the emerging global order
AUSTRALIAN FOREIGN POLICY
IN THE 21ST CENTURY
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Executive summary

The international system is going through a period of profound change. This paper examines the nature and extent of this change and its implications for the international community. It argues that the forces now shaping the international system have the potential materially to transform the Western liberal order. This order had its origins in the European states system several hundred years ago, but has now expanded well beyond Europe to be of global reach. Since the end of the Second World War the norms, rules and institutions at the heart of Western liberalism have matured considerably and gained wider acceptance through strong American leadership of a diverse coalition of Western governments. Events over the coming decades may well serve to further consolidate the universal reach of Western liberalism, but this is far from assured. One way or the other, however, developments will certainly transform the ‘context for living globally’.

No member of the international community is likely to remain unaffected by the forces now sweeping the globe. Certainly Australia cannot expect to be untouched by them. Australia’s prosperity and security have long been dependent on the way it interacts with the international community and this will continue to be the case as the new century unfolds. To secure its future Australia will have to maintain an active internationalism focused on advancing its national interests in an unstable and insecure international environment largely indifferent to Australia’s policy priorities.
The forces likely to be of primary importance in shaping the future global order will play out over the long term but they are already visible. They can be seen in the fault-lines that now divide the international community. These fault-lines reflect clashes of powerful interests in international relations. They are places where key ideas or values contend and where debates and controversies are manifest. They evolve around five challenging issues: globalisation; American primacy; ideology; environmental sustainability; and the future of the nation-state. These issues contain within them a complex mosaic of stresses, forces and pressures that are already leading to widespread international change.

The geopolitical contours of change defy easy or simple characterisation, but some of the trends are unsettling. For the foreseeable future we are likely to be living in a 24/7 world in tumult and turmoil, one where the transforming power of globalisation is undiminished but attracting growing opposition, where America’s primacy persists, but is eroding, where ideologies and fanaticism divide communities, where the way we live, work and play puts the planet’s physical environment under stress and, finally, where states struggle to protect their sovereignty as they also create new structures of global governance.

The forces now reshaping the global order are having a significant impact on the character of at least three of international society’s most venerable institutions: war, international law and international organisation. Each is an elemental part of the Western liberal order and each is changing, offering prospects that are both reassuring and troubling. The international community’s attachment to war (and the use of military force) shows little sign of diminishing and its lethality is increasing. The nature of war, however, is changing, with signs that the use of military force in interstate conflicts is declining but likely to become more pronounced in intrastate conflicts. At the same time, the incidence of traditional forms of combat may decline as the incidence of asymmetrical warfare, particularly international terrorism, rises.

The salience of international law has risen as the liberal order has expanded but in an anarchical international system it has always struggled for authority and is now going through one of its periodic crises of confidence. This is especially evident in its capacity to influence the way states use force in international affairs. Ironically, however, driven by the relentless forces of globalisation, the domain of international law is expanding as new fields of law open up, new institutions such as the International Criminal Court emerge, and as more states adhere to some of its most fundamental principles.

By way of contrast, the future of international organisation is less certain as it confronts a troubling deficit of legitimacy, weakening both organisation and multilateralism as tools of foreign policy and undermining the institutionalism that is also a key element of Western liberalism. Again, somewhat ironically, this has come at a time when many of the issues on the international agenda demand cooperative multilateral action (countering international terrorism, for example) if they are to be managed successfully. Institutional reform is needed both within the United Nations and beyond. For the moment, however, the advocates of remediation seem unable to summon either the will or means necessary to give international organisation a more credible role in the unfolding order.

The changes now sweeping through the international system will eventually refashion the geopolitical landscape and perhaps key elements of the Western liberal order. In the meantime, they are already having a marked impact on the international strategic environment, generating both complexity and ambiguity. This is already visible on states’ foreign policy agendas. The paper examines seven key policy issues that the international community is already confronting or is likely to be forced to confront over the coming decades: international terrorism, the proliferation of weapons of mass destruction, energy security, climate change, population movements, transnational crime and new pandemics.

Some of these issues reflect dangers and risks well outside traditional or orthodox demands of defence policy. Unlike the military threats of the Cold War era, many reflect more ambiguous dangers to national interests — less threats than vulnerabilities, but no less serious for being so. For many states, traditional threats to security remain as acute
as ever, but mindful of their new vulnerabilities, governments are being forced to reconceptualise their security and adapt their policies to find new and more sophisticated ways to address the dangers they pose. Some of the new thinking on, for example, human security, challenges traditional ideas of defence because it disaggregates the state, directing attention to the protection of individuals, institutions and infrastructure as well as the defence of borders with the often amorphous ‘state sovereignty’ that lies behind it. But whether the issues are familiar and contemporary in nature (nuclear proliferation, for example) or a future challenge (a pandemic), in the new global environment governments are being forced to develop more sophisticated instruments of policy to manage them effectively. Historically, security has rarely ever been just a matter of accumulated military power: in a world of greater strategic complexity this is less so than ever.

Finally, the paper seeks to assess the ways in which changes in the global order are likely to have impacts on Australia. It contends that historically Australia’s prosperity and security have always been deeply affected by the way it has engaged with the international community and that in a rapidly globalising world little has changed to alter this reality. While the unstable strategic environment will almost certainly confront Australia with many challenges, it will also present opportunities, especially in an Asia Pacific region which is already experiencing profound and widespread political, economic and social change. Australia possesses the national capabilities to respond effectively to both the challenges and the opportunities, but it will have to play an increasingly smart national game, one that is more strategic in the conception and design of its foreign policy, more resolute in the acquiring of the means to underpin it and more tactically astute in the ways it seeks to advance it. To this end Australia should consider adopting a foreign policy strategy that might be characterised as selective global activism and undertake a series of reforms that would enable it to pursue this strategy with confidence and assurance. The changes necessary to chart this course are discussed in a set of ten policy recommendations at the end of the paper.
Acknowledgements

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Various early drafts of the paper have been much improved as a result of insights and comments provided by many people. Most especially, I am greatly indebted to (now) Professor Alan Dupont ... the ‘wars of globalisation’. Despite all this wonderful help, all errors and mistakes are, of course, my responsibility alone.
# List of acronyms

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<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADF</td>
<td>Australian Defence Force</td>
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<tr>
<td>AI</td>
<td>Avian Influenza</td>
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<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>ASPI</td>
<td>Australian Strategic Policy Institute</td>
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<td>AUS</td>
<td>Australia-United States</td>
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<tr>
<td>BW</td>
<td>Biological weapons</td>
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<tr>
<td>BWC</td>
<td>Biological and Toxin Weapons Convention</td>
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<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
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<tr>
<td>CTBT</td>
<td>Comprehensive Test Ban Treaty</td>
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<td>CW</td>
<td>Chemical weapons</td>
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<td>CWC</td>
<td>Chemical Weapons Convention</td>
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<td>DFAT</td>
<td>Departments of Foreign Affairs and Trade</td>
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<td>EU</td>
<td>European Union</td>
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<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<td>ICC</td>
<td>International Criminal Court</td>
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<td>IDP</td>
<td>Internally Displaced Persons</td>
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<td>IEO</td>
<td>Independent Evaluation Office of the International Monetary Fund</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPPC</td>
<td>Intergovernmental Panel on Climate Change</td>
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<td>NPT</td>
<td>Nuclear Non-Proliferation Treaty</td>
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<td>NSA</td>
<td>National Security Appreciation</td>
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<td>NSCC</td>
<td>National Security Committee of Cabinet</td>
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<td>NSO</td>
<td>National Security Office</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>ONA</td>
<td>Office of National Assessments</td>
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<td>OPCW</td>
<td>Organisation for the Prohibition of Chemical Weapons</td>
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<td>OPEC</td>
<td>Organization of the Petroleum Exporting Countries</td>
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<td>ppm</td>
<td>Parts Per Million</td>
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<td>SALT</td>
<td>Strategic Arms Limitation Talks</td>
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<td>SARS</td>
<td>Severe Acute Respiratory Syndrome</td>
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<td>SCONS</td>
<td>Secretaries Committee on National Security</td>
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<td>START</td>
<td>Strategic Arms Reductions Talks</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNEO</td>
<td>United Nations Environment Organization</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>US</td>
<td>United States</td>
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<td>WHO</td>
<td>World Health Organisation</td>
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<td>WMD</td>
<td>Weapons of mass destruction</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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Introduction

In September 1990, just over a month after Iraq had forcibly and illegally occupied Kuwait, President G.W.H. Bush addressed a joint session of the United States Congress.¹ The president wanted to discuss ‘what we must do together to defend civilized values around the world’. He contended that part of the answer lay in the emergence of a ‘new world order’ — a ‘new era free from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace’. It was an unexpectedly ambitious and, for some, highly attractive vision of the future, conveying, as Lawrence Freedman was later to remark, an ‘appealing sense of international progress’.² Over a decade and a half later, the optimism and idealism that accompanied the president’s post-Cold War vision of the future has dissipated: the global order is not as he had hoped and his optimism for a better world is far from being justified.

The new global order

From the very beginning, the world of the anticipated new order was both confused and confusing. Policymakers and analysts were inclined to reach for metaphors of transition — interregnum, for example — to explain the emerging geopolitical landscape which was widely seen as only temporary. Although the timing of the next phase of an expected global evolution was almost always problematic, there was no shortage of possible models. Collective security based on the United Nations,
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Across the globe the responses to the attacks were uneven but among other things they were to become: the foundation of a new national security strategy for the world’s only superpower; the cause for a ‘global war on terror’; the rationale for revisiting some well-established principles of international law; the reason for curtailing some long-revered democratic rights and civil liberties; the *casus belli* for the invasion of one country and part justification for intervention in another; the catalyst for a new era of tension and distrust between the West and one of the world’s great religions; an impulse to reform processes for managing international trade and commerce and lastly, in several countries, an argument for vast increases in defence spending and the development of new security strategies. Save for the momentary appearance of Gavrillo Princep on the world stage in 1914, it is doubtful whether an act of terrorism in any era, ancient or modern, has had such an immediate, wide-ranging and long-term impact on the international community.

The 9/11 attacks were rightly and widely condemned: many political leaders and commentators joined members of the relatively new George W. Bush Administration in noting that the ‘world changed on September 11’. ‘We are all Americans now’, proclaimed the French newspaper *Le Monde* and for many around the world this was certainly the case. But as Madeleine Albright pointed out, it was not a universal view: assessments on the significance of the attacks varied widely. This served to underscore the enduring reality that in international relations, as elsewhere, events have a differential impact; some feel the force of change much more than others, or in some cases hardly at all. Whatever the magnitude of change, ethnocentrism always intrudes to condition responses.

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The terror of 9/11 continues to resonate. But as devastating as it was and as enduring in its consequences, the impact of 9/11 is only one dimension of change in an international system experiencing historic transformation. We have entered a new era, one that defies easy definition. Is it perhaps the age of terrorism, or of globalisation, or of democratic emancipation or of American primacy? In reality, it is all of these and arguably much more. In Ken Booth’s words ‘this is

*pax Americana*, old world disorder and economic tri-polarity were all canvassed with varying degrees of conviction and sophistication. As John Lewis Gaddis so aptly observed, the international community was struggling to define the ‘new geopolitical cartography’. In a sense, part of that geopolitical cartography was already in place. With roots reaching back well into history, it had been evolving rapidly since the end of the Second World War, creating an order that shaped the international relations of the second half of the 20th century. That order, which might be broadly described as the Western liberal order, was essentially pluralist in character. It was built around the states system with expanding and progressively more open market economies, broadly liberal democratic values upheld by a diverse coalition of Western allies under American leadership, and was reinforced by a dense web of rules, norms and institutions. Although not always a peaceful order, among its many virtues was its adaptability and capacity to evolve through, for example, expanding economic growth and market liberalisation, the drawing in of new participants such as the remnants of the Soviet empire after its collapse, and enhancing peace and stability through the development of new global and regional institutions that among other things helped to strengthen the domain of rule-making in international affairs.

When President Bush addressed the Congress in 1990, he appeared to reflect a widespread international view that much of this Western liberal order was at risk and would require a concerted international effort if it was to be sustained. Since then, international developments have only served to underscore the urgency of this task. Events wholly unanticipated have subverted hopeful expectations of a change for the better and given rise to, or reinforced, forces that have the potential to materially undermine the foundations of the Western liberal order. The event most spectacularly responsible for falsifying much of the optimism that existed at the end of the Cold War was 9/11 — the terrorist attacks in the United States on that crisp autumn morning in September 2001. Of appalling brutality, these attacks were not only shocking and unexpected, but they were to change the character of post-Cold War international relations.
the first truly global age — one of those step changes in the human graph, leading to the reinvention of space, time, boundaries, economics, identities and politics’.

This is also an age in which some of the elemental components of the Western liberal order are being subject to intense pressure of change — American primacy under challenge from rising powers, globalisation’s open liberal order under assault by protectionism, international law suffering a deficit of legitimacy, multilateralism confronting a crisis of confidence, democracy threatened by ideological fanaticism and a long list of other disjunctions. The source of many of these pressures is the fault-lines now dividing the global community. They are of such complexity that they threaten to alter radically, as Booth puts it, the ‘context for living globally.’ As is often the case when orders shift this could be a period of considerable instability, particularly in great power relations.

There is a realistic prospect that over the coming decades, the Western liberal order will prove, as it has in the past, highly resilient to international change, and thus effective in safeguarding the values, rules and institutions that not only serve to protect the West’s security and prosperity but that of its many other members as well. In the meantime, the world is in considerable turmoil and international politics remains as it has long been, an arena of discord and division where prosperity, justice and security are promised but elusive, and the prospects for order, peace and stability are at best contingent on the possibility of the international community securing a better accommodation of the differences that divide it.

Australia and the emerging global order

As a country unambiguously of Western orientation, Australia has a great stake in the preservation of a Western liberal order. While its national fortunes have long been hostage to the often unpredictable rhythm of international events, its foreign policy has always reflected this critical national interest. It is hardly surprising, therefore, that in the tumult of international events over the last decade, Australia maintained a national security posture that underscored these instincts. While some governments declined, for example, to play an active part in the ‘war on terror’ and stood well apart from America’s policy ambitions in Iraq, Australia under the Howard government demonstrated no such reluctance. On these two great issues of the day Canberra’s position was unequivocal: it strongly supported American policy in the belief this was self-evidently in Australia’s best interests and that it would serve Western interests more broadly.

Yet like people everywhere, Australians are unsettled by the conflicts and tumult in world affairs. The danger of terrorism, the challenges of globalisation, the growing political instability in its own Pacific neighbourhood, the ideological schism between Islam and the West, the rise of China and its implications for Australia’s longstanding alliance with the US, and of course, the lethal struggles in Iraq and Afghanistan, are just part of a crowded foreign policy agenda. Some are likely to be resolved with little fallout on the quest to shape a new global order, others – US-China relations, for example – are of more profound import. Large or small, they all demand careful management and have a capacity to shape the character of Australia’s security and prosperity well into the future.

The structure of the paper

Against the background of a world in transition this monograph has two principal aims. First, to explore the foundations of change in world affairs, paying particular attention to its impact on the character and stability of the existing global order with its strong Western orientation. Second, to explore the impact of change on Australia’s national interests and the extent to which they create imperatives for a new approach to Australian foreign policy, one that will enable Australians to prosper and remain secure in the challenging era ahead. To these ends, Part I of the paper analyses the new ‘fault-lines’ of contemporary international politics. These fault-lines reflect clashes of interests and chronic instabilities in the existing global order and are the source of the geo-strategic contours that may form part of any new order.

Part II discusses three key institutions of international politics — war, international organisation and international law. These institutions
have long been an elemental part of the Western liberal order in world affairs and play an important role in the conduct of interstate relations but as with much else they are in transition. This analysis seeks to explore their changing character and relevance to contemporary international relations.

Part III analyses seven key issues on the contemporary international agenda. Issues such as international terrorism, the proliferation of weapons of mass destruction, climate change and organised transnational crime create enormous challenges. They present threats and vulnerabilities and if not addressed effectively have the ability to undermine security not just for the states most affected, but for the international community more generally.

Finally, Part IV focuses on Australia. It explores the ways Australia might seek to meet the challenges of this new and complex environment. All the issues discussed in the preceding sections of the paper impinge on Australia’s interests, although they do so unevenly. Australia is fortunate however in that it has a considerable national capacity for an effective response. This part argues that Australia could achieve this through the adoption of a new approach to foreign policy — selective global activism. This will not only help reinforce the foundations of Western liberalism in world affairs, it will enable Australians to remain confident that they can enjoy a secure and prosperous future in an era of widespread disruptive global change.

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Part I

The fault-lines of contemporary international politics

The Cold War confrontation between East and West was the great fault-line of post-World War II international relations. While other divisions in global politics, such as those between aligned and non-aligned states, were also features of that old landscape, no part of the international system was untouched by the power of the Cold War to shape events. Foreign policies were polarised by its competing ideologies, international organisations shaped by its diplomatic prescriptions, and global and regional problems resolved (or unresolved) according to its strategic imperatives. For over half a century the geopolitics of the Cold War largely determined the contours of international life. Once it had ended, the comparatively simple, if often dangerous verities of the Cold War no longer defined the global predicament. Even more importantly, it was a triumph for the West, one that served to consolidate the foundations of the Western liberal order within the international system. One of the great as yet unanswered geopolitical issues of the age is whether this consolidation can continue into the future.

Part I explores the key geopolitical factors likely to be critical to the outcome. Unlike the Cold War period, the current era is characterised
by multiple fault-lines that are shaping the international system in far more complex ways. As in the past, fault-lines testify to clashes of interests in international relations — they are places where powerful ideas contend and where debates and controversies are played out. In the contemporary era, new fault-lines have emerged around five defining issues: globalisation, American primacy, ideology, environmental sustainability and the future of the nation-state. These fault-lines contain within them a complex mosaic of forces and pressures that are underpinning profound change in the international system. While some of the emerging trends serve to reinforce key elements of the Western liberal order, others could easily prove destructive of it. Either way, they testify to a world in an era of historic transition.

Chapter 1

Globalisation and its discontents

Globalisation — the growing interconnectedness of people, markets and ideas — is the most pervasive force in contemporary international relations. Despite the attention given to other international issues, such as terrorism, no other force in world affairs has the capacity to alter so profoundly the destiny of so many people as globalisation. Although its antecedents go back at least a century, the ‘world wide networks of interdependence’, to use Joseph Nye’s phrase, that mark globalisation’s current phase, are the consequence of an intensified process of change in politics, economics and technology over the latter part of the twentieth century. This wave of globalisation is the most significant and likely to be the most enduring because, as Thomas Friedman notes, it goes ‘farther, faster, cheaper and deeper’ than any previous era.

Globalisation is more than merely an economic phenomenon. As Scholte argues, the key to understanding its transformative power is to appreciate its truly revolutionary nature, namely that it delinks human relations from territorial geography so that ‘human lives are increasingly played out in the world as a single place’. The Lewis/McLuhan metaphor of the world as a global village made the point vividly decades ago: globalisation places the lives of ordinary human beings and their communities anywhere on the planet in the thrall of
Global forces and events.\textsuperscript{11} It not only reaches out to touch the economic dimensions of the human condition, but also its political, strategic, social, environmental and legal dimensions. This, as Gilpin puts it, involves a ‘quantum change in human affairs’.\textsuperscript{12}

Globalisation is a driver of transformational change and creates one of the great fault-lines of modern international relations because of its highly uneven impact on people, states and communities. Despite its implied universality, some countries are closely integrated into the ‘global networks of interdependence’ and therefore deeply affected by globalisation, while significant parts of the international community remain beyond their reach. The most heavily globalised region is Western Europe, the least globalised sub-Saharan Africa, but as annual surveys make clear, the extent of globalisation can change from year to year as countries’ levels of integration rise and fall.\textsuperscript{13}

**Globalisation’s economic impact**

Although uneven, the growing integration of trade, financial and labour markets far surpasses the earlier phases of globalisation. For globalisation’s ideological promoters it is the eventual integration of these markets by way of open economies that offers the greatest opportunity to create universal wealth and prosperity. While globalisation’s claim to be able to ‘lift all boats’ on a rising tide of prosperity was regarded sceptically by some, there is impressive evidence to support this case.\textsuperscript{14} Globalisation has contributed to the greater wealth in developing countries, stimulated an enormous increase in world trade, underpinned sustained levels of global economic growth, served as the catalyst for new industries and technologies, and a great deal more. At the same time, however, evidence that it has caused and is causing serious economic distress has delivered a blow to its credibility and not just from the developing world. As Mark Thirlwell has noted, many of the most powerful criticisms of globalisation are now coming from developed countries where, ironically, it is globalisation’s successes that are a cause for alarm.\textsuperscript{15}

As a 2002 World Bank study acknowledged, globalisation ‘produces winners and losers, both between countries and within them’. While the new globalisers have prospered, those countries that have failed to liberalise and open their markets, ‘much of the developing world — with about 2 billion people — is becoming marginalised’.\textsuperscript{16} The 2005 *Human Development Report* makes a similar point. While ‘millions have benefited from globalisation’ and ‘the last two decades have witnessed one of the most rapid reductions in world poverty in world history’, the challenge to reduce poverty remains significant. ‘One in five people in the world — more than 1 billion people — still live on less than $1 a day, a level of poverty so abject that it threatens ... globalisation era’. In short, the expanding gap between the world’s rich and poor now represents one of the most significant and dangerous divisions in world politics.

Economic disparity, however, is only part of the problem. As the experience of Germany between the wars so vividly demonstrates, poverty and economic dislocation breed insecurity and create circumstances that allow other social ills to fester and take root. It is hardly a coincidence that it is in the countries on the margins of globalisation, especially those in sub-Saharan Africa and among some of the states of the former Soviet Union, that communal conflict and violence is most widespread, social cohesion less easily maintained, child mortality is higher, life expectancy lower, the threat of exposure to serious disease — such as HIV/AIDS — the most acute, and the incidence of transnational crime is the highest. As the 2005 *Human Development Report* highlights, ‘human development gaps between rich and poor countries already large, are widening’. At the same time, ‘there is a growing danger that the next 10 years — like the past 10 — will go down in history, not as a decade of human development, but as a decade of lost opportunity’.\textsuperscript{16} If this proves to be the case, then clearly the existing global fault-line between the world’s rich and poor will only expand, posing increasingly profound challenges for the international community.
The gap, however, is not just between countries. Globalisation also stands accused of being a major cause of growing economic disparity within states, including those within the developed world. This critique is part of a major new front being opened up against globalisation from a rather unlikely source, namely critics within developed countries where many of the benefits of globalisation have been most pronounced. Here the list of anxieties is a long one, stemming largely, as Thirlwell notes, from intensifying international competition, the emergence of new challenges to the existing geopolitical order, adjustment strains in national economies and the political fallout that almost inevitably follows from such profound changes.

Aside from economic inequality, these anxieties revolve around concerns over a disorderly unwinding of current account balances; the volatility of capital markets; failures in the institutions of the global economic architecture designed to assist with management of the global economy (among them the IMF and the World Bank) and the hollowing out of developed economies as a result of offshoring in manufacturing and outsourcing in services. Putting economic issues to one side, the critique from the developed world exposes other concerns with potentially long-term consequences: globalisation’s manifest capacity to create dynamic new centres of global economic power (such as China and India) which challenge the foundations of the existing geopolitical order; an intensified global demand for commodities particularly in the energy sector, triggering a concern for resource security on the part of consuming economies and offering a new strategic power to suppliers; and finally the growing list of environmental anxieties — the intensifying demand for and competition over resources, placing considerable stress on fragile land, air and marine ecosystems with potentially serious consequences for all forms of life on the planet. As the former Canadian politician Paul Hellyer said in his book, *Stop think*, if this is globalisation, ‘something has gone desperately wrong’.

