Chapter 2

Global Change and Strategic Priorities

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The world is at present undergoing a series of profound and complex changes, adding up to a sort of slow-motion revolution (or a very fast evolution) of many dimensions. The unipolar society of states (which came into being in 1992 following the dissolution of the Soviet Union in December 1991) is transforming itself into a more historically familiar structure—a multipolar society of states. Yet the processes of both globalisation and regionalisation are also hard at work, complicating that fundamental redistribution of power. Moreover, the world is becoming more urbanised than ever before. Over 50 per cent, and probably in time, 70 or 80 per cent of its rapidly-rising population, especially in Asia, will live in cities.¹ That social transformation will accelerate another which might best be called ‘the revolution of rising expectations’. The poor world is beginning to know how the rich world lives, and to ask why it should not live in some approximation of those conditions. Partly in consequence, there is also a redistribution of power within the state, away from the government and towards ‘non-state actors’, some very dangerous. As if all that material change were not enough, there is also an ongoing *normative shift* (a shift in the rules governing action by sovereign states) which is at least equally revolutionary and, to cap it all, a climate change process of possibly catastrophic outcomes.

Over the long term, most of the world’s governments will need to rethink their strategic and diplomatic priorities in the light of this major transformation of the international context. Although the changes will not be complete or even fully visible for a decade or two, they are to my mind already casting their shadows before them. Changes in US strategic priorities, in particular, will be important not only to Australia and its region, but to the entire world.

The Unipolar Moment

The original populariser of the concept of unipolarity² wrote of a ‘unipolar moment’ and that now seems prescient enough. The remaining duration of that moment, on present evidence, is now very brief, which would mean the new multipolar power-structure being in place about a decade from now. The origin of the current unipolar phase was the dissolution of the Soviet Union, and thus the demise of the bipolar world of the Cold War, which had lasted since 1946. The new Russia had insufficient economic, diplomatic or political strength to

step into the strategic shoes of the old Soviet Union; neither then did China, the European Union or any other possible candidate. So it was the absence of a peer-competitor for the United States which created the unipolar world, and it is that situation which is now changing faster than many people expected, producing the mutation back into a multipolar world.

My case for believing that the phase of unchallenged US paramouncy has already entered its twilight years³ rests on an analysis of the factors which created and sustained it in the first place, and which are, I shall argue, currently being fairly rapidly eroded. Some of these factors are quite independent of the United States, but I shall look first at those related to it.

The unipolar world depended on three pillars: (1) the overwhelming ascendancy of the US military over that of any other sovereign state, or potential alliance of states, seen in the Pentagon as a possible rival or 'peer-competitor'; (2) its diplomatic strength, as expressed in secure alliances, and capacity to induce 'bandwagoning' by states which were not actual allies; and (3) its initially unmatched economic strength. All three of these factors seem to me to be diminishing, though at different rates.

Military Reassessment

The most paradoxical case is that of US military ascendancy. In both conventional and nuclear terms, US military power is still as great as ever, when compared to that of any other sovereign state. The trouble is that the threat now does not emanate from the armed forces of another sovereign state but from a 'non-state actor'—a loose worldwide network of jihadist cells using the strategy of asymmetric war, and the tactics mostly of urban guerrilla operations. On the evidence of Iraq, US strategies have not as yet proved very effective against such a 'non-state actor'. One particularly notable aspect of this kind of asymmetric war is the extraordinary economy of means for the jihadists, and the very heavy costs of defence against their potential attacks to almost all sovereign states, particularly the United States. The terrorist attacks of 11 September 2001 cost the jihadists hardly more than box-cutters, airline tickets and some training expenses. By contrast, the economic and direct financial costs to the United States and just about every other sovereign state in the world in the years since are as yet uncountable, but enormous. In the case of the United States, the direct costs five years after 11 September 2001 are well above US\$500 billion.⁴

Moreover, the visible difficulties in Iraq of coping with an insurgency even (or especially) with the kind of weapons that the United States developed for combat with another superpower in a sense devalues US military capacity as a factor in its overall diplomatic clout. Governments still no doubt (as in Australia) reflect that if they were threatened by another sovereign state, an alliance with the United States would be a vital asset. But, while the actual threat continues

to originate from the likes of al Qaeda, how useful is that alliance going to be? Some Europeans are arguing that any alliance with the United States is actively counterproductive, and may indeed invite attack by the jihadists. Yet, to my mind, although the United States and its allies are, without doubt, the high-priority targets, the jihadist campaign is in fact against the entire contemporary society of states, which they regard as a structure of injustice. Although undoubtedly exacerbated by the current conflict in Iraq, the seeds of the jihadist campaign were not sown there.

Relative Diplomatic Clout

That is one of the factors eroding the second pillar of the unipolar world—US diplomatic clout—and it is here that the rate of erosion has been most rapid. In late 2001, just after the attacks in New York and Washington, the United States gained the sympathy and the moral or diplomatic support of the entire world, except for a few Islamic societies. Yet less than two years later, by mid 2003, that sympathy had been mostly lost due to the catastrophic strategic error (to my mind) of the invasion of Iraq in March 2003. As that episode is discussed more fully below in chapters 3 and 5, I will make little further comment. The relevant point for this study is simply that the viability of an alliance depends in part on the belief among its members that the government of the leading power will make decisions that are wise and prudent, and take account of the interests of the other members. As far as the Bush Administration is concerned, that belief did not survive 2003. Conceivably, the next administration could repair some of the damage. Certainly most of the cabal of neoconservatives in policymaking circles who pushed (even before 2001) for that invasion,⁵ have already been marginalised or exiled from power. Nevertheless, the Bush Administration was re-elected by an increased majority in 2004, despite the gathering US unease over Iraq. One must assume, therefore, that amorphous beliefs exist within the US populace at large that act as an undercurrent of continued support for that kind of adventurism.

