

STRATEGY

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Living with giants:

Finding Australia's place in a more complex world

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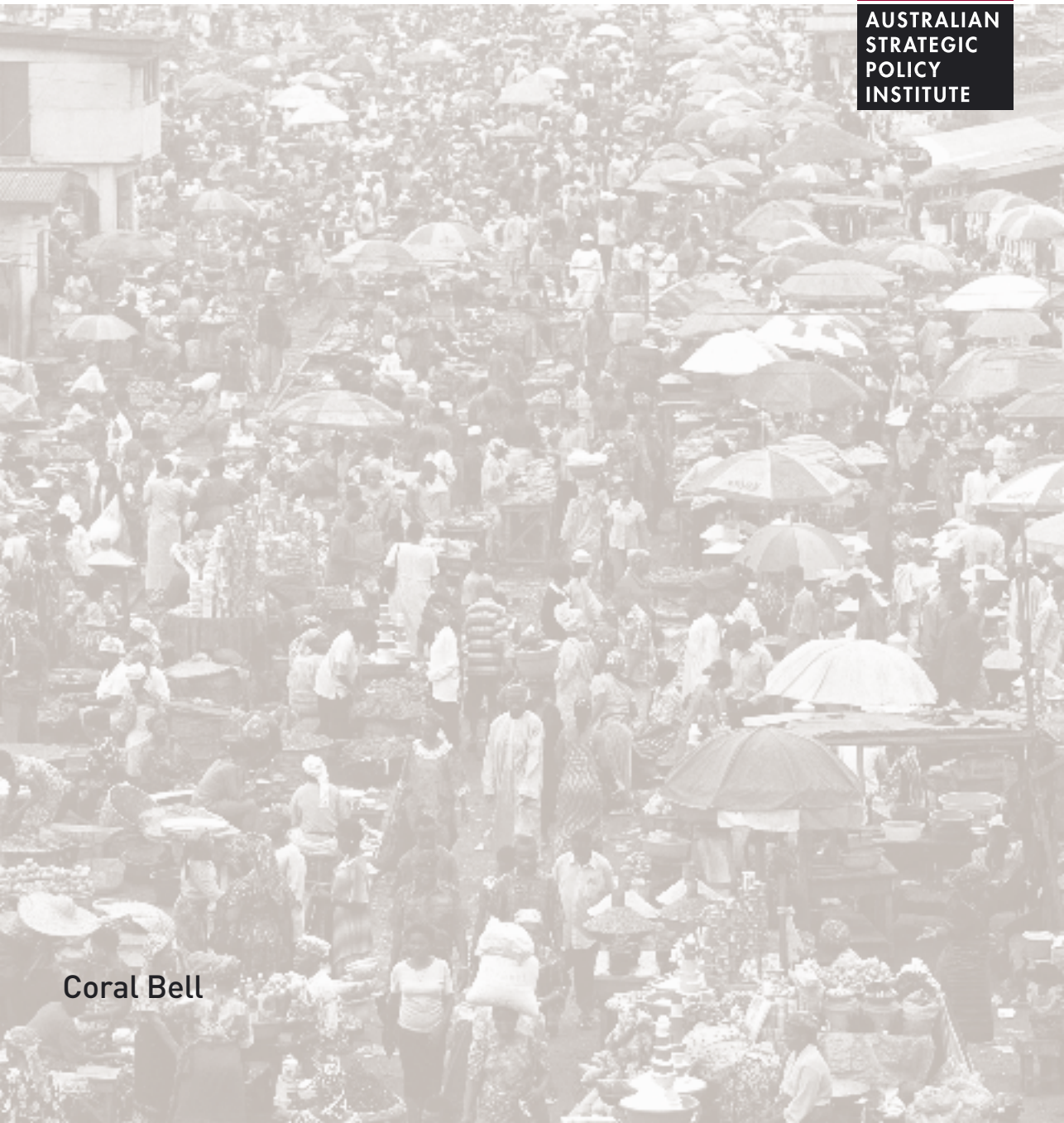
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Director's introduction

The problem of balancing regional commitments with global alliances and the out-of area involvements they may bring is a preoccupation for many middle powers, and perhaps particularly acute for Australia in these days of the continuing Iraq engagement. For some commentators the commitment to the one is held to risk neglect of the other. This essay by Dr Bell presents provocative and controversial arguments on many issues, but also makes a case that regional and global commitments may be not only compatible but complementary. Her two central concepts, the regional security community and the global concert of powers, are seen as future diplomatic patterns, both likely to emerge from the pressures of historical change and the dust of many battles during the next few decades, though both are embryonic as yet.

The essay is called *Living with giants* because she sees ongoing and quite rapid demographic change [the relevant UN population projections are included] as having more dramatic effects on the current distribution of power—economic, diplomatic and eventually military—than is generally realised. In the past, population numbers have not usually determined ‘clout’ in any of those fields. But for the first time in their respective histories, most of the relevant societies have access to modern technologies, contemporary modes of communication, and widespread education. Some of them also have strong, tough-minded nationalistic, competent governments, and even access to nuclear weapons.

That makes a very large difference, seen most obviously in the rise and rise of China, not only in economic strength but in diplomatic influence. However China is not the only rising power in Asia. Of the nineteen countries which are rising to giant size [defined as from a billion plus down to 100 million plus], ten are in Australia's area of primary strategic concern.

The essay touches briefly on the jihadists' war, seeing one of its fringe effects as providing a sort of 'jump-start' for changing diplomatic alignments at both the global and regional levels. Again perhaps for the first time in history, every government in the society of states has an enemy in common. Even a fundamentalist Islamic state like Saudi Arabia has proved vulnerable to jihadist attack, and no government wants to see itself replaced by a Taliban-style regime.

The essay considers the comparative strengths of the emerging company of giants, the question of whether they are likely to organise themselves as a concert of powers or a balance of power, the possibility of an anti-hegemonial alliance, the role of the UN, and the most probable points of friction in these diplomatic processes. Since the possibility of radical surprise ought never to be discounted in international politics, Dr Bell goes on to present five 'alternative scenarios'. In turn, they consider environmental disaster, economic disaster, two possible endings for the democratisation drive, and the 'Anglosphere' or 'rimlands' hypothesis. Though the essay is essentially about the context in which Australia will have to make its policies, rather than the policies themselves, the final section offers a few tentative guidelines.

The views expressed in this paper are those of Dr Coral Bell. My thanks go to her for offering her perspectives on such important defence, security and international issues facing Australia.

Peter Abigail

Director

Executive summary

The landscape of international politics a few decades hence will be dominated by a company of giants: societies which will range demographically down from India and China at well over a billion each, through those at four or five hundred millions, like the US and the EU, to those at the hundred million plus level. Of the nineteen societies of those dimensions, ten will be in, or involved with, Australia's area of primary strategic concern. The relations between them will provide most of the preoccupations of our foreign policy makers.

In the past, population alone has not been a major factor in determining the diplomatic influence or military clout of any given society. But for the first time in most of their respective histories, these societies will have access to modern technologies and media of communications, and their governments will have aspirations about the standard of life their peoples could and should hope for. Some of them, China especially, are already experiencing spectacular rates of growth, and others are hoping to achieve something similar. That will make for unprecedented levels of demand for resources of all sorts: oil, water, maybe land, certainly capital. Unless attention is paid in time, the world could see in coming decades, a sort of replay, at giant size, of the 1930's conflict between the 'haves' and the 'have-nots'. And it will be complicated by a revolutionary factor, the jihadists war. The population base of the jihadists, the Islamic world, is also a billion-plus, rising fast, and very young. So even a tiny fraction of that group, less than one tenth of one percent, is a potentially formidable force.

Though that may seem to imply a conflict-ridden society of states, the paper argues that two quite hopeful diplomatic patterns are emerging within it. Both are advantageous to Australia. They are the regional security community, and the global concert of powers.

The more straightforward of the two, the regional security community is also the nearer to realisation. The timbers from which it could be built [though it may well take twenty years] are already to hand in the current multilateral organisations of the area, like ASEAN plus the three major economic powers [China, Japan and South Korea]

plus now Australia and New Zealand. Those fifteen powers are more than either the EU, which started with 6, or NATO, which started with 10, had to begin with. The diversity of civilisations and ethnicities in the Asia-Pacific has always in the past been cited as a reason why multilateralism could not flourish in the area, but the new pressures of globalism, the jihadists war, and the sheer rise, through population growth and economic growth of the pressure on resources of every kind, will combine to make cooperation more necessary in the not very distant future than it ever was in the past.

The prospect of a global concert of powers may seem a lot more remote in the present unipolar world of US paramouncy, but the paper argues that the unstoppable and accelerating process of the redistribution of power has brought the twilight of that world much closer. The company of giants may organise itself in one of the two traditional patterns, a balance of power or a concert of powers. The possibility of an anti-hegemonial alliance is briefly touched on, but it is argued that in a world of at least eight nuclear powers and possibly more, a concert of powers is much the less dangerous, even for the dominant sovereignty. Some very recent signals from Washington appear to indicate that appreciation of that point is dawning there.

Though maintaining that these are the likeliest diplomatic patterns for the future, the paper looks briefly at five 'alternative scenarios', any of which might de-rail the international processes involved. It sketches in turn an environmental disaster, an economic disaster, two alternative endings for the current US democratisation drive, and the 'Anglosphere' or 'rimlands' hypothesis, which seems to have developed a new lease of life since the Afghanistan and Iraq campaigns. The paper also looks at the likeliest frictions of these future decades, and offers a few tentative suggestions, in the final paragraphs, to Canberra policy makers.

UN population projections

Countries accounting for 75% of the world's population in 2000, 2050 and 2100

Rank	Country	2000	Country	2050	Country	2100
1	China	1 275	India	1 531	India	1 458
2	India	1 017	China	1 395	China	1 181
3	United States	285	United States	409	United States	437
4	Indonesia	212	Pakistan	349	Pakistan	409
5	Brazil	172	Indonesia	294	Nigeria	302
6	Russian Federation	146	Nigeria	258	Indonesia	273
7	Pakistan	143	Bangladesh	255	Bangladesh	260
8	Bangladesh	138	Brazil	233	Ethiopia	222
9	Japan	127	Ethiopia	171	Brazil	212
10	Nigeria	115	Dem. Rep. of the Congo	152	Dem. Rep. of the Congo	203
11	Mexico	99	Mexico	140	Uganda	167
12	Germany	82	Egypt	127	Yemen	144
13	Vietnam	78	Philippines	127	Egypt	132
14	Philippines	76	Vietnam	118	Philippines	129
15	Turkey	68	Japan	110	Mexico	128
16	Egypt	68	Iran	105	Vietnam	110
17	Iran	66	Uganda	103	Niger	99
18	Ethiopia	66	Russian Federation	101	Iran	98
19	Thailand	61	Turkey	98	Turkey	90
20	France	59	Yemen	84	Afghanistan	90
21	United Kingdom	59	Germany	79	Japan	90
22	Italy	58	Thailand	77	Russian Federation	80
23	Ukraine	50	Afghanistan	70	Tanzania	77
24	Dem. Rep. of the Congo	49	Tanzania	69	Germany	73
25			Colombia	67	Mali	70
26			United Kingdom	66	Thailand	70
27			Burma (Myanmar)	64	Iraq	68
28			France	64	Colombia	68
29					Somalia	66

Source: United Nations, DESA, Population Division, World Population in 2300 (ESA/P/WP.187)

Global giants: the world’s most populous nations 2000



Source: United Nations, DESA, Population Division, World Population in 2300 (ESA/P/WP:187)



Cartography by Keith Mitchell

Global giants: the world’s most populous nations 2050



Source: United Nations, DESA, Population Division, World Population in 2300 (ESA/P/WP:187)



Cartography by Keith Mitchell

Global giants: the world’s most populous nations 2100



Source: United Nations, DESA, Population Division, World Population in 2300 (ESA/P/WP:187)



Cartography by Keith Mitchell



INTRODUCTION

The most regular and immediate preoccupations of Australian policy makers over the several decades of change contemplated in this essay are likely to remain, as they are now, the ups and downs of the US–China relationship, the continuing combat with the jihadists, and the problems of governance in small local sovereignties. But behind these day-to-day concerns, very large changes are gathering speed. The dilemmas they create will be with us for the foreseeable future.