### Globalisation’s wider impact

To many of the critics of globalisation these concerns and anxieties are only part of the debate. Globalisation, it is contended, has a widespread impact on the human condition, reaching into all aspects of everyday life — the ‘24/7 world’ where it seems no one is in control. The internet, with its virtually instantaneous connections to information from almost anywhere on the planet, and the real-time media coverage of world events whether they be a tsunami in Southeast Asia or World Cup soccer, serve as powerful symbols of its reach. Equally, al Qaeda’s worldwide terrorist activities and the international community’s response dramatically underscore the increasing insecurity in a globalised environment.

For many of globalisation’s critics the sense that change is too rapid, that too much which is local and familiar is being given up in quest of a new global order dominated by the US, is — however promising for some — a foundation for opposition to globalisation. These critics have been so outspoken and vociferous that in his 2002 book *Globalization and its discontents* Joseph Stiglitz, both a believer and critic of globalisation, queried whether the protestors and the policymakers were talking about the same phenomena. Perhaps they are not, but this has failed to dull the anti-globalisation rhetoric. Most significantly, globalisation stands accused of being: an instrument of American economic imperialism; an assault on global cultural diversity; profoundly undemocratic and a mechanism to shift power into the hands of a shadowy and unelected elite. The wider point, however, is that the challenges to globalisation are not just economic — they come from a wide range of perspectives and the political fault-lines they create frequently fracture and fragment into complex political coalitions and alliances of states and non-governmental organisations.

In the Cold War era, political alignments tended to dictate positions on issues. In a globalised world, issues increasingly dictate political alignments and their composition frequently shifts from one issue to the next.
The future of globalisation

Like most polemics, the critique against globalisation is unbalanced and largely fails to acknowledge the ways in which the international forces released by the power of globalisation militate against some of the very things of which it stands accused. For instance, in many parts of the world, globalisation has been less a force for US imperialism than a stimulus to renewed nationalism. Yet in his most recent book The collapse of globalism and the reinvention of the world the distinguished Canadian philosopher/writer John Ralston Saul contends that globalisation is in serious trouble. Saul overstates the case, but there can be little doubt that as we approach the end of the first decade of this century, globalisation’s discontents are becoming more manifest, its opponents more vocal, and many of its believers forced on to the defensive. Globalisation’s grandest visionaries — those who saw the future unfolding according the norms and values of the ‘Washington Consensus’ with its supposed power of markets to create and sustain wealth, inspire the spread of democracy and to shape the human condition free of war and violence, are destined to be disappointed. As the differing responses of China, India and Russia vividly illustrate, globalisation does not in and of itself encourage either free markets or liberal democracy. Nor, as Barry Lynn among others has pointed out, does it necessarily enhance stability or guarantee security. Increasingly, there are signs that globalisation will confront the international community with new and more complex security challenges, not least in relation to energy supplies.

These challenges are part of globalisation’s changing face. Expanded flows of information, ideas, technology, capital, services, goods and people will continue to be the most visible signs of globalisation’s ubiquity and the source of its capacity to generate wealth. But the business enterprises and government interconnectedness that are the vehicles of globalisation’s transformative power will grow increasingly complex and more diverse. The idea that globalisation dictates the convergence of business practices, or homogenises models of economic development, is among its more enduring myths. Increasingly, companies and countries alike will be inclined, or perhaps forced, to adopt different strategies to survive and prosper in the global marketplace: globalisation may reflect a triumph of capitalism but it presents different faces, the contours etched by different economic values, political systems and cultural traditions.

While political and economic convergence is unlikely, globalisation will propel the epicentre of the global economy towards Asia, where it is likely to acquire an increasingly ‘Asian face’. Not only will Asian capital, goods and services make up a larger proportion of global production and generate global wealth, the business values and culture of globalisation may well begin to reflect traditional Asian mores and customs. Over the coming decades globalisation will encourage strong economic growth in India and China as well as in Brazil and Russia. Before the middle of the century, and provided they stay on course, the economies of India and China could be larger than that of the US as simultaneously New Delhi and Beijing become new nodes of geopolitical power.

As powerful as these trends are, however, the gains of globalisation are now at serious risk. Troubled over its mounting costs, many in the international community, not least in the developed world, now see less need to maintain the policies that have long underpinned globalisation’s promise and have been at the economic core of the Western liberal order for over half a century. As the debate over globalisation’s future becomes shrier there is an urgent need to arrest the threat to its sustainability by addressing the issues that place it most at risk: growing economic protectionism; weak and failing international economic institutions; the fragile economies globalisation leaves behind; the insecurities it generates, and globalisation’s costs to the environment.

Many of globalisation’s frictions do not admit of simple solutions, but the international community, Australia included, has a strong interest in seeing them confronted. To ignore them will endanger globalisation’s promise of prosperity and embolden its opponents. It is in this context that some commentators are now beginning to canvass as credible the possibility that globalisation could slow substantially or perhaps even come to an abrupt end. Although improbable, a major international conflict (the First World War ended the first great phase of globalisation) or a new pandemic might arguably see the end of
globalisation. But perhaps the greatest danger lies in the possibility that the international community will just give up on globalisation as a hostile experiment in neo-liberalism born of American hegemony, and, with disinterested short-sightedness, ignore the urgent need for policy reform. If this happens the losers will not only be those yet to experience the value of globalisation’s transformative power, but those who are its current beneficiaries and who arguably carry much of the burden to lead the charge for reform.

Chapter 2

America: the ‘indispensable power’?

If globalisation is now the strongest transforming force on the planet, the most impressive geopolitical reality of the age is American primacy. For many around the world this is deeply unsettling, not least because America is different: ‘[i]t isn’t the oceans that cut us off from the world’ the American author Henry Miller once remarked, ‘it’s the American way of looking at things’. In recent years, the ‘American way of looking at things’ has been encouraging hostility towards Americans and their foreign policy around the world. This is not a new phenomenon, either for the United States (US) or for great powers more generally. As France, Britain, Spain and Portugal all know from their ages of pre-eminence, being a great power, let alone a superpower, may have its advantages but it also attracts opposition and resentment — it is a natural consequence of commanding the uplands of the geopolitical landscape.

The US now confronts this reality. While its values and policies continue to command support in many parts of the world, including Australia, elsewhere they not only attract controversy, they generate opposition and criticism as well. This poses a particular challenge for US foreign policy but its implications extend well beyond, affecting prospects for peace, prosperity and security around the globe and undermining a key construct of Western liberalism. Not surprisingly,
American primacy and the opposition it generates constitute one of the great fault-lines of contemporary international relations.

The foundations of American power

Since the collapse of the Soviet Union in 1991, the US has enjoyed a place of pre-eminence in world affairs, steadily consolidating its power to become, in the words of former French Foreign Minister Hubert Vedrine, a ‘hyperpower’. Underpinning American primacy is its massive structural power relative to its global competitors. This strength starts with the extraordinary size and energy of the American economy and is reinforced by a massive military capability, the pull of its ‘soft power’, the advantages of a large, growing and generally well-educated population, and the stability of a vibrant system of liberal democratic government. No state in history has ever enjoyed such ascendancy over its rivals and competitors.

Washington’s power and influence are both global and highly diffused. One of President Clinton’s Secretaries of State, Madeleine Albright, captured this reality when she remarked that America was the ‘indispensable power’. It was not said with hubris or with the implication that the US could or should act unilaterally, but rather with the recognition that ‘America needs to be there’. Little of significance can be achieved in international affairs without Washington’s participation: sometimes with the use of its coercive power, sometimes with its ability to persuade and cajole. Among many other things, United Nations’ reform will not take place without the active participation and support of the US, success in the Doha round of multilateral trade negotiations will require Washington’s energetic commitment to change, and in a dozen trouble spots around the world — in the Middle East, Africa and elsewhere — Washington’s power and purpose have a decisive capacity to determine outcomes.

For all its strengths and advantages, however, the US remains vulnerable. As the terrorist attacks of 11 September 2001 and the struggle to impose order in Iraq demonstrate, a vast military arsenal is not in itself sufficient to guarantee security, command influence or secure strategic advantage in the post-Cold War world: other attributes, statecraft and international legitimacy among them, remain vital ingredients for success. Nor, despite its obvious structural strengths, is the US economy enduringly robust as the ‘hollowing out’ of manufacturing jobs, the persistence of budget and balance of payments deficits, and the fallout from the prime mortgage debacle serve to underscore. In the era of globalisation, where economic interdependencies are an organic part of the global economic landscape, states, even superpowers, can suffer economic setbacks and lose some of their economic sovereignty to the driving forces of the global economy.

The sources of anti-Americanism

Nowhere are the challenges facing the US more visible than in the mix of seemingly intractable problems it faces abroad, many spiced with a sometimes corrosive anti-Americanism. Concerted opposition to American foreign policy has something of a history in international affairs but it has become more strident since the end of the Cold War and especially since the advent of the current Bush Administration. Still, its intensity ebbs and flows, and although it may have eased of late, over the last decade it has become disturbingly deep-seated and widespread.

Global anti-Americanism takes various forms and has different causes. As Brendon O’Connor has noted, efforts to classify the grievances into a comprehensive or readily recognisable list have often been controversial but there are some commonly cited motivations: rejection of America’s liberal democratic traditions; resentment over America’s perceived role in driving globalisation; reaction against American power and primacy; opposition to American culture and values; and disagreement over specific American policy objectives.

Put simply, what America is, what it stands for and what it does all attract criticism. For a country inclined to believe strongly in its role as an exemplar of political, economic and social virtue with the impulse to do good on the world stage, the rising opposition to US foreign policy has clearly come as a shock. That some of Washington’s foreign policy
actions have undermined its moral authority has at times appeared bewildering. The turning away of long-time friends and allies in the West has been especially sobering and could well reflect a profound change in the cohesion of the Western alliance and in geopolitical alignments.\textsuperscript{38}

**Bush and his legacy**

Much of the rising tide of anti-Americanism is attributed to the neo-conservative ideology of the first term of the George W Bush Administration. Certainly the administration came to office with a clear, and to some, radical foreign policy agenda. But as Francis Fukuyama has pointed out, ascribing the foreign policy shortcomings of Bush's first term to neo-conservatism alone is too simplistic.\textsuperscript{36} While some items on the Bush policy agenda, such as regime change and unipolarity, were almost certain to attract international opposition, it was also the style of the administration and the way it put its ideas into operation that provoked resentment. As Fukuyama argues, there was already ‘a strong undertow of anti-Americanism’ in place when the Bush Administration took office, one that officials failed to recognise as they went about implementing their agenda. Washington’s robust response to the challenges that followed 9/11 — to invade Iraq, for instance — together with its enthusiasm for concepts such as preemption, regime change, unilateralism and the contentious notion of benevolent hegemony, only served to reinforce the growing opposition. Unwilling to retreat from its strategic disposition and determined to respond aggressively to the threats to US security, the Bush team drove a policy that took Washington’s stance on major international issues in a fundamentally different direction from that of the Administration’s recent predecessors and was ultimately revolutionary in nature. America was no longer a status quo power and to the administration’s many critics, both within and outside America, it pursued policies that were counter-productive, alienating friends, provoking adversaries and overall, so the argument runs, doing damage to America’s own interests in international affairs.

The judgement of history could well prove more generous, but for the moment most assessments of the Bush foreign policy are unflattering. In the end, as Philip Gordon has noted, the revolution itself proved unsustainable, undermined by “the budgetary, political and diplomatic realities that the first Bush team tried to ignore.”\textsuperscript{37} While significant policy adjustments have already been made, elements of the Bush revolution will almost certainly endure, some born of contemporary reality, such as the ‘war on terror’ and others, as Mead and Kagan remind us, because they have long been part of the pathology of US foreign policy.\textsuperscript{38} Although conceived to promote American ideals, Bush’s first-term foreign policy has left some deeply troublesome legacies, not least a US mired in the lethal and debilitating situation not only for America, but for the West and arguably for much of the international community more generally.

**The challenges to American primacy**

It is dangerous and the Bush legacy troubling because the world is changing. America’s power and purpose underpin the Western liberal order and its own pre-eminence is a function of its greater aggregate strengths relative to all other countries. But as the new century unfolds, its relative strengths will begin to erode. While some assert this is imminent, they are mistaken. The US possesses a strategic resilience and vitality borne of its massive structural strategic and economic power and the dynamism of its political culture that will sustain growth and encourage renewal for decades to come.

For all that, however, one of the more significant changes in the global order is that a new distribution of power is emerging. Globalisation is creating new centres of geopolitical influence — China certainly; but also a stronger and as it turns out, more authoritarian Russia; increasingly
self-assured and prosperous underdeveloped states such as Brazil and India; an enlarged Europe of a different political temper to that of Washington; a more internationally confident Japan; and perhaps, in the distant future, an Islamic country of great power and wealth. Even by mid century none is likely to surpass the US in its global reach, but as we are already beginning to see, some will very effectively be able to: contend with Washington for regional influence, assert power over the management of policy issues, and vie for authority within international organisations.

This shift in geopolitical power will likely prove the greatest strategic challenge to US interests as the century unfolds. Washington will have to develop a strategy to counter it, one that preserves American influence, but makes some accommodation to rising power aspirations. Managing the strategic complexities of this order will confront Washington with enormous challenges well into the future, but in the shorter term the issues on its foreign policy agenda are hardly less daunting. In addition to the urgency of prosecuting the ‘long war’ against al Qaeda-inspired terrorism, America’s severest strategic tests will lie in: securing a long-term accommodation with the growing self-confidence of the Islamic world; trying to manage some of the many insecurities generated by globalisation, for instance energy insecurity and the instability of global financial markets; confronting regional instabilities in places like the Middle East; sustaining the faltering progress of democratic enlargement; and along with much else, addressing a wide range of potentially acute environmental risks, not least climate change.

Meeting these strategic challenges will require a high degree of diplomatic skill and creativity on the part of American policymakers. Continuing on the present course or hoping to reinstitute the policies that served the US so well during the Cold War is unlikely to be enough. America will need to re-evaluate some of its strategic priorities, but the most vital requirement is to reassess the way it pursues them. It has many options but it could do worse than to work with its friends and allies around the world to reinforce the foundations of the Western liberal order and use its unique capacity for international leadership to ensure that the order remains open to new participants, and robust enough to accommodate the changes their entry may demand.

In an insecure world, one abounding with threats to freedom, order and stability, there is a manifest need for the kind of global leadership that only America can provide. To be sure it requires strength and a determination to prevail, but equally it rests on respect, credibility and prestige, attributes that owe as much to moral example and skilled statecraft as to periodic uses and displays of military power. Many in the international community (and certainly Australia) have an abiding interest in a strong America, able to exercise its awesome power adroitly even though it may continue to believe in its exceptionalism. For Americans too this will offer a better chance for their country to remain a formidable and respected great power, and it will be a more reliable way to shape an international order reflective of their values and interests.
Chapter 3

Ideologies new and old

If America’s geopolitical primacy is part of the reality of contemporary global life, so too is a new and powerful struggle of ideas within the international community: a new age of ideology has dawned, and in a sense it was unexpected. As Ken Booth has noted, at the end of the Cold War there was a tendency for Western elites to believe that the great political and economic questions of life had been settled. With the last of the twentieth century’s great ideological struggles largely over, and liberal capitalism triumphant, it seemed time to take advantage of the ‘peace dividend’ and concentrate on other things. Against all hopes, the anticipated dividend has been pitiful, not least because the period since the end of the Cold War has been one in which fanaticisms of all types have grown. We live, Booth contends, in ‘an era where there seems to be a growing tendency for people(s) to reject reason in favour of fundamentalism, extremism or hate’. In the 1990s hyper-nationalism in the Balkans, genocide in Rwanda, religious dogmatism in Afghanistan and now ethnic persecution in the Sudan, all serve as indicators.

This century looks hardly more promising. In many parts of the world conflicts provoked by political, social, economic and religious differences could easily harden into long-term struggles. Political, economic and social disadvantage born of discrimination and inequality could turn many communities towards fundamentalism and fanaticism with
widespread implications for international security. For the moment, however, the ideological divide commanding more attention than any other is that between the West and radical Islam. This is now one of the most important fault-lines of global politics. But another contest, related though separate, will also shape modern international relations, namely the struggle for democracy. Neither of these struggles will be soon or easily resolved, and it is likely that both will help to define the human condition well into the century.

**Islam and the West**

William Dalrymple is one of many commentators to have drawn attention to the historically ‘tortuous and complex relationship’ between Western Christendom and Islam. Some Western scholars have emphasised that ‘our civilisation has grown’ out of the extended ‘sequence of fusion between Orient and Occident,’ while others see the relationship as essentially adversarial — ‘a long drawn out conflict between the two rival civilisations of East and West’.

This controversy persists, offering an intrusive background to the events of 11 September 2001 (9/11) and the terror that has followed: now the West’s engagement with the Muslim world has been plunged into a new, profound, and largely unexpected crisis.

The struggle against terrorism is discussed more fully later. Here it is useful to note that initially it was very difficult to gain a clear perspective on the geostrategic significance of 9/11 as a measure of inter-civilisation relations. If Samuel Huntington’s 1993 ‘clash of civilisations’ thesis had put governments on notice of a looming confrontation, it was belied by the generally cordial relations that existed between most Western governments and their counterparts throughout the Muslim world. America’s relations with some Muslim countries were often more fraught, not least because of its strong support for Israel and the destructive, if episodic, terror campaign Islamic extremists were conducting against US interests around the Middle East. A terror attack on the US may have been a credible threat, but a civilisational dust-up was far from most rational assessments of likely events in global affairs. Against this background, the 9/11 attacks, as Rodenbeck notes, provoked some obvious and challenging questions: who or what was the enemy? What were their/intentions? And most critically, how should the US respond? The answers to these and many other questions have grown clearer over time. After more than six years it is evident that the ideological fault-line over Islam is not so much a single geostrategic fissure in the global body politic, as a series of rather messy and dangerous political and religious cleavages that extend across continents, dividing countries and communities, in a complex mosaic of fractured interests, stresses and tensions.

**A clash of civilisations?**

Across the Western world there is apprehension of a growing threat from Islam: for many a clash is looming, if it has not already begun. This anxiety owes much to the Islamic extremists’ campaign of terror and the death it has wrought. It may also reflect some loss of confidence in the West over its own political and social values, and other wider concerns: Islam’s expansion and growing self-confidence, the apprehension that many of Islam’s teachings and precepts are at odds with the values of Western liberalism, and the perception that in many of the world’s trouble-spots — Iraq, Afghanistan and Iran, for example — it is some variant of Islam that obstructs Western policy. If accommodating Islam was just a foreign policy issue it would be hard enough, but for many Western governments the danger is more troubling: Islamic extremism is a threat that now emanates from deep within their own societies. With growing signs of social and political unrest among minority Muslim populations in some Western countries, (especially those of Western Europe) and the recent emergence of the phenomenon of ‘home-grown terrorism’, the character of Islam has been imported directly on to the domestic agendas of countries around the Western world. The West/Islamic fault-line in contemporary international relations now runs directly through the body politic of Western societies and it poses a massive policy challenge for secular, liberal democratic governments. They must defend the security...
and liberal values of their societies and simultaneously manage the potentially divisive political fallout.

For all this, however, the ‘clash of civilisations’ thesis deserves to be treated with considerable scepticism. Islamic fundamentalism and the terrorism it perpetrates is a very serious threat whether ‘home-grown’ or abroad, and the struggle against it could be a very long one. The ‘Islam on the move’ thesis, however, lacks compelling empirical evidence and is in danger of becoming a self-fulfilling prophecy. Al Qaeda’s attack on the US and all those that have taken place since have been inspired by a fanaticism far removed from any of the mainstream traditions within Islam. Muslims certainly have their grievances against the West, and perversely some may admire bin Laden and his followers for the selfrespect they see them as having engendered within parts of Islam. For a large part of the Islamic world, however, they are not allies of Islam: bin Laden’s extremism presages an unlooked-for and unwanted confrontation with the West, and his movement threatens to drag Islam back to a dark past rather than provide it with the means for a modern future.

Perhaps the crusading rhetoric of the ‘war on terror’ has not served to clarify the identity of the West’s ideological adversary as well as it should. On the other hand, those leaders within the Muslim world whose millions of followers regard the actions of the fanatics as defiling their beliefs and an apostasy against their religion, or simply against their interests, have often been disingenuous and far too slow to condemn the terror perpetrated in the name of their faith. Consequently, when issues over the values of the West and Islam supposedly clash, as for example with the Danish newspaper cartoons of 2005 or Pope Benedict’s alleged defamation of 2006, it is far too often the case that the loudest Muslim voices to be heard are also its most radical. Western governments and their people are entitled to ask when the voices of bin Laden’s Muslim critics will be heard, given that their interests are also at grave risk.

The clashes within Islam

The views of bin Laden and his followers may enjoy only a minority following within Islam but they reflect an important reality, namely that Islam is a religion long riven by schisms which now have a dangerously strong contemporary resonance. As the late Noordin Sopiee once remarked, today the clash of civilisations is not so much taking place between the West and Islam as among Muslims themselves.

The traditional theological divide between Sunnis, Shiites and the other streams of the Muslim faith is only one reflection of this intellectual ferment. Beyond the often bitter struggles over the true definition of faith, the Muslim world is engaged in another and no less tempestuous series of debates. These relate to economic modernisation, the impact of globalisation, nationalism within the context of pan-Islam, the foundations of engagement with the West and the prospects for democratic secularism within a theocratic Islamic state. These debates are as important to Islam’s future relations with the West as they are to Islam itself. They not only confront the mentality of bin Laden’s dogmatic literalism with its grand plans of confrontation with the West and ambitions to create theocratic region-wide caliphates across the globe, they also open up an alternative vision. It is one of Islam as a movement with a modern, progressive future that has resolved the tension between secularism and theocracy, and turns away from the fanatics with their preoccupation with a victimised past.

As the sectarian violence in Iraq tragically testifies, the resolution of these debates is unlikely to be straightforward or peaceful. Across the Middle East and elsewhere throughout much of the Muslim world, often corrupt regimes of dynastic royal princes, secular autocrats and theological hardliners continue to rule, frequently denying the aspirations for change from within their populations. Despite the once high hopes of neoconservative Washington they are unlikely to be soon or easily removed from power. Nor will change necessarily be to our liking when it occurs. To some Western governments, Turkey or perhaps Indonesia might serve as something of an ideal, but there are few signs that reform movements will necessarily embrace either of them. Iraq might just defy the odds but elsewhere a model of governance more akin to Iran, a hybrid theocracy with a thin veil of democratic respectability, seems more realistic. With parts of the Middle East, Central Asia, and increasingly it seems Pakistan, literally aflame with extremism and few
The struggle for democracy

For the Bush Administration and its allies, a critical battleground in the ideological struggle is Iraq. While the possibility of establishing a stable liberal democracy there now faces severe, perhaps insurmountable, hurdles, globally democracy has made impressive gains over the last few decades. In 2007, Freedom House reported that 90 countries are now free (compared to 40 in 1975), 60 are partly free (compared to 53 in 1975) and 43 are not free (65 in 1975). During the last century millions of people throughout parts of Africa, East Asia, South America and more latterly Eastern Europe experienced emancipation. The transitions were not always peaceful and the new democracies not always enduring, to wit Russia and Thailand, but in regional terms only in the Middle East and the central Asian states of the old Soviet Union has progress towards democratisation been noticeably dismal.

Democracy continues to confront enormous challenges. Freedom House also reports that almost 2.4 billion people, 36% of the world’s population in 43 countries, are still denied basic civil liberties, ‘the right to life, liberty, the pursuit of happiness and to participate in the democratic life of the country’.54 Optimism and hope it may well be, but there is still a need for Western governments to stand up confidently for the values and institutions that have been the foundations of their liberty, prosperity and security.