Comparative Economic Strength

As to the third factor—economic strength—the trouble is not primarily misconceived policies in Washington, though they do play a role. It is that the potential ‘peer-competitors’ in this arena have grown so very formidable. Indeed, the real origin of the redistribution of global power seems to me to lie in the world beyond the United States. America still has a giant’s strength, but a company of prospective giants has been emerging elsewhere in the world, primarily due to differential rates of demographic and economic change. Kevin Rudd, then Australia’s Shadow Foreign Minister, has pointed out that this is the biggest change in the global economic system since the original rise of the United States in the nineteenth century.

Most people will be familiar with this phenomenon as it relates to China. The size of its population, its rate of economic growth over the past three decades, and the fact that its political elite seems at present to be firmly in control and to be following rational (though by no means liberal) policies, have meant that its diplomatic as well as its economic clout have grown in leaps and bounds over the past few years.

The rise of India has been, until recently, less widely noted or acknowledged. The Indian Government reformed its policies 15 years after China, and its growth rate has been less spectacular: at the end of 2005, 7.5 per cent as against China's long-term average of nearly 10 per cent. Both countries are expected to grow strongly over the foreseeable future, and India has some future advantages over China. Because of the 'one child' policy, China's population structure is more like that of Western nations than that of the rest of Asia, while India's population is younger and more conducive to rapid future economic growth. Moreover, India has a very large educated middle-class, which is English-speaking (a major advantage in the age of the Internet), and it has managed to maintain a respectable level of political democracy over the years since its sovereignty was restored. That eases its relations with the Western powers. Above all, unlike China, India has no intrinsic reason for strategic tension with the United States, Japan or Russia—an important factor which will be elaborated on later in this chapter.

The rise of China and India is not the whole story of the global redistribution of power, although it is the most dramatic aspect of that process. Several other sovereignties from what we used to call the 'Third World' have also been undergoing impressive growth, not only in population numbers but in economic strength. World population by mid-century will run, on present demographic projections to nine billion people, of whom India and China will together account for three billion. But the other major Asian powers will account together for another billion. So Australia's approximately 25 million people are on track to have about 4000 million Asian neighbours. Most Asian countries are poor but with growing middle classes, and thus have an increasing demand for all kinds of goods and commodities, such as oil. Within those totals, Muslims may number about two billion. From elsewhere in the non-West, powers like Brazil and Mexico in Latin America, are assuming a new importance. Even Africa is beginning to present some candidates for future diplomatic and strategic clout, such as Nigeria and South Africa. A number of small powers, who happen to be in possession of oil-bearing real estate, in Latin America, Africa, Central Asia or the Persian Gulf, will also benefit by an increase in diplomatic clout in the looming age of 'energy insecurity'.

Demographic Change

I readily concede that, in the past, mere population numbers have neither endowed a country with economic or diplomatic clout, nor necessarily military

strength. But that was a time before the sovereignties of the non-West were endowed with competent governments, or had developed a nationalist consensus and modern means of communication and administration. Things are different now. Moreover, the conventional indices of ability to make a mark on the society of states have been joined by some new ones. Take Bangladesh for instance. Until quite recently, the country tended to be dismissed as a 'basket case', with no assets save far too many very poor people. Yet can anyone not now assume that a society of (in a few decades) about 100 million young Muslim men (with very few jobs or prospects, a growing trend towards fundamentalism, and the possibility that much of their territory may be inundated by rising sea-levels) has no means of making an impact on the society of states?

Strategic location may also be a major asset: Vietnam is already looking like a useful ally to some of the 'China hawks' in the Pentagon, for instance. Regional prestige may prove an asset, as is currently the case for South Africa, and probably will be later for several other powers, including middle powers like Australia. As noted earlier, the world is at present undergoing not only a process of the redistribution of power between its peoples, but also, simultaneously, processes of globalisation, regionalisation and normative shift. Managing the relationship between those four factors of change may need to become a diplomatic art in itself.

The social revolutions of rising populations, urbanisation, communications technology, and demands for better lives, must inevitably have major impacts on domestic politics in many Third World countries, just as they did earlier in the First World. Still, their long-term effect is as yet an enigma, as is the effect of the redistribution of power within societies. In the West, political consciousness and an emerging nationalist consensus accompanied industrialisation and rising population numbers. So sometimes did militarism and expansionist tendencies (we need think only of the history of Germany between 1870 and 1941, and also of Japan during that period (and, since 1945, within the 'Western' camp). We must not assume that the emerging powers of the non-West will follow the patterns set by their Western predecessors; but we should bear in mind that like causes do tend to produce like effects.

Great Powers and Emerging Powers

To sum up the prospects as I see them, towards the 2020s, there will be six demographic and economic giants in the world (the United States, the European Union, China, India, Russia and Japan) and six other very substantial powers (Pakistan, Indonesia, Mexico, Brazil, Nigeria and Iran); that is, 12 main players to be considered. The centre-stage of world politics will be relatively crowded. One could say, in shorthand, four super-powers and eight great powers. At least eight governments, possibly 10, will have nuclear weapons at their disposal. By mid-century, according to UN demographers, there will be 18 countries of over

100 million people, many of them achieving substantial economic growth, and thus placing increased demand on the world's resources.