... the international context within which
Canberra must make its policies is
transmuting itself into a society of giants ...

To put it briefly, the international context within which Canberra must make its policies is transmuting itself into a society of giants, demographically and in some cases economically. The most obvious facts of this transformation are quite familiar. The population of China will remain well over the billion mark for the next few decades, though it will eventually decline a bit. The rising living standards of the Chinese people, and a remarkable record of export success, are already giving China a voracious appetite for all sorts of commodities, including oil and those we sell them. India is following a similar path, though with a rather different style of economic success, and with the prospect (thus far) of outgrowing China demographically. Indonesia is on the way to a population of 250 million, Pakistan and Bangladesh to 200 million each, and Vietnam to 100 million. In a few decades, around nineteen polities will be moving towards the demographic range

Photo opposite: Singapore commandos board a merchant ship as part of a demonstration for the ASEAN Regional Forum on Confidence Building Measures on Maritime Security, March 2005. EPA/How Hwee Young via AAP © 2005 EPA

above 100 million. Of them, ten will be in Australia's area of strategic concern: China, India, the US, Indonesia, Japan, Russia, Pakistan, Bangladesh, Vietnam and the Philippines. Four are already nuclear armed; a fifth, North Korea, is at least well on its way to that status; a sixth, Japan, could reach it very quickly if it decided to.

Very few nation-states of the past have successfully managed populations this big as democracies—the most notable exceptions being India and the US, whose federal systems seem to have the necessary degree of flexibility built in. Demographically, the US is reaching towards giant size (about 400 million), with a notable increase of ethnic diversity and enormous military, economic and cultural clout.

Europe is different. Its populations are downsizing, but despite some glitches the Europeans have been remarkably successful in creating a confederation that so far seems to combine the strategic and economic advantages of a very large market and a successful security community with the political and cultural diversity of separate sovereignties. If Europe can cope with the remaining problems of its current eastward extension, including at least a close deal with Russia, it could become a very potent rival to the US. It might not equal the US in military power, but it will certainly be an equal pole of attraction in every other dimension of power, even superior in some, and a market of 500 million or more mostly prosperous people.

We must hope for a continuance in the increase, worldwide, of the number and viability of democratic systems.

We must hope for a continuance in the increase, worldwide, of the number and viability of democratic systems. But it wouldn't be prudent to assume, as the first George W. Bush administration apparently did, that the process of change in that desirable direction is through military intervention against regimes which Washington deems in need of changing. It seems likely that the jihadists' war will continue, and that Washington's responses to it will put more strain on its alliances, both in the Atlantic and the Pacific, and further reduce US ability to induce 'bandwagoning' by other powers.

There is thus, to my mind, an emerging prospect of the transmutation of the present unipolar society of states back into a multipolar one in the foreseeable future, although the process will be gradual unless there's another diplomatic crisis on at least the scale of Iraq.

Prophesying the end of the unipolar world may seem unduly premature at this noontide of US power, but every noon marks a turn towards twilight. Since the invasion of Iraq, that foreseeable (though still distant) twilight of the unipolar world has seemed likely to be rather cloudy—not to say stormy, with maybe even a whiff of *Götterdämmerung* in the air. It doesn't have to be that way, however, if the interim years are used prudently.

Most of the prophets of decline for US power have dwelt primarily on economic factors: 'imperial overstretch' and so on. I don't find that particularly plausible as a short-term factor, though long-term it will probably be important, and I'll consider its mode of impact presently. But for the shorter term, the next decade or two, the primary factor lies elsewhere.

For the first time in its century-long (1898–2002) rise to current paramountcy in a unipolar world, the US could conceivably be faced with an anti-hegemonial alliance. Understanding why this could happen in the next few decades requires analysis of why it has been so long delayed—another point I’ll examine shortly. Americans tend to assume that the real benevolence of their intentions, and the patent merits of their democratic way of life, are reason enough to explain their historic exemption from the usual fate of potential hegemonic powers. But much of the rest of the world is beginning to take a less sanguine view than in the past of the uses to which US power may be put. Governments which have been happy enough on the US bandwagon for many years have, since Iraq, been having doubts about where the wagon’s going, and whether the brakes and steering still work.

... much of the rest of the world is beginning to take a less sanguine view than in the past of the uses to which US power may be put.

The mere fact of unipolarity (a new international experience) creates resentments against the paramount power. Every society has reason to reflect wryly, from time to time, that though all sovereignties may be theoretically equal, one is for the time being a great deal more equal than all the others. That reflection in itself is enough to prompt questioning as to how long ‘the time being’ must be, and what can be done to shorten it. It makes newly urgent the question of how to get there from here.

In this area, the Europeans (alone among the powers) have a well-established traditional diplomatic strategy, which has worked many times in the past: against the Spanish Empire, against Napoleonic France, against Imperial Germany, against Hitler’s Germany and against Stalin’s Soviet Union. One might argue that, in all those cases, the powers concerned were balancing against a perceived threat, and that few of the relevant governments these days would interpret the indubitable power of the US as threatening. But many societies (or forces within those societies at odds with their respective governments) can and do. Paradoxically, it is US ‘soft power’, rather than its ‘hard power’ (Nye 1990), that’s most widely seen as a mortal danger. The apprehension isn’t about invasion (Iraq style), except perhaps in Iran and North Korea, but loss of traditional norms, even cultural identity, through pressures from the West in general but the US in particular.

Islamic societies are the most obvious examples. No doubt it will seem outrageous, in the light of the 9/11 attacks and the other atrocities, to concede an element of truth in the jihadist claim to be fighting a defensive war. But the impact of Western norms—societal rather than political—has been increasing at truly unprecedented speed in the past twenty years or so, because of the explosion in communications and, still more, because of the recent profound shift in Western norms. The US has become ‘the Great Satan’ because it has become ‘the Great Tempter’ (Lewis 2003), tempting the young people of Islamic communities away from their traditional ways to the more relaxed and permissive ways of the contemporary West. Traditional norms rather than Islamic ones are most threatened, because some, such as the veiling of women, may derive from pre-Islamic tribal practices rather than the Koran. At least one of the reasons why the conflict has become so acute

since the 1980s is because Western norms in the 1950s, when the US first became heavily involved in Saudi Arabia, were not nearly so distant from Wahabi norms as they became (increasingly) from the 1960s on. It's not surprising that many of the leaders of the jihadists, as against the 'foot soldiers', are sons of the privileged families of the Muslim world, and have been exposed to Western education. The Islamic norms they absorbed in their childhoods are at odds with the Western norms they later saw demonstrated all around them, and perhaps yielded to. The internal conflict thus generated seems to produce a particularly ferocious resentment against the West.

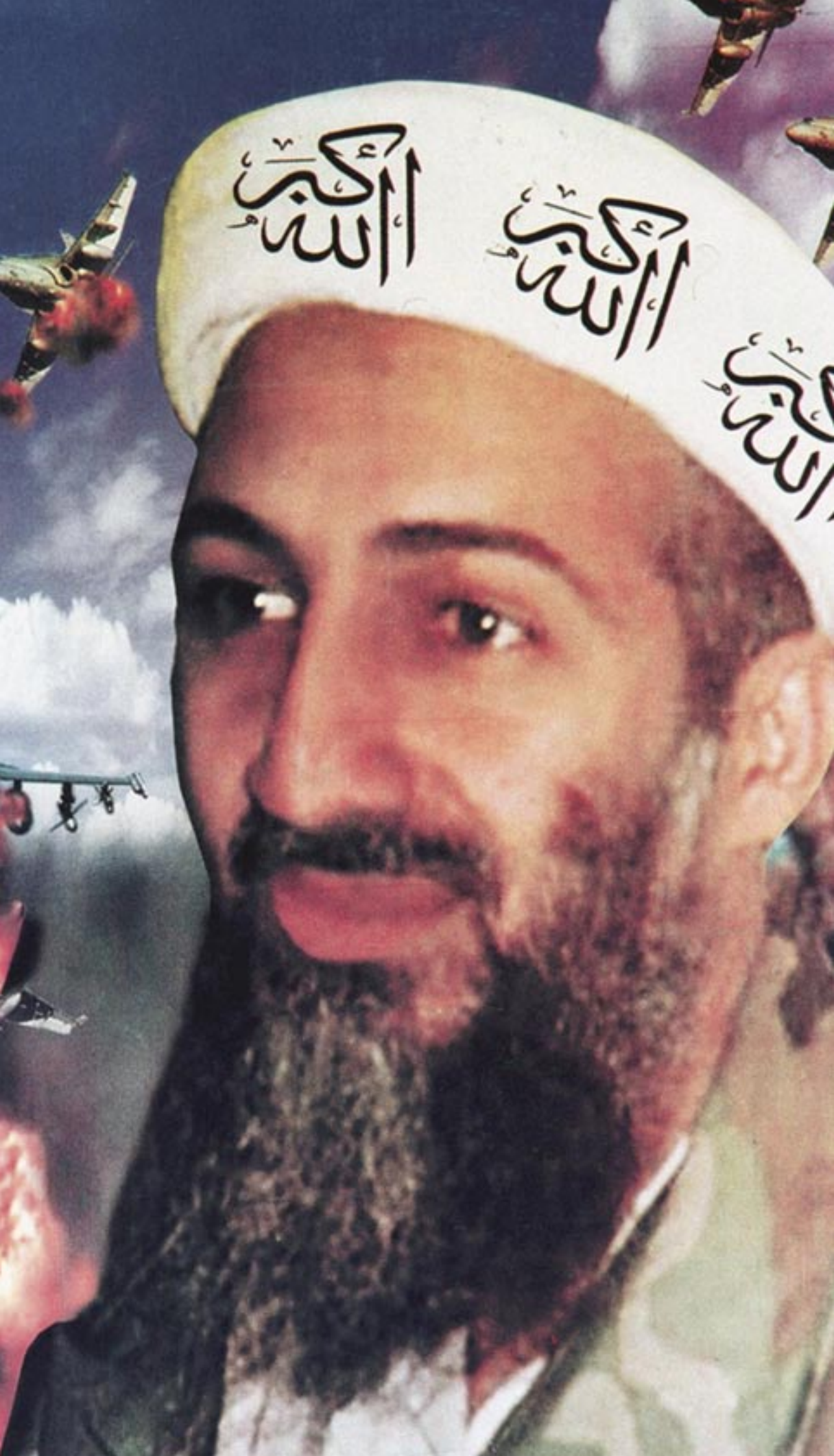
The US has become 'the Great Satan' because it has become 'the Great Tempter' ...

So, in a sense, the US politicians who piously remark that 'they hate us for what we are, not what we do' have got it half right. Of course, hatred is also generated by actions like invading Iraq, and by US support of Israel, but it's made acute by the sense of being under siege by the all-pervasive cultural and social norms of 'the American way' in those ever-present US films, television series and pop songs. The governments of Muslim societies, on the other hand, are mostly preoccupied with the advantages of being in favour with Washington. So a political conflict is set up in vital societies like Pakistan and Saudi Arabia, and maybe even Indonesia, which (to mix a metaphor) could in time prove to be so many Achilles heels for the West.

Joseph Nye's distinction between soft power and hard power (Nye 1990) is thus more vital now than ever before, and must be applied to societies other than the US. In the Islamic case, for instance, behind the hard power of the jihadists (their power to inflict death, grief, damage and disorder), there lies the soft power of the radical mosques and the madrassah or pesantran schools, with their hard-to-combat capacity to produce new generations of recruits to jihad.