If we are to avert a catastrophic clash, governments on both sides need to build bridges with one another, much as Australia is seeking to do with Indonesia. As the West defends itself against Islamic fanaticism it also needs to develop better strategies for engagement with the wider Muslim world. Islam will need to respond. From a Western perspective, public opinion will have little tolerance for accommodation unless Muslims themselves reciprocate by denouncing bin Laden and his extremism and reaching out for dialogue with the West. In the meantime, both sides are likely to find that some of their more pressing ideological and security challenges are internal. Islamic societies will struggle to contend with the potentially debilitating theological and political schisms that are igniting pressures for change throughout the Islamic world. Within the West, the challenges may be less intense, but there can be little doubt that in some places discrimination against Muslims (and their own sometimes intensely experienced alienation) threatens to undermine social cohesion, cause political division and give lie to the belief in democracies as ethnically harmonious and religiously tolerant societies.
conflicts and tensions between governments and their people, and has ramifications extending well beyond borders. Nor will the progress of emancipation be linear. Some experiments in democratisation will surely fail, perhaps for ever. Others may fail only temporarily, but either way the costs could be high, not just for democracy’s frontline crusaders but also for the international community more generally.

Enlarging democracy is one of the key ideals of Western liberalism but the order itself is not prescriptive of democracy, nor dependent on states being democratic for its membership. One of its enduring strengths is that its values, rules and institutions facilitate pluralism and diversity within the international community, save where the behaviour of an actor breaks or challenges established rules or norms, or poses a threat to other actors. This pluralism explains the ability of Western liberalism to accommodate as part of its domain countries with very different systems of governance to democracy, including many from within the Muslim world, while simultaneously opposing the legitimacy of the violent and threatening behaviour of the kind manifest in Islamic extremism.

Democratic enlargement is a cause to be taken seriously, but progress is likely to be more enduring and new democratic governments more stable if change comes from within and not imposed from the outside. As events in Thailand and elsewhere in recent years remind us, extending democracy will almost certainly be a messy business with uneven gains, setbacks and perhaps high political and economic costs. Given the imperatives, however, it is difficult to see that enlarging democracy and protecting its gains will not be among the ideological struggles of this century and thus shape the future of Western liberalism.

Chapter 4

A sustainable global environment

The ideological struggles over Islam and democracy are far removed from the challenges of global environmental management, but the convictions that now surround this issue have an intensifying, almost ideological temper. With much of the debate focused on climate change, which is explored in more detail in Part III, the wider issues raised by the way we live, work and play on this planet are receiving rather less attention. Yet there is accumulating evidence that human beings are placing growing environmental stress on the planet’s resources and ecological habitats. Globalisation may have its economic virtues but the elemental cycles of competition and consumption that are the driving dynamics of capitalism are placing enormous pressures on the environment, and the impacts are spread unevenly across the international community. With the dangers of ecological degradation rising and with governments often slow to respond, this particular fault-line has the potential to be one of the most divisive and contentious we have to face.

Environmentalism is not a new issue. The implications of environmental degradation for human welfare, economic development and global security have been on the international agenda for over three decades. In 2005, when the United Nations (UN) released its most recent report on the state of the planet’s environmental health, the news was not good. Assembled as part of the Secretary General’s
Advisory Commission on the UN Millennium Project, the Task Force on Environmental Sustainability noted that we are living in a period of unprecedented environmental change and that no region is unaffected. Among the many effects were that: over half of the world’s major rivers, associated lakes, wetlands and groundwater supplies are seriously contaminated by pollutants; the global mean surface temperature has increased over the past century and continues to rise — the 1990s was the warmest decade on record; sea levels continue to rise; one-fifth of the world’s population lacks access to safe water; net deforestation has occurred at the alarming rate of 7.3 million hectares per annum since the year 2000, an area about the size of Panama — larger than Tasmania; 60 and key fishery stocks are declining, some close to the point of extinction. The significance of these and other consequences of environmental degradation is clear: ‘[o]ur lives on this planet depend on nature’s provision of stability and resources. Current rates of human engendered environmental destruction threaten those resources and leave death and misery in their wake’.60

The UN Task Force identifies five ‘drivers’ as especially significant causes of environmental destruction: land cover change, over-appropriation or inappropriate exploitation of natural resources, invasive alien species of plants and animals, pollution of air, soil and water, and climate change. These, together with a range of indirect drivers — demographic change, economic factors, market failures and distortions and scientific and technological change, among them, 61 will continue to undermine the environmental health of the planet if not addressed. For the international community, however, the greatest dangers lie in the consequences of this destruction. Since human well-being is so integrally tied to the environmental health of the planet, further deterioration is likely to have dire consequences on the capacity of human beings to live healthy, prosperous and peaceful lives. Without change, it is realistic to expect an increase in the number and range of people forced to live in poverty, to be deprived of food security, and to be exposed to deteriorating health and well-being. The underlying danger is that these could lead to widespread political tensions and conflicts.

The population equation

As the distinguished Yale historian Paul Kennedy remarked in 2002, ‘it is hard not to think that the simple fact of how many people we are does not form a backdrop to much of what happens in the world today’.62 Certainly environmental pressures are partly a reflection of the rapid increase in the Earth’s population. The Malthusian fear that food and resources would be insufficient to support a population whose size was increasing geometrically was prominently on the international agenda in the 1960s and 1970s. Since then, the rate of the world’s population growth has declined and now stands at around 1.3% (down from 2.0% in 1970) or 76 million per year. The UN estimates that the world’s population (now around 6.5 billion) will reach 9.1 billion by 2050 and then begin to decline over the next 100 years.63

Although an encouraging long-term trend, these figures disguise some significant shifts in population distribution and profile.64 By 2050 more of the world’s population (86.4%) will live in less-developed regions than was the case in 2005 (81.3%). The movement of people between regions will be more dramatic. By 2050 Asia will still have the highest proportion of the world’s population (57.5% down from 60.4% in 2005), while that of Europe will have declined significantly (7.2%, down from 11.3% in 2005.) In Africa the population will have leapt from 14% in 2005 to 21.3% in 2050. These figures reflect the highly uneven rates of fertility and life expectancy across populations. In general, fertility is higher and life expectancy lower in less-developed countries, with fertility lower and life expectancy higher in developed countries. The overall impact, as UN estimates reveal, is that by 2050 the populations of the world’s 48 least-developed countries could easily treble while growth in developed countries will slow significantly and in some countries, Italy and Japan for example, to such an extent as to be below replacement level. In other words their populations are projected to decline. Of course, raw population estimates disguise nuances but they permit an observation and a reasonably confident speculation: first, the first half of the century will see a one-third increase in the Earth’s human
inhabitants, many in less-developed countries; and second, that this will place increasing pressure on global air, land and marine habitats, with consequences for the ability of human beings to enjoy safe, healthy and prosperous lives.

**Population, consumption and environmental degradation**

The nature of those consequences, as Colin Butler notes in a discussion of the relationship between population and ‘carrying capacity’, has been controversial for over two centuries. While carrying capacities can be increased through human ingenuity, technology and cooperation, in the end human welfare and population size are integrally related to the health of the environment and maintaining secure access to key resources — fresh water, arable land, fresh air and for many people, fossil fuels. With the world’s population now growing at around 250,000 people a day many of these resources are under severe stress with potentially dire consequences for humanity. Fimental and Wilson make the point clearly: as ‘the world population continues to expand, all vital natural resources will have to be divided among increasing numbers of people and per-capita availability will decline to low levels. When this occurs, we believe that it will become quite difficult to maintain prosperity, a quality life, and even personal freedoms for those who already enjoy them, much less secure those benefits for the billions currently living without. Meeting this challenge will test humanity’s resourcefulness and goodwill to the utmost’.

We can appreciate the extent of the challenge by looking at the global availability of two key resources: water and land. With only 0.03% of the world’s water available for human consumption, the challenge to improve the management of supplies is acute: 1.2 billion people do not have access to safe drinking water, and while 500 million people currently suffer from serious water stress or scarcity, by 2025 two-thirds of the world’s population may be subject to moderate or high stress. At present, two billion people get less than the 50 litres a day considered necessary to meet basic drinking, sanitation and cooking needs. By 2050 that figure may reach four billion people.

The figures in relation to productive land are hardly less encouraging. Since 1960, when the earth’s population was around three billion, the available cropland has declined from 0.5 hectare per capita to 0.23 hectare per capita. The International Food Policy Research Institute estimates that around 10 million hectares of cropland are abandoned each year due to soil erosion and another 10 million are critically damaged by salination. The loss amounts to 1.3% of cropland per annum and has contributed to the decline in per capita food production in relation to cereal grains since 1984.

Increasing energy demands have also had an impact. With a greater share of available cropland being diverted to the production of biofuels, crop prices have been pushed up (in some instances as high as 70% within a six month period), deepening food insecurity for many of the world’s poorest. In 2006, for example, the price of tortillas literally doubled in Mexico in response to the US administration’s decision to promote production of the corn-based biofuel, ethanol. Given that the United States Department of Agriculture estimates that in 2008 some 25% of America’s total corn crop will be used in the production of ethanol (up from 18% in 2007) it is likely further flow-on effects will occur not only in Mexico where tortillas form part of the staple diet, but also in other food production industries such as beef, poultry, and even the soft-drink industries, around the world. Moreover, there is little question that the stress placed on water and land supplies from overpopulation is part of a more complex pattern of degradation and depletion that also extends to fossil fuels, ocean resources and species of flora and fauna that are integral to maintaining the ecological diversity of life on Earth.

These environmental stresses are felt very unevenly across the globe. Some communities cope better than others depending on the availability of resources, levels of consumption, population density, access to substitute technologies and, of course, the ability of governments to develop sound public policy. The areas of greatest stress are all too familiar (sub-Saharan Africa, the Middle East and parts of South Asia for instance). Environmental depletion is not just the ailment of developing countries with weak economies, low incomes and other burdens of the poor. Some
developed countries are facing their own severe challenges (stresses on water catchments in Australia and the US, for example) and in an increasingly interdependent world, their massive levels of resource consumption (the US for example has only 5% of the world’s population, but consumes 25% of its resources) are having a dramatic impact on the depletion of resource supplies across the globe. To date, the rapid decline in the world’s fossil fuel supplies has been due largely to profligate consumption in developed countries, but demand in the developing world, most notably in China and India, will become an increasingly significant source of resource depletion. For the first time since the industrial revolution, a number of developing countries have a shared interest with the developed world in better managing the rapidly depleting supplies.

The environment and security

As the Worldwatch Institute’s 2005 State of the World report notes, the possibility that environmental problems might cause or exacerbate tension and conflict has attracted increasing scholarly attention over the last 15 years. A number of incidents in different parts of the world have served to highlight the dangers but overall the claims that environmental degradation might lead to significant violent conflict or war have tended to be treated rather sceptically. Even so, the idea that governments now face serious environmental challenges has resulted in ‘environmental security’ emerging as an increasingly significant aspect of their overall security. If the environmental destruction outlined in the UN Task Force report remains unaddressed it is conceivable that tensions over environmental issues will loom larger in the future. As Alan Dupont argues, the challenge is to be confronted at two levels. First, in the sense ‘that environmental degradation is the ultimate security threat because it strikes at the foundations of the earth’s life support systems’. Second, in the sense that environmental problems, such as a struggle to gain access to fish stocks or water resources, may lead to tension and conflict or perhaps exacerbate already tense relations between communities. Despite the clarity of these linkages some security analysts are unconvinced of threats now posed by environmental decline. They should not be overstated, but there is already compelling evidence that environmental challenges were a key element in the collapse of several earlier civilisations and now the Earth’s physical environment is under unprecedented stress, assailed by a growing, not declining, range of problems.

Not all environmental ills are dangerously threatening. The challenge for policymakers is to be able to identify tipping points and sometimes, as the debate over climate change serves to highlight, the science helpful to this endeavour is highly controversial. Nevertheless, it seems clear that continued poor management of land, air and water resources will create massive political, economic and social insecurities for individuals and their communities. Indeed, across continents evidence of the challenges is already mounting and, not surprisingly, environmental issues are attracting increasing public attention and assuming a more prominent part on the world’s foreign policy agendas. This was perhaps no more evident than in early 2007 when former French President Jacques Chirac called for the creation of a new United Nations specialised agency for the environment — the United Nations Environment Organization (UNEO). The call for action was subsequently joined by some 46 countries including the European Union, who formed the ‘friends of UNEO’ to advance the cause. A new international organisation will not in itself solve the more complex problems surrounding environmental depletion, but it is certainly a sign of the international community’s growing recognition of the seriousness of the issue.

Historically, environmental sustainability has rarely rated much attention in debates over the character of order in the international system. Western liberalism has only engaged the issue as it has become increasingly clear that maintaining the health of the Earth’s land, air and water resources plays directly into the capacity of the international community to provide political stability, economic prosperity and social amenity. As the century unfolds, the complex interdependencies between the environment and political order are set to deepen, making it almost certain that sustaining environmental health will become an important norm of Western liberalism, but perhaps also a point of tension and conflict within the international system.
Chapter 5

The unsovereign state and global governance

As the quest for environmental sustainability intensifies, it will have to be pursued within the context of an international order, where the nation-state, long the most important actor in international relations, is confronting tests to its sovereignty. Indeed, as the new millennium begins, the nation-state is in trouble. Not for the first time in history, but so much so that some analysts have argued that ‘statism’ is part of a bygone era, and that ‘we no longer live in a world of competing nation-states, where power is the coin of the realm’. If this were true, the very foundations of the Western liberal order would be at risk.

In this new world, so the argument runs, states are being weakened and some are failing, confronted by an array of new forces in the international system. As a consequence, the distinction between foreign and domestic policy is disappearing, borders are becoming more porous, sovereignty is being eroded, new mechanisms of order and means of governance are evolving, and other institutions and networks of power are emerging to challenge the state’s supremacy. For the time being, the state will certainly survive the assaults on its power, but its pre-eminence may well diminish, and its sovereignty and security will be more contestable. This process of evolution makes the changing role of the state one of the most important issues shaping 21st century international relations, exposing a fault-line that not only highlights
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the ambiguous future of the state-centric system but also reveals the difference between those institutions that can accommodate and take advantage of change, and those unwilling or unable to make the adjustments that are required.

The unsovereign state

In the second half of the last century the importance of the nation-state was subject to increasing speculation. Commentators noted a range of threats to its existence and, in an era of widespread change, explored new forms and structures of international order. The state was viewed as under threat from new supra-national institutions — regional and global; secession movements that compromised states’ territorial integrity; the economic strength of transnational corporations; and the destructive power of nuclear weapons. Now the non-state foundations of Islamic extremism arguably confront states with one of their most severe tests. Despite these challenges, statehood has proved a resilient idea. Defying many predictions to the contrary, the state system has continued to expand since 1945 and now, due in no small measure to the impact of decolonisation, embraces around 200 states, of which 191 are members of the United Nations.

Against this background, the notion of the disappearing state should be treated with suspicion. But the concept of sovereignty, for so long the life-force of states, is undergoing profound redefinition. Sovereignty can mean many things, but for centuries one of its clearest constructions was that governments enjoyed both the legal and political authority to exercise control over their people and territory. In many ways this power persists. But the evidence is mounting that states are disaggregating, and hierarchical structures of power weakening: governments are losing elements of their much-vaunted sovereignty. The extent of the loss is uneven. In some cases it is voluntary, as states cede power to international institutions, agree to multilateral cooperation or enter constraining alliances. Other states seek to be more protective guardians of their sovereignty but they too are struggling in the face of global challenges, such as that posed by the leaching power of globalisation.

THE FAULT-LINES OF CONTEMPORARY INTERNATIONAL POLITICS

Additionally, the international community is confronted by a new, and potentially very serious challenge, as states collapse and sovereignty is lost through the failure of government. In the case of the ‘failed state’, internal order disintegrates, and as the central government loses the ability to rule, power becomes diffused among competing, often violently hostile interest groups: sovereign authority disappears as the state implodes. If this phenomenon becomes more widespread — a credible possibility — the effects will be felt throughout the international system. Population insecurity, political chaos and violence, crime and economic dislocation will all become more prevalent. Where states do fail, their near neighbours are also likely to be affected as the violence and chaos spills over borders, refugees seek security and the state itself becomes a potential breeding ground for transnational criminal activity, the harbouring of terrorism, and perhaps a source of regional tensions. It was in recognition of these dangers that in 2002 the National Security Strategy of the US identified failed and failing states as a significant threat to American national security.

The state and globalisation

Failed states aside, statehood may well be facing its most challenging adversary in the form of the transforming power of globalisation. Globalisation is certainly not all bad for states, encouraging in some places, for example, intensified nationalism. But there is a widespread recognition that it is taking a toll on sovereignty. Richard Falk’s proposition that the international system has become a ‘post-Westphalian world’ goes too far but as Jessica Mathews noted in 1997 a ‘power shift’ has taken place. Its source is the engines of globalisation itself: the revolutions in information technology and communications, the mobility of people, ideas and capital, the opening of borders to merchandise, trade and services and the intensifying global networks of cooperation among business, government, interest, social and professional groups and associations. The result, as Anne-Marie Slaughter puts it, is not global government by way of the formal exercise of power through established institutions, but global governance through problem-solving
by means of cooperative, but changing, alliances of private and public enterprises, governmental and non-governmental players.77

One version of global governance focuses specifically on the implications of this transformation for governments. Slaughter, for example, contends that ‘the state is not disappearing; it is disaggregating into its separate functionally distinct parts. These parts — courts, regulatory agencies, executives, and even legislatures — are networking with their counterparts abroad, creating a dense web of relations that constitutes a new transgovernmental order’. According to Slaughter, ‘today’s international problems… create and sustain these relations’ making transgovernmentalism increasingly ‘the most widespread and effective mode of international governance’.

More ambitiously, some commentators have argued that the transformations now taking place are leading to the emergence of a global civil society where the ‘international politics of sovereign states is under challenge in juridical and practical terms by the transnationalising and deterritorialised character of contemporary social relations’.79 Here the state and its institutions increasingly engage in regional and international multilateral agreements, international organisations (ASEAN, OECD and the WTO for example) take on expanded importance, and a wide array of private institutions and experts (industrial, professional and financial associations, for instance) assume increased influence and authority within the international arena.

While much of the global civil society lobby acknowledges that, for the moment, its vision is of a ‘nascent global polity’,79 some of its elements, such as parts of Slaughter’s transgovernmentalism, are already part of an emerging new order. Whether countries have weak or strong internal political and administrative structures, increasingly, modern government, especially in the developed world, involves the devolving of power to agencies, the opening of borders to outside players, partnerships between public and private interests, and cooperation between government and non-governmental institutions that effectively ‘unpack’ the sovereignty of the state. Increasingly, state power is diffused rather than concentrated, shared rather than monopolised. As Anthony Giddens remarks, these changes do not ‘mean that states universally

are becoming less powerful, but it does mean that they are reshaping the nature of their sovereignty… [and]… they are reshaping the nature of administrative control of political power’.80

In places there has been a backlash against some of the global forces undermining the foundations of statehood. As noted in Chapter 2, in the developed world in particular, the attractions of globalisation are fading and governments are actively exploring ways to arrest the leaching of their productive economic strengths. They are reasserting their sovereignty. Simultaneously, multilateralism is struggling against a tide of international scepticism borne of its widely perceived failures and shortcomings. Elsewhere, the threat of non-state terrorism has rekindled the determination of governments to assert their national interests against the forces of anarchy. These developments have eased some of the pressures on statehood and sovereignty that have been building up in the last decade or so. The state is fighting back.

Nevertheless, it is very likely that statehood will continue under pressure, not so much from the frontal assaults of supra-national organisations such as the United Nations, experiments in regionalism such as the European Union, or colonising transnational corporations, but from an array of less easily discernible pressures. Technological innovation, the communications revolution, integrated trade and financial markets, and the emergence of complex networks of interdependence are all system-transforming forces. Significantly, they are as much about political, strategic, religious, ethnic and social relations as they are about business, commerce and economics, and they all have potential to leach power from the state.

That power is shifting to other institutions and moving through other channels of influence to create new and more complex forms of global governance is now a widely acknowledged reality of world affairs. A fully mature global civil society will not be in the international community’s future any time soon. Nor will the state, its sovereignty, prestige or authority be easily displaced. The world, however, is changing and a contest for the destiny of the state is in the transformational mix. Were the pressures now undermining sovereignty — state failure or the leaching forces of globalisation for
example — to intensify and become a more universal feature of the international system, the state foundations of Western liberalism might be at risk. One of the great strengths of the existing order however, is its resilience and capacity to adapt and create new structures and process in response to change. As the pressures on state sovereignty intensify these attributes will almost certainly be the key to the state’s survival as the bulwark of the Western order.

Summary: the world of the emerging global order

We now live in an era of sweeping change and complexity. While the day-to-day strategic attentions of many Western governments are focused on international terrorism and for some more particularly the lethal struggle for power in Iraq, the fault-lines that now divide the international community are relentlessly redrawing the contours of the geopolitical landscape. The transforming power of globalisation is creating new hubs of power as it deepens the divide between rich and poor; America’s pre-eminence persists, but is eroding; a militant ideology has given rise to a new and lethal danger, while across the globe fanaticism and extremism divide communities; the way we live, work and play is putting the planet’s physical environment under constant stress and finally, states are being forced to fend off challenges to their sovereignty as they also invent new structures of governance.

The current era defies easy description. Individually, the five fault-lines have an unsettling familiarity with other ages but together they have a contemporary force and resonance that creates a global landscape unique in human history, one that is transforming the ‘context for living globally’. In this environment the future of the Western liberal order is an unresolved issue. While some global forces work in favour of its deepening its roots within the international system others may work against it. The test will be the extent to which Western liberalism remains an open and adaptable order able to socialise new participants to its essential norms and values, and the degree to which its rules and institutions prove flexible enough to accommodate new challenges. Failing this, an order radically different from Western preferences could emerge, one more directly shaped by non-Western interests with fewer rules and institutions to moderate their expression. In the meantime, for many states and communities around the world, international relations are a constant struggle to fend off local, regional and global forces that threaten their security and make the attainment of greater prosperity a distant and rather illusive aspiration.
Part II

International institutions: the prospects for war, organisation and law

The transformative forces generated by the fault-lines now shaping the global order are also having an impact on some of its most important and longstanding institutions. War has been an elemental part of the Westphalian system of states from the very beginning, but international law and international organisations are of more recent evolution and significance. All, however, are an integral part of the Western liberal order, playing important roles in defining its rules, norms and values and shaping the fortunes and destinies of its members.

International events have always defined the character of these institutions but recent developments have been especially significant, affecting them in ways that are likely to be of long-term importance. Whether international relations are more stable, just or more peaceful than in the Cold War era is widely debated, but there can be little doubt that these three institutions are of enormous importance in contributing to the normative content of the existing order and will be of defining significance in the future. Part II examines some of the changes now shaping these institutions and the implications for international relations in the early years of the 21st century.
Chapter 6

War and the use of military force

‘War’ remarks a character in Bertolt Brecht’s play *Mother courage and her daughters*, ‘is like love, it always finds a way’. And so it has. As students of international politics have long understood, the international system has always been a ‘war system’ where the use of military force has carried a certain legitimacy, been the means to desirable ends, and the ultimate arbiter of power and influence. As destructive as it has been, it has also played a constitutive role in forming the current character of the Western liberal order. Clausewitz’s insight that ‘war is the continuation of politics by other means’ underscores the point that throughout history, organised violence has always had an organic and intimate relationship with international politics.

Or at least, so it has seemed. Since the end of the Cold War, an emerging strand in the literature of international relations has argued that war is changing, but more specifically, that the incidence of inter-state war is in decline, even on its way to obsolescence.\(^81\) Part of the explanation is to be found in the relative stability of the historically strife-torn continent of Europe, long a strong contributor to the statistics of war. But other factors are also said to be at work: the constraints imposed by the destructive power of nuclear weapons; growing moral opposition to war as an instrument of policy — one requiring considerable justification and only as a last resort; American hegemony which has
reduced violent contests to adjust the balance of power; recognition that war lacks utility in securing many of the desirable policy goals of the state; the expansion of democratic states with an aversion to violence; the development of new mechanisms for dispute resolution; and lastly, the escalating economic and human costs of war.

In 2005 the publication of the first edition of the Human Security Report appeared to affirm the decline when it declared that ‘the number of armed conflicts has declined by more than 40 percent since 1992’ and that the ‘deadliest conflicts (those with 1000 or more battle deaths) had dropped even more dramatically — by 80 percent’. These developments, so the argument runs, are not merely epiphenomena, they exhibit a strong historical trend from which the international community can take comfort.

