotion of good political governance on the African continent. The conflicts in Angola and Mozambique were sustained due to the support that competing armed factions received from their respective patrons in Moscow, Washington, Pretoria and elsewhere. The effects of these external manipulations did not only manifest themselves in the high number of civilian casualties recorded in both wars; it also significantly hampered the ability of state and bureaucratic institutions in both countries from fulfilling their traditional responsibilities.

We should also add that in parts of the continent where ideological battles were not as apparent as Angola and Mozambique, the politicization of ethnic, religious and other identities by domestic political elites contributed to undermining national unity, and thus sowed the seeds of what, by the late 1990s, had resulted in 'state collapse' in many parts of Africa.[5] In the immediate post-1989 era, as analysts all around the world preoccupied themselves with seeking conceptual clarity on the emerging world order, students of African politics were also busy, attempting to 'deconstruct' the African state, to ascertain its place in the twenty-first century. In Africa, as elsewhere, there were good reasons to be optimistic. The collapse of apartheid and the inauguration of a multiracial democracy in South Africa appeared to place the continent on the path toward political stability, a necessary condition for integrating African economies into the global economy. In addition to South Africa, no less than a dozen other countries took steps toward democratizing their respective political systems and institutions in the same period. This was indeed a remarkable departure from the 1970s and 1980s, where one-party regimes and military-style dictatorships flourished in the continent. By 1994, therefore, past political practices were rapidly being replaced by the institution of new normative rules and principles, designed to guide nascent democratic states into the future.

Paradoxically, positive developments in South Africa and elsewhere were overshadowed by the outbreak of fresh armed conflicts and civil wars in other parts of the continent. From Somalia, Ethiopia and Eritrea in the Horn of Africa, to Sierra Leone, Liberia and Guinea in West Africa, and Rwanda, Burundi and the Democratic Republic of Congo (DRC) in the Great Lakes region, the continent was almost literally on fire by the second half of the 1990s. These intrastate conflicts, with sub-regional and regional ramifications, helped to reinforce *Afro-pessimism*, and consequently threatened the democratic gains made elsewhere.[6] More significantly, *Afro-pessimism* came to the fore at a time when the international community was increasingly disengaging from Africa. The burden

of finding solutions to these conflicts and civil wars therefore gradually became the responsibility of Africans themselves.

On the economic front, one should note that the optimism of political freedom pronounced in the wake of the Cold War did not seem to find much resonance in most parts of Africa. Figures reflecting the performance of African economies and their concomitant impact on human development in the last half of the twentieth century and the early part of the twenty-first century are quite telling. For instance, between 2000 and 2003, of roughly 30 countries occupying the 'low human development' category of the United Nations Development Programme's (UNDP) *Human Development Report*, virtually all were from sub-Saharan Africa, underscoring the level of poverty in the region.[7] Conversely, of roughly 80 countries occupying the 'medium human development' category during the same period, only ten were from sub-Saharan Africa. It is perhaps no surprise that no country from sub-Saharan Africa was ranked among the 'high human development' category during the same period.

Under these circumstances, then, the re-emergence of 'African solutions to African problems' in the mid-to-late 1990s should be located within the geopolitical environment described above. By the late 1990s, discussions revolving around the transformation of the Organization of African Unity (OAU) – a continental body widely discredited as an 'old boys' club for African dictators' – into a much more proactive and progressive body, namely the African Union (AU), gained momentum. Similarly, the crafting of a New Partnership for Africa's Development (NEPAD) Framework as a blueprint for economic development designed to accelerate Africa's integration into the global economy underscored the urgency attached to the continent's problem by political elites.

The underlying principles of both the AU and NEPAD are, first, to promote peace and security as a necessary pre-condition for economic development and, second, to institutionalize a commitment to constitutional principles of good governance, respect for human rights and the rule of law, as foundations upon which peace, security and development are entrenched. It is no accident that the AU Constitutive Act, which came into force in 2000, commits all member states to not only oppose unconstitutional changes of government, but to proactively prevent it from happening – and, where it occurs, take steps to reverse it. The Constitutive Act goes further to empower the organization to directly intervene in situations where human rights abuses amount to violations of international humanitarian law. This is clearly an unprecedented development in African politics, as it essentially undercuts the 'sacrosanct' characterization of state sovereignty, a concept that for more than four decades had been so jealousy guarded by Africa's political elites. Beyond Africa, one could argue that this shift in thinking has influenced ongoing international debates around sovereignty as a responsibility on the part of states, as opposed to its traditional conceptualization of inviolability.