The United States will be rising towards 400 million, and may still perhaps be the largest economy. The European Union will have a combined population of approximately 600 million, and may be surpassing the United States economically. Yet it will have neither the assets of military capacity nor the decisionmaking speed of a single sovereignty. China may possibly have overtaken either or both in sheer economic size, but not in respect of its people's individual prosperity. India is forecast to be the largest in population, and quite possibly the fastest growing economically. All four will be in brisk competition for some kinds of resources, especially oil. Add to that the kind of domestic sources of social tension mentioned earlier, and we certainly must expect a turbulent world—a world that will need strong diplomatic institutions if it is not to spin lethally out of control. Moreover, the remnants of the jihadist movement, at least, will probably be lingering, and most of the world's Muslims will live in South or Southeast Asia.

US Paramountcy

In that world, the policymakers in Washington are nevertheless still likely to be the decisive group in establishing the context in which the rest of the society of states makes its decisions. So all other governments must ask what will be its strategic priorities, and how will its allies and potential 'peer-competitors' make their own choices, in the light of their respective interpretations of Washington's capabilities and intentions? The most spectacular example of how fast US strategic priorities can change remains, of course, the aftermath of the 11 September 2001 terrorist attacks on US soil. In an hour or two on that traumatic day, China lost its previously pre-eminent place on the Pentagon's list of preoccupations, to be instantly replaced by the Arab world, or the Middle East, or even the Islamic world in general. At the time of writing, that set of US strategic priorities is still in effect. It will not necessarily persist, to my mind, in a multipolar world, but the process of its being modified is likely to be quite protracted.

Donald Rumsfeld's *Quadrennial Defense Review* for 2006 places the jihadists atop the threat list, ahead of the rising power of China.

It is, however, the jihadists themselves who control, at least for the present, those particular priorities. As long as they appear able to mount a major attack on the United States, especially if they continue to seem capable of acquiring a nuclear weapon (from Pakistan or Iran or maybe even Russia or North Korea), they and the Middle East area in general are likely to remain at the forefront of Washington's security preoccupations. Rumsfeld said in February 2006 that he expected the campaign against them to endure for 20 years. Washington is now labelling it 'the long war'. Nevertheless, I am going to assume, for the sake of

advancing some arguments about the more distant future, that by about 2015, other possibilities will have displaced the jihadist threat at the top of the US security agenda. The most obvious is, of course, the growth of Chinese power, and its potential as a prospective 'peer-competitor', at last able to step into the long-empty shoes of the old Soviet Union.

Anyone who has been watching China's inroads into what had been regarded as secure enclaves of US influence must be struck by how adroit it has been diplomatically—far more so than the Soviet Union ever was. Moreover, China has a national asset that the Soviet Union never had: its highly efficient export economy, which creates an almost insatiable appetite for commodities of every sort (oil, coal, iron ore, wheat, rice, cotton and so on). Countries that have commodities to sell (like Australia) must thus eagerly welcome China as a diplomatic friend. And that emphasises my earlier point about the diplomatic potential of regionalism in a multipolar world, which is well illustrated by two cases: Central Asia and Latin America. Africa, in time, may become a third example.

When it was created in 1996, the grouping of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan was regarded simply as a rather unpromising Chinese effort at some regional fence-mending. This message was reinforced following 11 September 2001, as the United States rapidly established a strong new regional influence in Central Asia due to the strategic necessities of the campaign in Afghanistan. But once it became apparent, by 2002–2003, that the United States might have longer-term ambitions in Central Asia, especially in regard to its oil reserves, China and Russia developed genuine (though perhaps temporary) common interests in checking any future prospects that the United States may have of controlling resources there as they had 50 years earlier in the Middle East.

Oil

In the current world situation, with the demand for oil expected to rise steeply, and stay high long-term, because of the future needs of China and India, and other rapidly industrialising countries, every government is bound to be preoccupied with ensuring its access to oil on favourable terms if it is a net consumer, or with selling at the most favourable price, if it is a net producer. So the grouping, now named the Shanghai Cooperation Organization (SCO), quite logically invited India, Pakistan and Iran to its meeting in July 2005, and would obviously regard them as possible recruits.⁶ The meeting rather tartly urged the United States to set a date for departure from its Central Asian bases, and the Uzbeks gave Washington six months notice to quit.⁷

What seems to me particularly noteworthy in that rather obscure episode is that it suggests that regional organisations may be useful diplomatic instruments

for enabling middle and minor powers to rein in the ambitions of the most powerful sovereignties, not only the United States but others as they emerge. Recent events in Latin America strongly reinforce that view.

Regional Organisations

The Organization of American States, whose origin dates back to the 1890s, had, until recently, seemed rather firmly under the thumb of the United States. But forces on the left, which in the 1990s seemed to have been defeated, later regrouped and began to reassert themselves. The US-favoured candidate for the post of Secretary General of the organisation was defeated by the candidate favoured by Venezuela's President Hugo Chávez, a dedicated enemy of Washington, and a friend of Cuba's Fidel Castro. Evo Morales in Bolivia may prove an even more significant figure, since he represents the indigenous Indian population of the area. Morales has already described himself as 'Washington's worst nightmare' and has presented an agenda of social and economic demands that seem to justify that claim.

Even the two most important sovereignties of the area, Mexico and Brazil (both potential great powers), are by no means certain future friends of the United States. Mexico's President Vicente Fox, who initially was greeted by George W. Bush as his closest 'amigo', proved a disappointment to the United States during his six years in office and we are yet to see how Felipe Calderón will fare. Mexicans are no better off than when he was inaugurated, and still equally inclined to vote with their feet for life in the north. Brazil's political future is also ambiguous. The present incumbent, Lula da Silva, is a Social Democrat of sorts, but he may have difficulty in holding that line against those politically further to the left. The President of Chile, Michelle Bachelet, is the daughter of one of Salvador Allende's ministers, who was tortured during the Augusto Pinochet years, subsequently dying from a heart attack. Things have dramatically changed there.