At first glance however, the ‘war in decline’ thesis seems preposterous. Coming not long after the end of the bloodiest century in history, where, by rough estimates around 140 million people died in over 650 armed conflicts, and shortly after, the bloody conflicts in the former Yugoslavia, the invasions of Afghanistan and Iraq, and the new and terrifying ‘war on terror’, an end to war seems the very last thing on the international agenda. The statistics may encourage some optimism but they capture the world at a particular time in its history, one that Colin Gray has described as ‘something of a relatively golden age for international security’. Not only do we have the long, rich and depressing printout of history as a guide and the Thucydidian wisdom that ‘fear, honour and interest’ are enduring motives for conflict, but for any who to care to look there are ample indications of the dangers ahead.

Sources of future conflict

First, the international community faces the systemic problem that despite some promising progress towards more peaceful means of conflict resolution — UN-developed ideas of peace-making among them — there is no accepted substitute for armed force as the ultimate determinant of power and influence. The possession of a military capability of some kind clearly retains its utility in the minds of political leaders and the reasons are not too hard to find. Among other things, military force enables a state to retaliate in defence of its territory and interests, it serves as the foundation for a strategy of deterrence, to project power as part of a policy of compellence and as part of a balancing strategy. At lower levels, force has value in the protection of borders and resources, against piracy or smuggling and to secure the safety of nationals. Nor should the motivations of prestige, fear and honour be ignored.

Second, and as if to reinforce the previous point, global military expenditures are once again on the rise. After the Cold War a decline in worldwide arms sales correlated with a drop-off in military conflict.

The Stockholm International Peace Research Institute (SIPRI) now reports that total global expenditure in 2006 was US$1204.00 billion at constant 2005 prices and exchange rates. This is a real increase of 3.5% over 2005 and a 37% increase since 1997, with 1998 representing the low point in post-Cold War spending. Of course, arms acquired are not necessarily arms deployed or used, but if history is any benchmark, the odds greatly favour their use sometime in the future.

Third, the alleged current aversion to war reflects a narrow source of opinion within generally developed countries and takes little account of the low thresholds towards the use of violence in other places. War is widely regarded as a morally repugnant activity, but when core interests are threatened, values shift as is evident in the United States. Americans once again discovered that direct threats to the homeland can quickly reshape attitudes to the use of force.

Fourth, a likely end to American primacy before the middle of this century could well restore power balancing to global affairs. Historically, military force is used periodically to adjust balances of power. For the moment, America’s military pre-eminence dissuades challengers from seeking to do so. But by 2050, power relativities could well be more even, laying the foundations for military struggles at the centre but also at the margins of international affairs as surrogate states and allies jostle for position.

Fifth, as Philip Bobbitt puts it, ‘the use of nuclear weapons is likelier in the first fifty years of the twenty-first century than at any time in the
last fifty years. Gray agrees, but notes that with ‘luck, and perhaps some skilful diplomacy, though most probably because of limited arsenals and small numbers of targets, they will be geographically confined and modest in scale, but certainly not in consequence. The danger might be avoided by a conscientious campaign of non-proliferation, but as former US Secretary of Defense Robert McNamara remarked at the failed UN non-proliferation conference in May 2005, ‘if proliferation continues, these weapons will be used… the indefinite combination of human fallibility and nuclear weapons will lead to their use’.

Sixth and lastly, as the so-called ‘War on Terror’ underscores, new provocations to conflict can quickly emerge. In the future they could materialise as a result of globalisation’s discontents, the search for energy security, or perhaps a failure to confront the consequences of environmental degradation. A global search for energy security is already fostering international competition for fossil fuel supplies — and could lead to military confrontation. Equally, critical shortages of other resources — land, water and food for example — could do the same. If resource shortages were to be combined with strong ideological or religious extremism, they could serve as a toxic mix leading to violence.

Old and new forms of conflict

If the impulses to war remain strong, to what extent has its essential nature changed? Arguably it still involves, as Clausewitz said, ‘danger, exertion, uncertainty and chance’ but will traditional forms of warfare remain the most common? According to Eliot Cohen some kinds of conflict are likely to become more familiar: high-tech wars, sustained by the ‘revolution in military affairs’; the mass army battle, although its utility may be waning; wars using weapons of mass destruction; and finally, the ‘termite struggle’, also known as fourth-generation warfare or asymmetrical conflict, could all be on the increase.

The last of these forms of conflict pits states against insurgent or terror-wielding non-state actors. Whether being used as a weapon to sustain the lethal instability in Iraq or in random acts of terror in other parts of the world, asymmetrical warfare has become a deadly challenge for governments across the globe. Success in suppressing the threat makes acute new demands on the way governments protect their national security, and especially on military establishments. Ideas on force structure, doctrine and training are being re-evaluated as defence communities prepare for what is likely to be a long and difficult struggle.

While more traditional forms of state-versus-state violence will persist, a more widespread phenomenon in the coming decades is likely to be intrastate conflict of the kind now so widely prevalent in Africa, South Asia and parts of Central America. This has long been a part of international relations but as Joseph Nye has remarked, ‘among poor weak pre-industrial states that are often the chaotic remnants of collapsed empires’ war and violence retain a contemporary legitimacy. Here the insecurities that are the breeding ground for conflict are endemic: ethno-nationalism, irredentism, economic deprivation, discrimination and exploitation all serve as a source of instability to which force seems an instinctive answer. Where the failed-state phenomenon is in play, a breakdown of political order and a collapsing economy, civil commotion and even civil war may not be far away.

Asserting inevitabilities is a highwire act in international relations. Almost all the threats and dangers sketched above might be avoided, or at the very least eased, by some passably creative statecraft. As Gray points out, even war itself is eminently controllable with enterprising strategies. Nevertheless, a global inoculation against the scourge of military conflict is more than can be sensibly anticipated. Even the generally upbeat Human Security Report urges caution against excessive optimism. In 2005 it noted that ‘some 60 wars are still being fought around the world…[and]… the risk of new wars breaking out — or old ones resuming — is very real in the absence of a sustained and strengthened commitment to conflict prevention and post-conflict peacebuilding.’

From our current vantage-point there are few signs to suggest that the age-old impulses to war in the international system have disappeared, or that new imperatives will not emerge as the century
Chapter 7

International organisation

In his March 2005 report on meeting the challenges of a changing world, *In Larger Freedom*, the then Secretary-General of the United Nations, Kofi Annan, noted that recent international events had ‘led to declining public confidence’ in his organisation and that there was an urgent need to seize a ‘defining moment in history’ to ‘perfect the triangle of development, freedom and peace’. Predictably, reaction to the report from among the UN’s members and commentators was mixed, save for the fact that everyone agreed the UN faced serious problems needing urgent attention. Indeed for many, it was not merely a matter of ‘declining confidence’ as the Secretary-General had so felicitously and diplomatically put it, the organisation faced a fully fledged crisis in which its legitimacy and authority as an international organisation was under direct threat. This is not a recent development. As other Secretaries-General and a long list of scholarly commentators have noted, the crisis has been evident for some time. Reflecting on the problem in 2003, John Ruggie, a committed multilateralist from the Kennedy School of Government at Harvard University, noted that ‘the UN’s political role in the world, and the very idea of global governance, faces unprecedented challenges’. The growth of international organisation has been one of the striking features of Western liberalism for much of the 20th century. This chapter explores the challenges currently faced by international organisation.
organisations and the ways in which they can be addressed.97

As Ruggie’s comment suggests, it is not only the UN that is in trouble: right around the world regional and international organisations are struggling. Whether it is the International Atomic Energy Agency (IAEA) being treated with contempt by Iran and the Democratic People’s Republic of Korea (North Korea), the International Criminal Court (ICC) confronting the profound opposition of the United States, the International Whaling Commission seeking ways to contain the potentially destructive dissent within its ranks, the European Union (EU) facing a crisis of legitimacy over its new constitution, or a myriad other institutions wrestling with countless other problems, the theme of organisational distress and disarray is manifest. The irony is that this exists at precisely the same time as globalisation and the changed conditions of international security create circumstances in which success in combating an array of common challenges arguably demands greater cooperation and collective action than ever before.98

The problems now confronting international organisations attract attention because of the importance these institutions have come to assume in contemporary international relations, and especially the Western liberal order. As Ruggie has noted, this growth in institutionalisation is largely a reflection of the need for governments to secure three broad policy objectives: defining and stabilising international property rights (for example, establishing a common width for states’ territorial seas); finding solutions to problems of coordination (for example, developing rules and procedures for safe international air travel); and resolving problems of collaboration where conflicts of interest exist (for example, security cooperation in the face of a threat or economic collaboration to stabilise exchange rates).99

Responding to these imperatives, states have created organisations that intrude into nearly every facet of international activity: security, trade, law, health, environment, human rights and migration among many others. Most of these organisations bear little resemblance to the UN. They represent more modest experiments in cooperation, have smaller memberships and are often conceived for more limited purposes among states that share common interests in a region of geographic propinquity.

The crisis within international organisation

The crisis now confronting international organisations has many sources. While a great deal of attention has focused on the Bush Administration’s apparent contempt for multilateralism as an instrument of its foreign policy, to see this as the primary cause of the problem is to misunderstand its nature. Many international organisations are manifestly failing to deliver on their promise to provide a better way to manage the world’s problems. It may be that this promise was always offering more than could be delivered. Even so, there is a functional utility to international organisation that serves the international community and it needs a high degree of legitimacy to be successful.

Six challenges now confront international organisations and will need to be addressed if they are to be restored to health. First, participation in any international organisation frequently involves some ceding of state sovereignty to that organisation. For a state that resolves to pursue a cooperative organisational strategy the concession is a price worth paying as the benefit outweighs the cost. But since some states are inevitably reluctant to concede more in negotiations than others, agreements over issues can be illusive and policy coordination difficult. Frequently, lowest common denominator solutions can be the outcome.

Second, while the relationship between the international system and a specific organisation is complex, they interact closely with each other, affecting both the nature of the system and the functioning of the organisation. Recent transformations in international relations — the end of the Cold War, America’s rise to primacy and deepening globalisation, for example — have changed the environment in which international organisations operate and, overall, the times have not been kind to them. While imperatives exist for cooperation and many international organisations continue to do valuable work, the widespread perception, most obvious in some developed countries, of a world in disarray with intensified threats at hand, appears to have inclined states against multilateralism. Governments have long been
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disinclined to outsource their security to international organisations, but in the current era the pervasiveness of this caution has had a widespread crippling impact on the belief that institutions can offer solutions. Only a restoration of international confidence in the ability of organisations to address problems seems likely to change things.

Third, international organisations are often arenas for the pursuit of foreign policy goals separate from their primary role. As Inis Claude put it as long ago as 1956, they are ‘arenas for the conduct of international political warfare’.

Fourth, some international organisations suffer from poor or institutionally dysfunctional management practices. Corruption, flawed financial accounting and poor executive leadership may not be the burden of all institutions, but as the UN Iraqi ‘oil-for-food’ scandal reveals, when it occurs it can have a disastrous impact on an organisation’s legitimacy. Beyond personal human failure, however, there are a number of corporate practices that can serve to debilitate institutional health: governments lacking the administrative capacity to implement organisational decisions, others intentionally violating collective decisions and avoiding sanction or reproach, still others exploiting ‘opt-out’ or escape clauses to avoid responsibilities, and countries acting in concert to subvert or undermine institutional mandates, all serve as examples.

Fifth, international organisations are hostage to their own limitations. Here an institution runs up against the inherent limitations of addressing international issues or problems in an organisational setting. This underscores what should be the obvious point: not all facets of international activity are amenable to collective institutional management and that when ill-advisedly forced into an organisational setting failure can be the result. The argument is not that organisational action invariably has these consequences, but rather they occur often enough for states to be very wary of the assumption that organisations necessarily offer better solutions to challenging international problems.

Sixth and finally, there remains the Bush Administration’s controversial approach to international organisation and multilateralism. As the first incarnation of the administration turned its attention to the long list of items on the global multilateral agenda — the International Criminal Court (ICC), the Kyoto protocol on global warming, the Comprehensive Test Ban Treaty (CTBT), and the Landmines Convention, to name a few — it unapologetically rejected them all. When the Security Council declined to provide a clear mandate for the invasion of Iraq, it rejected that also and went ahead anyway.

There are various streams to the commentary on these policies: a common theme is that the Bush White House has displayed disturbing contempt for a longstanding and distinguished tradition of support for multilateralism in American foreign policy. This has not only profoundly weakened the international community’s ability to address some pressing and serious issues on the global agenda, it has undermined American legitimacy, compromised its global leadership credentials, and been an important source of the anti-Americanism now evident in international politics. But Bush and his allies, especially their neoconservative friends, have been unapologetic, seeing multilateralism as an unwarranted constraint on America’s power. Alternatively, Washington’s enduring commitment to multilateralism is not in question, but as Richard Haas, a former Director of the Office of the Policy Planning Staff in the Department of State remarked in 2001, ‘at the dawn of a new century, the Bush administration is forging a hard-headed multilateralism suited to the demands of this global era, one that will both promote our values and interests now and help structure an international environment to sustain them well into the future’. Whichever interpretation is correct, it seems likely that the new administration taking office in Washington in 2009 will take a rather different attitude to America’s multilateral role.
The challenge of organisational reform

As this discussion makes clear, the challenges now faced by international organisation and multilateralism were not caused by the Bush Administration, though it may well have compounded them. While the problems go much deeper, the discontents currently afflicting organisations should not be taken as a sign of their growing irrelevance. They are more a symbol of an international community turning inward in the face of severe new challenges, unable to see multilateralism as offering solutions and unwilling to invest the resources necessary to meet the always heavy demands of effective institutional management. This is happening at a time when the international community desperately needs efficient and well-managed global and regional organisations to be given power and purpose by creative political leadership. This is hardly an easy task. Nevertheless, it is a challenge worth taking up, beginning with attention to several broad principles.

First, modesty of purpose and expectations. Given the inherent limitations of organisational and multilateral strategies, the case for conservative multilateralism is obvious. Organisation is arguably more critical to the interests of small to middle powers, than for other more powerful international players. Even so, it cannot be a panacea for the world’s ills and over-extension, however well-meaning, can only serve to cripple individual organisations and burden the concept of international organisation with unmet expectations.

Second, reviving the dynamism and effectiveness of organisational activity can only be undertaken on an individual basis. There are few quick fixes for organisational failure. Where organisations are in need of institutional reform, member states will have to take the lead and be prepared for compromise: all states yield sovereignty to international organisations, not merely those with the largest defence forces or the largest economies. Going global in search of solutions towards world government, for example, is fanciful and arguably would only compound the problems. That said, progress towards reform within the UN could well encourage confidence and offer momentum toward more widespread change.

Third, the international community will need to open itself to new forms of cooperative organisational activity. Traditional state-based institutions will continue to play an important role in international relations but in the dynamic contemporary international environment with the emergence of new and more demanding challenges they are unlikely to be enough. More complex multilateral arrangements seem likely to emerge, ones that involve different levels of institutionalisation, a greater devolution of global and regional power, more complex mixes of government and non-government actors, and a sharing of roles and responsibilities between them.

Fourth and finally, there is need to acknowledge the importance of America’s role in meeting the transformational challenge. Change has little chance of succeeding in the absence of American support. Washington’s views will be critical to the progress of the UN reform agenda laid out by the Secretary-General, but its influence extends well beyond, as international efforts to secure a nuclear non-proliferation agreement with Iran so vividly demonstrate. Other countries may well initiate and pursue multilateral problem-solving independent of US participation, but on issues where America’s interests are engaged, their effectiveness and sustainability will be questionable. The world of American primacy may not be a very attractive place to some, but its geostrategic realities cannot be easily avoided. It is through effective institutional leadership that the US may have its best hope of sustaining the Western order so amenable to its place in world affairs.

As a State Department official in the first Bush Administration, John Bolton praised the virtues of ‘muscular multilateralism’. While not all countries were attracted to this as a model for the future, it nevertheless resonates because it underscores the potential power of organisation as a force for addressing some of the challenges now confronted by the global community. The case for international organisation is not that it serves some vague utopian ideal of cooperation in world affairs, but that it has a manifest utility relating to the global challenges of the 21st century. Seen in this light, there is undoubtedly an important place for organisation in contemporary international affairs, but the international community is demanding that it be relevant, hardworking and most
of all credible. Short of this, contempt and obscurity could well be its destiny and a critical element of the Western order will be at risk.

Chapter 8

The prospects for international law

As the international community debated the need for military intervention in Iraq early in 2003, the international legal dimensions of the enterprise were of more than passing interest. Even for international lawyers the issues were complex: Was Iraq in breach of its international legal obligations? Did the Security Council need to pass a fresh resolution authorising intervention? What would be the legal status of an intervention without a Council mandate? Could the United States (US) legally justify intervention under its newly formulated doctrine of strategic pre-emption? As the time for decision ticked by, the political wrangling deepened and legal opinion on these and other related issues seemed increasingly divided. In the end there was no new Security Council resolution. On 23 March 2003, a small coalition of US-led forces, among them Australian, invaded Iraq and to a storm of protest from parts of the international legal fraternity, claimed right and legality based on earlier resolutions of the Council. Despite a body of opinion that the intervention was legal, to its many opponents might and power had once again triumphed over law and it was an unedifying spectacle.

International law has always struggled for relevance in these situations. The intersection of the will of great powers on matters of national security and the restraints imposed by international law have almost always been
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An unfair contest: might usually triumphs. Given the severe burden placed on international law in these circumstances, the idea that they serve as a credible test of the law’s efficacy is rather perverse. As Hedley Bull pointed out in 1977, the test of international law’s relevance and legitimacy is a broad one: rules will have efficacy, he argued, if ‘there is some degree of resemblance as between the behaviour prescribed by the rules and actual behaviour of states and other actors in international politics… [t]he question is whether the rules of international law are observed to a sufficient degree… to justify our treating them as a substantial factor at work in international politics’.110

The case for regarding contemporary international law in this way is compelling. As Arthur Watts has remarked, there is a ‘climate of legality in international affairs’ as well as considerable evidence that states regard international law as an integral part of the international system.111 The force of this insight is demonstrated on a daily basis through, among other things, the rule-based processes of international organisations, the use of law to resolve disputes, and the completion of an endless array of international agreements, treaties, conventions, protocols and memoranda of understanding on a steadily expanding range of issues.112 International law thus both characterises and permeates the existing Western liberal order, and has been critical to its evolution.

Despite this activity, the intense controversy over the relevance of international law to the situation in Iraq in March 2003 is one of several recent developments that have encouraged pessimism over its role in international politics. This concern is misplaced. While excessive idealism and optimism needs to be avoided — a universal, rules-based international society is a long way from realisation — as the 21st century unfolds, there is every likelihood international law will play an expanding role in the conduct of international affairs. The new century could well be the era of deepening legalisation in international politics, one in which law’s domain moves from the margins of international political life to a place of expanded importance in its conduct and management.

This trend is already visible. It reflects some of the wide-ranging changes in international affairs including: the end of the Cold War, which closed the philosophical gap that divided the moral universes of East and West; the impact of globalisation, which demands improved mechanisms for the day-to-day regulation and management of interstate relations; the advent of a new international threat in the form of the asymmetric warfare of terrorism; and a shift, as Coral Bell has noted, towards a more universal and cosmopolitan set of norms in international affairs.113 These developments have given way to some contrary trends, but in general they have opened the way for international law to expand its traditional role as a means of enhancing order in international relations, as well as being an essential element of Western liberalism. Of course, international law is not the only ordering mechanism in international affairs, and should the divide between the West and Islam widen, for example, it could easily curtail legal growth. But as the century unfolds, international legality seems set to advance on a number of different fronts.

The content of international law

First, the content of international law has been steadily expanding. In the beginning, the preoccupation of international law was with rules of coexistence among the states of the international system.114 This field of international law underwent steady development during last century and now includes a substantial body of both customary and treaty law which extends to the wider area of international security to cover matters such as restrictions and limitations on the manufacture, testing and deployment of nuclear devices, chemical and biological weapons, landmines, as well as small arms. Legal proscriptions on terrorism and related activities have also increased considerably since 9/11.

Yet, perhaps the greatest growth of new international law has been as a consequence of the cooperative imperatives created by the many facets of globalisation. An increase in various forms of international organisational activity is one manifestation of this phenomenon, but there has also been an enormous increase in the number of treaties and other forms of international agreement. These now cover everything from environmental protection through to the halting of transnational crime, the conduct of trade and commerce, the management of water,
air and land resources, cooperation in science, the expansion of telecommunication services, and much else. Where the management of these issues demands a broader, more international regulatory framework, as in relation to a common danger and protection of the global commons, new international conventions and protocols have developed — the Convention on the Law of the Sea, and the several conventions directed against terrorism, all come to mind. Also notable over the last half century has been the growth in international humanitarian law, from the Universal Declaration of Human Rights of 1948 to the Covenants of the 1960s through to the evolving norms in relation to the responsibility to protect.

The subjects of international law

The subjects of international law have also expanded. While the first international lawyers insisted their field was one defined by ‘law between states only and exclusively’, \(^{115}\) under pressure from globalisation and with the embryonic emergence of global civil society, the state’s primacy as the only subject of international law is under challenge. An obvious example is the extension of international humanitarian law to hold individuals accountable for crimes against humanity and genocide and for them to be prosecuted in the new International Criminal Court (ICC). Since, essentially, states remain in control of the law-making process, the significance of this development should not be overstated but a shift toward a more pluralist international legal culture is visible. The shift has persuaded some writers to abandon the label of ‘international law’ in favour of other conceptualisations: the ‘common law of mankind’, ‘transnational law’ or ‘world law’ among them. Whatever it might be called now or in the future, the move to draw a wider range of subjects — states and individuals — into the embrace of international law confronts the international system with some profound challenges. Most critically, the pluralist legal logic underpinning it does not have universal appeal in an international order where state sovereignty still has strong sway. The application of international humanitarian law to other subjects, individuals for example, will not gain easy acceptance, and the jurisprudential issues of law-making, rule enforcement and adjudication it raises are complex and largely unresolved. Some governments and international lawyers rightly fear that as desirable as the doctrine of ‘not just states, but other actors too’ may be, the complications of this extension of international law could serve to undermine the efficacy and legitimacy of the law, weakening its value to its traditional subject, namely the state.

The sources of international law

The sources of international law have been the third area of growth in recent decades. Traditionally, international law was not only made by states and applied to states: it required a state’s consent to be bound. Significantly more states, not least China, are beginning to develop more mature international legal personalities and participate more actively in the international legal system. Another development has been the move to open up law-making to a wider range of actors. This was visible in the negotiation of the ‘Ottawa Convention’ on the Prohibition of Anti-Personnel Mines, which opened for signature in December 1997. \(^{116}\) This example could well serve as a model for future law-making but as yet key members of the international community remain to be fully convinced. With many of globalisation’s opponents arguing that there is a ‘democratic deficit’ in contemporary decision-making within international institutions such as the World Bank and, by extension in the making of international law, it is evident that this particular contest of international wills is far from over.

But if there are pressures for greater democratisation in international law-making, there are also countervailing forces, ones that could easily narrow rather than broaden the sources of international law. In a complex international legal community where the norms of behaviour are not universally shared, there has always been a danger that a minority of states, usually the most powerful, will seek to make rules for the international system as a whole. In this situation, a reduction in the number of states participating in the development of new rules can undermine the legitimacy and efficacy of the law.
This is hardly a new problem. As Michael Byers has noted, in the 18th century Spain recast well-established concepts of justice and universality to justify its conquest of the Americas. Today, the system-transforming power is the US and, at least under the current Bush Administration, it has displayed a willingness to challenge well-established principles of international law to address perceived threats to its interests. Washington’s development, for example, of a radical ‘pre-emption strategy’ to confront the threat of terrorism affects an important revision of the customary international law by expanding the circumstances in which a state may employ the traditional right of self-defence in international affairs. Byers speculates that the US may be seeking to remake to its advantage the way other rules of international law are made, interpreted and changed.