Norms development and institution building in post-Cold War Africa

The imperative for revamping Africa's peace and security architecture in response to the challenges of the twenty-first century stems in large part from the twin realities of political liberalization and civil conflict, both of which have co-existed since the end of the Cold War. The ideological underpinnings of this transformation are deeply rooted in what South Africa's president, Thabo Mbeki, has referred to as an '*African Renaissance*'. *African Renaissance* draws its inspiration from the ideology of *Pan-Africanism*, an idea championed and popularized by the continent's 'founding fathers' in the run up to political independence. In the current global context, *African Renaissance* is informed by the urgent need to regenerate the continent, both in terms of normative rules and principles, and also in state practice. *African Renaissance* places Africans at the core, rather than at the periphery, of the continent's regenerative process. While emphasizing the importance of partnership to the continent's full integration and active participation in the international political and economic order, proponents of *African Renaissance* contend that Africans must take the lead in driving the process forward. This argument suggests that, given the rapid pace of economic globalization, and its impact on economies of the global south, it is critical for Africa, as one such region at the receiving end, to properly coordinate its responses, to maximize its potential as a serious player in international affairs.

Strategically, this requires the formulation of two parallel processes, operating simultaneously. At the continental level, as well as at the national level, it requires crafting normative rules and institutions, to serve as a framework for guiding the political and economic integration processes. Politically, it is imperative that constitutional rules and principles guiding the conduct and behavior of member states are institutionalized within the continental body, namely the AU. The adoption of a Constitutive Act and the subsequent inauguration of the AU, replacing the moribund OAU, clearly fulfill this objective. However, to ensure that the normative rules agreed to are fully upheld and implemented, it is also critical that a review process through which member states are assessed by their peers is instituted. Hence, the adoption of an African Peer Review Mechanism (APRM) within the context of the NEPAD Framework is designed to serve that purpose. We should hasten to add, though, that one of the criticisms of the APRM is that it is a voluntary rather than a compulsory mechanism which applies only to member states that accede to the NEPAD framework. This means, in effect, that the principles enshrined in that instrument are non-binding on those who choose to stay out of the NEPAD regime.

Given this strategic repositioning, the question that continues to beg for answers is whether *African Renaissance*, both as an ideological construct and a policy response to the challenges facing Africa, is an adequate vehicle to drive the continent's process of integration into the current international order. Put differently, do the 'new' continental norms, initiatives and institutions crafted by the prophets of *African Renaissance* have any serious meaning on the process of

geopolitical transformation? If so, are these institutions fully equipped and capable of fulfilling the ideals of 'reinventing' Africa, to play a constructive role in the twenty-first century? It may perhaps be too early to offer clear and definitive answers to this question. However, it would not be unwise to suggest that, judging from the progress made, at least in terms of normative commitments, particularly in the past decade, there are reasons to be optimistic. That said, we should also identify three critical issues that need serious thought and reflection, as Africa gradually moves on, to locate its own space in the current dispensation.

First, given the acknowledgment of the link between democracy and economic development, the challenge for Africa's political elites and civil society alike is to determine which of the two takes precedence over the other. Should African states, for instance, first wait to achieve complete democratization before embarking on full-scale economic development? In this regard it may be useful to see if there are any valuable lessons to be learned from regions such as Asia and Latin America, especially given the increasing prominence of these two regions in twenty-first-century international affairs.

It is not accidental that there is a growing realization in key African countries of the need to increase economic cooperation with key Asian countries such as China, India and Vietnam, and more broadly with the global south. South Africa, for instance, the continent's economic powerhouse, has in the past few years developed strategic partnerships with India and Brazil, in a tri-national forum known as India–Brazil–South Africa (IBSA). Similarly, Nigeria, another economic giant in the continent, has increased its economic cooperation with China and other Asian countries, designed to counter the harsh effects of globalization. In essence, we have a deliberate shift in strategy on the part of African states, from increasingly relying on relations with the so-called 'traditional' partners in the global north, to one that embraces greater cooperation with 'non-traditional' partners, the emerging middle powers.

Second, and closely related to the above, is whether there is an active role for the state in accelerating the developmental aspirations of its people, or whether economic development should be predicated on the performance of markets. It seems clear that if the majority of Africa's population is to benefit from the 'dividends of democracy', there may be a need to seriously consider an 'activist' role for the state. 'Fast-tracking' development to achieve the goals set out in the Millennium Development Goals (MDGs), for instance, will never be attainable unless there is direct intervention by the state, to ensure equitable distribution of wealth and resources. African states can only have a meaningful contribution to make in today's global economy if the continent's majority is lifted out of abject poverty. Only then would principles of good political governance have real meaning in the continent.