The Unipolar World

The unipolar world of unchallenged US paramountcy entered history in 1992 when the bipolar world of the Cold War expired, with the collapse of the Soviet Union at the end of 1991. Initially analysts expected that it would be of short duration: indeed the journalist who coined the phrase originally called it ‘the unipolar moment’. The assumption was that it would be soon succeeded by a multipolar world of five or six great powers: the US, Russia, China, Europe, Japan and, in time, India. But none of the other five are as yet in any position to issue a challenge to the US, either in economic strength, military capacity or diplomatic influence. Unipolarity thus seems likely to persist for at least two or three decades. Russia though still second in terms of nuclear strike-power, is in no position otherwise to step into the strategic shoes of the Soviet Union. Europe, though containing two nuclear powers, and being already an economic giant, has no ambition to do so. China, though rapidly building both military and economic strength, is still a very long way from being what the Pentagon calls a ‘peer-competitor’. Japan adheres strongly to the US strategic umbrella. India is just beginning its rise to global power. But the unipolar world is still a moment in history, not ‘the end of history’.



Chapter 2

EMERGING DIPLOMATIC PATTERNS

Despite the endemic distress and disorder of the current world, I propose to argue that there are emerging, through the dust of battle, two patterns of international politics that offer promise of better things. Both are prospectively advantageous to Australia. The two patterns are the regional security community and the global concert of powers. They would be complementary, in the sense that the local security community could be a sort of bulwark against any member of the global concert developing predatory ambitions in a particular region, while the members of the global concert, in turn, could act as a check on potential local hegemony. Such a double-barrelled system would be a major improvement on the nineteenth century concert, which left the then Third World 'up for grabs' by the colonial powers of the time.

... there are emerging, through the dust of battle, two patterns of international politics that offer promise of better things.

Of the two concepts, it's obviously the local security community which Australian policy makers have most capacity to promote, but it's the global concert of powers (or its potential alternative, a multilateral central balance of power) that will do most to shape the world in which they must work. The primary purpose of a concert of powers must be, above all, the avoidance of hegemonial war. The twentieth century saw three such wars—World War I, World War II, and the Cold War (which was the form taken by World War III). Between them, they probably killed at least 120 million people, one way or another.

Photo opposite: Portrait of Osama Bin Laden. Composite photo
© CORBIS/Australian Picture Library

A new hegemonial war in a future world of at least eight nuclear powers could do far worse. It could conceivably put the whole world in jeopardy.

The jihadists' impact

The first few decades of the twenty-first century seem almost inevitably likely to be a time of continued asymmetric war. Like World Wars I and II, and the Cold War, the current conflict is in essence about the order of power in the world. The battlespace is even more global than in those three earlier conflicts, since the adversary is a loosely coordinated network of cells, some of them in the great cities of the West. 'Jihadist cells' is a more precise definition of the problem than 'terrorist cells'. Though their strategy is of course terrorism, they differ from more familiar such groups, like the IRA and the ETA, in one enormously important respect: their objective is global, not local, and so is their tactical reach.

The first few decades of the twenty-first century seem almost inevitably likely to be a time of continued asymmetric war.

At first sight, this must seem to imply that any kind of settlement of the conflict is out of the question. Where the objective is local, as in Ireland, a possible settlement (though difficult enough to reach these past thirty-plus years) was readily conceivable, requiring only change in some local political arrangements and gradual modification of local political attitudes.

Paradoxically enough, however, the jihadists' campaign has already achieved a positive earthquake of change in relations within the society of states, though not in the direction its leaders presumably intended. Nothing short of an invasion from Alpha Centauri, or an asteroid on a collision course with Earth, could have inspired so much initial consensus of anxiety in the international community as the attacks of September 2001. The Twin Towers and the Pentagon were worldwide symbols of US ascendancy in the contemporary global order. The attacks were an equally symbolic declaration of war, not only on the US but on that global order, and not in the name of a sovereign state (which would have been at least historically familiar) but by a 'non-state actor'. The very clumsiness of that term indicates how little consideration had ever been given, by decision makers or even most intelligence analysts, to such a contingency.

From the moment of that impact, governments had to contemplate seriously the fact that, because of changes in modern weaponry in particular but also in communications, quite small groups of militants might be able to inflict levels of death, grief, damage and disruption that previously could only be inflicted by another sovereign government in a situation of war. Other sovereign states, moreover, are usually predictable and deterrable. Their capabilities are mapped by intelligence communities, their intentions are probed by diplomats, and they have a good deal to lose. None of this was true of the new adversary. So, for the first year after September 11, 2001, many diplomatic realignments, including most importantly Chinese, Russian, Indian and Pakistani attitudes to the US, operated to support the first American strategic response, the movement of US troops into Afghanistan.

Unfortunately that consensus was eroded quite rapidly in 2002, by the emerging international realisation that Washington was determined to invade Iraq, and an almost equally widespread conviction that this was an ill-judged, unjustified and potentially disastrous strategy.

The full consequences of that Iraq decision aren't yet visible: it may in time be interpreted as less ill-judged than it appeared in early 2003. The essential point for the purposes of this essay is that the initial post-9/11 international consensus that supported the US, and the post March 2003 dissensus that mostly condemned the decision to go into Iraq, both gave a sort of jumpstart to all three of the possibilities with which this essay is mostly concerned: the possible concert of powers, its possible alternatives of the multilateral balance or anti-hegemonial alliance, and the possible emergence of regional security communities, one of which would be relevant to Australia's area of primary strategic concern. Since the third possibility is the most straightforward, I'll address it first.



REGIONAL SECURITY COMMUNITIES

A regional security community can start with a simple resolution by a group of countries that they won't go to war with each other again. Even two countries can inspire such a movement: the solemn pledge between President de Gaulle of France and Chancellor Adenauer of still-occupied Germany after World War II, that their historic conflict must not be renewed, was the symbolic heart of the whole European movement. An assertion that an attack on one will be deemed an attack on all (as in Article 5 of the North Atlantic Treaty) may be added, but that commitment was not invoked as actual policy until 2001, fifty years after the 1949 signing of the treaty.

A regional security community can start with a simple resolution by a group of countries that they won't go to war with each other again.

Any process of creating a security community in the Asia-Pacific region will undoubtedly face many more difficulties than it did in Europe, or in the possible cases of Africa south of the Sahara, or Latin America. This is because, in all three of those regions, the countries concerned (in at least the initial prospective membership) stem from one culture or civilisation. For NATO, which is the only group established long enough to show the possible stages of development, the first ten members were all offshoots of Western civilisation. But only three years later, in 1952, they recruited Turkey, a society which stemmed not only from a different civilisation, but one which as recently as the 1920s had been regarded as the heir to an earlier society, the Ottoman Empire, for

centuries viewed as a dangerous enemy of the West. The point is that a sense of strategic value can overcome any qualms about recruiting from a different civilisation. Moreover, Greece was recruited at the same time, despite the deadly enmity still existing between that country and Turkey, and both are still in NATO despite their many frictions over the past fifty-three years. Membership of the alliance has been sufficiently valued by both to restrain any hostilities between them to a level that won't get them suspended from membership.

Though Turkey has been, on strategic criteria, a valued member of NATO for fifty-three years, it has been waiting on the doorstep of the EU for more than forty and is likely to be there for another ten. This illustrates another important point: that it may be easier to recruit to a security community than to an economic and social one because the criteria of strategic value are more straightforward than those of economic and social compatibility. The general histories of the EU and NATO, as they have developed side by side, reinforce this point. The EU did not really get up steam until the Treaty of Rome in 1957, eight years after NATO, and has since proceeded more slowly. But if economic incentives can run alongside security incentives, both tend to be strengthened. It's not necessary for the memberships to be identical: not all the members of NATO are in the EU, and not all the members of the EU are in NATO. Leaving the options open makes the whole system more flexible, and helps recruitment for both.

While again admitting the difficulty (because of the great diversity of the societies involved) of applying the concept of a security community to Australia's area of primary strategic concern, I argue that the idea has more prospect of success in the next twenty years than ever before. A new factor has entered the calculations of costs, risks, interests and benefits that all the relevant governments must make in this realm of policy: the recognition of a common threat, which is the essential basis of any security community. The jihadists' campaign of asymmetric war raises anxiety in every relevant government about the social forces behind the campaign, and what they could mean for its own regime security, or its economic security, or its territorial integrity. And it seems likely to last for the next twenty years, which might make that period a 'window of opportunity'.

Five societies in our area between them contain most of the world's Muslims: Indonesia, Pakistan, India, Bangladesh and Malaysia. None wants to see itself replaced by a fundamentalist regime or, in India's case, see its domestic peace threatened by rising tensions between Hindus and Muslims. The much smaller Muslim communities of Thailand and the Philippines raise the threat of separatism, as does the majority population of Xinjiang for China. Even the relatively minor groups of Muslim people in the Western cities in the area raise official anxieties these days, because no government can forget what was done by jihadist cells of just a few men in Hamburg and Madrid.

That threat, and one other factor, are my main reasons for arguing that a project which would have seemed likely to prove wasted diplomatic effort in the past might not be fruitless in the future. The second factor is the severe disfavour with which US policy has recently been viewed in the whole area, even among the citizenry of allies like Japan, South Korea and Australia.

Ever since 1951, the US 'security umbrella' has been, for Japan and South Korea as well as Australia, the only available insurance policy backing their capacity for self-defence in a crisis. But the alliance system which the US set up in the Pacific after the outbreak of war in Korea remains, more than fifty years later, a set of bilateral treaties. Washington shouldn't be

blamed for the original lack of multilateralism. In the circumstances of 1951, because of the intense bitterness against Japan arising from its conduct of the Pacific War, no such system was feasible. As late as 1957, even a trade treaty with Japan was the source of considerable controversy in Australia. So the system had to be constructed on the hub-and-spokes model, with Washington as the hub and its allies at the end of their respective spokes. Canberra in those days was so keen to be the only powerful voice in Washington's ear at a time of crisis that it blocked a British bid to join ANZUS, much to Churchill's annoyance and despite the reluctance of New Zealand to go along.

Ever since 1951, the US 'security umbrella' has been, for Japan and South Korea as well as Australia, the only available insurance policy...

That was a short-sighted policy on Canberra's part, for a bilateral system loads the dice in favour of the major power, whereas a multilateral system like NATO gives other members much more leverage. During the Cold War years, however, the US was in any case the only source of security as long as anxieties were focused on the dangers of a conventional or nuclear war with the Soviet Union or China. But for at least the next few years (maybe a decade or more) the dangers seem likely to stem not from any sovereign power, but from the network of jihadist cells. And US strategies in that campaign have, to put it charitably, been subject to considerable doubt in the minds of many of the governments of the region. Their questions may prompt speculation about some alternative security system—questions such as exactly how did it advance the struggle against the jihadists to invade an Arab country whose government, though certainly detestable, was run by a rather secularly minded tyrant, a natural enemy of the sort of fundamentalist whose theological views inspire and sanctify the jihad? Especially considering that the net result of the expenditure of blood and treasure in rescuing the Iraqis from Saddam may be to install in his place a natural ally of the Shia theocracy in Iran or create the conditions for a possible civil war. Whether such questions can be answered or not, and even if Iraq turns out more favourably than seemed likely at the time of the invasion, these issues will remain in the minds of the governments of the area, and still more in the minds of their citizens. This is important because the opinions of the majority of the world's Muslims, who live in South and Southeast Asia, may determine whether the jihad can produce its worst possible outcome—a 'war of civilisations'.

These two factors—the international solidarity induced by the jihadists and the widespread revulsion against US policies and strategies induced by the invasion of Iraq—seem to indicate a moment in history when constructing, in time, a security community in the Asia-Pacific no longer needs be dismissed as 'dreaming the impossible dream'. A few other factors encourage optimism. The political bitterness against Japan which initially precluded a multilateral system for the area has disappeared, except in China and Korea. Several transnational problems in the area demand a high level of international cooperation, especially by intelligence services and police forces: drug running, piracy, people smuggling, and disaster relief after events like the 2004 tsunami, which affected twelve countries. The tsunami warning system scheduled to come into operation in mid-2006 should help

develop fellow-feeling. And, although the security treaties with the US remain bilateral, the region's own organisations (ASEAN, APEC and the ASEAN Regional Forum) have all been multilateral and have engendered a fair amount of collegiality among politicians and high officials.