If Washington were to embark on a comprehensive campaign of reform, it would run the risk that the international law applied by the US would bear increasingly less resemblance to that recognised by other members of the international community. One of two consequences would likely follow: in the absence of universal acceptance, the new legal norm would serve to further undermine the efficacy and effectiveness of international law for all. Alternatively, the new rule would establish a fresh legal principle that might eventually gain widespread acceptance and thus help to strengthen the system.

**New institutions for compliance**

Some of the dangers implicit in the process of exceptional law-making may be alleviated by a process that reflects the fourth and final dimension of change, namely the movement towards the development of institutions and mechanisms for improved compliance with international law. The great international lawyer, H.L.A. Hart, once argued that it was the absence of sanction and effective means of enforcement in international law that not only made it so different from municipal law but perhaps also deprived it of the status of law. Not only is this position no longer respectable, in recent decades the international community has been, in Andrew Hurrell’s words, ‘edging towards harder mechanisms for compliance’.

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This trend has been evident in the development of new tribunals for the enforcement of new rules and norms. Importantly, these have emerged in different areas of international law: the management of marine resources (the Law of the Sea Tribunal); genocide and crimes against humanity (the ICC); and human rights (the European Court of Human Rights) among them. These tribunals are not without their weaknesses, in some cases very serious, as in the case of the ICC, where the US not only refuses to become a party to the ICC convention but is also actively seeking ways to resist the jurisdiction of the court in relation to its own citizens. Still, as one noted international legal writer has observed, compared to 100 years ago, ‘today’s international judicial structures are impressively extensive’. Alongside new tribunals, the international community appears to be more willing to accept international regimes that include mandatory methods of dispute resolution. The mechanisms in the statute of the World Trade Organisation for this purpose are a case in point. Finally, legal institutionalisation is serving as a way to more closely bind and integrate political organisations as with ASEAN’s recent adoption of a constitutional charter.

States may be showing a greater willingness to accept compulsory jurisdiction for the settlement of international problems, but the consensual nature of the international legal order remains of fundamental importance. The application of this principle has resulted in the International Court of Justice playing a far less significant role in international affairs than its founders envisaged. It has also retarded the development of a more universally credible international legal system. States are reluctant to seek the judicial resolution of their disputes for many and varied reasons, not least because the international system of international courts and tribunals is underdeveloped and thus not always able to offer appropriate or timely satisfaction.

But perhaps more fundamentally, in international relations there is neither a sufficiently strong culture of voluntary judicial adjudication nor an adequate capacity to enforce it to permit a rule of judicial primacy to prosper. When political relations break down, especially in acrimonious circumstances, states do not naturally or sufficiently often look to the law for solutions. Other institutions of international
politics better serve their ends and these — diplomacy and war for example — have greater or at least as much contemporary legitimacy. As a way of dispute resolution, international law shares a crowded field as part of what Roger Fisher has called the ‘toolbox of the statesman’. Subsequently, international law has become one of the many facets of the Western liberal order, and it is but one of many instruments of policy that governments can call upon to prosecute their states’ interests.

Still, as with the overall development of international law itself, the trend towards more active use of courts, forums and tribunals to address and resolve international issues is unmistakable. It is stronger in Europe and other parts of the Western world than elsewhere and certainly a very long way from universal acceptance. Nevertheless, this century will be one in which the process will undergo further growth and consolidation within the international community.

Legal utopians, even international political optimists, have little reason to be exuberant about the prospects for quickly expanding international law’s domain. It is far from having anything like the hold on political behaviour that municipal law enjoys in well-ordered, rule-based societies. In an international system of sovereign states fearful about threats to their security, there is little reason to be optimistic that any time soon international law will be able to prevent bad behaviour, however that might be defined. Yet to ignore the law’s growing reach, to dismiss the development of stronger international norms of behaviour and to overlook the steady growth in the role it is playing in shaping interstate relations is equally perverse. International law confronts some serious challenges, and events over the last couple of years in relation to Iraq, for example, have not instilled confidence for its steady evolution. But if we take a wider perspective on its role and place in international affairs there is good reason to think that the 21st century will be an era of considerable growth in the international legal system.
Part III

The challenges of contemporary international security

During the Cold War the priority issues on the foreign policy agendas of most states were threats to security conceived largely in traditional terms: the defence of territorial sovereignty from military threats. Especially for states whose fortunes were hostage to the dangers of confrontation between East and West, threat-based strategies of defence were the foundation of sound strategic thinking. As Bobbitt has noted, it was an environment in which the enemy and where he lived were well known and understood by policymakers.\textsuperscript{122} In Australia’s case, the approach was reflected in the strategy of forward defence which aimed to defend the nation’s security from Cold War dangers by going offshore and acting in conjunction with its close allies, most especially the US.

As we have seen, we are entering a new and more complex international and thus strategic environment, one that at least when compared to that of the Cold War is of considerable strategic ambiguity. For some states, threats to territorial interests from international competitors will continue to pose a major security risk. But states will also have to find security in an environment where the origins of threats will be more difficult to determine, their intensity less easily discernible, and responses more difficult to design and implement.
Threats posed by other states are generally easily identified; those emanating from within secretive terrorist cells, through the conduct of clandestine weapons programs, or from behind the protective screens of transnational crime, are far less visible. Similarly, when collective human activity is responsible for, say, the collapse of financial markets, worsening poverty, state failure, environmental degradation, climate change, waves of refugees or a new pandemic, then effective responses to them make demands on policymakers well outside the traditional paradigm of defence policy.

Part of the complexity of the new global environment is that many of the new security challenges threaten populations and the civilian infrastructure of states more acutely than posing a direct threat to the sovereign integrity of states themselves. The new international order will still offer plenty of orthodox threats to the power of the state and these will continue to drive many defence policies, strategic doctrines, arms-acquisition programs and the design of force structures. However, governments are being forced to adapt their security policies to find more sophisticated ways to meet the challenges posed by the new generation of threats. Some governments are reconceptualising their security around such ideas as human security and comprehensive security. These ideas disaggregate the state, directing greater attention to the security of individuals, institutions and infrastructure rather than borders with the often amorphous ‘national interests’ that lie behind them. Whether some of the issues on the agenda are properly the subject of security policy is a moot point. What is clear is that if left unaddressed, they will threaten critical political, economic or societal interests. In response to the challenges of the new environment, Bobbitt suggests that states will need to move to ‘vulnerability based strategies that try to make our infrastructure more slippery, more redundant, more versatile, more difficult to attack’.

This part of the paper examines seven of the most acute international challenges now confronting governments and their people. Most have their origins in the fault-lines of international politics discussed in Part I, and short of spectacularly successful international intervention, are unlikely to be resolved any time soon. They are not of equal intensity however. International terrorism is a ‘clear and present danger’, justifying a substantial contemporary commitment of resources and strong national resolve to ensure its defeat. The costs of transnational crime or the threat of a new pandemic are of a different order, demanding a commensurate response. That this diverse range of threats and vulnerabilities exists underscores that, despite its many virtues, Western liberalism has yet to discover a solution to the problem of conflict and competition in international affairs. States still face threats and have to arm themselves for defence, often with military force. Part of the challenge for governments in this new era is to find ways of effectively ordering their security priorities in light of these widely differing but potentially very acute dangers. All of these threats are on Australia’s foreign policy agenda and will test the country’s policymakers thoroughly.
International terrorism began to emerge as a serious problem in the late 1960s to early 1970s but the international community’s response was fragmented, largely because it failed to generate any strong sense of a widely shared threat. The contemporary threat from terrorism is of a wholly different order. The events of 9/11 have transformed terrorism from being a sometimes serious but generally temporary distraction from the Cold War security agenda to the highest strategic priority, commanding massive diplomatic, intelligence, military and policing resources and necessitating sweeping changes to national security policy.

Contemporary terrorism

Terrorism in the modern era remains a means to secure a political objective. When governments declare a ‘global war on terror’ it serves to dramatise the threat, underscore the danger and focus attention on the need for an effective counterattack. But as Jonathan Raban has remarked it is ‘like declaring war on tanks, or bows and arrows’; it focuses attention on the means not the origins of the threat. For all its insight, however, Raban’s point understates the seriousness of the contemporary terrorist threat. Unlike any terror of the recent past,
today’s threat is global in its reach, strategic in its conception and highly sophisticated in its methodology. That the terrorists are fanatical, determined, uncompromising, and are prepared to use any lethal means, all serves to underscore the severity of the threat they pose.

Modern terrorism is an element of ‘asymmetric’ or ‘fourth-generation’ warfare where the state is in conflict with a non-state actor, the arena of battle is as much the homeland as it is a foreign field, the target is as often civilian as it is military, and freedom from the threat of danger can only be problematic.\textsuperscript{126} Seen from this perspective, asymmetric warfare is wholly unlike more traditional forms of military confrontation and is therefore a particularly challenging arena of conflict. As the US State Department’s successive annual reports on terrorism make clear, the threat is one from which no nation is immune. It is global, formidable and likely to prove resilient for years.\textsuperscript{127}

The main source of the contemporary threat is the Islamic extremists who inhabit al Qaeda and its rapidly proliferating affiliates and offshoots.\textsuperscript{128} As Paul Pillar notes, al Qaeda’s extremism has its roots in ‘the closed political and economic systems of the Muslim world.’\textsuperscript{129} But while al Qaeda and its leadership are hunted around the world for perpetrating the 9/11 attacks (and have been implicated in many others since then) many analysts now argue that it had a very specific role to play in the advent of extremist Islamic terrorism. Rohan Gunaratna, for example, contends that al Qaeda’s role was to act as the pioneering vanguard of a radical Islamic movement. Its main objective was to take up the fight against Islam’s near enemies in the Middle East where Islam had been defiled by ‘corrupt and apostate regimes’ and attack its more ‘distant enemies’, infidels such as the United States and its allies which allegedly, now and historically, mocked Islam and frustrated its rise to its rightful place in the world.\textsuperscript{130}

But al Qaeda’s pioneering task, so the argument runs, has been largely completed. Many of the terrorist attacks since 9/11 were not orchestrated directly by al Qaeda but rather by the many local terrorist groups and cells around the world inspired by its initiative.\textsuperscript{131} Until relatively recently, intelligence sources considered that al Qaeda, which had a strength of around 4000 at the time of 9/11, had been largely destroyed, its following reduced to a few hundred with about 80% of its leadership either killed or captured.\textsuperscript{132} There is now alarming evidence that, in addition to its obvious presence in Iraq and other parts of the Middle East, al Qaeda is making a strong comeback elsewhere, re-establishing its membership and infrastructure and preparing for a new phase of operations. It has also served as a catalyst for the emergence of a hardly less challenging ally: a huge, diffuse and decentralised worldwide terrorist network of extremist groups and individuals intent on advancing al Qaeda’s radical agenda in their local areas. In 2004 Pillar noted that with al Qaeda having ‘risen and mostly fallen, the threats... in the current decade have returned to what existed in the early 1990s; only now the threat has many more moving parts, more geographically disparate operations and more ideological momentum’.\textsuperscript{133} With al Qaeda’s recovery, its successes in Iraq and growing strength in Pakistan, the optimism of these comments now seems misplaced: it remains a formidable enemy of freedom and enlightened values around the world.

If the international community now faces a direct re-engagement with al Qaeda itself, hardly less worrying is that one of Pillar’s ‘moving parts’ now includes, in Bruce Hoffman’s words, ‘the home grown Islamic radicals who have no direct connection with al Qaeda, but are nevertheless willing to carry out terrorist attacks in solidarity with or support of al Qaeda radical agenda.’ It was terrorism from this source that was largely responsible for the Madrid bombings in 2004, perpetrated the London attacks in July 2005, and has been implicated in a large number of terrorist plots in several Western countries throughout 2006 and 2007. As Hoffman remarks, al Qaeda’s extremist fellow travellers ‘are identified by a deep commitment to their faith — admiration of bin Laden and the cathartic blow he struck against the US on 9/11, a shared sense of enmity and grievance towards the United States and a profoundly shared sense of alienation from their host nations’.\textsuperscript{134} Not only does the threat now come from new and more alarming sources, there is accumulating evidence that the range of targets is likely to expand and the means used to attack them is growing more sophisticated.\textsuperscript{135}
A counterterrorism strategy

Clearly the challenge from terrorism now faced by the international community demands a concerted counterterrorism strategy, one which, if it will not eradicate terrorism entirely — a nearly impossible task given its pathology and its historical antecedents — will at least reduce it to a threat of marginal strategic significance. If the international community could achieve this, it might reasonably claim to have succeeded in winning the struggle against terrorism. To date, however, progress has been uneven. With al Qaeda apparently reinvigorated it is perhaps not surprising that some analysts are scathing in their condemnation of the policy response both in the West, and in parts of the international community more generally.

How, then, is the campaign to be conducted? Several broad principles should guide this task. First, it is necessary to understand the terrorist threat, both as a phenomenon as well as in its particular manifestation through al Qaeda. Terrorism is generally not an end in itself, but is politically-motivated violence — a tactic to secure often well-articulated, if frequently bizarre, political aims and objectives. As in al Qaeda’s case, the goals supposedly address some perceived injustice or discontent generally ignored or dismissed by the government that is the terrorists’ target. Nevertheless, from the terrorists’ perspective there is a rational connection between the narrative of complaint and the action needed to remedy it. Consequently, terrorists themselves are almost always fanatical, but generally not mad in the sense of being irrational. This pathology makes the threat they pose especially difficult to combat, particularly when it serves as a source of inspiration to others.136

Second, a successful counterterrorism strategy demands a two-tier approach. At the outset there needs to be a clear acknowledgement that al Qaeda and its close adherents are fanatical and have no interest in compromising their aims or in negotiating a truce with their declared adversaries. The only responsible course is concerted action to eliminate the threat and the danger it poses; that is, to identify and eliminate individual terrorists and to disrupt and degrade their networks to prevent further attacks. In the current ‘war on terror’ massive resources have been directed to this enterprise and, as the depletion of the ranks of al Qaeda have until recently testified, with some success. The threat, however, remains and indeed has developed in new and more troubling ways, most recently in the rapidly deteriorating security environment in Pakistan. Facing the problem will continue to demand resolute commitment and an increasingly creative use of military, intelligence, policing and diplomatic resources.

But there is also a second, more difficult need: to develop a comprehensive strategy to address the desperate, sometimes wretched, political and economic circumstances where the extremists and their radical doctrines breed and gain strength. The focus here is less on the terrorists themselves than on those who may be drawn to them for the renewed respect they engender within Islam. Governments in the West have been far too casual in the attention they have given to this dimension of the ‘war on terror’. Separating the terrorists from the much wider body of Muslim opinion does not involve any acceptance of the extremists’ legitimacy, their tactics or the aims of their campaign: terrorism will always be an evil and condemnable form of political expression, one completely devoid of any legitimacy. Even so, more has to be done to counter the attitudes and opinions that feed al Qaeda’s lethal cause and to counteract the circumstances that give them life. As the former British Prime Minister Tony Blair has argued, ‘[t]he roots of global terrorism and extremism are... deep. They reach right down through decades of alienation, victim hood and political oppression... terrorism will not be defeated until its ideas, the poison that warps the minds of its adherents are confronted’.137 This demands targeting the foundation of extremism, not just its lethal expression in acts of terror.

Third, counterterrorism demands comprehensive international cooperation for success. In the past this has not always been easy to achieve, as terrorists were once seen in parts of the undeveloped world as freedom fighters struggling to raise their people from the supposed yoke of injustice and oppression. But as Simon and Martini have noted, a consensus now appears to have emerged that ‘terrorism is of universal concern and in direct violation of the principles of the international community’.138 While some countries continue to sponsor terror, overall,
the international community, with considerable assistance from the UN, has worked to address the problem. There is now international recognition, reinforced by the geographic spread of places targeted for attack, that the danger from terrorism is not merely confined to the West but affects the security of every member of the international community. Accordingly, worldwide coordination will be necessary to fight it successfully.

Fourth, it is clear that terrorism represents a particular obstacle for democratic communities where counterterrorism policies can have an impact on civil liberties. Sacrifices have to be made, and individual countries will have to strike their own balance in meeting this challenge, but holding onto the moral high ground is a key principle of counterterrorism. Strategies that err too far in compromising or restricting long established civil rights and principles of justice run the risk of conceding too much to the terrorists and alienating community support. Especially important in this context is the need to uphold relevant principles of international law and domestically, to protect the rights of free speech and movement of those minorities at risk, notably Muslims, upon whom suspicions can so easily descend. Political leaders who fail these tests of governance will reap a costly harvest.

Finally, all of the history of attempts to suppress terrorist movements serves to reinforce the same message, namely that combating terror is anything but simple and takes not only massive resources, but patience, endurance, and commitment over a very long period of time. The international community is engaged in ‘The Long War’ against Islamic extremism. This will challenge both governments and their people: the former to manage a long-term counterterror campaign and sustain the commitment of resources necessary for it to be effective, and the latter to accept the sacrifices that are being demanded and are unlikely to be short-lived.

Chapter 10

Weapons of mass destruction

The term ‘weapons of mass destruction’ (WMD) is a relatively recent entry into the lexicon of international relations. As Gregg Easterbrook has noted, it is only over the last few years that it has acquired widespread usage as a shorthand way of referring to the implied capacity of chemical, biological and nuclear arms to inflict death on a massive scale.\textsuperscript{138} If historical experience is the test, however, these weapons are ‘emphatically not equivalent’. All have a latent potential to do considerable harm but thus far only nuclear weapons have yet to be shown to have a lethal capacity greater than the most dangerous conventional weapons.

Yet there is little room for complacency. Chemical and nuclear weapons have been used, and over the last decade disaffected groups and individuals have employed biological agents. The global proliferation of biological and nuclear weapons has led to a significant increase in the number of places targeted for attack, and the geographic spread of places targeted for attack, that the danger from terrorism is not merely confined to the West but affects the security of every member of the international community. Accordingly, worldwide coordination will be necessary to fight it successfully.

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however, by a serious global effort to expand and strengthen existing non-proliferation regimes.

**Biological weapons**

Biological agents and toxins are not only gruesome killers, they are lethal in relatively small amounts. Like the material used in chemical weapons, biological agents can be derived from scientific knowledge that is widely available on the public record and from dual-use technology. The agents regarded as most likely to be used in a biological attack — pathogens containing smallpox, Ebola, anthrax and plague viruses, for example — can be produced relatively easily and inexpensively as part of, or in conjunction with, a modestly sophisticated pharmaceutical industry. Would-be users of biological weapons do face some challenges, however. Given their lethality, care is required in the production of the constituent toxins and agents, and users also have to overcome the obstacle of weaponisation. Simple dispersion methods can be effective, but pathogens and toxins are also unstable when subject to environmental stresses such as heat, which may cause oxidation and desiccation. Accordingly, integrating biological agents into complex delivery systems such as missile warheads or cluster bombs pose complex engineering problems. For some purposes, however, more simple delivery methods — anthrax in envelopes, for example — may serve the user’s ends.

Efforts to control the proliferation of BWs began after World War I with the conclusion of the 1925 Geneva Protocol banning the use of chemical and bacteriological weapons. But the more important development was the 1972 Biological and Toxin Weapons Convention (BWC) which required the destruction of existing stockpiles of BW and prohibited their future use, development, production and stockpiling. The treaty entered into force in 1975, and to date has been ratified by 155 states with 16 additional signatories.

Although many states have now dismantled their BW capabilities, the BWC is widely regarded as troubled. Known violations of its provisions have passed without penalty, the treaty has failed to ban research on pathogens that could be used in a weapons program and it has failed to establish an inspection and monitoring mechanism for ensuring compliance. Some effort was made to remedy these shortcomings in the mid-1990s, but in 2001 an emerging plan was scuttled when Washington, previously supportive of reinforcing the BWC, announced that a proposed new protocol was, in the words of Elisa Harris, ‘both too weak and too strong — too weak to catch cheaters and too strong to avoid putting at risk US biological defence or trade secrets’. As one commentator has noted, there was a rather ‘puzzling disconnect’ between the Bush Administration’s fears of a possible bioterrorist attack and its commitment to strengthen the BWC as part of a ‘comprehensive strategy for combating the complex threats of weapons of mass destruction and terrorism’.

Despite a series of review conferences, little progress has been achieved in strengthening the provisions of the BWC. The Sixth Review Conference (2006) reaffirmed the importance of the treaty and usefully agreed to an extensive program of further work to be assisted by a UN-based Implementation Support Unit. In the meantime, the most encouraging developments appear to have taken place through a more comprehensive effort to harmonise national controls over the export of biological (and chemical) materials. The countries which are a part of the *Australia Group* have looked to impose national restrictions on access to weapons materials as a means of containing proliferation. They can claim some success but their efforts are hardly a substitute for a comprehensive international assault on the problem. The tools for such an enterprise are at hand in the form of proposals for stronger monitoring programs and an array of new inspection technologies which would give them substantial credibility. Precedents for a treaty to criminalise activities leading to the development of bio-weapons are also available. While the international community has not been idle in seeking to strengthen the BWC regime it has shown a disappointing sense of urgency. This not only puts states at risk, it places their populations in jeopardy from a threat that, like 9/11, could be beyond imagination in its seriousness if it were to materialise.
Chemical weapons

History produces a grim printout of death and suffering when it comes to chemical weapons (CW). In World War I, during the Japanese invasion of China in the 1930s and as part of Iraq’s strategy in its war with Iran in the 1980s, CW were used with gruesome consequences. In contrast to perceptions, however, they were not responsible for massive battlefield deaths: only 2-3% of those gassed on the Western Front died compared to the 10-12% of deaths from those receiving injuries from more conventional weapons. Nevertheless, throughout the last century many countries developed CW capabilities, applying technology to develop ever-more effective ways to kill. At the same time, however, the international community’s aversion to the use of CW as a means of war has remained strong. While this has served to underpin the foundations of a CW non-proliferation regime, like the efforts to contain BW capabilities, it remains flawed and in need of more concerted attention if it is to be effective against the new threats to proliferation.

The challenges to contain CW production are similar to those with regard to BW. The dual-use nature of CW technology means that clandestine programs could well be under way under the guise of perfectly legitimate commercial activities. In addition, it is difficult to monitor activities in such a large and complex industry as that of international chemicals and pharmaceuticals and the array of compounds that can serve as the foundation for chemical warfare agents. While the use of these agents is frightening to contemplate, scientists and strategists alike have been quick to point out again that they are not easy to weaponise. These difficulties notwithstanding, the CIA has noted some disturbing trends with regard to CW proliferation: technological developments likely to make agents and compounds more difficult to detect; several states, such as Iran, gaining a self-sufficient CW capability; states with known CW capability acquiring more sophisticated weapons delivery systems; and several instances of terrorist groups seeking to acquire CW capabilities.

Yet the outlook is not entirely bleak. According to a 2004 Congressional Study, the Chemical Weapons Convention (CWC) which came into effect in 1997 is likely to ‘reduce the number of parties with chemical weapons and to reduce the likelihood they will be used.’ The CWC prohibits the development, production, stockpiling, transfer, use of CW, and perhaps more importantly, has required member states to declare their CW capabilities and undertake to eliminate them by 2007. Like the BWC, the principal shortcoming of the CWC is the inadequacy of its compliance provisions. The Organisation for the Prohibition of Chemical Weapons (OPCW) established under the CWC helps to overcome this problem and is a stronger model for assuring compliance than exists within the BWC, but it is hamstrung by limited inspection and verification powers.

If CW proliferation is to be halted, the international community will eventually need to summon a greater collective will to strengthen the compliance provisions of the CWC. It will also need to address more effectively the dangers of proliferation caused by the actions of individuals rather than states. This will require more countries to follow the lead of those that have introduced national legislation to criminalise activities by their own and foreign nationals on their territory that contribute to proliferation. In the meantime, as is the case with BW, the work of the Australia Group with its focus on harmonising national export controls has emerged as a very useful element of the non-proliferation regime. The success of these efforts reinforces the value of the international community’s development of a multilayered approach to non-proliferation, one that does not just rest on the sometimes flawed provisions of international conventions but draws together informal coalitions of like-minded states prepared to harmonise their laws to impose constraints on proliferators.