Fidel Castro, having now survived almost 50 years of US efforts to dispose of him, may be having the last laugh, as the political and social forces he represented are reinforced in most of the region. Bush's critics can reasonably claim that the US President's obsessive concentration on the Middle East has induced a dangerous neglect of his hemispheric neighbourhood. But there is more to it than that. Washington's assertive unilateralism in the period 2001–2004 was disliked as much there as in other parts of the world. Somewhat paradoxically, Bush's rhetorical concentration on the new, virtuous US pursuit of democracy and human rights for all has actually strengthened China's diplomatic hand. The world still has governments furious about being harassed on such matters, and some have resources of great interest to China. Places like Burma, Sudan, Uzbekistan, and North Korea are 'off limits' these days for Western

diplomats and trade or oil ministers wanting to pursue deals and friendships, but not for the Chinese Foreign Minister and his aides.

China's Diplomacy

The governments of such countries, as noted above, can reiterate that China's long-held policy is not to interfere in the internal affairs of other countries. They can even revive the old Chinese claim, dating from the days of the non-aligned movement, that China is the natural friend of all 'Third World' countries, their counterbalance to US demands that they should adopt its diplomatic and political norms, and its economic structure. When Bush waxes enthusiastic about the virtues of democracy, many 'Third World' policymakers are inclined to retort that the United States is not government 'by the people, for the people', but government 'by the rich, for the rich'. This almost gives them common ground with the jihadists, who also complain that the society of states presided over by the United States is a structure of injustice and hypocrisy.

One can see the way those 'Third World' resentments feed into global rivalries in the relationship between Venezuela and China. Hugo Chávez can more convincingly threaten to cut off oil supplies to the United States now that he has China as an alternative buyer—one that is promising to build oil refineries in his own territory. Iran, under increasing pressure about its nuclear ambitions, can use a similar alternative-market strategy with North Korea: oil in exchange for fissile material.

It is not in the much-discussed future of Taiwan that I see the long-term danger of conflict between China and the United States, but in that far more fundamental future contest over resources, particularly oil. The Taiwan problem can (and I think will) be settled in time by the Islanders themselves. About a million Taiwanese already work on the mainland. A lot of them marry there. Politically influential Taiwanese businessmen have already invested some US\$100 billion on the mainland, and will not want to see those funds endangered. Polling on the island indicates that only about 10 per cent want a unilateral declaration of independence, and 80 per cent are opposed to even a change of name. The Taiwan lobby still operates in Congress, but is much weaker than in the past. When it proposed in February 2005 a joint resolution to restore diplomatic relations with Taiwan, the Bush Administration strongly opposed any such scheme, making it clear that it wants no change in the status quo, from either side.

One might argue that such an attitude will last only as long as Washington has its hands full in the Middle East, and also depends on China and Russia keeping North Korea as near to rational policies as can be expected. Perhaps this is the case, but I would be inclined to argue that the United States could be cautiously approaching a much larger change in its North Asia policies, a change

that will be of great importance to Australia. It would in some ways resemble the policy decision outlined in the Acheson White Paper of 1949, crafted just after Mao Zedong's victory in the civil war in China. Washington had then to decide whether it was prepared to face the prospect of war with the de facto newly-created government of China, in an effort to reverse the verdict of the civil war. It decided not to, and that was at a time when China was weak to the point of utter exhaustion, after the decades-long conflict. Now that it faces a China growing strong, not only economically and diplomatically, but to some degree militarily, a similar answer seems to me to be tentatively signalled. (I do not want to seem to be overrating China's military strength in the world league. It still has very little power-projection capacity, and the Chinese 'top brass' readily admit that there is no way they could win a military encounter with the United States. On the other hand, a US analyst with very good Pentagon sources has said that China is likely to have a minimal second-strike nuclear capacity by the end of this decade, which should mean an effective one by the end of the next decade, round 2020.)⁸

The Changing US Stance

If I had to suggest a definition of the US policy whose outlines seem to me, in moments of optimism, to be emerging late in the Bush second term, I would call it 'balance plus accommodation, with a deterrent undertone'. The official statement, in which it was most clearly conveyed, was a speech by Robert Zoellick, then Deputy Secretary of State, on 21 September 2005. He is an accomplished diplomat, and naturally mixed the signals in that speech adroitly for his various audiences. (Some Australian journalists even identified it as a Cold War speech.) But let me quote what I think were the primary signals, which, judging by Beijing's reactions, seem to have been quite readily picked up by his Chinese audience:

It is time to take our policy beyond opening doors to China's membership in the international system ... we need to urge China to become a responsible stakeholder in that system. ... Its national interest would best be served by working with us to shape the future international system ... Chinese leaders have decided that their success depends on being networked into the modern world. ... They recognize that the international system sustains their peaceful prosperity, so they work to sustain the system.⁹

Zoellick's audience contained many 'China hawks' who understood the change it was signalling, and received it coldly. No doubt the regime in Taiwan also got the message, and was chagrined. President Chen Shui-bian issued what might be accounted a defiant rejoinder in his Chinese New Year speech, putting proposals for a new constitution, and urging that Taiwan should seek a seat in

the United Nations, which would of course imply that the international community had accepted the island as an independent sovereign state. Washington's reply was immediate, and as strong a rebuke as any ally has ever delivered to another. The spokesman said that the United States had not been consulted and that the proposal represented a unilateral change to the status quo and thus was totally at odds with Washington's stance. President Chen's term of office lasts until 2008, but he and his party are increasingly unpopular in Taiwan, and Ma Ying-Jeou, the former leader of the most significant opposition party, the old Kuomintang (and also former Mayor of Taipei) has been visiting the mainland, and elsewhere, and making conciliatory statements. On 2 May 2007, Ma was officially named the Kuomintang's nominee for the 2008 presidential election and it will be a nice piece of historical irony if he is elected and finally makes peace with the heirs of Mao, who are these days more Chinese nationalist than Maoist.