One line of objection to any project of developing regional security communities is that such organisations supplant the UN Security Council or undermine its role, which is undoubtedly true. The conviction that the Security Council (as constituted) would prove ineffective in disputes between the great powers was the motivating force in the first such initiative, in Europe. Paradoxically, though, the notion that security arrangements should rest on a regional basis preceded the setting up of the formal and legal UN structure. In 1943, when the decision makers of World War II (Roosevelt, Churchill and Stalin) began to turn their minds to the shape of the post-war world, Churchill was initially inclined to favour a set of regional councils, which might in due course have become regional security forums of the sort that are now contemplated. But he had to abandon the notion because the Americans were suspicious of anything that looked like spheres of influence, and still more importantly because it would have seemed to confirm or legitimise Stalin's already apparent intention to secure an iron grip on Eastern Europe.

... the Security Council was devised as a concert of powers, very much on the pattern of the five-power concert of nineteenth century Europe.

So, instead, the Security Council was devised as a concert of powers, very much on the pattern of the five-power concert of nineteenth century Europe. Although only three powers were actually left standing on the field of victory by that time, Roosevelt insisted on China being a permanent member, with veto, because at that stage he assumed that Chiang Kai-Shek would win the civil war, and China would be the US's most important ally in Asia and the Pacific. France became the fifth permanent member because of its past role in the decision to meet Hitler's challenge.

Even as the UN Charter was being signed at the San Francisco Conference, however, many vital policy makers remained sceptical that it could ever work in major security crises. Tension between Moscow and the Western powers was already very high. Only nine months later, in March 1946, the Cold War had effectively been declared with Churchill's 'Iron Curtain' speech and Washington's adoption of the 'containment' policy devised by George Kennan (then Counsellor at the US Embassy in Moscow) as its basic response to what were deemed to be the inevitable Soviet pressures outward—to the west, south and east. Of those three potential target areas, the most attractive and apparently vulnerable at the time was clearly Western Europe. Most of its governments were somewhat left-wing, including Britain's, where Labour was still in power and hoping against hope that, as the Foreign Secretary said, 'Left can get on with Left.' In both France and Italy, the communist parties were strong enough to aspire to power through elections. It was only the Berlin Blockade of 1948 that scared Western European countries into the arms of the US and enabled the North Atlantic Treaty to be concluded in 1949. The Marshall Plan, from 1948, with its firm insistence that

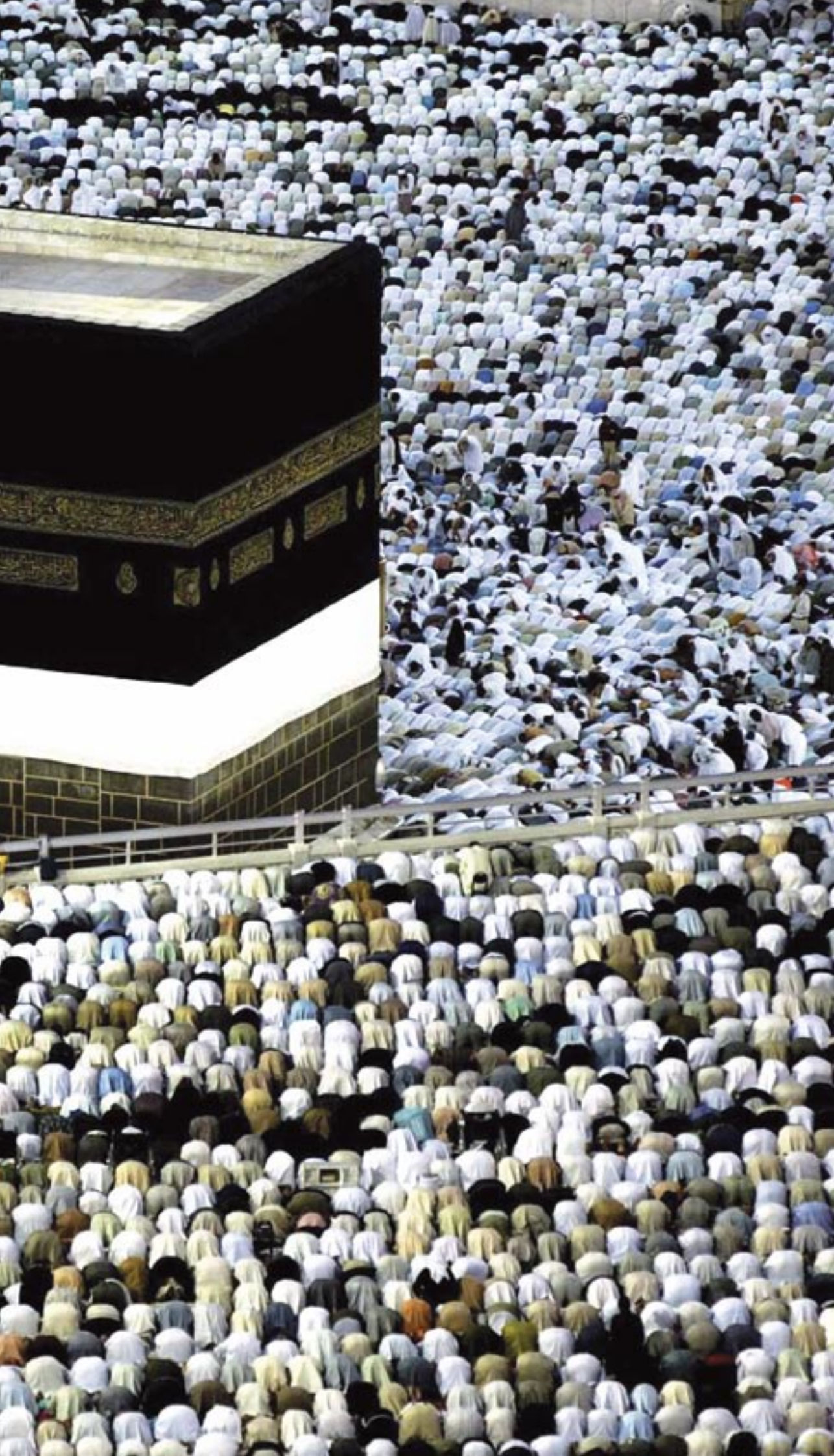
the economic reconstruction of Europe should be on a regional basis, had already begun to nudge the whole system towards multilateralism. But until the collapse of the Soviet Union in 1992, 'Europe' had to be equated with 'Western Europe'. This is no longer the case—in time, the EU could conceivably stretch to Vladivostok.

The economic success of the EU, rather than the steady expansion eastward of NATO, may have been the factor most likely to account for the interest of the rest of the world in security communities. Neither organisation aspired to that status in its early years. NATO was originally just a balance-of-power alliance; it mutated into a military coalition after 1951, when, as people said at the time, the Korean War 'put teeth into NATO'. And the original definition of what became the EU was just 'the Common Market'. So one lesson of the European movement for the rest of the world is basically that apparently quite unambitious international projects can grow if there's some kind of imaginative understanding behind them, as there certainly was in the European case. Jean Monnet and the others who pushed the project had been thinking about it since after World War I, so the idea has taken the best part of a century to get to where it is now.

The driving force of those policy makers who put the whole European enterprise on track so rapidly between 1946 and 1951 was, however, a sense of urgency or even of desperation. Fortunately or not, the Asia–Pacific region lacks such a spur to action. But five great powers of the potential future central balance (the US, China, India, Japan and Russia) have strong interests in the region—interests which may well clash, even at a level threatening war. And the region contains four nuclear powers (China, India, Pakistan and Russia) and an erratic possible fifth, North Korea.

... every middle or minor power in the region ought to be interested in a security community.

These circumstances alone seem to me to indicate that every middle or minor power in the region ought to be interested in a security community. The problem will be, of course, convincing the great powers, so we must look to the prospective relations between them for the factors of change.



THE COMPANY OF GIANTS

The term ‘company of giants’ is intended to stress the chief attribute which all the future members of a recreated central multilateral balance will have in common: their sheer size—demographic, and in many cases economic (see the UN estimates of demographic changes to the end of the twenty-first century from page 5).

The brilliant little society of city-states of ancient Greece was made up of polities hardly larger than medium-sized modern towns, as was the society of Italian city-states in the Renaissance period. Even the early modern society of nation-states in Europe after the Treaty of Westphalia in 1648 mostly had populations only the size of what today would be classed as middle powers, like Australia. The emerging set of polities for the next central balance range from ‘super-size’ (China and India at more than a billion each), to those at several hundred million (the US at about 400 million, the EU at maybe 500 million or more, depending on recruitment), with Nigeria, Indonesia, Pakistan and Brazil in the next league. At the lower end of the scale, with a mere 100 million or so, are Russia, Japan, Mexico and others. This would mean a central balance of power, or alternatively a concert of powers, running to twelve or so members, rather like the eighteenth century.

I fully concede that, in the past, mere numbers have never been decisive in establishing either military or economic clout. The difference now is that societies of more than 100 million are equipped for the first time in their histories with modern technologies and modern expectations of the standard of living their peoples could and should aspire to. This is a very formidable proposition indeed, when you think about the demand for water, oil, land and many other assets. So: a company not only of giants but of needy giants. The struggle in the 1930s between what were then called the ‘haves’ and the

'have nots' may, by the 2030s, seem only a miniature forerunner of a similar struggle between giants for what a century before was called 'a place in the sun'.

Yet another inscrutable factor in global affairs involves more than a billion people: Islam. Though it is neither a sovereignty, nor even a polity like the EU (its nearest approach to a formal collective, the Organization of the Islamic Conference, doesn't appear to be very cohesive), it's certainly a potent enigma, and the central preoccupation of the society of states since 9/11. That preoccupation is likely to remain central until the jihadist threat has been reduced to a level at which it can be dealt with routinely by domestic police and intelligence services, which might take twenty years or more. In the meantime, consider Bangladesh, called a 'basket case' at the time of its emergence in 1971 and apparently endowed with little more than 150 million mostly very poor people. Would anyone these days dare to say that a Muslim country, with a rising rate of militancy, few of whose very many young men have jobs or prospects, has no means of making an impact on far richer societies, including those in the West?

Neither the notion of a balance of power nor that of a concert of powers has had 'good press' either in the US or the Third World, though perhaps this is changing now, at least in Washington. In January 2005, George Bush spoke in his second inaugural address of his hopes for what he called 'a balance of power favourable to freedom', which conceivably might mean a concert of powers backing the US drive for democratisation. But the phrase is still connected in many people's minds with the European diplomacy of the nineteenth century, which undoubtedly facilitated the colonial expansion of the great powers of the time, particularly Britain and France, so it will probably be avoided.

Moreover, there are probably still many people who would say that the UN was founded in 1945 to save the society of states from that kind of outmoded thinking. But this is actually a misapprehension. The UN Charter, though carefully avoiding the name, in fact created in the Security Council (with its five permanent members each endowed with a veto) a theoretical concert of powers far more legally privileged than the old five-power concert of the nineteenth century. It's difficult to resist the conclusion that, despite their good intentions, the framers of the Charter got the worst of both worlds: a concert of powers which couldn't work because of the Cold War, but which was able to block any change in its own membership. That's why the Security Council in 2005 still embodies the power balance of 1945. When a group of states manages to acquire so useful a diplomatic asset and status symbol as the veto, they aren't readily going to give it up or share it with others. Thus, newly emerging powers like India and recreated ones like Germany and Japan are still denied membership of the exclusive club of permanent members. The current proposals for reform of the UN (United Nations 2004) include the addition of six newcomers, without veto. This would certainly begin to transform the Security Council into a more realistic concert of contemporary powers, but the veto could still block action.