Nuclear weapons

Of the three forms of WMD only nuclear arms have a demonstrated capacity to cause truly massive numbers of casualties. The 60kg U235 bomb dropped on Hiroshima in August 1945 killed 70-80,000 people within minutes of detonation, with many thousands more dying of radiation poisoning and related diseases. Modern atomic
The challenges of contemporary international security

For nearly four decades, international hopes of arresting horizontal proliferation have rested largely on the nuclear non-proliferation regime built around the Nuclear Non-Proliferation Treaty (NPT) and the related safeguards regime administered by the International Atomic Energy Agency (IAEA). Containing vertical proliferation was largely in the hands of nuclear weapons states and their periodic, but always limited, arms-control agreements: Strategic Arms Limitation Talks (SALT) and Strategic Arms Reductions Talks (START I and II) among them. Despite some encouraging progress in containing vertical proliferation in recent years, the dangers of horizontal proliferation are growing as the authority of the NPT regime erodes. The likelihood that demand for civilian nuclear power will increase in the coming decades, giving more countries access to parts of the nuclear fuel cycle, only serves to heighten international anxiety. The longstanding and generally adhered-to international norm against nuclear proliferation is breaking down, making it possible that we will face a succession of proliferation crises as countries, and perhaps non-state actors, look to acquire nuclear weapons capabilities.¹⁵⁵

There is now an urgent need to confront the growing threat. Opinion on the best way forward, however, is divided. Complete nuclear disarmament has a broad and vocal constituency, especially among non-governmental organisations, but at least for the moment few serious prospects.¹⁵⁶ The only realistic option is to re-establish the credibility of the NPT regime. Ideally, this would involve some amendments to the NPT itself, but aside from the difficulties this would entail, there would be a risk of the whole regime unravelling. As Martine Letts noted recently, the challenge for the international community is to work with the existing treaty to find ways of strengthening and extending the inclusiveness of the regime it underpins.¹⁵⁷

Progress in the following areas would materially advance this cause. First, a serious effort is required to address the ‘three state problem’ — the unwillingness of India, Pakistan and Israel to be drawn into the NPT regime. Although a thoroughly daunting task, recent events (Indian-US negotiations over a strategic partnership to include nuclear cooperation and a serious attempt to reach a peace agreement between Israel and the Palestinians) may offer some reason for hope in this area.

There are now in the vicinity of 30,000 warheads in the world’s nuclear arsenals. In recent years the numbers have been declining, a trend which a recent study by the Carnegie Endowment for International Peace has noted is part of the good news on non-proliferation.¹⁵² But there are other signs that the international community may be about to enter a more dangerous era of proliferation. The congressional study mentioned earlier not only anticipates the modernisation and expansion of existing arsenals (vertical proliferation)¹⁵³ but more troublingly, the prospect over the next few years of a greater risk of horizontal proliferation, an increase in the number of nuclear-armed states.¹⁵⁴
Second, and only marginally less challenging, governments will need to enhance the safety and security of mechanisms for providing nuclear materials and technologies to countries needing access to nuclear power for civilian purposes. While non-weapon state parties to the NPT are entitled to this access under the NPT, the absence of a comprehensive international regime for delivery has been an impediment. Several recent initiatives, including the 2006 US-sponsored Global Nuclear Energy Partnership and Russia’s BREST reactor concept offer a way forward.

Third, further progress is required to strengthen and reinforce IAEA safeguards and verification procedures. These are at the heart of the non-proliferation regime and have evolved steadily over time, but with Iran’s serial violations of safeguard obligations while within the NPT, and likely increases in states using nuclear technologies, the need for action is growing. Several issues require attention: wider acceptance of the Additional Protocol, the detection of undeclared activities, strengthening inspection procedures, and improved political procedures for dealing with non-compliance.

Fourth, the international community must make a more concerted effort to encourage support for existing nuclear arms control measures including the Comprehensive Test Ban Treaty, the Missile Technology Control regime and the Convention on the Physical Protection of Nuclear Material.

Fifth, states need to be encouraged to take Security Council Resolution 1540 more seriously, and place greater emphasis on national laws which protect nuclear technologies and materials, including the criminalisation of activities that might assist proliferation. An expansion and better coordination of international enforcement activities, such as the Proliferation Security Initiative, would also be of considerable assistance.

Finally, the international community should strive to establish some commonly accepted strategic principles relating to the status of nuclear weapons as part of the military arsenals of states. These principles would emphasise concepts such as no first use, mutual vulnerability, minimal deterrence (to reduce overall number of weapons), crisis management and fail-safe command-and-control procedures.
Chapter 11

Global energy security

Since the start of the industrial revolution a balance between the three main drivers of the global energy market (economic growth, energy demand and energy supply) has given that market a high measure of security and stability. With relatively cheap and reliable supplies of energy, especially of petroleum and its derivatives, available to meet growing demand, the industrialised economies were able to maintain strong growth for much of the 20th century. By the latter part of the century, however, this formula for growth was under increasing strain. The events that undermined its equilibrium began with the dramatic oil-price hikes of the 1970s and have continued over the last 30 years, injecting greater complexity and volatility into the world’s energy markets. There is little likelihood this will change in the foreseeable future. Rather, over the coming decades, states, both within the developed and developing worlds, are likely to find that the management of their energy needs, whether as suppliers or consumers, will pose increasingly complex policy challenges. Overall, issues relating to energy will be of growing importance on foreign policy agendas.

The global demand for energy

The context for these developments is a global demand for energy that will grow strongly over the coming decades. In its 2007 International
Energy Outlook, the US Energy Information Administration projects an increase of 57% in demand through to 2030. The most rapid increase in demand will come from non-OECD countries, notably from non-OECD Asia, which includes China and India, where growth will average around 5.3% a year. By way of contrast, average growth per year among OECD countries is expected to be around 2.5%. Consumption of all forms of primary energy will continue to rise, with fossil fuels (oil, natural gas and coal) dominating the market, but with higher world oil prices, concern over global warming, and shifts toward renewable sources of energy — geothermal, biomass, solar and wind power, for example — the energy mix may very well change significantly. At the same time, and while renewed interest in nuclear power for electricity could develop, the essential character of the market will remain stable. The price of oil will fluctuate but is likely to continue rising; and while oil’s proportion of total usage will decline, its share of consumption will still be the largest at 34% (currently 38%). With prices of natural gas also expected to rise alongside those of oil, coal will become more cost-competitive, leading to demand for coal growing slightly faster than gas (2.2% annually as against 1.9%).

The future of oil

Changing demand for other fuels notwithstanding, the key issue at the centre of every debate over energy policy over the coming decades will be the sustainability of the world’s dependence on oil as its primary source of energy. It is yet another reflection of the power of globalisation that the world’s energy markets are now global, with growing interdependence among producers, consumers and transporters. In relation to oil, price is still a critical variable, but for consumers security of supply also demands adequate production, refining and distribution facilities. Fears about the adequacy of these facilities, and anxiety that oil itself may now be in increasingly short supply, have been among the causes of recent rising oil prices and moves by key states to develop policies on energy security that will guarantee their energy requirements. The energy debates over the coming decades will also be shaped by the alarming environmental costs of massive fossil fuel consumption. Notwithstanding these dangers and the need to embrace renewable energy technologies, most economies will depend heavily on fossil fuels well into the century, making security of supply a national policy imperative.

Many of the challenges governments will face are already evident. Most critical will be the availability of supply and the price at which it can be delivered. Views on these matters vary widely among oil industry analysts. As Neil McDonald noted, not entirely frivolously, in a discussion of the issue in 2005, ‘there’s an oil drought, or flood, depending on whom you talk to’. Even so, some things about the world’s recoverable oil reserves are broadly accepted, notably that: the ‘Earth’s endowment of conventionally reservoired crude oil is a large, but finite volume’; all petroleum basins are believed to be identified (although a large recently discovered field in the Gulf of Mexico may shift opinion); most fields are extensively or near to fully explored; all of the largest fields are in production; production is past its peak in some basins; demand has been growing at an annualised rate of around 2% in recent years; demand growth is highest in the developing world, especially China and India; new technologies offer scope for improved levels of extraction from existing oil fields and for the use of ‘non-conventional’ reserves such as tar sands and bitumen; and, finally, much of the demand is being driven by the transportation sector, where efficient oil substitutes do not yet exist.

Beyond this, the debate moves rapidly into the realm of best guesses and informed speculation. On the issue of long-term supply and likely peak production dates, the US Energy Information Administration notes assessments that range from the pessimistic (the year 2021 at 133 million barrels a day) to the other extreme 2112 at 67 million barrels a day. The Administration’s conclusion is that the ‘world production peak for… crude is unlikely to be “right around the corner”… [and] that it will be closer to the middle of the century than to its beginning’. The so-called ‘peak oil’ lobby, however, dismisses this assessment as excessively optimistic. Drawing on economic, statistical and geological data, it argues that peak production is not decades into the future but a
matter of mere years, if indeed it has not already been reached; there is little reason to expect that the demand for oil can be met from existing reserves. Whenever peak oil occurs, the uncertainties that now swirl around not just the extent of reserves but also the security and efficiency of the oil supply chain have contributed to the skittish market prices of the last two years. It is difficult to see any relief in the form of permanently lower prices. Rather, as the IEO noted in 2006, one can expect volatile behaviour to occur ‘principally because of unforeseen political and economic circumstances’.

**The emerging global order**

Energy security

As this century progresses, fewer governments will gain energy security merely by shoring up their national supplies of oil: the financial costs will be too great and the environmental dangers too risky. With new technologies offering cleaner and more efficient uses of commodities such as coal and natural gas, with nuclear power making a comeback from decades of disrepute, and thorium a possible new source, the global market for energy commodities will become more diversified. Governments will need to develop more comprehensive energy strategies. This will demand: a much stronger commitment to energy conservation; diversified sources of supply; and reduced dependence on imported supplies. Most significantly, it will require a shift to cleaned-up fossil fuels, nuclear power and more environmentally friendly renewable energy technologies — wind, solar, hydro and biofuels, for example. With countries in the developed and less-developed worlds all having different energy profiles, both with regard to supply and demand, energy policies will exhibit great diversity: energy mixes will vary, as will the extent of public/private partnerships, degrees of innovation and commitments to self-sufficiency.

The reality we face is that oil will remain the key commodity of an energy-hungry world. As supplies dwindle the international politics of declining supply could be messy, with volatile markets, fluctuating prices, intensified competition and perhaps growing tensions among the various governmental and commercial interests that constitute the oil supply chain. Many of the same problems could begin to afflict other energy commodity markets as the shift to oil alternatives gains momentum. Western governments in particular will face an increasing challenge as they seek to define, and then explain, their energy policies to demanding domestic audiences, and as energy security becomes an increasingly important dimension of their foreign and security policies.

**The challenges of contemporary international security**

interrupt the supply of natural gas to its customers in Eastern Europe and beyond, although brief incidents, may not be an aberration but a harbinger of more dangerous times.

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New alliances and partnerships will be needed and their implications could easily extend well beyond energy markets, as China’s pursuit of energy security already vividly illustrates.

The changing energy environment will particularly affect poor and developing countries, but accommodating their growing energy demands will also test other members of the international community. Although markets will largely set the conditions for the world’s access to energy, effective energy diplomacy, perhaps with the assistance of new institutional mechanisms, will be the key to ensuring acceptable degrees of order, stability and equity in those markets. As several commentators have noted, however, conflict is not beyond possibility. Michael Klare is emphatic that ‘resource wars will become in the years ahead, the most distinctive feature of the global security environment’. Whether this becomes reality or not, eventually the international community will have to make the massive shift from its current dependence on oil to other energy sources. The best way to avoid the risks attendant on oil’s decline is to prepare for change and take the steps needed for transition long before the wells run dry. Failure to do so could easily prove politically, economically and socially costly to the domestic fortunes of governments and to the international community more generally.

Chapter 12

Global climate change

It is now well established that the Earth’s climate will alter dramatically over the coming decades if nothing is done to reduce the concentration of greenhouse gases in the atmosphere. On one assessment, since the pre-industrial era, gas concentrations have risen from around 280 parts per million (ppm) to 379 ppm and could reach between 540 and 970 ppm by 2100. With the latest report of the Intergovernmental Panel on Climate Change (IPCC) concluding with a ‘very high confidence’ that human activity, most especially the burning of fossil fuels, is largely responsible, a change of behaviour is required. In the absence of such change, the Earth will experience a climatic shift: inter alia, average global surface temperatures will rise, depending on the scenario, between 1.8 and 6.4 degrees celsius, and continue to rise over the next decades even after they are stabilised; the world will experience more extreme weather events including more hot days and heat waves, more intense and frequent storms and tropical cyclones, more frequent floods and prolonged droughts, and mean global sea levels will rise between 0.18 and 0.59 metres.

Changes to the Earth’s physical geography will have a severe impact on human geography. The effects will be felt unevenly with less-developed regions, especially Africa, likely to be the most adversely affected. Dangers include: increased human risk of serious disease and
illness; severe disruption to established patterns of food production that will reduce countries’ population-carrying capacities; flooding and inundation of low-lying islands and coastal areas; significant deterioration in environmental ecosystems; destabilising unregulated population movements; and extensive damage to, and losses of, industrial and business infrastructure. Were they to materialise, many of these developments would have profound social and political implications for the communities affected. Climate change is thus rapidly becoming not solely an environmental challenge, but as Dupont and Pearman have argued, an issue of utmost importance to global security.172

Concern about the possible dangers of greenhouse gas accumulations emerged as early as the 1920s, but action to address the issue only really began towards the end of the last century. Beginning with the UN-sponsored Rio Earth Summit of 1992, international action led first to the 1992 UN’s Framework Convention on Climate Change (UNFCCC) and then to a series of international meetings, which resulted in the 1997 Kyoto Protocol (Kyoto) as a mechanism to address the problem.173 The treaty eventually came into effect in February 2005, but it did so without the blessing of the US and (until very recently) Australia — two countries that had long played an active part in climate change discussions. Their opposition not only reflected profound reservations about the value of Kyoto as an approach to climate change, but also, and most especially in Washington, considerable scepticism about the integrity of the science on which it is based.174

**Climate science**

From the very beginning of the debate, the science has been controversial.175 Divisions within the scientific community over the integrity and significance of climate science have often been exploited shamelessly by political spear-carriers on both sides of the argument. Indeed, there has been a growing and unhelpful tendency to ‘catastrophise’ the dangers: as Sir John Houghton once disarmingly remarked, ‘unless we announce disasters no one will listen’.176 As a consequence, governments, commentators, and members of the public alike, have all struggled to understand the ‘facts’.

In 1988, the UN established the Intergovernmental Panel on Climate Change (IPCC) with a mandate to assess the ‘technical information relevant to the scientific basis of the risk of human-induced climate change, its potential impacts and options for adaptation and mitigation’. Opinion is far from universal, but the panel has produced four reports that are regarded as the most authoritative explanation of global climate change and its consequences. In its most recent report the IPCC offered a sobering account of the extent of the problem, and of possible dangers were it to go unchecked. As the IPCC’s work has continued, a steady stream of other research studies, many from highly reputable scientific figures and institutions, has repeated the warnings and urged international action.

Yet as the response to the Stern Review in the UK testifies, the doubters remain.178 Their scepticism is underpinned by different scientific data, a credible critique of climate change modelling and the conclusions that can be reasonably drawn from it, and disquiet over the often tendentious ways the evidence in support of global warming is being used. These controversies guarantee that the scientific debate will continue and indeed, there is much about the implications of global warming yet to be learned. That said, human-induced climate change is a reality and governments must now respond.

**Climate policy**

Like so much about climate change, the way forward is contested. Certainly, global warming confronts governments with difficult policy choices, both in the short term and well into the future. Policy management is complicated by the reality that global warming is manifestly as much a global as a domestic issue. Given the dual policy contexts, the preoccupation of much of the debate with the Kyoto process, at least in Australia, has been misguided. While defenders of Kyoto often argued that it marked only a start to meeting the challenge of global warming, its all too evident shortcomings were always a severe
impediment to its credibility. As time went on, Alan Oxley’s observation in 2005 that the ‘Kyoto Protocol is moribund’ was accurate in more ways than one.  

Sound policy in response to climate change should reflect a sober assessment of its risks, and resist policy prescriptions based on the more hysterical predictions of its dangers. A necessary starting-point is acknowledgement that climate change is occurring, that human behaviour is largely responsible, and that concerted action is required to address it. A strategic approach is required — one that comprehensively draws together all the necessary elements of policy. Initially, the aim must be to develop policies that will stabilise emissions, and in time, help to reduce them. These policies will have to be realistic about the world’s current, and for the time being, continuing dependence on fossil fuels. Second, a multidimensional approach is required, one that equitably but not necessarily evenly, shares the burden of policy change within the international community. This approach to emissions reductions demands an array of strategies: a strong commitment to energy savings and efficiencies; policies to encourage investment in cleaning–up the use of fossil fuels such as coal, and most importantly, a shift (encouraged by incentives with clear manageable targets) to alternative low carbon energy technologies, such as wind, solar and biomass. For some countries, nuclear power, perhaps even based on thorium, may have a part to play.

Third, the international community will eventually need to establish a price for carbon, either through a tax system, an emissions trading scheme, or by way of regulation of its use. Domestic and international mechanisms will be required, but while carbon will have to attract a cost it cannot be punitive: price mechanisms will have to balance the global dependence on carbon-emitting fuels against the need to encourage greater use of alternative energy substitutes. This points towards a market-based emissions trading system of global reach. Fourth, although domestic markets are important, governments around the world have a major role to play in addressing the climate change challenge, with some, notably the US, China and India, clearly more important than others. Governments are vital to driving change in relation to: behavioural attitudes; encouraging investment in new technologies, creating and managing new regulatory mechanisms in, for example, emissions trading; and facilitating social adjustments and transitions. Lastly, climate change is a global problem requiring a high degree of cooperation among members of the international community. It will need global and perhaps regional frameworks to succeed. Accommodating the very different impacts of climate change on the energy futures of developed and less-developed countries will require differential solutions and be a significant test for the international community.

Europe has long been ahead of other regions in responding to the challenge of climate change, while in the Asia Pacific progress continues to be very difficult. The world’s largest emitters — China and the US — are a part of the region, and it is here that the balance between carbon reduction and ensuring sustainable development will be most difficult to strike. Seen in this context, the Howard government’s Asia Pacific Partnership on Clean Development and Climate (AP6) initiative has been far more significant than is generally given credit, and should be embraced as an important element of the Asia Pacific’s forward climate change strategy. Similarly, the October 2007 commitment of APEC’s members to work towards a reduction in energy intensity of 25% by 2030, and to increase forest cover by 20 million hectares by 2020 across APEC member economies, is a welcome sign that regional countries acknowledge the scale of the challenge they face.

In the end, however, climate change is a global problem, one demanding a response building on the foundations of Kyoto. This has now emerged from the December 2007 United Nations Conference on Climate Change in Bali. Two weeks of fraught negotiations testified to the difficulties of global policymaking and left many participants, both governmental and non-governmental, dissatisfied. Nevertheless, the Bali Roadmap and a series of adjunct agreements now offer a way forward. The international community has committed itself to negotiating a comprehensive plan to accomplish ‘deep cuts in global emissions’ by the end of 2009. The plan will require developed countries to undertake measurable, reportable and verifiable mitigation actions with
Chapter 13

The pressures of people and population

As the century progresses, the cluster of issues around population could easily constitute one of the most demanding tests for governments in contemporary international relations. The Earth’s population will continue to grow until around the middle of the century when it is expected the growth rate will level off and then decline. Some countries will face specific population challenges which are likely to have severe consequences for their political and economic security. But in general, the issues surrounding population growth, shape the quality of life enjoyed by millions of people, have the potential to cause tension and conflict between governments, and, if the most alarmed prophets are to be believed, they have the capacity to put the survival of some communities at risk.

Population and world order

As the century unfolds, significant shifts in centres of world population are likely to be an important factor in reshaping the geopolitical order.

quantifiable emissions limitations, and developing countries to respond with mitigation action within the context of sustainable development and on the basis of ‘common but differentiated responsibilities’. At the same time, further action will be taken to assist developing countries in their adaptation to climate change by transferring technologies to assist development, financial support services, the expansion of clean energy programs, and to advance reforestation. Although accomplishing rather less than the most earnest advocates of global action were demanding, this still stands as a very ambitious agenda.

Climate security

When atmospheric greenhouse gas concentrations are eventually stabilised it will still take decades before a material decline in concentrations takes place. In the meantime, it would be foolish not to acknowledge the potential environmental, economic, social, and in the end political costs that the international community may have to bear if it cannot craft an adequate response. Some of the risks are already beginning to manifest themselves as challenges to international security, and these could intensify as time goes on. The point was made forcefully last year by Commissioner Mick Keelty of the Australian Federal Police, when he noted that: ‘climate change is going to be the security issue of the 21st century.’

With luck, foresight, and adroit management, the worst of the risks might perhaps be avoided, but governments need to face up to the dangers and be armed with appropriate responses.

With the Bali Roadmap in place and an international agreement on a low-emissions future in the offing by April 2009, there is some reason for optimism over climate change. There is, however, a long way to go. Not only will the negotiations demand skilled diplomacy, governments will need to find the political will to compromise critical national interests, develop their national capacities to follow through on mitigation strategies and to draw wider domestic interests such as business into the bargain. It is doubtful whether the global community has ever attempted anything quite so complex, but perhaps it has also never faced anything quite as threatening to its existence.
As previously noted, many of the rules, values and institutions of the existing order owe their importance to the post-war policies of the West. Its countries did not always have the largest populations but they were large enough that, when combined with increasing industrialisation, they gave European countries and the US, in various turns, global pre-eminence. Global rates of fertility, ageing and survivability, combined with the benefits of globalisation, are now working against the West’s pre-eminence. US demographics aside, the population of the developed world is ageing and declining relative to that of the increasingly prosperous developing world with its growing population. By 2050 the only currently developed country among the ten countries with the world’s largest populations will be the US. While it is wise to be cautious about predicting the consequences, Richard Jackson’s point deserves at least some thought: ‘as the developed world’s population and ultimately its economic output shrink as a share of the world total, other great powers may arise… The challenge facing an aging developed world is how to ensure that the emerging newer order is compatible with its values, interests, and long-term security’.  

**Demographic profiles: the young and the old**

The demographic trends driving these global changes — the ageing and decline of populations in developed countries and the rapidly growing populations in developing states — have political and security implications for the affected states, although the time frames are likely to be different. Across Western Europe, but also in Japan and to a lesser extent elsewhere in the developed world, populations have both a higher median age and are living longer. In the absence of a change in fertility rates (or youth immigration) the impact will be profound. As in Australia, most of the attention tends to focus on domestic implications: a decline in tax and thus revenue bases, growing demands on social security, labour shortages, increasing health costs and more remotely social unrest as governments struggle to achieve economic and social equity. Similar effects are likely to be experienced in other developed countries with comparable demographic trends.

But the effects of population decline will also flow through to countries’ national defences: an ageing population, for example, reduces the available pool of potential recruits for the armed forces and is likely to affect service recruitment and retention rates. Domestic labour market constraints will also intensify the global competition for defence skills and talent, flowing on to affect defence’s capacity to meet and maintain workforce goals. At the same time, reduced tax revenues could have budgetary implications, constraining defence spending or perhaps shaping specific spending priorities. Nor is it inconceivable that attitudes towards the use of military force itself may change, affecting a state’s strategic culture and perhaps its approach to foreign affairs more generally. These changes will not occur quickly, if at all. In the first instance, governments will no doubt seek to manage difficulties largely through the application of technology but over time other changes could occur, in personnel training and deployments, the redefining of unit and service missions and the mix of equipment and weapons platforms among other things. Changes of this nature would be of immense significance, not just to individual countries but for the ways military force is used in international affairs.