I will return presently to the question of what kind of global diplomatic structure the changed distribution of power in the society of states might require, but let me look first at some regional strategic and diplomatic changes in the Asia-Pacific which seem to support my hypothesis.

These changes are shaping up, as was implied earlier, as an echo of the strategy hinted in the Acheson White Paper of 1949. Its central focus was on the 'Island Chain' stretching down from Japan to Australia. Taiwan was not included in that chain, because at the time it was thought of as simply part of China. The remnants of the Kuomintang and its army had taken refuge there, but in 1949 no-one expected them to hold out for very long. The outbreak of the Korean War a year later (when US President Harry S. Truman included Taiwan in the area within US protection, along with South Korea) changed that assumption. And, for some 50 years afterward, that June 1950 definition of the US stance on the positions of Taiwan and South Korea remained central to US strategy in East Asia.

The strategic 'backstop' for the original 1949 concept, by contrast, had been on Japan and the island of Guam, and the most recent phase of US strategic and diplomatic thinking seems to return focus to these two locations. The United States is strengthening its submarine and cruise missile deployments on Guam. The US Air Force is also constructing an operations centre there to serve the entire Pacific area.¹⁰ The strategic ties between the United States and Japan have been strengthening since 1995, and Japan has of course a good deal more to be anxious about than the United States or Australia from the re-emergence of a China that is both powerful and still dwelling on old wrongs at Japan's hands.

But the current US concept is both diplomatically and strategically more ambitious than its 1949 predecessor, since Southeast Asia and South Asia are

both within its compass. The Philippines and Singapore have been successfully cultivated in terms of US naval access, and India has been more sedulously wooed by the recent US Ambassador, Robert Blackwill,¹¹ than any of his predecessors since the Kennedy period. China and India were at war as recently as 1962 and China still holds a swathe of what India regards as Indian territory, but the potential common strategic and diplomatic interests of the United States, Japan and India extend beyond these considerations.

The twenty-first century is taking shape in many people's minds as Asia's century, and that raises the obvious question of whether it will evolve towards one paramount power, a bipolar balance, or a 'concert of powers'. By about 2050, as noted earlier, India will have more people than China, and may be as advanced economically, and more stable politically. It has as ancient and splendid a civilisation as China. Most importantly, as already mentioned, it has no area of strategic rivalry with the United States, Japan or Russia, whereas China has sources of potential quarrel with all three: with the United States, on influence over Japan and East Asia in general; with Japan itself over the past; and with Russia, over the vast territories of the Russian Far East, which the old Tsarist Empire won from the old Chinese Empire in a series of 'unequal treaties' during the nineteenth century and which now turn out to be so rich in valuable commodities like oil. So, a great deal is implied in the notion of a common strategic interest between the United States, India and Japan, and indeed perhaps Russia as well.

Moreover, until recently, most analysts would have asserted that the United States would be very unlikely to relinquish its 'forward deployment' in East Asia, particularly its troop deployment in South Korea, and its strongly asserted strategic commitment to Taiwan. But times change, and no sensible strategist wants to fight on an unfavourable battlefield. Even Doug Bandow, a strategic commentator with very strong right-wing affiliations, a policy adviser for former US President Ronald Reagan, with connections to a number of conservative Washington think-tanks, defines the South Korean deployment as 'a commitment that costs far more than it is worth, absorbs valuable military resources, and keeps the Korean people in a dependent relationship that insults their nationhood'.¹²

The so-called 'tripwire' of US troops has been moved south, and cut by a third. If North Korea is in possession of deliverable nuclear weapons, those troops would obviously be hostages in any future military encounter. Young Koreans, especially, value friendship with China above the tie with the United States, and regard the North Koreans more as long-lost brothers than as long-term enemies. The South Korean Government has made it clear that it would resist being involved in any regional dispute (for instance, over Taiwan) and would even object to US troops based on its territory being used in any such encounter.

But Bandow, who is a realist as well as a conservative, makes it clear that there are larger considerations at work for Washington: 'As much as the United States might prefer to maintain its current dominance over every continent on earth, it cannot expect its regional dominance to last for ever.'¹³ In other words, it must reassess its strategic priorities as the global distribution of power changes. And those East Asia deployments may not be as high on the list as they once were.

I would not expect any official US statement in the near future to carry any open endorsement of these views on the evolution of US policy on Northeast Asia, particularly as regards Taiwan and South Korea, although it is possible that the issue may arise in the 2008 US Presidential contest. On the whole, re-definitions are usually proclaimed only after really traumatic crisis periods such as the attacks on 11 September 2001 or the period of the Tet Offensive of 1968, which evoked Richard Nixon's Guam Doctrine of 1969. Some sudden and acute reversal of fortune on Iraq or Iran would be the likeliest candidates for an equivalent in the next few years, though one should not underrate the possibilities of the erratic leader in North Korea, with his missile firings and nuclear ambitions, or, indeed, even radical change in South Korea.