Third, it is worth reflecting on the kind of partnership that Africa should forge with the international community. Clearly, Africa needs support in a number of areas where the international community can be truly instrumental. For instance, the collaborative relationship between the UN and the AU on the one hand, and between the latter and regional economic communities such as the

Economic Community of West African States (ECOWAS), the Southern Africa Development Cooperation (SADC), have made tremendous contributions to the attainment of peace and security in Liberia, Sierra Leone and Burundi. This relationship is quite healthy and must be institutionalized, through added support for post-conflict reconstruction and peace-building initiatives in the states making transitions from war to peace.[8] However, it is vitally important to emphasize that this relationship should be promoted in such a way that Africans can play a leading role, particularly where their interests are at stake. Of course, here too this requires a 'reinvention' of the African state in ways that make it more responsive to the needs of society. This essentially means that Africa's political elites and civil society must in very serious and practical ways address some of the structural issues, namely corruption, politicization of difference and marginalization that usually creates conditions for civil wars and political instability. It is not enough to merely craft norms and rules that promote good governance. Implementation of those normative rules in very practical ways is as meaningful and crucial to progress as are their promulgation. Developing a culture of prevention through the strengthening of regional institutions of conflict resolution is thus vital to success.

Hegemony and anarchy: whither Africa?

Just as the fall of the Berlin Wall in 1989 transformed geopolitics at the close of the last century, so have the events of September 11, 2001, influenced our conceptualization of power and power relations in international politics. The catastrophic nature of terrorism in the wake of September 11 reinforces the need for the most powerful states in the international system to seriously consider utilizing and deploying power not just in 'hard' militaristic ways but also with a dose of 'softness.' American scholar Joseph Nye has distinguished 'hard' power from 'soft' power, arguing that the frequent deployment of 'hard power', or the use of military force as a means of achieving foreign policy objectives, in the current global climate should be re-thought.[9] It is more effective, Nye argues, for the US and, for that matter, those states that harbour hegemonic ambitions to convince others of their vision through the use of 'soft power', which comes in various forms including economic assistance, cultural exchange of ideas and so forth.[10] The contention here is that the 'raw' exercise of 'hard' (military) power is by itself insufficient in the attainment of foreign-policy objectives, unless it is backed up by some measure of softness. In fact, the aggressive and unilateral use of 'hard' power without regard for multilateral cooperation would, in the long term, undercut the legitimacy of one's authority. A clear example in this respect is that the US's unilateral invasion and occupation of Iraq without the blessing of the international community, particularly the United Nations, has neither achieved freedom for the Iraqi people, nor has it legitimized the occupation. To the contrary, it has created more security challenges in Iraq and further undermined US claims to legitimacy as a superpower.

Given this, it is useful to briefly reflect on the impact of US power on Africa.

Debates around hegemony and anarchy have largely revolved around Washington's role in the current international order. As suggested earlier, the post-Cold War paradigmatic shift in international politics were accompanied by the promise of creating opportunities for developing countries to gain access to global capital and markets, and consequently accelerate their developmental processes. In practical terms, this meant that US engagement with regions such as Africa would no longer be based on just 'foreign aid' and 'official development assistance', but also on the development of fair trade relations. Ideally, this amounted to a bold step designed to reverse the 'dependency syndrome' which had largely characterized the continent's relations with the West in general, and the US in particular. By opening US and other Western markets to Africa, it was assumed that the continent would be given a fair chance of improving its economic performance, and thus uplift the lives of its people. The enactment in the 1990s of the US Africa Growth and Opportunities Act (AGOA) should thus be located within the broader context of this shift in paradigm.

Politically, the spread of democratization and popular participation in governance across the world was seen as a natural consequence of the dramatic events of 1989. 'Good governance' and 'respect for human rights' became the new foundation upon which future US relations with Africa would be defined in the post-Cold War era. Indeed Washington's abandonment of the policy of 'constructive engagement' and the consequent demise of apartheid in South Africa marked the dawn of a new era in US–Africa relations. The new benchmark by which hitherto one-party states and entrenched dictatorships in Africa were henceforth judged by Washington was their ability to improve democratic performance through an open and transparent process that required periodic multiparty elections and entrenchment of the rule of law in national constitutions.