The security challenges for developing countries are likely to be very different since they will be experiencing significant youth bulges in their growing populations. The UN estimates that nearly 40% of the world’s population is under the age of 20 and 85% of that number is spread throughout 100 countries in the developing world, most in Africa (for example, Tanzania, Somalia, Yemen and the Sudan) the Middle East (Iran, Egypt and the West Bank of Israel) South and Central Asia (Pakistan and Afghanistan) and the Pacific Islands. High fertility, relative to the developed world, and declining rates of mortality, mean that these and many other developing countries will all have large youth bulges in their rapidly growing populations.

These countries are also likely to face growing security problems. Confronted by poor economic opportunities in rural areas, young people are already moving to the cities, thereby increasing the trend toward urbanisation. In the absence of better economic opportunities in regional areas this trend is likely to gain momentum, creating new
and more complex political and social problems as the new arrivals experience frustration and disenchantment. As Katherine Weiland has noted, ‘jobs, resources, and educational opportunities are scarce’ with the result that ‘a high percentage of youth can create a potentially volatile mix of rising ambition, restlessness and poverty’.

The consequences for security could be serious. The Chairman of the US National Intelligence Council has observed that the failure to integrate youth into the economy ‘is likely to perpetuate the cycle of instability, ethnic wars, revolutions, and anti-government activities that already affects many countries’. Nor will the dangers just be local. In 2002 the CIA warned that ‘the demographic youth bulge in developing countries whose economic systems and political ideologies are under stress — will fuel the rise of more disaffected groups willing to use violence to address their perceived grievances’. If these fears are realised, it will not just have an impact on the security of the US, it will touch the interests of other members of the international community.

The movement of people: local and international

A second population issue is already proving extremely difficult to manage, namely, the increasing movement of people within and across international borders. To the extent that these movements are orderly and legal, they are a readily manageable, albeit highly sensitive issue on the international diplomatic agenda. Of more pressing concern is the unregulated movement of people, the large and seemingly growing number of people who are mobile and in transit across the globe for any one of numerous reasons: ethnic persecution, civil war, religious intolerance, ecological collapse, acute risks to health and welfare, or just to secure a better life. The United Nations High Commissioner for Refugees (UNHCR) reports that at the end of 2006 there were an estimated 32.9 million people on the move or ‘of concern to UNHCR’ across the globe, many unlikely to ever return to their homes or original places of residence.

Of the people reported to be on the move by the UNHCR, 6.6 million (32%) were internally displaced persons (IDPs) moving within the borders of generally developing countries, often in Africa and often forced to do so by civil strife or environmental catastrophe. These people do not always attract close attention from the international community, but where the numbers are large and the disruption especially threatening to peoples’ security and welfare — in Kosovo, Rwanda, Somalia and the Sudan for example — governments, international organisations and private relief agencies are being drawn to act. The need for this form of intervention is likely to grow. UNHCR notes that the number of IDPs is growing — up 22% in a year. This appears to reflect a trend mentioned earlier, namely that over the last few decades’ instances of violent conflict have been growing, largely as a result of civil strife inside the borders of developing countries. While affected governments generally resent intervention and outsiders are often reluctant to become involved, the humanitarian and political risks of not acting almost always mount alarmingly. A legal way though the impasse is emerging in the form of a new international norm that emphasises that local governments have a duty to protect their citizens, and if they fail to do so, putting large populations at serious risk, outside intervention may be justified.

Often refugees are the most visible manifestation of internal chaos and conflict. UNHCR reports that in 2006 the global number of refugees had reached 9.9 million people. While millions already qualify as refugees under the International Refugee Convention and await repatriation or resettlement in camps around the globe, hundreds of thousands of others are adding to the refugee burden annually. In 2006, a total of 196,000 prima facie applicants were approved while some 605,000 individuals, mostly in Europe and Africa, applied for asylum.

Governments are struggling to cope with these movements. While 734,000 refugees were voluntarily repatriated in 2006, the UNHCR was only able to resettle 29,600 and only 14 industrialised countries reported resettled admissions. Insufficient attention has been given to addressing the deep-seated economic and political issues that are the chronic causes of the problem, and agreement over equitable resettlement solutions remains elusive. Domestically, no country can afford to run an
open borders policy — the political, economic and social costs are too great, a situation that is unlikely to change, at least in the short term. Internationally, the refugee problem is placing a great deal of pressure on the international legal regime on migration designed in the 1950s, and now unable to cope with the stresses under which it has been placed. Refugee numbers have fallen by one third over the last five years, but if history is any guide this will be little more than a temporary lull. The flow of refugees will continue, the numbers increasing periodically in the face of new crises, and as they do, the international community will still struggle to find ways to deal with them.

Population issues not only present complex economic challenges, they often confront societies with difficult political and social problems as worries over race, ethnicity and ultimately identity, come under scrutiny. Faced with growing population pressures, especially from the unregulated movement of people, the global incidence of social intolerance, xenophobia and racism has risen, not least in some developed countries where acceptance of ethnic and cultural differences was once a revered social value. This reflects a wider phenomenon in contemporary international relations, one in which issues of identity are becoming important drivers of political tension and conflict. This seems unlikely to change any time soon. Indeed, as population pressures increase, the incidence of discrimination, social unrest, and racially-motivated violence and crime are likely to increase, making sound public policy in this area as difficult and complex as it is important.

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**Chapter 14**

**Health, disease and security**

Maintaining adequate standards of public health is a challenge for governments everywhere and not self-evidently a matter of security. When, however, an infectious disease has the capacity to devastate a country’s population and the potential to afflict millions of people, it becomes an issue of more than passing concern to the international community. Pandemics are a persistent feature of human existence, and as the HIV/AIDS and SARS infections have demonstrated, world health authorities have become increasingly alert to the danger that other diseases might also pose a very severe threat to public health. Some scenarios might appear unduly alarmist. But the facts that some 30 million people died as a result of the Black Death in Europe in the 14th century, another 40 million died in the influenza outbreak after World War I (known as the Spanish flu), and a projected 40 million are likely to die as a result of AIDS, all underscore the potential gravity of the danger. Governments have a responsibility to contain the risks that might lead to a pandemic, but cooperation among members of the international community will be absolutely critical to success.

As a 2005 report from the Australian Strategic Policy Institute (ASPI) noted, a wide range of factors contribute to the emergence of new pandemic threats. The most notable include: environmental change; the globalisation of agriculture, food production and trade;
While research has already produced drugs capable of arresting the development of HIV/AIDS, a vaccine remains elusive. At the same time, human behaviour continues to put people at risk, while the cost and distribution of drugs, together with political and cultural resistance to programs of treatment, continue to affict efforts to stem the spread of the disease. In these circumstances, the threat of further massive infections remains a very real one, with populations in Russia, some of the former republics of the Soviet Union, and parts of South and East Asia, now among the most vulnerable.

An avian flu pandemic?

In the meantime there looms a health threat that is potentially more disastrous in the form of Avian Influenza (AI). ‘Bird flu’, as it has become known, is a natural infection of poultry and waterfowl, and has circulated as a benign infection among varieties for several hundred years. But like all viruses, it has the capacity to mutate, and in 1997 a new strain began to infect large numbers of birds in southern China. It has since spread throughout much of Southeast Asia and around the world, necessitating the destruction of hundreds of millions of chickens and ducks as a precaution against its further spread. The emergence of the highly infectious H5N1 strain of the disease, its apparent rapid passage across the globe and evidence that it has caused the deaths of a number of people who were in close contact with household birds has caused alarm among governments (and within international organisations) that a global flu pandemic may be at hand.

If such a pandemic were to occur, it would be the result of one of the highly pathogenic strains of the influenza virus (such as H5N1 or H9N2) mutating and crossing the species barrier (a zoonosis) in a form that is readily transmissible among humans. With the disease being spread relatively easily and human beings having no natural immunity, the consequences could be devastating. Warwick McKibbin, for example, estimates that a ‘mild’ pandemic could cost the lives of 1.4 million people and 0.8% of global GDP — about $US 330 billion. At the more
extreme end of the spectrum the toll could be 142.2 million deaths and a loss of $US 4.4 trillion in GDP. Losses of this magnitude would likely have an immediate impact on the security of individuals, their families and their countries. Most of the social, political and economic impacts visible in relation to HIV would likely be replicated more widely, many times over and more rapidly, given that an especially contagious form of AI would afflict its victims much more quickly. Laurie Garrett from the Council on Foreign Relations notes that an avian influenza pandemic would be far more devastating than the 1918-19 ‘Spanish flu’ — ‘its impact on national security would be obvious everywhere… [as]… nations rich and poor quickly recognised the vulnerabilities of their citizens, economies, public health systems and armed forces’.

The likelihood of an AI outbreak remains, however, a matter of controversy. While some writers such as Garrett emphasise the highly unpredictable nature of pathogenic evolution, noting that ‘influenza is one of the sloppiest, most mutation prone pathogens in nature’s storehouse’, others, including the Australian Department of Health and Ageing, argue that it is but a matter of time before the danger descends. Either way, there is considerable agreement that if it were to happen, the international community would be ill-prepared. Osterholm, for example, notes that if an influenza pandemic were to strike today it would require an unprecedented medical and non-medical response, one that ‘requires planning far beyond anything devised thus far by any of the world’s countries and organisations’. Many governments would struggle to cope with a pandemic of even modest magnitude. Others can better avoid the risks, but the disturbing indications are that for those countries better able to cope, where disaster can be avoided and the impact considerably lessened, time is running out to make the social, political and economic investments that are needed.

The risks posed by infectious diseases generally preclude them from being part of a traditional security agenda. They may constitute vulnerabilities but they are generally not seen as threats. If, however, security relates to the protection of the most fundamental of a society’s interests from risk, then the dangers posed by a new pandemic must surely qualify for securitisation. The inclination of security establishments to focus on biological agents largely as offensive weapons in, for example, the hands of terrorists is no longer sustainable. With virulent infectious diseases having the capacity to wreak massive havoc on the health of populations, mass movements of goods and people facilitating the spread of infection, and our increasingly urbanised lives serving as disease force multipliers, the need to review attitudes to possible threats from a new pandemic is a compelling one. As Barack Obama and Richard Lugar remarked in relation to US preparedness in 2005, ‘we must face the reality that these exotic killer diseases are not isolated health problems half a world away, but direct and immediate threats to security and prosperity here at home’. Given that the epicentre of any outbreak of disease is likely to be close to Australia in Southeast Asia, Canberra has the most compelling of reasons to be prepared.
Chapter 15

Transnational crime and the ‘wars of globalisation’

Crime and criminals have traditionally escaped the close attention of international relations. For the most part their activities are regarded as law-and-order issues on governments’ domestic agendas. But as James Woolsey, a former CIA Director noted as far back as 1992, the ‘threat from organised crime transcends traditional law enforcement concerns… [and] affects critical national security interests… It is a mixture as deadly as any we faced during the Cold War’. Woolsey’s view was doubtless a reflection of the massive increase in global transnational criminal activity that has taken place over the last few decades. Broadly defined to include all forms of illegal activity that cross international borders, transnational crime syndicates are estimated to turn over around US$1.5 trillion a year, a figure equivalent to the gross domestic product of China or Italy. At these levels, transnational crime is no longer merely a matter of law enforcement. It has become one of the most challenging security issues of modern international relations, pitting governments against powerful and globally networked enterprises of syndicates, gangs, cartels and warlords whose contempt for legality is matched only by their desire to secure the potentially enormous financial rewards yielded by their trade.
Crime: its causes and extent

While hardly a new phenomenon, the global networks that sustain this sordid and highly lucrative criminal activity have grown more powerful as international events have created new opportunities. The danger is not from a single holistic criminal conspiracy that controls all international criminal activity, but rather from a complex myriad of organisations with diverse international operations and connections. Most notable in recent years have been the cocaine drug cartels mainly headquartered in central America and Mexico, the triads pervasive throughout Asia, the Yakuza founded in Japan but with extensive activities throughout the Asia-Pacific, La Casa Nostra active in the US, and Mafia groups based in former Eastern bloc countries.

In the cover story to its January/February 2003 edition, *Foreign Policy* attributed much of the growth in these criminal organisations to globalisation. While nation-states had benefited from ‘the information revolution, stronger political and economic linkages and the shrinking importance of geography’ so too, *Foreign Policy* argued, had criminals. ‘Never fettered by the niceties of sovereignty, they are now increasingly free of geographic constraints’, at the same time as the burdens on governments make fighting global criminals more difficult. Certainly globalisation has aided and abetted the growth in transnational crime. Internet cyber-crime is, for instance, posing an increasing challenge, but other factors have also been of importance: an increase in the worldwide incidence of ethnic, nationalist and tribal conflict, the disintegration of the Soviet Union, endemic corruption among government officials (and not only in developing countries), the growth of urbanisation, and the emergence of the weak state phenomenon have all played a part.

Perhaps the most politically visible of all transnational crimes is the international drug trade, which is now so great that the US Bureau for International Narcotics and Law Enforcement Affairs estimates the value of the trade to be at least US$300 billion per annum — a sum so great that ‘most large criminal enterprises rely to some extent on drug money to finance their operations’. Moreover, transnational crime also includes: arms trafficking (now estimated to generate in excess of US$1 billion a year); intellectual property fraud (estimated to have cost the US over US$9 billion in 2001 alone); people smuggling (US$7 billion globally); money laundering (US$800 billion to US$2 trillion); stolen art (US$2-6 billion); human organs (all organs, affecting thousands of people across continents); endangered species (billions of dollars and millions of plant and animal types); identity theft (involving credit cards, passports and financial assets costing billions of dollars); and toxic waste (many forms of waste worth around US$8 billion).

Crime: impact and solutions

The daily personal misery caused to millions of people is just one of the pernicious consequences of this criminal activity. At existing and projected levels transnational crime also undermines the core political, economic and social values of affected societies, and deprives citizens of physical and material security. The international drug trade, for example, serves to foster corruption, finances terrorism, promotes money laundering, and facilitates the spread of diseases such as hepatitis and HIV/AIDS. Elsewhere, governments faced with people smuggling, for example, are being forced to confront other problems including the financial costs of resettlement, increased levels of financial corruption, and new threats to domestic social harmony.

For the international community, however, the dangers of transnational crime lie in its growing coercive power: not only are individuals at risk but increasingly, as Alan Dupont has noted, criminal activities pose a direct threat to countries’ national sovereignty by undermining and subverting the political authority and legitimacy of governments. Where crime intersects with the sovereign authority of the state, destabilising governments, corrupting state institutions, facilitating terrorist activities and undermining civil society, the dangers are acute and the need to confront them as a threat to national security is most compelling. Less developed countries with weak state structures are most at risk, but with criminal activity endemic in most developed countries, the challenge is self-evidently an international one.
At present, governments are struggling to cope with the challenges of transnational crime. Criminal activity is increasing as opportunities expand and the means and methods of criminality become more sophisticated. And while crime is certainly a competitive enterprise, sparking occasional turf wars that are internally disruptive, criminals have discovered that cooperative regional linkages are a useful means of expanding operations. For all their determination to shut down the criminal networks and all the resources they have committed to the task, governments need to find new and more effective ways to confront the problem. As Foreign Policy noted, ‘the collective thinking that guides government strategies in the five wars [of globalisation] is rooted in wrong ideas, false assumptions and obsolete institutions’.

This may be hyperbole, but the transnational syndicates, cartels and networks that drive criminal behaviour are resourceful, determined, agile and all too often able to avoid detection, prosecution and penalty. This is because governments are variously under-resourced, reluctant to cooperate effectively, bound by cumbersome bureaucracies, riven with corruption and dealing with other priorities. Eradication of transnational crime may never be possible, but there is a strong international view that key elements of the solution lie in: elevating transnational crime to a national security issue; dedicating greater resources to combating it; improving multilateral cooperation, especially at a regional level; seeking to address the conditions of social and economic despair in which crime breeds; developing better mechanisms and institutions to fight the networks; and adopting more flexible notions of state sovereignty to facilitate cross-border pursuit.

Part IV

Conclusions and policy recommendations for
Australian foreign policy

As we approach the end of the first decade of this new century, the international political system is once again going through a period of profound change. The fault-lines that now divide the international community are changing the ‘context of living globally’. They have the potential to redraw the contours of the geopolitical landscape and to reshape many of the rules, norms and institutions that are an integral part of the Western liberal order. The changes defy easy or simple characterisation. While the forces shaping them have a resonance with earlier periods in history, they have a contemporary character, complexity and ambiguity that make them unique to our age. The existing liberal order has a resilience and capacity for adaptation which may enable it to continue expanding as it has done over the last half a century. Were this to be the case, Australia’s prosperity and security would be more certain than if things were otherwise, but in the end, Australia’s future will be heavily dependent on the way it responds to the impact of the changes now buffeting the international system.
The emerging global order

Much about the emerging global order remains confused and confusing, but the fault-lines that now divide the international community all point in the direction of profound change: strong clashes of ideas and interests are creating widespread instabilities and insecurities which are shaking the foundations of the international order. Several issues will be especially critical in determining the extent of change. First, it will be determined by the way the international community responds to the many disjunctions of globalisation. The third great phase of globalisation since the early years of the 20th century is running, once again in the words of Tom Friedman, ‘farther, faster, cheaper and deeper’ than in any phase before it. As a consequence, its impact is more profound and the debates over its future more intense. Globalisation undoubtedly benefits significant sections of the international community and is unlikely to be reversed or end suddenly. Its geopolitical impact is profound but it is leaving considerable political, economic and social wreckage in its wake. The extent to which it can survive in its present form will be one of the most critical issues for the international community in the decades ahead.

The second critical issue and the one that will be the key to determining the contours of the geopolitical landscape in the decades ahead is the future of American primacy. America’s ascendency began during the First World War and continued throughout the remainder of the 20th century to reach the point of unchallenged geopolitical pre-eminence with the end of the Cold War. But after a decade of strategic upheaval in global affairs, America’s primacy shows troubling signs of fragility. The ‘unipolar moment’ will certainly continue for some time to come, but as other states rise, the issues at the very core of every debate over the future of Western liberalism are America’s global leadership, the way the US will exercise its unique power and how long its status as the unchallenged hegemon can be sustained.

Third, questions abound over the extent to which movements animated by fanaticism and extremism, some clothed in coherent ideologies and others not, will shape the new order. International politics...
The Emerging Global Order

development in international relations, one that pays greater attention to more sophisticated ideas of right, obligation and society and the way the international community engages with them. Any developments will be slow to mature, but if the new order were to evolve in this way it could involve some significant changes in international behaviour.

The way these key issues play out over the coming decades will determine the future of the Western liberal order, testing its resilience and capacity to adapt. Some of the trends in the international system — the rise of new great powers, for example — will pose acute strategic challenges for great power management and presage an era of considerable instability. The trends overall do not foreshadow a period of confrontation, still less the wider use of military force to resolve disputes, but in periods of insecurity where interests clash and power is shifting among key actors, this cannot be ruled out. It is more likely however, that the rules and institutions which constitute such an important part of Western liberalism will permit many of the coming instabilities to be managed in other ways.

The foundations of Western liberal order are now deeply embedded in the international system. The rising powers which are the main threat to its stability are already such obvious beneficiaries of its norms and values that overthrowing it would be very costly to their interests: it is more likely that they will make a strategic choice to become more fully integrated into its structures and processes and seek to influence its direction from within. This would certainly be to Australia’s advantage and to the West more generally but while possible, it is anything but a foregone conclusion. Nor will this make managing issues on the international agenda any easier. Despite the elaborate network of rules and institutions that are constitutive of liberalism, tensions and conflicts over issues as widely separated as trade, terrorism, migration, non-proliferation and climate change are a persistent feature of international life and testify to the deep fissures — the fault-lines — that afflict the global body politic.

Yet it is difficult to see any other system offering greater assurance of security and prosperity. A far less sophisticated system of order constructed around a new global concert of powers or a fresh balance among the great powers is possible, but one would still require a high degree of international cooperation and the other a sustainable capacity to manage competition. Both would demand more purposive policy behaviour than seems possible in an anarchical system with many sources of power, and would probably mean a more volatile and unstable future order.

If the form and character of the emerging order remains problematic, there seems little doubt that we have entered an era of challenging strategic complexity, and for many states and communities, pervasive insecurity. From our current vantage-point, President G. W. H. Bush’s September 1990 vision of a ‘new era free from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace’ is little closer to realisation. Arguably, the international community already possesses many of the means — the normative frameworks and political structures — that would enable some progress towards the former president’s ambitious goal, but whether it can find the political leadership and summon the political will to make effective use of them is another matter entirely.

Reviewing Australian foreign policy

In an increasingly interconnected 24/7 world, no country, including Australia, can escape the impact of widespread change. So far as security is concerned we have some obvious geostrategic advantages as an island continent, far removed from many of the world’s most intense trouble spots, but international events have always shaped Australia’s destiny. From the earliest years of white settlement at the end of the 18th century, European colonists were acutely conscious of the importance of world affairs on their fortunes. A hundred years later, the founding fathers of the federation were equally aware of the importance of the world beyond the new nation’s shores. Little has changed to alter these perceptions. Indeed, Australia’s deepening networks of interdependence with other parts of the international community reflect something of an enduring national truth: Australia’s economic prosperity, strategic security and to an extent its political stability and social harmony,
THE EMERGING GLOBAL ORDER

rest on the nature and extent of its engagement with the international community. Australia is a country where short- and long-term national interests are bound up with the character of global order.

It is timely to take stock of Australia’s engagement with the international community. Not only are we living in a period of transformational global change, Australia itself faces significant challenges abroad. For the moment, Iraq, Afghanistan, international terrorism, climate change and instability in the South Pacific claim much of the foreign policy spotlight. But a profound shift in the global strategic balance of power is ahead and it will be played out in Asia as the US, China, Japan and India all seek to adjust to the new economic and strategic realities of the region. This will also pose challenges for Australia, and will have to be managed alongside the growing movement for greater regional cooperation in Asia and the need for effective responses to the threats and vulnerabilities created by weapons proliferation, trade protectionism, population movements, transnational crime and the risk of a new pandemic.

The result of last year’s federal election adds a further imperative for reassessment. While the new Rudd government took a foreign policy platform to the electorate that in some respects differed materially from that of its predecessor, there is certain to be a degree of continuity in the way Australia acts abroad that will only become evident over time. Meanwhile the Liberal Party has to use its time in opposition constructively to reassess the direction of its foreign policy. It can do so with considerable pride in the former government’s many achievements in office. In an increasingly difficult, even hostile strategic environment, the Howard Government pursued an activist foreign policy with a clear focus on protecting and advancing the national interest. It blended the use of military force with a constant and often intensive tempo of diplomatic activity, both in the Asia Pacific region and more widely. Its policy accomplishments were extensive and there were significant innovations in policy planning, especially with regard to national security, while careful budget management enabled an overdue and very substantial increase in funding for defence and intelligence agencies.\(^{238}\) If, overall, the Howard government’s foreign policy legacy is

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an impressive one, there were undoubtedly also weaknesses. Its record on climate change, for example, was uneven and after March 2003, the policy failings in Iraq were a constant burden for the government. It is now time, however, to look ahead and for the Coalition to undertake a reassessment of its foreign policy. This should be comprehensive and engage a wide range of opinion from both within the two Coalition parties and from experts outside. It should be an honest and forthright reappraisal, one that recognises and affirms the strengths of the Howard government’s policies, but also acknowledges its shortcomings openly and frankly as its charts a course for the future and addresses the many international challenges ahead.

The international setting

Clearly, the great challenge for Australian foreign policy is to navigate the stormy international waters of transformational global change. Two considerations are critical to this task: an appreciation of the global and regional forces shaping the strategic environment and a clear understanding of Australia’s own national interests.