We should also bear in mind that there is an even more obvious location for changing US commitments: the Atlantic arena. The Europeans are in the enviable position of facing no serious military threat for the foreseeable future, so it is difficult to see why deployments of US land forces (109 000 at present)¹⁴ should be stationed there, except that it provides a useful forward-staging area for Afghanistan and the Middle East. Russia, whose population may fall to 80 million by the end of this century, (as against the 250 million of the old Soviet Union) is more likely to need the strategic backing of the 600 million people of the European Union than be in any position to take them over. But the future of that relationship is too large and speculative an issue to discuss here.

New Strategic Priorities

Let me therefore return to the question I posed at the beginning of this essay. What changes in strategic priorities are necessary or desirable in the light of the emerging re-distribution of power in the world? Obviously to answer that in detail, even for the 12 or so powers which I have argued are 'likely' to be part of the central balance, would require an entire book in itself. Yet I believe one central and almost universal priority can be postulated: the necessity of avoiding hegemonial war.

By hegemonial war I mean war to determine the order of power in the world. The First and Second World Wars, and the Cold War were all hegemonial wars in that sense. So, in intent, is the present 'Jihadists' War'. The jihadists certainly want to demolish the current order of power in the world, which they regard

as a structure of injustice and hypocrisy. Yet, to my mind, only a war that pits the major powers against each other would have the enormous destructive capacity of either the First or Second World Wars. It is therefore to avoiding another encounter of that sort that the society of states must devote its best efforts.

This brings my argument to a further two questions. What kind of diplomatic structure or institution has had the best historical 'track record' of avoiding hegemonial war? And can one see any possibility of anything similar being constructed in the next few decades?

The most hopeful augury for the future stability of the society of states is that there are already faint signs, even in this lame-duck period of Bush's final term of office, that Washington is beginning to develop diplomatic strategies (perhaps also military strategies and new weapon designs) for the post-unipolar world—the emerging multipolar world. I would associate the initiative not with the US President, the Vice-President or any of the hopefuls for 2008, but with the State Department and the National Security Council. I would also argue (though admittedly with thin evidence as yet) that the thoughts of some relevant policymakers seem to have turned in two historically familiar directions: the 'balance of power' and the 'concert of powers'. Dr Condoleezza Rice spoke earlier of 'a balance of power favouring freedom' and her hand must be seen in the 2006 operational signals of the building of the strategic basis of a future balance system in relations with India and Japan. Her deputy, Robert Zoellick (now President of the World Bank), ventured further, mentioning the far more controversial notion of a 'concert of powers' in his 2005 speech quoted earlier.

Not, of course, that those are the only mind-sets in Washington concerning the future of US power. There is much diversity. Even a sort of isolationism is back on the cards, with a few people arguing that it might have been better for the world if the United States had drawn away from international politics after the end of the Cold War in 1992, as it did after the end of the First World War in 1919. It would at least have meant no current Iraq War, which would have made the world a lot less distressing. Yet at the opposite end of the spectrum, even after Iraq, there are still a few unrepentant hegemonists who insist that the unipolar world can be maintained on the military plane, even if not on the economic or diplomatic planes.

The most spectacularly obvious signal of new US thinking on the future 'balance of power' was George W. Bush's trip to India in 2006, and in particular the nuclear technology agreement he signed there. I call it spectacular because it more or less drove an M1 *Abrams* tank through his previous counterproliferation line, as used against Iran and North Korea, and also put a large dent in the Nuclear Non-Proliferation Treaty, to the embarrassment of

various allies including Australia—in our case because of the question of selling uranium to a power which has not signed the Treaty.

Even if Bush's Indian deal is not endorsed by Congress,¹⁵ it will send about as clear a message to China as could well be imagined, especially as the Pentagon has also been authorised to sell advanced fighter aircraft, the F-16 *Fighting Falcon* or the F/A-18 *Hornet*, to India.¹⁶ As mentioned earlier, China and India were at war as recently as 1962, and China still holds a large swathe of territory in the high Himalayas that India regards as Indian. But China is not willing to relinquish it, due to the territory's importance to their military control of Tibet and Xianjiang. The Bush signal to China is the old traditional warning: 'a balance of power can be constructed against your rising military capacity if you push your luck.' The renewed emphasis on the strategic relationship with Japan is, of course, a reinforcement of that message. The Indian Government has its own reasons for assuming that a great-power ally, either the United States or Russia (or preferably both) might prove quite useful in its future context, since both China and Pakistan will be substantial nuclear powers, and Persian Gulf or Central Asian or Russian oil must remain vital to its development.

Yet Beijing has also to ponder the Zoellick signal of the potentialities of a much closer relationship with the advanced Western world (a high place in a global 'concert of powers'), so one can say that there has been brought to the attention of its policymakers not only a very formidable stick (a possible 'balance of power' coalition against it), but also a very juicy carrot, one consonant with its long history of civilisation.

In some ways both those concepts are more difficult for Washington to adjust to than for Beijing. Both concepts have been regarded in the United States, ever since Woodrow Wilson's time, as amoral and discredited European diplomatic devices. He saw the failure of the Concert of Powers in 1914 as proof that the idea did not work. But the more reasonable way of interpreting that patch of history is that, after all, the Concert *did* work for 99 years, from 1815 to 1914. No other diplomatic device has had an equal level of success in preventing hegemonial war, which is the sole essential function of such a system. Moreover, the Concert achieved that record despite two great-power wars (Crimean and Franco-Prussian) and the fact that tensions between the great powers were actually stronger in the nineteenth century than they are at present, because of the long-running imperial rivalries between the British, the French, and the Russians. The Germans, fatally, entered that imperial competition by the end of the century, and so the Concert failed, and the war in 1914 (originally seen as likely to be both short and limited) destroyed that entire society of states.