On the security front, the slow and inadequate international response to the 1994 genocide in Rwanda elicited criticism of the US and the international community as a whole, for failing to exercise political will that could have prevented one of the worst human catastrophes of the twentieth century. It has been suggested that failure to respond to events in Rwanda is a fall-out from the Somali debacle. In essence, the ghost of Somalia was still haunting US policymakers by the time genocide was being planned and unleashed in Rwanda. Given the strong public scrutiny of the Clinton administration in the aftermath of events in Somalia, one could reasonably infer that Washington was simply no longer prepared to expend more political capital in another African theater. This in part explains why US officials may have been reluctant to characterize the events in Rwanda as genocide, since doing so would have obligated the international community to respond. In essence, from a US policy standpoint, Somalia became the harbinger, prefacing an 'intervention fatigue' especially where African conflicts were concerned. A new strategy for dealing with conflicts on the continent, with no more US 'boots' on the ground, therefore had to be devised.

The conception of an African Crisis Response Initiative (ACRI) by the US, and the designation of 'pivotal states' in Africa and elsewhere, are clearly a

direct product of the fall-out from events in Somalia and Rwanda in the 1990s. The idea behind ACRI was that the US would help to develop African capacity for peacekeeping operations, through the provision of mainly financial and technical resources. Although Washington did not necessarily wash its hands off completely from direct military intervention in the continent, the message was clear: Africans had to take direct responsibility for their own security.

'Pivotal states' by definition were those through which US policy toward a particular region would be anchored.[11] These states, by virtue of their size, economic resources, political clout and so forth possess certain capabilities that enable them to respond to problems in their specific regions. To policy-makers in Washington, it therefore made sense that policies be coordinated through 'pivotal states' or what some analysts have referred to as 'regional hegemons'.[12] Using the above criteria, Nigeria became the anchor for US policy in West Africa, particularly with respect to dealing with conflicts in the Mano River Union sub-region, while South Africa emerged as the point of reference in Southern Africa and the Great Lakes region.[13]

Against this backdrop, one could argue that the continental initiatives described earlier are in direct response to increasing US disengagement from peace, security and economic development challenges in Africa, which started in the mid-1990s. The need for Africa to take 'ownership' of its own security – both political and economic – could not be more urgent, given the shifting US priorities in the post-Cold War era. That new political and security institutions are being built at the continental level, to help reinforce the 'reinvention' processes of the African state at the national level, is thus a product of the current geopolitical transformation. The institutionalization of a Peace and Security Council within the AU, for instance, clearly illustrates this point.

However, in the aftermath of September 11 and the US declaration of a global 'war on terror', there seems to be something of a shift toward regions such as Africa. Some analysts have suggested that the links between weak or failed states and terrorism is so clear that more attention would have to be devoted to them, since ignoring these states would be at the US's own peril. Afghanistan is frequently cited as an example of a failed state that became a 'haven' for international terrorists, mainly because it never received support from the international community following the withdrawal of Soviet troops in the late 1980s. As a consequence, Africa has been repeatedly mentioned as of the flashpoints in the US war on terror. There was, in the immediate aftermath of September 11, and since then, an increasing focus by US authorities on Somalia and the greater Horn of Africa region, where there has historically been a confluence of Islamic militancy and poor governance. Similarly, the Mano River Union sub-region, where a cycle of armed conflicts had prevailed for more than a decade prior to September 11, also attracted attention in the immediate post-September 11 era, as a 'potential breeding ground' for terrorists determined to 'hurt' the US. Allegations of al-Qaeda operatives being harbored in Somalia as well as links between 'conflict diamonds' and international terrorists quickly surfaced after September 11.[14] While these allegations cannot necessarily be dis-

missed out of hand, it is worth putting them into perspective. This is of crucial importance in an era where debates around hegemony have been driven in large measure by the colorful language and diction of 'terror' without any consensus on what the concept actually means. One should note therefore that while it is incumbent on African states to be active participants in finding solutions to contemporary global challenges, including terrorism, they must do so cautiously without attempting to undermine – whether deliberately or otherwise – the liberties and freedom of their population, just because they feel the need to be in the 'good books' of the US and other patrons.

In sum, the message coming out is Africa is clear: in the current global political and economic order, survival depends heavily on internal processes of reforms, to help to reclaim state legitimacy. To that extent, forging strategic partnerships with key players in the global economy, designed to cushion the effects of globalization on African economies, should not merely be rhetorical but rather a matter of utmost necessity, occupying the minds of policy-makers.

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