There's a much easier way around the current impasse, assuming it's likely to last for some time: the informal organisations of the major powers could expand. For example, the original G7 became the G8 in 1998 with the addition of Russia (mostly for political rather than economic reasons). In 2004, the group invited China to join, as was certainly overdue. It could become the G14 any time its members decide to issue the invitations. The appropriate five next countries would be India (for every reason), Brazil (to represent Latin America), Nigeria (to represent Africa), Indonesia (to represent Islamic societies in general) and maybe Egypt (because the Arab world is so much the centre of current anxieties). If

the group should ever grow to be the G20, Australia could make a case for membership on economic and diplomatic grounds, though not on demographic ones. The Canadian Prime Minister, Paul Martin, suggested an expansion of this sort in 2004, but envisaged it as a meeting of finance ministers. That might well be a useful prelude to moving it later to the level of the chief decision makers, prime ministers and presidents.

At the moment, the economic affairs of the society of states seem reasonably on track for stability and progress. The political, diplomatic and strategic relationships between the powers, on the other hand, give ample cause for alarm and despondency.

Arguing that the way forward in the next few years may be through the informal organisations of the society of states, rather than the Security Council, doesn't mean that I regard the UN as irrelevant. On the contrary, I think that its future role may be more important than any in the past; indeed, it might emerge as the stage on which the drama of creating an anti-hegemonial alliance could be played out. The moment in March 2003 when the proposed resolution legitimating war with Iraq had to be withdrawn, not just because the French were bound to veto it, but because it might have failed by a simple majority, was the nearest the society of states has come so far to a determined and widespread anti-hegemonial mood. What it demonstrated was that even the governments of minor powers, who had previously been regarded as mere clients of the US, could be moved to refuse support if they were sufficiently doubtful about some item of US strategy. Kofi Annan has said that the UN is approaching 'a fork in the road'. It could be a more radical change of direction than most people expect.

Returning to the contemporary and near-term world, however, one must concede that the US is likely to retain much of its present power advantage. Despite the costs of the Iraq War, the deficits on current account and in the budget, and the fall in the dollar, the economic basis of US strength remains solid. The growth rate has recently been around 4%, the population and productivity are still rising, the unemployment rate is fairly low, and science and technology remain at the cutting edge. The US spends more on military goods and services than the rest of the powers combined. But the armed forces are certainly under strain in Iraq, and there have been a few hints of 'Vietnam syndrome' setting in among them. The troops have learned the hard way that high-tech weaponry doesn't provide a conclusive answer to the problems presented by such low-tech devices as the 'IEDs' (improvised explosive devices) and other modes of urban guerrilla warfare used by the insurgents.

There has also been some downgrading of a traditional strategic asset of the US: its geographical position, with wide oceans to east and west, and no militarily competitive power to the north or south. Until 9/11, it was difficult to imagine the US being 'hit where it lives' by anything other than a rival superpower in all-out war. But technological changes in weaponry and the advent of asymmetric war have obviously eroded that asset. Quite a small group, without a major power behind them and without weapons of mass destruction, proved capable of inflicting death and damage on a horrendous scale. The true loss to US ascendancy is, however, neither military nor economic: it's diplomatic, and while it's partly self-inflicted it mostly arises from unstoppable changes in the international landscape. Power is being redistributed all the time because of economic, demographic and technological changes beyond the control of even the most Machiavellian policy maker in Washington.



COMPARATIVE STRENGTHS

Though the emergence of China and India to their full respective strengths is likely to be the defining event (economic, political and diplomatic) of this century, Europe is, in 2005, to my mind still second in the hierarchy of power to the US, despite the continued reluctance of the European powers to spend much on military goods and services. Europe's influence, though largely based in economic success, operates by seduction rather than coercion. The lure of largesse from Brussels, and potential long-term prosperity in a larger market, are no doubt factors that have attracted many of the new members of the EU and established a permanent queue of applicants at its door. But its sources of appeal are also political (a group of stable democracies) and even moral (an area of peace whose peoples have sworn off war, though only after centuries of practising it). For many people, Europe's social and cultural norms have a greater attraction than those of the US. Even the relative secularism of Europe (perhaps one might go as far as to say that humanism is now its dominant ethos) has its advantages in a world that sometimes seems to be in danger of destruction by a conflict between two aggressive fundamentalisms.

Europe's influence, though largely based in economic success, operates by seduction rather than coercion.

Europe didn't always look that way, however. In its earliest years, both some of its 'true believers' and some of its critics saw the European movement as aiming at the revival of Charlemagne's ninth century empire of medieval Christendom. British politicians, both Labour and

Conservative, were rather given to talking of 'little Catholic Europe' or even muttering darkly of a 'Vatican plot'. Hugh Gaitskell, who just before his untimely death was expected to be Labour's 'white hope' for the future, once famously dismissed the notion of Britain joining the Common Market, saying 'For us, the open seas and a thousand years of history.' Other counsels prevailed, of course, but Tony Blair's policies remain far more Atlanticist and indeed globalist than those of Chirac. With the expansion of the EU, the centre of gravity of the European movement has shifted eastward and southward, and France and Germany aren't as dominant in their policy making as they used to be, though they might recover their grip if the link with the US were ever broken. Formally, of course, that link is through NATO and not the EU, but the two have both been essential to the European success story and both originated in the post-war years, as much from Washington pressures as from European initiatives. In an embryonic way, the two groupings seem very recently to be becoming rivals, with different meanings for the future orientation of Europe.

In the next few years, the EU will face hurdles more difficult than any it has surmounted in the past: what to do about Turkey, and what to do about Russia. The difficulty about Turkey isn't so much Islam in itself, but that Turkey is a very large country that still has a high birthrate. In a few decades its population could be about 100 million, which would make it the largest society in the EU. It's also a very poor country, so its citizens would have even more opportunity and incentive than previously to migrate to other EU countries. The present Turkish diaspora in Europe isn't universally welcome. However, the smaller Muslim countries in Europe, like Albania and Bosnia (and Kosovo, if it succeeds in detaching itself from Serbia) could probably be absorbed without difficulty. The US has been pressing for the admission of Turkey, but that doesn't always redound to the benefit of the Turkish case with the Europeans. The EU strategy so far has been to delay the issue, but there's more in that than simple procrastination. Turkey may have another option that could, in time, have more appeal for its people than Europe. Since the Soviet Union fell apart, the ethnically and linguistically mostly Turkic countries of Central Asia have become a new focus of strategic and economic interest in world politics. Though poor and underdeveloped, some of them are rich in oil and gas which could profitably be piped to Western Europe through Turkish pipelines. And though Turkey may not be politically or sociologically advanced by the demanding standards of the EU, in comparison to Uzbekistan it's a shining beacon of progress. So if Turkey could come to see its true historic destiny in that eastward direction, it might play a more valuable role than in Europe. And undoubtedly that would come as a relief to many Europeans, who insist that it's neither in Europe nor of European culture.

The difficulty about Turkey isn't so much Islam in itself, but that Turkey is a very large country that still has a high birthrate.

The other possibility, the recruitment of Russia, certainly doesn't suffer from that last objection. Tolstoy and Chekhov are among the stars of European culture, right up there with Shakespeare and Mozart. Even de Gaulle used to muse at times about the possibility of 'Europe to the Urals' (meaning Russia without its eastern territories) becoming formally part of Europe, as culturally it has been since Peter the Great's time. The Soviet Union, with its

250 million people, could certainly never have fitted into the EU, even if it had not been 'the enemy'. But Russia, even with its present eastern territories, is trending down to 100 million people and, according to UN demographers, even lower. As de Gaulle certainly had in mind, its recruitment to the European camp would absolutely transform the strategic balance between the US and Europe. These days it would also have great economic logic as well. The political complexities of the issue still loom large, however.

Now let's consider the new entrants to the future central balance. Many analysts would be inclined to put China rather than Europe second to the US in the hierarchy of power. Certainly its economic growth rate makes that of the EU look puny, and it appears far more determined than Europe to improve its military capacity. So, by 2025, it will almost certainly outdo the EU in 'hard power'. According to the 3 January 2005 issue of the *Australian Financial Review*, China at the beginning of 2005 was the world's largest consumer of iron ore, steel, copper, coal and cement. It attracted more direct foreign investment than any other country. Just about every garment and pair of shoes in downmarket department stores worldwide appeared to have been made in China, and with the lifting of textile quotas its dominance could become total. It also produced 40% of all personal computers globally, half of all digital cameras, and 60% of microwaves, photocopiers and DVD players.

China is second only to the US as the world's largest oil consumer, importing about half of its daily oil requirements, mostly from the Middle East. Though its people are only just beginning to aspire to car ownership, the rising Chinese demand for oil is already affecting world oil prices. Some entrepreneurs have been speculating that, given its very low labour costs and the advantage of being able from the first to use the most modern technologies, it might be able some day to undercut every other vehicle producer in the world. The official aspiration is to be in the top six.

Spectacular as China's economic successes have been, they aren't the only reason for a widespread assumption that it's the natural (almost inevitable) hegemon of East Asia.

Spectacular as China's economic successes have been, they aren't the only reason for a widespread assumption that it's the natural (almost inevitable) hegemon of East Asia. The US may go away sometime; China won't. The enormous weight of Chinese history plays a part in that feeling. Up to the 1840s it had been, obviously, the superpower of its own world, with smaller local kingdoms playing a tributary role and the Western barbarians only beginning to impinge on the Imperial consciousness. The subsequent century of invasion, defeat, humiliation and civil war was reason enough for the initial success of Maoism. As Mao said, China had stood up. Now it's on the road to superpower status, on a global rather than regional scale.

But China isn't the only superpower emerging in Asia. There's also India, and though its economic success began more than ten years later, and hasn't yet progressed as far, India has some political and diplomatic advantages that China lacks. It has managed to maintain a genuine democracy for almost the whole time since its sovereignty was restored, and has a very lively, free-speaking political class which eases its relations with the Western powers.

Its educated classes still speak English, which is why it has taken over so many IT functions for the West. More important still, it has no built-in basis for rivalry with the US, but rather the reverse: a built-in congruity of interest. Washington is certain, for the foreseeable future, to want to be the paramount power in the Pacific, and for some decades at least, a dominant power in East Asia. This implies an inescapable rivalry with China, but the Indian Ocean is a long way from any US territory and, until quite recently, the US Navy resisted extending its bailiwick there. That changed with the 1990 invasion of Kuwait, of course, and the Persian Gulf will be a constant focus of US attention until Americans are less dependent on Middle East oil. That time might not be as far off as has been assumed, considering new sources of supply and changing technologies. Both China and India might be more dependent on the Persian Gulf in 2025 than either the US or the EU. India might in time appear the natural ally of the US in 'containing' Chinese power. As recently as 1962, China and India were at war in the high Himalayas. China holds a large swathe of territory that India regards as Indian, and there were until recently skirmishes among the glaciers.

Japan is in an even more complex position than India in relation to the rise and rise of Chinese economic and military power. Although China is now its largest trading partner, Tokyo can't ignore the fact that Chinese medium-range missiles could reach Japanese cities. It knows also that China still has many well-justified grudges, dating from the Japanese depredations in China in the 1930s. China protests regularly when Japanese prime ministers visit the Yakusuni shrine for fallen warriors, many of whom the Chinese view as war criminals from that period. Japan's main security reliance is still the US nuclear umbrella, but its strategists know that the US may eventually face a choice between war with a by then far more heavily nuclear-armed China, or withdrawing its forces to a line that extends only about as far as Guam. President Nixon's Guam Doctrine of 1969 is still remembered all over the Pacific. It was evoked by war-weariness in the US because of the Vietnam War, but there would be a far more powerful logic behind a new version of that doctrine if the alternative were all-out war with China.

Russia is also a potential player in East Asian diplomacy and strategy. Since the advent of President Putin, it has become a far more formidable power than it was in the chaotic years of Boris Yeltsin, just after the Soviet collapse. Putin appears to be a tough-minded Russian nationalist, considerably more authoritarian than either Gorbachev or Yeltsin. His popularity in Russia despite several crises (the *Kursk* tragedy, the Moscow theatre hostage deaths and the Beslan atrocity) stems not only from his tough line on Chechnya, but from the economic improvements in the lives of most (but not all) Russians since he came to power. Real national income has grown recently by about 7% per year, and sometimes much more (17% in 2002–03; Shleifer and Treisman 2004). The rise in the price of oil and gas, exported mostly to Western Europe, accounts for much of that economic gain. Western investors may be worried by Putin's hounding of the 'oligarchs', but most Russians are probably glad to see them in jail or in exile, since these are men who made billions for themselves while Russia was in great confusion and distress.