However, Wilson's supposed improvement on the Concert, the League of Nations, lasted only 20 years, from 1919 until 1939, was ineffective even for that brief life, and ended in a particularly murderous hegemonial war. The United

Nations has lasted better, some 60 years now, but has been similarly ineffective in the security field. Security issues have therefore been the domain of a traditional 'balance of power' coalition, the North Atlantic Treaty Organization (NATO), which has seen off its adversary (the Soviet Union) without direct hostilities: the ultimate success for any 'balance of power' coalition. So comparing the nineteenth and twentieth century periods as a whole, one would have to judge that the two Wilsonian systems, the League of Nations and the United Nations, have fared less well, as far as the most vital issue (prevention of hegemonial war) is concerned than the two traditional systems, 'concert of powers' and 'balance of power'. Dean Acheson, Harry S. Truman's Secretary of State, was the principal architect of NATO, with substantial assistance from George Kennan and Ernest Bevin, the British Foreign Secretary of the time. They could not call their achievement by its rightful and traditional name, however, because that would have been politically tactless in view of the assumed necessity for a Wilsonian flavour in US rhetoric in the foreign policy field—a tradition all too readily audible today in the speeches of President George W. Bush.

One obvious objection to my optimism about a possible global 'concert of powers' is to argue that its predecessor was successful only because all its decisionmakers were children of one civilisation, and shared many assumptions and norms. That last point is true, but is offset to my mind by *four factors* which more than compensate for the current diversity of cultural origins. *First*, the problems which confront the current decisionmakers are vastly more global than those of the nineteenth century. No one then was worried about global warming, which is now likely to damage every society in differing degrees. *Second*, though there were transnational terrorists back then (the anarchists), they were infinitely less formidable than the current jihadists, so had far less capacity to promote solidarity in the society of states against their common adversary, a 'non-state actor'. *Third*, international communication for most of that period was slow and difficult, whereas it is now universal and instantaneous. *Fourth*, the penalties associated with war were vastly less in the nineteenth century than they are now. Then it was fought by professional armies, on distant battlefields, not (as now) by the destruction of great cities and their peoples.

Above all, however, my optimism on the issue of the prospective dominant powers finding consensus is that it is already being done, with few difficulties and not much fanfare. The grouping which began more than 30 years ago as the G7, is now the G8 with the addition of Russia, and appears likely to become the G10 with the admittance of China and India (which were invited to the 2006 summit). The group could in fact become the G12, which would be a fair approximation of a contemporary 'concert of powers'. Its preoccupations are now no longer economic, or directed to the problems of its own members, but are rather global in nature. The Gleneagles meeting of 2005 was mostly concerned

with the problems of Africa and world poverty, and the 2006 meeting in St. Petersburg with the troubles of the Middle East.

I am not arguing that it will or should replace the UN Security Council, but formal structures like the United Nations are far less flexible about membership and agendas than informal ones like the old Concert of Powers or its contemporary parallel. Over time, power does recognise countervailing power, however reluctantly, and makes the necessary adjustments. However, change may need to be informally established for some time before it is incorporated into the formal structures of the society of states. In time, the UN Security Council will probably expand to reflect twenty-first century realities, but for the moment the G8+ might serve as its 'stand-in' for some purposes.

There is a strong flavour of 'forward to the past' about contemporary history. According to economic historians, China and India were probably the largest economies in the world until about 1820.¹⁷ Afterwards, the industrialisation of the West ensured its economic dominance. But by 2020 the wheel may have come full circle, and China and India may again be the largest economies in the world. In fact, one of our most eminent experts, The Australian National University's (ANU) Professor Ross Garnaut, has said that China may make it to top place by 2010,¹⁸ though others put it about 2040.

After the Enlightenment (in Europe at least), the idea that people would massacre each other over minor differences of religious doctrine seemed ridiculous. Yet in Iraq and Afghanistan, Sunni have been killing Shia (and vice versa) as earnestly as Protestants killed Catholics (and vice versa) in sixteenth and seventeenth century Europe. The national state, in its present form, was invented by the Europeans only four centuries ago, but they seem now to be circling back in some respects to its pre-Westphalian origins, with its peoples defining themselves not only in the larger context as Europeans, but in the smaller context as English, Scottish, Welsh, Breton, Catalan, Czech, Slovak, Bosnian, Croatian or Montenegrin, among many others. By century's end, the European Union might be less a confederation of 35 national states than a federation of 300 or so provinces, like the mini-states that nourished the composers Franz Joseph Haydn and Wolfgang Amadeus Mozart in their time. The great city which for a time was called Leningrad is now again St. Petersburg, and the present decisionmaker for all the Russians has again been welcoming the dignitaries of the rest of the world to its restored Tsarist splendours. The political structures of Europe were once exported to other continents, like Africa, to which they were not well suited. Perhaps the new changes in Europe, which reflect recognition of the identities of long-submerged tribes, might do better.

If some of the iniquities of the past have returned to haunt the twenty-first century world, there seems a kind of historic logic in hoping that one of the diplomatic institutions of the past may be able to take on the most important of

the jobs dealt with quite successfully then. The task the Concert of Powers managed better and longer than its successors—the prevention of hegemonial war—is going to be the most vital problem of all in this new century, and the emerging distribution of power seems more like that of the nineteenth than the twentieth century. Then there were five dominant powers—Britain, France, Russia, Prussia and Austria—but eight other near-great powers—Spain, Italy, the Ottoman Empire, the United States and Japan towards the end of the period, and the substantial empires of Portugal, Belgium and the Netherlands. There existed therefore 13 or (adding Serbia, which proved so crucial) 14 governments whose preoccupations and ambitions needed to be considered, though not all received adequate attention. Now there are emerging 12 dominant powers or more, but by mid-century (as mentioned earlier), according to UN demographic forecasts, there will be 18 sovereignties of more than a hundred million people, and still other aspirants may be waiting in the wings.