Strategically speaking, Russia is still second only to the US in nuclear-strike capacity, and it has the widest diplomatic options of any of the powers. If it were to conclude a 'strategic partnership' with China, as the Chinese have long been urging, that would more or less restore a bipolar balance of power overnight. If it were to make an alliance with the EU, Europe's strategic standing vis-à-vis the US would be transformed. Russia still has a close relationship with India: if hostilities should develop again between India and China, Russian

backing could determine the outcome. Even with the US, it has a common interest against China. The obvious direction for Chinese expansion is the vast area of Siberia and the Far East, which is almost depopulated on the Russian side but home to many millions on the Chinese side. And those are territories which the old Czarist Empire won from the old Chinese Empire in a series of 'unequal treaties' up to the late nineteenth century. Lenin and his successors in the Soviet period decided to hang on to them: Lenin used to say 'Vladivostok is far, but it is ours.' China complained a good deal about the old treaties during the 1960s and 1970s when it was quarrelling with Moscow. It has played down the old grievances lately, but they might be back on the agenda as its military and diplomatic clout grows. UN demographers estimate that Russia's population will be down to 80 million by the end of this century, while China's will remain over a billion.

... Russia is still second only to the US in nuclear-strike capacity ...

In time, the less powerful, though in some cases still very large, societies of South and Southeast Asia seem likely to play crucial roles in both the future global balance of power and the possible security community in Asia. Pakistan has already shown its strategic clout in the US campaign in Afghanistan. Vietnam, ironically enough, might be a very useful US ally if push should ever come to shove in relations with China. As recently as 1979, China and Vietnam were at war and, earlier in its history, Vietnam had a thousand-year record of resistance to Chinese pressure. Burma (Myanmar) is already somewhat a bone of contention between China and India, which is suspicious of China's intentions in the Bay of Bengal.

Australia is on good terms with almost all the countries of the region. In the final chapter I consider how that fortunate status can be parlayed into nudging the neighbourhood in the direction of a security community.



CONCERT OR BALANCE?

The arrival of new great powers in the magic circle of those already established has historically tended to be a dangerous process, engendering hegemonial wars. The obvious recent examples are Germany in the late nineteenth century and Japan in the early twentieth century. Both World War I and World War II can be seen as ‘collateral damage’ from those great shifts in the tectonic plates of the geostrategic system. If a mere two, merely great, powers’ arrivals can do that to the society of states, what should we apprehend from the arrivals of two superpowers and several great powers? Thankfully, we shouldn’t assume that the future will replicate the past, or that Asian powers will necessarily behave like European ones. There’s time and capacity to learn from past disasters. As already noted, the world doesn’t have much experience of sovereignties of the prospective sizes of those now beginning to emerge. Nor, in the past 500 years, has it had much experience of Asian societies that are fully sovereign, run by competent, tough-minded, nationalistic governments, growing fast economically, putting on military muscle, and determined to gain their rightful places in the diplomatic sun.

So we really are moving into international terra incognita, and what follows must be regarded as particularly tentative; the more so as there is also loose in the international landscape a vengeful ghost of past Western errors—the jihadist threat. World politics might possibly be easier if there were an Arab equivalent of Brussels (a restored Caliphate?) to negotiate with, a symbol of some degree of consensus in at least that central element of the Muslim world. But there are six large Muslim countries of varying shades of opinion—Indonesia, Pakistan, Bangladesh, Turkey, Egypt and Iran—able to represent that world. Others—the Sudan, Palestine, Saudi Arabia, Algeria—are likely to keep its problems before the eyes of the international community. So, as far as Islam is concerned, there seems less danger in future of

Photo opposite: U.S. President George W. Bush leaves news conference.
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what was described in the September 11 Commission report as 'a failure of imagination' by the decision makers of the global system.

Despite being fully conscious of the risks of prophecy, I propose to argue that there's a reasonable likelihood that the powers at centre stage of world politics over the next twenty years will arrange themselves in either one or the other of the two traditional patterns: a balance of power, or a concert of powers. Of the two, it seems indisputable that the more advantageous to the peace, security and progress of the world (including Australia) would be a concert of powers. In a world in which at least eight governments, and maybe some non-state actors, might have nuclear weapons at their disposal, a multilateral balance would hold too many uncertainties and possibilities of miscalculation. The tensions of the Cold War period (based on a simpler bipolar balance) might be multiplied. Even though only two sets of decision makers—those in Washington and those in Moscow—were involved in most Cold War crises, and were mostly quite cautious, the world teetered on the brink of nuclear war at least twice, in 1962 and 1983. Besides, the cost of maintaining the bipolar military balance was ruinously expensive to one side, the Soviet Union, and diminished the chances of economic and social progress for the developing world for more than four decades.

A concert of powers doesn't eliminate the chances of war, but it diminishes and limits them, even if the tensions between the great powers remain continuously high.

A concert of powers doesn't eliminate the chances of war, but it diminishes and limits them, even if the tensions between the great powers remain continuously high. In the European concert period (1815–1914), tensions between Britain and France (mostly because of their rivalry in Africa) remained high until the Entente Cordiale in 1904. Likewise, tensions between Britain and Russia remained high (mostly because of the 'Great Game' in Afghanistan) until the Anglo–Russian Entente of 1907. But there were no hegemonial wars in the period, even though there were two great-power wars: the Crimean War (1853–56) and the Franco–Prussian War (1870–71). The longest, bitterest, most destructive war of that patch of history was the American Civil War, remote from the realm of the concert of nations.

In the ninety years (1914–2004) after the failure of the concert, there were three hegemonial wars: World Wars I and II and the Cold War. The jihadists' war, which like those three is about the order of power in the world and hence is essentially a hegemonial war, may perhaps be seen as the form of World War IV, but there's still time to prevent it attaining that status. The point I'm making by these comparisons is that, although the two formal international organisations of the twentieth century (the League and the UN) were presented quite sincerely by their founders as improvements on the old informal system and did good work in many fields, the prevention of hegemonial war does not, on the historical comparison, seem to have been as successful as during the 'concert' period. No hegemonial war, as against three and a possible fourth, is a convincing disparity.

The old system was based not on law but on norms, conventions, protocol and a sense of common interest in what was then called 'the repose of Europe', but which in modern times would have to be seen as the security of the world. Winston Churchill, who was established

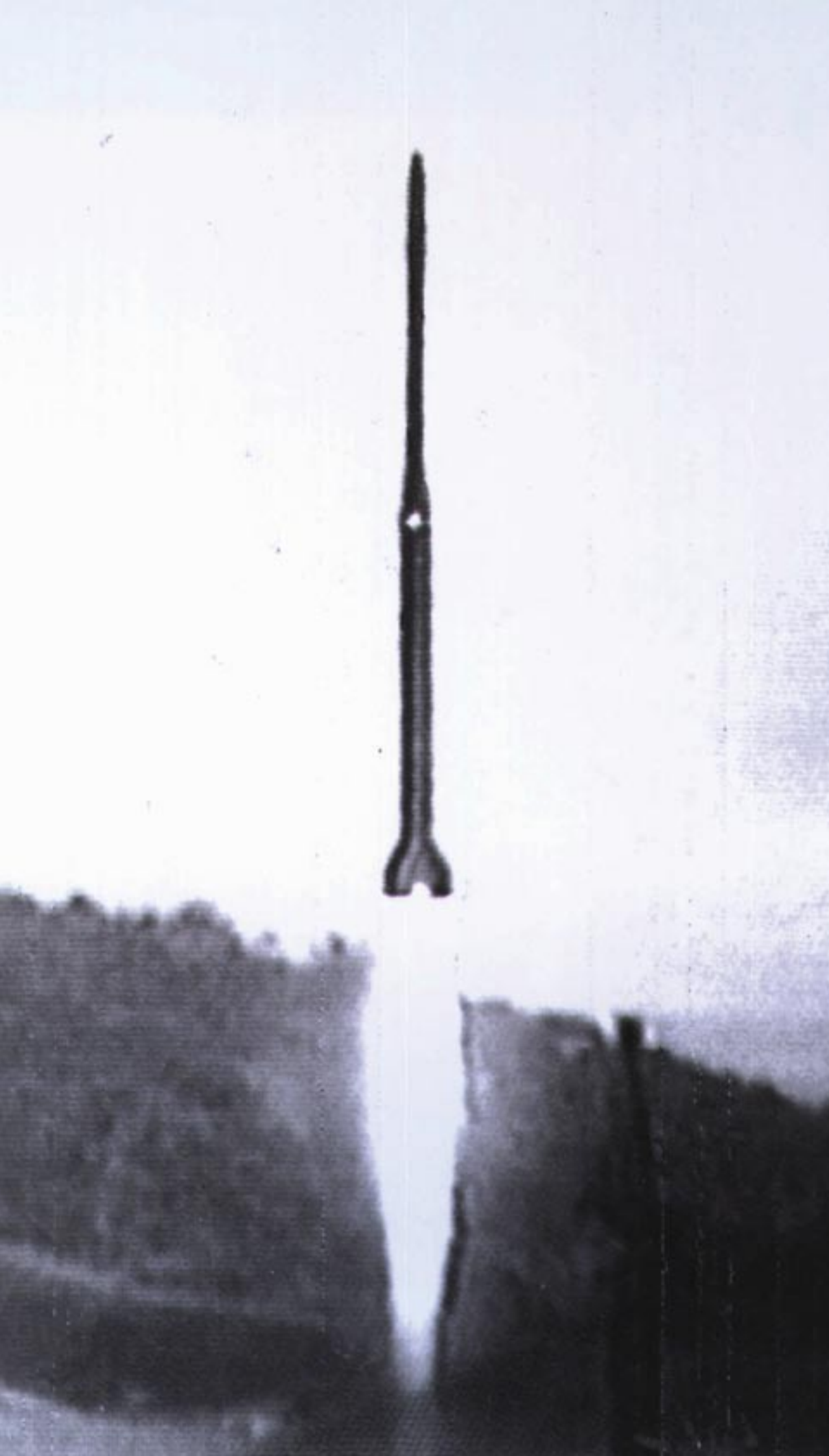
in the corridors of power in London early enough to have seen the last years of the old system from the inside, has a nostalgic description of how it worked (Churchill 1923):

The world on the verge of its catastrophe was very brilliant... lapped in the accumulated treasures of the long peace. The two mighty European systems faced each other, glittering and clanking in their panoply, but with a tranquil gaze. A polite, discreet, pacific, and on the whole sincere diplomacy spread its web of connections over both. A sentence in a despatch, an observation by an ambassador, a cryptic phrase in a Parliament, seemed sufficient to adjust from day to day the balance of the prodigious structure. Words counted, and even whispers. A nod could be made to tell.

Of course, as Churchill says, that world was on the eve of its catastrophe, but it had managed the society of states and its many crises for ninety-nine years without a hegemonial war. The modern society of states might, with luck, aspire to do as well. The crucial policy makers will of course be those in Washington, and (also of course) they'll want any concert to operate on their terms. But, as the redistribution of power proceeds internationally in the next two or three decades (which as I have noted is an unstoppable process, and one that may well gain momentum), the necessity for negotiating those terms will become more pressing. Even those first-term policy makers still ensconced in the Pentagon in the second George W. Bush term have obviously noticed that it's better to have a considerable array of allies to share the burdens with you during episodes like the Iraq campaign. In early 2005, Iraq was costing the US budget about 100 billion dollars a year, and stretching US troops so thin as to constrain Washington's choices about Iran and North Korea. Over the long haul, even the paramount power in a society of states finds a concert of powers far more advantageous than a balance of power, if only because a balance of power is far more readily converted into an anti-hegemonial alliance. Such an alliance against it would be the most disadvantageous of possible future scenarios for the US, and there have been signals in the second Bush term that his policy makers have become conscious of that possibility.

Right-wing American nationalists will undoubtedly interpret any sign of more assiduous consultation between Washington and other central balance powers as Gulliver allowing himself to be tied down by the Lilliputians again. But even they will be bound to notice in time that the other members of the central balance are by no means pygmy-sized any more, even if their military technology isn't quite up to the US standard. Russia still has a powerful nuclear-strike capacity, and the fact that it's badly maintained makes it in some ways more alarming. If even a small, oppressed society like North Korea, whose citizens do not always even get enough to eat, can assemble missile and nuclear programs (not to mention a very large conventional army) formidable enough to worry vital US allies like Japan and South Korea, then societies like China and India and the EU, if sufficiently alienated, can resolve to enter the Gulliver class themselves, militarily speaking. In the earliest days of the Chinese nuclear program, when China was still bitterly poor, Mao said that China must have nuclear weapons even if its citizens 'had to eat grass'. None of the relevant powers would have to face that choice these days.

The spectre of an anti-hegemonial alliance, which hovered briefly in the corridors of the UN in March 2003, has vanished into thin air since the beginning of the second Bush term. The change has been more a matter of style—Washington international style—than substance. But in that diplomatic world, style *is* substance. All that Washington has to do to reconcile its fellow giants of the central balance, and prospective giants, to its own paramouncy is to administer the unipolar world *as if it were* a concert of powers, and it will become one.



Chapter 7

FRICTION POINTS

The primary point of international friction for the rest of the Bush second term seems likely to be the 'counter-proliferation' policy being pursued by the Administration, with Iran and North Korea its chief targets. Ever since 9/11, the policy makers in Washington have been haunted by the thought that if the jihadists had managed to acquire a nuclear weapon, as they had certainly sought to do, the number of dead might have been more like 300,000 than 3,000 and much of Manhattan might have been radioactive for years. As long as that thought remains in US minds, neither the present group in Washington nor its successor in 2009 is likely to abandon the ambition to persuade the current targets (and possibly others) to relinquish plans for nuclear strike capacity. So the real question is how far Washington is prepared to go in its efforts vis-à-vis Iran and North Korea.

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On present evidence, it appears unlikely that Bush will go as far as full-scale military action on the Iraq model. An effort at an Osirak-style strike seems a bit more likely for Iran, despite reports that the Iranian production facilities are widely dispersed and hidden underground. But the consciousness that the Iranians could make life in Iraq even more difficult, and that another strike at a Muslim country would vitiate efforts to get on better terms with the world of Islam, should deter that course of action. As far as North Korea is concerned, a very

Photo opposite: Launch of a North Korean Taepo-Dong-1 Missile, August 1998. AP via AAP
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effective deterrent to US military action exists in Pyongyang's large conventional forces, poised within artillery range of Seoul. Besides, there have been indications that Western intelligence services believe that there's an element of bluff in North Korea's claims for nuclear status. So, in both the Iran case and the North Korea case, further diplomatic effort, through the EU group for Iran and through the six-power group for North Korea, seems the likeliest option, as well as the best. Both efforts might well be seen as signals of a US return to multilateralism in the second Bush term, a message also loudly proclaimed in his 2005 travels abroad.

A much more long-established friction point, and a preoccupation of Canberra policy makers for more than fifty years, is that over the status of Taiwan. The issue first emerged in 1950, in the early weeks of the Korean War, when the island was still officially called the Republic of China and its status was regarded simply as unfinished business from the Chinese civil war. With the change of name to Taiwan, the issue has become a clash of two nationalisms: Chinese and Taiwanese. Are the citizens of that island entitled to separate themselves from the mainland and seek more than de facto autonomy (which they already have, along with a substantial measure of prosperity), or is the society of states bound to accept China's claim that the island is merely a dissident province, which it's entitled to regain, by force if necessary? There's no international consensus on that point, but the issue has been prevented from coming to blows over the years by an adroit exercise of diplomatic ambiguity, crafted mostly by Henry Kissinger in the Shanghai Communiqué of 1972.

The diplomatic ambiguity appeared to have been almost discarded in the early months of the first George W. Bush Administration, when the US and China often seemed close to a collision. Bush supplied Taiwan lavishly with advanced weaponry and declared, in April 2001, that the US would do 'whatever it takes to help Taiwan defend itself'. An American spy-plane was forced down on the Chinese island of Hainan, and the Chinese military detained the plane and its crew for some days.

... China was and remains the only country really able to put pressure on Pyongyang to renounce its ambitions for nuclear strike capacity.

The atmosphere changed dramatically after September 2001: the last thing Washington wanted as its forces went into Afghanistan, and policy makers began pressing for the invasion of Iraq, was to be distracted by a crisis in Northeast Asia. Moreover, as the 'counter-proliferation' campaign proceeded, and North Korea became one of its principal targets, it became clear to Washington that China was and remains the only country really able to put pressure on Pyongyang to renounce its ambitions for nuclear strike capacity. As long as that campaign remains the priority, Taiwan's drive for sovereignty will remain on the backburner. The US national interests bound up with the counter-proliferation drive include not only its own homeland security, but the futures of Japan and South Korea, either of which could themselves develop nuclear weapons if it felt itself more vulnerable to North Korean attack. China and Russia, whose territories would be affected by fallout if there were ever a nuclear exchange in the area, also have a major interest in the issue.

Relations between China, India and Pakistan have been another long-term focus of Australian anxieties. Nationalism among the newly emerging great powers of Asia may be as much a source of friction with other countries, large or small, in the early decades of this century as Japanese and German nationalism were in the early decades of the twentieth. The Russo–Japanese War of 1905 was the first Asian demonstration in modern times that Asian capacity to make war was fully as formidable as that of the Western powers. The conflict over Kashmir remains unsettled, as does the issue of the territories that China won from India in their 1962 war in the Himalayas. These days, Japan is no longer the pacifist power it was in the early decades after World War II. Its Self-Defense Forces are still constitutionally precluded from combat, except in that role, but Japan's defence budget is now the third largest in the world, and frictions with its Chinese neighbour have been growing. By 2005, a new element seemed to be entering US policy making on Taiwan: an enhanced consciousness of China's growing power, and what it might eventually mean for the US bridgeheads in East Asia, including Taiwan. An EU desire to lift a long-term embargo on sales of advanced weaponry to China was the main cause of friction between Bush and his hosts in his initial European visit after his re-election. That issue is still in play.

All in all, there are certainly enough tensions and frictions in Asia to make it a much more probable locus of future global danger than most other regions of the world.



ALTERNATIVE SCENARIOS

Though I believe that the set of possibilities outlined previously represent the most likely international contexts in which Australia will have to make its policies, a set of alternative hypotheses deserves to be considered in passing. The chance of ‘radical surprise’, the advent of the unforeseen, should never be underrated as an element in world politics, least of all in this phase of history, which for the past twenty years has been dominated by two events, neither of which was anticipated by even the most well-informed of national decision makers at the time. These events were, of course, the collapse of the Soviet Union in 1991 and the attacks of September 2001. Together they have more or less created the current diplomatic environment, but both would have been dismissed by most experts as wildly improbable almost up to the time of their occurrence. So it’s worth considering a few other scenarios that could conceivably present dilemmas to future policy makers.

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A very dramatic ‘worst case’ scenario, contemplated in a Pentagon paper of October 2003 (Schwartz and Randall 2003), is based on what’s called the ‘thermohaline conveyor’ theory, holding in effect that the global warming currently melting the glaciers may speed up, melting the Greenland ice-shield and parts of the Arctic and Antarctic icecaps. The resulting infusion of very cold fresh water into the sea would not only raise sea levels dramatically, but might change the global

oceanic currents on which the climate of the whole world depends. There would come a 'tipping point' (perhaps as early as 2010) when this process would produce not further warming but a sudden and severe onset of a much colder and drier climate, rather like the 'Little Ice Age' in Europe between the fourteenth and nineteenth centuries. One major result would be 'mega-droughts', affecting all the great food-producing areas of the world. So, in effect, the earth would suddenly become unable to support its present population. Mass starvation and vast migrations of people from the worst affected areas to those slightly more fortunate (including Australia) would follow. Any coherent form of international organisation would become impossible. Though this scenario seems to me more useful for providing plots of disaster movies than providing guidance for policy makers, it indicates some understanding in the Pentagon of the enormous potential security implications of serious environmental disasters, even when they come in less dramatic forms. That's rather reassuring, and (like the 2004 tsunami) also hints at the desirability of taking the needs of disaster relief into consideration in armed forces budgets and training.

An economic disaster, rather than an environmental one, is probably a more likely reason for the derailing of current diplomatic prospects.

An economic disaster, rather than an environmental one, is probably a more likely reason for the derailing of current diplomatic prospects. The world economy often looks like a house of cards, waiting to be blown over by the winds of change. And there's a haunting memory of the past. Around 1925, the great post World War I boom had settled in, apparently for good—or so it was widely believed, especially in the US. Moreover, the possibility of war seemed under control through the League of Nations. A year later, just to make doubly sure, the powers (including the US) signed the Treaty of Locarno, which was supposed to banish war forever. But in 1929 came the great Wall Street crash, and then the great worldwide depression. By 1933, Hitler had come to power in Germany (demolishing what had seemed a promising democracy, the Weimar Republic) and the countdown to war was well under way.

The current world economy is probably a lot less fragile than that of the 1920s, but it runs on just two great engines of growth: the US economy and the Chinese economy. Australia, and most of the other countries of the region, are heavily dependent on the relations between the US and China, and that relationship is bound to have many ups and downs over the next thirty years. Governments and economic gurus seem to know a great deal more now than they did in the twenties about how to prevent a stock-market crash or a recession turning into a worldwide depression, but the whole global economic structure isn't necessarily immune from the sort of disasters the world has so often suffered in the past. The system would look more secure if the growth rates of the EU and Japan were healthier, and US deficits were under more control.

A much less dramatic scenario than either the ecological or the economic—the 'Anglosphere' hypothesis—has gained some currency since the Iraq War because the three countries that went into Iraq in March 2003 were all English-speaking, and because in the subsequent diplomatic arguments both Britain and Australia have adhered consistently

to the US position. Tony Blair's strong sense that it's especially up to Britain to ensure that the US isn't isolated, and that the trans-Atlantic bond is maintained, has been eloquently demonstrated in all his speeches.

Blair's view of what's called 'the special relationship' isn't new, but in the past it's been much stronger in Britain than in the US. It dates back, as far as Whitehall is concerned, more than a hundred years to an obscure little episode in 1895 called the 'Venezuela crisis'. To my mind, that crisis marks the moment when policy makers in the Foreign Office decided that Britain could no longer afford to be at odds with the US. The decision was taken at the time primarily from concern about the security of Canada, but has been disregarded only once in more than a century since then (over Suez in 1956). Its most vital influence bears on a point mentioned earlier: that the US, in its steady rise to hegemonial power since the end of the nineteenth century, has never met with an anti-hegemonial alliance directed against it. The convenor of past anti-hegemonial alliances in Europe has traditionally been Britain, but the UK foreign policy establishment decided back in 1895 that the traditional rule did not apply to the US. That decision certainly rested on what Churchill used to call 'the brotherhood of the English-speaking peoples', which is now known as 'Anglosphere' sentiment. So it has been of considerable importance in world diplomacy, and still is.

Despite this consistent history, the Europeans didn't expect so clear a distinction as emerged over Iraq between the British line of policy and that of France and Germany. But the US, Britain and Australia share not only a language but an intelligence-gathering system dating back to 1947 (called UKUSA), to which France or Germany are not parties. Intelligence assessments, some clearly erroneous, were at the heart of the official cases for the Iraq invasion. Moreover, Britain and Australia, much more even than Canada or New Zealand, share an extra strategic bond with the US dating back to 1941. When Churchill heard of the attack on Pearl Harbor, as he said in his memoirs, he went to bed and 'slept the sleep of the saved and thankful', because he knew that the war couldn't be lost now that the US was involved. Australia had an equal reason to be thankful, despite the six months of anxiety which followed. If the Japanese attack had been only on Singapore, the Pacific War might have gone hard for Australia.