The society of states needs to construct diplomatic arrangements between these established and emerging powers that can maintain a reasonable consensus; otherwise the risk of hegemonial war seems likely to be very great. If a flexible global ‘concert of powers’ can manage the heavy task of averting that disaster for anything like the same span of years as its European predecessor, the international community might have sufficient time to devise solutions for the many other problems threatening the future of humanity, such as global warming, world poverty, and terrorism.

ENDNOTES

¹ Population figures are based on UN demographers’ ‘medium scenario’ forecasts for 2005. See *World Population in 2300, Proceedings of the United Nations Expert Meeting on World Population in 2300*, United Nations Headquarters, New York, 2004, available at <<http://www.un.org/esa/population/publications/longrange2/longrange2.htm>>, accessed 24 October 2007.

² The term acquired its current usage from an article by Charles Krauthammer entitled ‘The Unipolar Moment’ in a special issue of *Foreign Affairs* entitled ‘America and the World 1990/91’, *Foreign Affairs*, vol. 70, no. 1, 1990–91, pp. 23–33.

³ For a deeper analysis, see the author’s ‘The Twilight of the Unipolar World’ in *The American Interest*, vol. 1, no. 2, Winter 2005.

⁴ See *Securing, Stabilizing and Rebuilding Iraq: GAO Audit Approach and Findings*, US Government Accountability Office Report, No. GAO-07-385T, 18 January 2007, available at <<http://www.gao.gov/new.items/d07385t.pdf>>, accessed 8 November 2007.

⁵ See the 23 March 2006 issue of *London Review of Books* for a detailed but controversial account of the process of decisionmaking in Washington DC during this period. The authors were Professors John Mearsheimer and Stephen Walt, both eminent and conservative US analysts.

⁶ *The Joint Communiqué of the Moscow Meeting of the Council of Heads of Government of SCO Member States*, Shanghai Cooperation Organization, 2005, available at <<http://www.sectsco.org/html/00648.html>>, accessed 24 October 2007.

⁷ ‘Uzbekistan casts out America’, *Strategic Comments*, International Institute for Strategic Studies, vol. 11, issue no. 6, August 2005, available at <<http://www.iiss.org/publications/strategic-comments/past-issues/volume-11---2005/volume-11-issue-6/uzbekistan-casts-out-america>>, accessed 24 October 2007.

⁸ Robert S. Ross, 'Diplomacy and Bipolarity in East Asia', in (eds) Tharza Varkey Paul, James Wirtz, Michel Fortmann, *Balance of Power: Theory and Practice in the 21st Century*, Stanford University Press, CA, 2004, p. 285.

⁹ Robert Zoellick resigned as Deputy Secretary of State in June 2006, but not apparently over this speech. He had been heavily involved in the Darfur negotiations and seems to have been disappointed in their outcome. *The China Daily* of 21 June 2006 praised his contribution to US-China relations at his departure, which seems to confirm the assumption that Beijing welcomed the signal in his speech a year earlier.

¹⁰ Frank Whitman, 'Black Construction Gets Guam Global Hawk Contract', *Pacific Magazine*, 6 May 2007, available at <<http://www.pacificmagazine.net/news/2007/05/06/black-construction-gets-guam-global-hawk-contract>>, accessed 24 October 2007.

¹¹ See Robert D. Blackwill, 'The India Imperative' in *The National Interest*, no. 80, Summer 2005, pp. 9–17.

¹² Doug Bandow, 'Seoul Searching', *The National Interest*, no. 81, Fall 2005, p. 116.

¹³ Bandow, 'Seoul Searching', *The National Interest*, no. 81, Fall 2005, p. 107.

¹⁴ Hans Binnendijk, 'Modernising NATO: A new strategic basis for US forces in Europe', *International Herald Tribune*, 28 February 2003, available at <http://www.iht.com/articles/2003/02/28/t-hans_ed3_.php>, accessed 24 October 2007. For current figures, see International Institute for Strategic Studies (London), *The Military Balance 2007*, Routledge, Taylor & Francis, Essex, January 2007, pp. 28–41.

¹⁵ See Laurence Korb and Peter Ogden, 'Winning Congressional Support for the Global Partnership with India' in *The American Interest*, vol. 1, no. 2, Winter 2005, pp. 18–29.

¹⁶ US Department of Defense, 'Defense Department Statement on India Relationship', 2 March 2006, available at <<http://www.defenselink.mil/releases/release.aspx?releaseid=9347>>, accessed 24 October 2007. See also Chidanand Rajghatta, 'Now, US offers F-16, F-18 jets to India', *Times of India*, 4 March 2006, available at <<http://timesofindia.indiatimes.com/articleshow/1437763.cms>>, accessed 24 October 2007.

¹⁷ Eisuke Sakakibara, 'Watch China and India: Adapt to a changing world economy', *International Herald Tribune*, 5 February 2003, available at <http://www.iht.com/articles/2003/02/05/edsak_ed3_.php>, accessed 24 October 2007. See also Angus Maddison, *The World Economy: Volume 1: A Millennial Perspective*, Development Centre Studies, Organisation for Economic Cooperation and Development, Paris, 2001, p. 127.

¹⁸ See also (eds) Ross Garnaut and Ligang Song, *The Turning Point in China's Economic Development*, Asia Pacific Press, The Australian National University, Canberra, 2006.