... the basic proposition of a trans-Atlantic split still seems implausible, short of truly reckless policy making in Washington.

Some analysts have seen in the Anglosphere concept a faint echo of an old theory that used to be influential, especially in Germany: the notion of the world as divided between the 'rimlands' and the 'heartland' or 'earth island'. The heartland is the great central geographic mass of Eurasia, as against separate continents like the Americas and Australia and offshore islands like Britain. The theory was tied up with the notion of sea power versus land power. Oddly enough, the new strategic prominence of Central Asia (because of the Afghanistan campaign, and maybe in the longer term because of its oil and gas resources) also fits the theory. A sort of polity stretching all the way from the Atlantic coast of Portugal to the Pacific coast of Russia is by no means inconceivable now: all it would take is Russia's

admission to the EU. The Pentagon study cited earlier put that date at 2018. If one accepts the idea of the trans-Atlantic bond between Europe and the US being broken, and of Britain adhering strategically to the US rather than to the EU, the two notions of the 'rimlands' and the 'Anglosphere' do begin to coincide. Australia's strategic dependence would continue to be with the US, and Canada doesn't have much choice in the matter. The overall potential balance could make the old geostrategic arguments seem less fanciful, yet the basic proposition of a trans-Atlantic split still seems implausible, short of truly reckless policy making in Washington.

Finally, the two possible results of the Bush Administration's current 'democratisation' drive—success or failure—are worth bearing in mind. However much world opinion may have disapproved of the original US decision to invade Iraq, it must be conceded that the operation has thrown a large rock into the somewhat murky politics of the Arab world and that the shockwave has spread to its very edges, as in Libya. Qaddafi's renunciation of his nuclear weapons effort (which had advanced further than Western intelligence services had reported) has made him the 'poster boy' for the overall campaign. The small Gulf states seem to be moving towards modernisation of their political systems. The new Arab television networks (al-Jazeera and al-Arabia) are stirring up opinion. Even Saudi Arabia has been sufficiently pressured by US disapproval to have ventured at least on municipal elections (male voters only, of course). The Saudis' curbing of the sermons in radical mosques is more important, along with their pressure on Syria. The elections in Iraq and Palestine may inspire political activism elsewhere, including Egypt, where the president has raised the possibility of allowing opposition candidates. The peace process between Israel and the Palestinians seems to have a new lease of life, with the succession of the new Palestinian leadership. Syria has been pressured into removing its troops from Lebanon. If Israel can be persuaded to give up the Golan Heights and some of the West Bank settlements, new treaties may be possible.

All in all, one has to say that the outlook in the Arab world seems more set towards change than it has been for a long time, provided the prospects in Iraq improve in the next year or so, and the Western troops make their exit. The settlement Britain imposed on Iraq in the 1920s lasted about thirty years. If this US version can last as long, it may tide the world over a difficult transition or at least get us through the present phase of Islamic militancy without further disaster—but only if US policy remains cautious and all goes right. If all goes wrong, and the Islamic societies are further alienated, for instance by an invasion of Iran, the world may move closer to a 'war of civilisations'.

Australia in the World

Excerpt from the address by the Prime Minister, the Hon John Howard MP, to the Lowy Institute for International Policy, Sydney, Thursday 31 March 2005.

History will have no bigger stadium this century than the Pacific Rim. ... Asia is poised in coming decades to assume a weight in the world economy it last held more than five centuries ago. It is also home to eight of the world's ten largest armies and, after the Middle East, the world's three most volatile flashpoints—the Taiwan Strait, the Korean peninsula and Kashmir. ... Australia does not face a choice between our history and our geography, nor do we face a choice between multilateral institutions and alternative strategies to pursue our nation's interests. ... When we think about the future of Australia in the world, we inevitably think of a world where China will play a much larger role. ... Closer to home, the world's largest Muslim-majority nation is progressing through a democratic transition as profound as any we have witnessed in our lifetimes. ... Australia's focus is on practical outcomes of relations between countries rather than just forms and processes. ... In my view, this region can only fulfil its promise in the 21st century with an open and inclusive architecture. ... We have learned also that the old boundaries that shaped our thinking—between domestic and foreign policy; regionalism and globalism; realism and idealism—are fuzzier now.



AUSTRALIA'S WAY FORWARD

Canberra's policy makers will no doubt deal with future crises, as they do now, in the light of the estimates of the government of the time as to the Australian national interest and the prospects for international stability. But there are a few general principles that may remain as relevant in the next twenty years as they have been in the past.

The first is that the greatest world dangers and the most pressing demands on our ability to cope remain likely to come, just as they did in 1941, from conflicts between the great powers of the central balance, rather than from regional crises, however acute, or from the jihadists. A new Cold War, between the US and China, or between Japan and China, or between India and China, or between a Russia–China coalition and the US, with whatever allies it could recruit in Asia and the Pacific, would provide true nightmares. And there are plenty of tensions in the area that could precipitate such disasters. That's why I argue that a viable, workable concert of powers, including all the major governments of the future company of giants, remains more important to our long-term welfare than even a regional security community.

Luckily, our national interests aren't in conflict with those of any of our neighbours, and this is an asset in helping to nudge the multilateral process gently forward.

However, favourable local and regional outcomes are more in our power to promote, hopefully including ones which recruit the great powers of the region as well as middle and minor powers. Luckily, our

Photo opposite: Prime Minister of Japan Junichiro Koizumi and Australian Prime Minister John Howard, May 2002. AAP/Alan Porritt © 2002 AAP

national interests aren't in conflict with those of any of our neighbours, and this is an asset in helping to nudge the multilateral process gently forward. The most promising piece of potential security-community timber currently to hand is the ASEAN-plus grouping: the ten ASEAN members, plus the economic giants of the region (China, Japan and South Korea), plus, since 2004, Australia and New Zealand. Fifteen powers are more than either the EU (initially only six) or NATO (initially only ten) had at their beginnings half a century ago. So, despite the diversity of cultures and political systems represented, it seems a promising start.

Australia will have to play down a few national grudges, accept a few symbols we may not much like, and sometimes shut up...

According to some analysts, many of the relevant governments are already disposed to see multilateralism (Camilleri 2003) as the road ahead, diplomatically as well as economically, and because the one common threat on all their minds is the jihadists, a security-oriented approach seems the most judicious. Australia will have to play down a few national grudges, accept a few symbols we may not much like, and sometimes shut up when we would rather be outspoken (remember Keating's troubles over that ill-chosen word 'recalcitrant'). Prime Minister Howard's decision to send Australian troops as security for the Japanese engineers helping rebuild Iraq is a good example of the necessary sort of regional tact. Having Australia adhere to the ASEAN Treaty of Amity and Co-operation would be another. It may be only a symbolic gesture (like attending Susilo Bambang Yudhoyono's inauguration), but symbolic gestures are important in this type of long-term diplomatic building operation.

The most delicate and difficult part of the enterprise may be keeping it acceptable to the US. Accounts of a recent Washington meeting on regional structures in the Asia-Pacific report some of Bush's policy makers saying they 'don't want anything to happen without them being there'. Their colleagues on the Europe desks have recently grown more conscious that the EU, which the US has fostered but obviously can't join, might grow to be a rival to NATO in defining the future identity of Europe, and that Europe might not always be a complaisant trans-Atlantic ally. If we apply that reasoning to a potential Asia-Pacific Security and Economic Community that might grow even larger than the EU (and would, from the first, include both China and Japan, and recruit India), Washington's sensitivity about the prospect becomes instantly logical. If matters develop in that way, Australia might find itself playing the role in relations between the US and continental Asia that Britain has long played in relations between the US and continental Europe.

Back in 1965, towards the end of the Menzies period, Canberra was in a state of alarm about the alleged existence of a 'Beijing-Jakarta Axis', a revolutionary coalition between the Maoists in China and the Communist Party in Indonesia, who had a theory about 'new emerging forces' in international politics that were about to take over the world from the 'old established forces'. But then came the 1965 coup and counter-coup, and Indonesia was set on its present path.

Back in 1975, the government in Hanoi had just taken over the rest of Vietnam, and the so-called 'dominoes' in Southeast Asia were allegedly about to fall. But these days it's possible to see Vietnam as an eventual ally of the US.

Back in 1985, Reagan's 'Star Wars' dreams were thought of as likely to create a new and vastly more dangerous arms race between the US and Moscow. But, in reality, the Cold War was about to move towards its end only four years later.

Back in 1995, by contrast, the mood was euphoric, and people were talking about a 'peace dividend'. But an unexpected adversary was already planning its first blows, in an asymmetric war that may last a long time yet.

The moral of all this seems to be that, in Kipling's words, 'if hopes were dupes, fears may be liars'.

This essay was inspired in part by the conclusion of the September 11 Commission report, naming 'a failure of imagination' as the origin of the disaster. Its speculations have been intended to promote the avoidance of a similar danger for Australia.

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Acronyms and abbreviations

ANZUS	Australian, New Zealand and the United States
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ETA	Euskadi Ta Askatasuna
EU	European Union
G7	Group of Seven (United States, Canada, Germany, France, United Kingdom, Italy, Japan), now G8
G8	Group of Eight (United States, United Kingdom, Russia, Germany, France, Italy, Japan and Canada)
IED	improvised explosive devices
IRA	Irish Republican Army
NATO	North Atlantic Treaty Organisation
UN	United Nations
US(A)	United States (of America)

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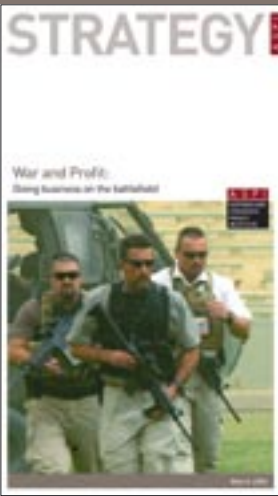
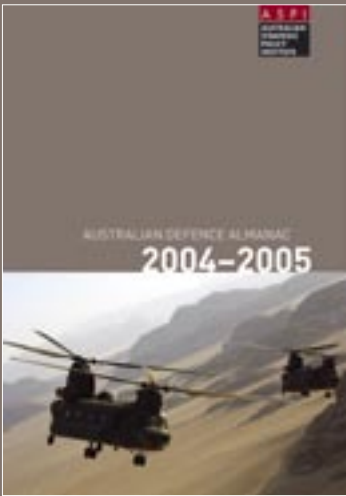


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Some previous ASPI publications



Living with giants: Finding Australia's place in a more complex world

This study looks at the prospective context of Australian foreign policy making over the next few decades. It sees the future international landscape as dominated by a company of giants, societies ranging in size from 100million plus up to a billion plus. Ten of the countries related to Australia's area of primary strategic concern will be in that category. Several of them, headed by China will be economic as well as demographic giants. The demand for resources of all sorts will therefore rise explosively. That could imply a world of conflict, but two diplomatic patterns are emerging which offer hope for restraining it below lethal levels.

Those international patterns are regional security communities and a global concert of powers. They would be complementary, and both would be advantageous to Australia. The prospects for the construction of regional security in the Asia-Pacific region are much more promising at present than they ever were in the past, for reasons which include the jihadists threat and the impacts of globalisation and environmental dangers of all sorts. The countries of the region, for the first time, face common dangers and dilemmas, which is the vital basis of a security community.

A case is also argued that unstoppable changes in the global distribution of power means that the current unipolar world is likely to mutate within the decades contemplated back into its more familiar multipolar form. That in turn would probably see the prospective company of giants organise itself into one or other of the two traditional patterns: a balance of power or a concert of powers. The possibility of an anti-hegemonial alliance is briefly raised, but arguments are adduced for maintaining that a concert system is both more likely and more advantageous for the world in general, including Australia and even the paramount power.

Since the element of radical surprise should never be discounted in international politics, five 'alternative scenarios' are presented, any of which could undermine the previous line of analysis. They offer an environmental disaster, an economic disaster, two alternative outcomes of the democratisation drive and the 'Anglosphere' or 'rimlands' hypothesis as possibilities. The points of possible future frictions are explored, and some tentative advice to policy makers is offered.