Against the background of widespread global change, a sharper appreciation of the international environment requires some focus on Australia’s own Asia Pacific neighbourhood. This gives every sign of being among the most dynamic and perhaps troubled parts of the globe. All the global fault-lines of the international system discussed earlier slice through the Asia Pacific and are already having a potent impact on the prospects for regional peace, order and prosperity. Consider, for example, globalisation. It is transforming the politics as well as the economics and social order of the region. Although the financial crisis of 1997 still hangs over parts of the region, the forces that globalisation has unleashed will make Asia the dynamic hub of the global economy well before the middle of the century. These forces underpin growing East Asian prosperity, bringing with it expanded trade, services and financial markets, increasing corporate and personal wealth, new centres of education and technological innovation, a shift in long-revered social and cultural values, and progress, albeit rather ambiguous, towards
greater regional integration. Perhaps most importantly, globalisation is underpinning the rise of two new global powers within Asia — China and India. Their rise, assuming it is sustained, will change the foundations of the regional geopolitical order and is likely to have a considerable impact on America’s strategic role and place in the region.

Globalisation’s downside is visible in such things as the growing gap between rich and poor in rapidly developing countries like China and Vietnam, expanding arms modernisation programs, the scramble for resources and energy security, increases in regional transnational crime and growing environmental pollution, while the scourge of corruption is still an endemic problem.

In the Pacific, globalisation offers the promise of greater prosperity for its small island communities but for the moment its costs are mounting: global marginalisation has aggravated economic malaise, sharpened security anxieties and arguably exacerbated the political and ethnic divisions that afflict much of the Pacific region. As it intersects with the other fault-lines of contemporary international affairs, globalisation is transforming the Asia Pacific, its dynamic forces shaping the lives and destinies of millions of the region’s people, states and communities. From the strategic risks associated with a possible great-power struggle for regional hegemony through to managing the pressures of economic growth, to accommodating the disparate aspirations for regional integration and dealing with extant and emerging security threats and vulnerabilities from non-traditional sources, the list of pressures that the region is likely to face in the decades ahead is a very long one.

Many of these pressures are already transforming Australia’s sometimes ambivalent engagement with the states of the region. In the Pacific, where for over a hundred years Australia has been an intrusive, if not always welcome influence on events, growing instability has drawn us into a more proactive role throughout the ‘arc of instability’, and this is unlikely to diminish. In East Asia, events since the end of World War II have drawn Australia ever more deeply into the patterns of its political, economic and social life. We will always struggle to be accepted as a natural part of the region and for some Australians taking refuge in our continental insularity will always be preferable to seeking a fuller partnership. Yet it is an inescapable modern reality of Australian life that we now have strong, vital and increasingly close relations with most of the governments of the region, that businesses alliances and commercial partnerships are deepening and that people-to-people contacts are growing. That said, the intensity of Australia’s regional relationships is uneven — approaching intimacy in some places, less assured and cooperative elsewhere and everything in between. History, culture and interests still shape different world-views and occasionally even among the closest of Australia’s friends spark disputes, as the recent differences with Japan over whaling indicates. These kinds of periodic disruptions in relations will almost certainly continue and could become, on occasion, more serious. Even so, the historic trend is clear: Australia is certain to play an increasingly important role in the Asia Pacific’s dynamic future and the region in turn will become a more significant dimension of the way Australia defines its role and place in the world.

The national interest

Given the character of the international environment and of the near neighbourhood, how then are Australia’s national interests to be defined? While the idea of states having readily identifiable ‘national interests’ is often a controversial one, for decision-makers the concept of interests is the natural starting-point for the development of foreign policy. Very broadly, national interests are core or vital needs — political, economic, strategic and societal — which must be protected to provide for the nation’s prosperity and security and which help to preserve its way of life, define the values of its people and form its character, in Australia’s case as a stable liberal democracy. In 1997 Australia’s first-ever foreign and trade policy White Paper, entitled In the National Interest, noted that a ‘country’s perception of its national interests is shaped by its geography, history, strategic circumstances and economic profile, as well as by its values… these elements combine in a distinctive way’.211 The implication of this insight is the same today as it was a decade ago: Australia’s foreign policy must be tailored to meet its own
unique circumstances and the social political and economic needs of the Australian people.

The 1997 White Paper and a second in 2003 (after 9/11) highlight Australia’s national interests at a given moment. Viewed in conjunction with one another they underscore Australia’s character as a country with some enduring long-term interests, set alongside others that can change more readily and over a relatively short period. To the extent these interests are dynamic they require constant re-evaluation and as they shift the policies needed to advance them may need frequent adjustment. Long- or short-term, the calculation of interests cannot be other than a national, whole-of-government exercise in decision-making — certainly not the undertaking of a single government agency. As valuable as the two foreign policy white papers have been, and as instructive as their numerous defence counterparts have also been over a longer period of time, the imperative remains for a more integrated assessment of Australia’s national interests, one beyond ownership of either of the foreign policy or defence portfolios. There is also a strong case for the design of a national strategy, one that more completely comprehends the range of threats to Australia’s interests and more fully lays out the ways they can be protected.

The development of a holistic national security assessment is a task to be undertaken at the highest levels of government with the participation of all relevant agencies. While the character of these assessments could well change over time, in the current international environment an outline of Australia’s key national interests might include: defence of the Australian homeland and its offshore interests in conjunction with friends and allies; contributing to the stability of great-power relations; opposing the rise of non-state actors threatening to Australia’s interests and international order and security more generally; encouraging stability, security and prosperity in the Asia Pacific region; encouraging the growth of rules-based policy regimes together with credible organisations of global and regional governance; aiding underdeveloped states to achieve economic self-reliance; assisting in the effective management of the risks and dangers associated with environmental degradation; and promoting stable governance in democratically-accountable states. The point to emphasise is that Australia’s national interests are increasingly interdependent with one another and regarding them as though they existed in separate policy silos or remain the preserve of a particular agency of government leads to policy dysfunction and inefficiency.

A strategy for Australian foreign policy

At the outset the development of a national foreign policy strategy demands the discipline of ends being closely aligned to means. As Walter Lippman once observed, ‘without the controlling principle that the nation must maintain its objectives and its power in equilibrium… it is impossible to think at all about foreign policy’. Although this comment was made in a US context, it serves as a useful warning to Australian policymakers to be careful about strategic choices. Australia does not possess the structural strength of a great power, it cannot dictate the terms of its engagement with the international community and it is not in an especially advantageous geographic position to shape events to its advantage. While it does have a measure of national resilience to many of the forces and pressures now shaping global affairs, its decision-makers should be guided nevertheless by the belief that modesty of ambition is a virtue, exaggerated claims of influence are to be avoided, and in international affairs as elsewhere, displays of hubris are almost certainly counterproductive.

Yet we live in a world where structural (especially military) power is not the only measure or determinant of foreign policy success (witness the US in Iraq) and, as has always been the case in world politics, the successful application of power is relative and contextual, making its effective exercise almost invariably a moveable feast. Viewed from this perspective, Australia is not an insignificant country. As former foreign minister Alexander Downer once pointed out, in relative terms, Australia’s capacity for influence should not be dismissed or undervalued. Among other things, Australia has the world’s 12th largest economy (9th in GDP per capita), sustaining high levels of growth over a long period of time and increasingly well integrated
into the global economy; a strong resource and energy base; a well-educated population with a high standard of living, securely integrated into a generally harmonious multicultural society; a strong tradition of creativity in the arts and of innovation in the sciences and technology; a small, but outstandingly competent, well-equipped and well-trained defence force; a highly professional foreign service with an extensive network of posts and missions around the world; a global network of well-developed international alliances and diplomatic partnerships, and a stable liberal democratic political system with strong institutions of governance.

Sustained, these strengths serve as a firm foundation for the conduct of Australian foreign policy and offer Australian decision-makers a wide range of options in selecting a strategy. Among the many possibilities are: comprehensive globalization, comprehensive regionalism, selective regional engagement, global collective security, regional cooperative security, dependent allianceship and isolationism. Save for isolationism, which is barely conceivable in an era of global interdependence, any one of these strategies might serve as a foundation for Australian foreign policy into the future. There is another, however, that is perhaps more appropriate to Australia’s circumstances, namely selective global activism.

Selective global activism draws part of its conceptual foundations from the realist tradition of international relations and part from liberal internationalism. Through realism it understands the essentially anarchical nature of international society, that states acting in their own interests are the primary actors in international affairs and that power, often backed up by military force, is ever the ultimate determinant of policy outcomes. But from the liberal international tradition, it also comprehends the importance of the rules and institutions (especially for middle powers) that can be used to leverage Australia’s interests into the international community.

In geographic scope, selective global activism recognises that Australia’s national interests are spread widely but unevenly around the world. They are not all of the same importance and cannot all be protected to the same extent simultaneously. Accordingly, careful policy choices have to be made, ordering national priorities and the means to pursue them as circumstances demand. As to means, selective global activism emphasises the need for Australia to be energetic in the protection of its interests abroad and to develop, maintain and use a wide range of foreign policy instruments — military, diplomatic, economic and legal among them — to advance those interests locally and around the world.

Finally, selective global activism embraces the idea that while advancing the national interest is the primary rationale for Australia’s foreign policy, part of that interest should include contributing to the delivery of international public goods. Australia’s tradition of foreign policy has long recognised that the international system of states is also a society of states creating certain responsibilities for its members.214 In the past, Australian governments have defined the national interest sufficiently widely to include congruent public goods — in the struggle against terrorism (Afghanistan); in regional conflict resolution (the Cambodian peace settlement); in global issue management (non-proliferation, open trade or people smuggling); in institution building (APEC and the AP6); and in treaty making (Law of the Sea) for example. In the international environment of the 21st century it may well be that this tradition of Australian foreign policy, captured in J. D. B. Miller’s evocative phrase ‘dogged low gear idealism’, is one for which the international community will have an increasing need.

Australia’s unique combination of national attributes makes the choice of selective global activism a natural strategic option for its foreign policy. To sustain this strategy, however, the nation’s decision-makers will need to pay diligent attention to each of its key elements.

First, Australia will have to sustain the attributes of its hard and soft power that are the source of its credibility and legitimacy in the international arena. Many of these depend on the maintenance of a strong, resilient and competitive economy.

Second, it will need to gain a clear understanding of its national interests and the way they can be pursued effectively in a world of dynamic change. This will require a holistic approach to the conceptualisation of interests, and close alignment between the purpose of policy and the means to carry it out.
Third, Australia will have to maintain an active diplomatic and economic presence on the world stage, one alert to the potential benefits of cultural diplomacy and ready to deploy military force in defence of compelling national interests when required. Critically, however, Australia’s activism will require selectivity in the tasks it undertakes.

Fourth, while maintaining a credible military capability, Australia will need to be conscious of its limitations as an instrument of policy. These limitations are inherent in the nature of military force itself, are a function of Australia’s particular ability to wield it and a reflection of the changing nature of contemporary international affairs.

Fifth, Australia will need to maintain its existing alliances and strategic relationships and develop opportunities for fresh partnerships as the occasions arise. In relation to the US alliance, in particular, Australia will need to make more critically-informed judgements about the benefits and opportunities of being allied to a self-absorbed great power.

Sixth, Australia will need to enhance its ability to develop and sustain a wider range of foreign policy capabilities, ones that fuse different instruments of policy and are well adapted to the unique and growing challenges of contemporary international affairs.

Finally, as with all sound and effective foreign policy, Australia will have to ensure the policies it pursues internationally rest securely on the values and beliefs of the Australian community and command the support of the Australian people.

Creating the foreign policy structures and processes necessary for Australia to become an effective and confident practitioner of selective global activism demands evolutionary reform — a process of policy innovation that builds on existing strategic foundations. The recommendations that follow are directed to this end. They are less concerned to explore the content of policy, that is to say, the nature of Australia’s policies towards specific countries or the position it should adopt on particular issues, than they are focused on the conduct of Australia’s foreign (and defence) policies. They highlight the changes necessary to ensure that the structures and processes that underpin an effective foreign policy strategy are in place to advance Australia’s unique national interests in the tumultuous decades ahead. Some of the recommendations propose the creation of new capabilities, while others reinforce some already in place.

Overall, the recommendations are directed to a single overriding imperative: to ensure that Australia’s interests are protected in a rapidly changing international environment where events are already redefining the ‘context of living globally’ and where the comforting reassurance that Australia will remain secure and prosperous within the context of a global order defined by Western liberalism can no longer be taken for granted. Australia has good reason to be confident that it has the means to achieve this objective. In the testing international environment of the 21st century, however, it is difficult to avoid the conclusion that it will only do so if it plays an increasingly smart national game, one that is more strategic in the conception and design of its foreign policy, more resolute in its acquisition of the means to underpin it and more tactically astute in the ways it seeks to pursue it.
Policy recommendations

Recommendation 1

Australia should give higher priority to the development of policy processes and mechanisms that will further reinforce its capacity for whole-of-government policymaking. It should also explore ways to develop more sophisticated and broadly integrated instruments of policy that will allow more appropriate responses to the foreign policy challenges ahead.

An important part of the tradition of Australian foreign policy — virtually since the end of World War II — has been the fusion between diplomacy, military force and other instruments of policy to secure national goals and objectives. In the current ‘interconnected security environment’ where the threats and vulnerabilities to which Australia is exposed are no longer as easily divisible from one another as they were during the Cold War era and are as diverse as they are complex, this tradition is of enduring importance.

Australia should now seek to build on this tradition, aiming to ensure that existing capabilities are preserved, but are adaptable enough to meet changing international conditions. The new environment places a premium on the possession of a wide range of civilian and military policy capabilities and an ability to deploy them in ways that permit
more integrated and sophisticated policy responses, either by Australia independently or in conjunction with other countries or international organisations such as the United Nations.

Ideally, the policy responses should be shaped by the demands of the problem, rather than by the all-too-often inflexible structures, processes and priorities of government agencies. This imperative makes demands on agencies to be more far-sighted in their planning, build greater flexibility into their policy response mechanisms, develop processes for more timely action, and, most importantly, work together more effectively to ensure that the bureaucratic walls dividing them become more porous and readily penetrable.

Recommendation 2

The Australian Government should develop a comprehensive national security strategy that draws together all elements of Australia’s foreign and defence interests into a single coherent statement of policy. This statement should be revised regularly and published in the form of a National Security Appreciation (NSA) and serve as the foundation for the conduct of Australia’s foreign policy.

As long ago as 1941 the Chiefs of Staff Committee noted that Australia needed to regard the challenges to its security within a ‘single strategic framework’. That need is more vital today than it was over 60 years ago, yet Australia has so far failed to respond fully to its implications. The international environment requires that Australia maintain a clear sense of its national interests and the ways they can be advanced successfully within the international arena. It demands the development of a comprehensive national security policy.

This will be a demanding enterprise, not least because Australia has had limited experience with this kind of strategic planning. While governments have had long experience of strategic thinking, much of the focus, as with the Department of Defence’s white papers and regular strategic updates, has been on the narrow issue of applying military force to the requirements of Australia’s defence. The manifestly more demanding task of conceptualising Australia’s wider national interests and articulating a strategy to secure them using all available policy instruments, including military force, has attracted only limited attention both within government and outside it. This has been to Australia’s cost: limited planning has sometimes led to poor decision-making, cost vital resources and led to lost opportunities. Grand strategies involve risks but they usefully
Conclusions and Policy Recommendations for Australian Foreign Policy

Recommendation 3

Australia should create an independent, statutory, national security assessment, planning and coordinating body to be known as the National Security Office (NSO).

A critical element in the successful conduct of any national strategy is the requirement for a robust and efficient mechanism for timely policy formulation. In Australia that need is currently met by several agencies and interlinked coordinating committees. Most prominent among them are the Departments of Foreign Affairs and Trade (DFAT), Prime Minister and Cabinet, Defence, and certain intelligence agencies, such as the Office of National Assessments, with periodic contributions from other agencies, among them, Attorney Generals (especially in relation to terrorism) and Justice and Customs and Immigration (in relation to border security). Given the importance of budgets and financial issues in the management of Australia’s international affairs, Treasury is also a key agency.

Although this is a long list (and in a changing international environment appears to be getting longer), in reality the number of key (usually senior) officials directly involved in decision-making is relatively small. They formulate policy through several formally constituted policymaking and coordinating mechanisms of which the Secretaries Committee on National Security (SCONS) and the National Security Committee of Cabinet (NSCC) are the most important. The latter represents one of several important policymaking innovations of the Howard Government after it came into office in 1996. As part of the executive arm of government, the NSCC is currently the most important forum for all major decisions relating to Australian foreign policy, defence and national security.

These arrangements have been successful in meeting the international challenges Australia has faced over the last decade. In the circumstances

prepare policymakers for the tests they must confront in the years ahead.

There is much about the global environment that Australia cannot change but a national foreign policy strategy would force policymakers to undertake a clear-eyed and systematic assessment of the global conditions that will permit Australia to best achieve its policy goals and objectives. These are likely to revolve around Australia working with other states to promote collective goods in fields such as security, international trade, environmental management and regional cooperation. Articulating these ideals and values will not only help to focus the nation’s policy direction, it will also make Australia’s goals clear to the international community.

The NSA should become the principal expression of Australia’s foreign and strategic policy. A version of it should be a public document, revised regularly, and exist as a whole-of-government statement of Australia’s national interests, policy aims and objectives, proposed methods of policy implementation, and the resources and capabilities necessary to advance and protect Australia’s interests.

The NSA would be prepared by the National Security Office (NSO) (see Recommendation 3) approximately every three years (essentially during the life of each parliament) and replace existing strategic and policy assessments, although the agencies generally responsible for these documents might continue to prepare regular statements detailing their specific roles and responsibilities in relation to the broader national security policy. Given its importance, the NSA should be tabled in parliament and a complete account of its contents offered by NSO’s Director General in testimony to the parliament’s Joint Committee on Foreign Affairs, Defence and Trade.
there is an understandable reluctance for change. However, the demands on Australian foreign policy and thus security will increase over the coming years. This will place a premium on timely decision-making, effective whole-of-government policy coordination and implementation, high-quality policy advice, long-term strategic planning, effective resource allocation among policy priority areas, strong staff support for major policymakers, and as Australia is a confident democracy, a high degree of transparency over the nature and direction of Australia’s national security.

The most effective way to achieve these objectives is through the creation of an independent, statutory, national security planning body which might perhaps be called the National Security Office (NSO). One of NSO’s primary tasks would be to develop and update the proposed National Security Appreciation (NSA) but its wider responsibilities might include: the provision of policy advice to Cabinet, more especially the NSCC; policy coordination among the national security agencies; crisis management; the development of long-term strategic guidance; and indicative resource allocation. To these ends, the National Security and International Divisions of the Department of Prime Minister and Cabinet could be removed to NSO and expanded as needed. The new body would be responsible to the Prime Minister and its head would become the Prime Minister’s chief adviser on national security. It would have some area (Asia and the Pacific, for example) and functional (defence and foreign policy) policy expertise but would largely draw on the considerable expertise existing within other agencies such as DFAT and Defence.

Existing decision-making structures in national security have served Australia reasonably well. Their reliability, however, rests in part on procedures which were familiar to those within successive Howard Governments responsible for creating them. Sound policy structures demand a more enduring foundation if they are to be sustainable. In the more demanding global environment of the future, this points in the direction of structural reforms that will materially strengthen whole-of-government processes for both policy formulation and implementation.

Recommendation 4

The growing demands on Australian foreign policy make it likely that the operational effectiveness of the Department of Foreign Affairs and Trade will be placed under increasing pressure in the years ahead. Australia should ensure that it insulates this important foreign policy capability from being degraded by maintaining the Department’s access to new business and communications technologies, improving management techniques and ensuring appropriate increases in funding.

Over the last decade, the Department of Foreign Affairs and Trade (DFAT) has become a more efficient and focused organisation which has embraced new technologies and management practices to fulfil its responsibilities. DFAT should aim to maintain this organisational discipline. The new and expanding international policy agenda, however, is likely to make increasing demands on the resources and capabilities of the Department that cannot be met through ‘efﬁciencies’. The government should be prepared to respond to these demands by protecting DFAT’s capabilities, including through the allocation of signiﬁcantly increased budgetary resources.

Funding is critical. As Australia’s national security agenda has expanded over the last five years, every government agency with responsibility in the area — defence, the intelligence agencies, customs, the federal police, for example — has received funding increases of between 25 and 300%. In marked contrast, the operating budget of DFAT has remained virtually unchanged, with little more than a 14% increase.

The pressures on DFAT’s workload and budget are likely to grow as its unique skills are in increasing demand. Australia faces numerous foreign policy challenges including: global terrorism; nuclear
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proliferation; instability in the South Pacific; transnational crime and advancing Australian interests in a more difficult international trading environment. These will require considerable diplomatic activism if our interests are to be fully protected. DFAT has relatively modest financial needs (when compared to the Department of Defence, for instance) but its distinctive skills are critical in maintaining the balanced range of foreign policy capabilities that will be necessary in meeting future policy challenges.

CONCLUSIONS AND POLICY RECOMMENDATIONS FOR AUSTRALIAN FOREIGN POLICY

Recommendation 5

Australia should establish a new intelligence assessment capability with specific responsibility for examining long-term strategic trends likely to affect Australia’s future foreign policy. The new capability should be well resourced and consideration given to its being established within the Department of Foreign Affairs and Trade (DFAT).

In 2004 a broad-ranging enquiry into Australia’s intelligence services by Philip Flood expressed concern at the serious decline in the resources Australia devoted to long-term strategic analysis. Since then, reforms within the Office of National Assessments (ONA) have strengthened that agency’s commitment to long-term assessment, and the creation of the Global Issues Branch within DFAT has also helped begin to address this weakness. But a more concerted effort is required.

To this end, Australia should establish a new intelligence capability with specific responsibility for providing a strategic view of the longer-term global trends likely to have a significant impact on Australia’s interests. The new capability would not need to be large by agency standards nor constituted as a ‘stand-alone’ entity. However, it would need to be well resourced with a mandate closely focused on policy outcomes. In the words of Dean Acheson discussing a similar agency in an American context, its work would focus on ‘anticipating the emerging form of things to come’, examining trends in politics, the environment, law, health, economics, science and technology, and the way these trends intersect with our national interests and future foreign policy goals.

The unit would be able to develop its own innovative techniques of analysis, establish a research agenda independent of the often short-term demands of day-to-day government and have access to the richness of Australia’s high-level intelligence capabilities. Its product would be
Recommendation 6

Australia should remain committed to sustaining a credible, highly trained, well-equipped and technologically advanced defence force with joint land, sea and air capabilities. The force should be sufficiently versatile to conduct operations across the full spectrum of Australia’s security needs, from ‘low-end’ missions in essentially peacetime environments to ‘high-end’ combat and war-fighting both in conjunction with allies, and with some measure of self-reliance.

Australian defence planners have long understood that the changing nature of the global strategic environment is making new demands on the way Australia uses its military forces. As Australian Defence Force (ADF) planning documents make clear, the spectrum of operations in which military force might be deployed has expanded and now ranges from the provision of emergency relief and support of civilian authorities in peacetime environments through to ‘high-end’ combat and war-fighting where the nation’s survival might be at risk.

With a relatively small defence force, Australia faces particular challenges in designing a force capable of meeting all of these contingencies. To do so successfully the ADF will have to build certain attributes into its force structure, most notably versatility, agility and adaptability; interoperability (between the services and among allies) and continue with hardening and networking. It will also have to work more closely with other national security agencies (DFAT, the Australian Federal Police and Australian Customs) to develop new capabilities to meet the growing demand for ‘low end’ joint civilian-military operations in weak states or in the performance of peacekeeping or humanitarian relief roles.

Finally, the ADF and Defence more generally need to give high
priority to ensuring that greater strategic, fiscal and managerial discipline is imposed on the conduct of key defence functions, most especially capability planning and acquisition.

Recommendation 7

Australia’s defence alliance with the United States (US) is its most important security relationship and is likely to remain so well into the foreseeable future. Against the background of a changing global order, however, new demands will be made on the management of this alliance. Australia will need to be alert to these demands and responsive to the challenges they pose having careful regard to its own distinctive national interests.

Australia’s alliance with the US (AUS) is now closer than at anytime in its history. This reflects Australia’s record of strong support for the policies of the Bush Administration but more generally the ability of the alliance to adapt successfully to the changing strategic environment and the evolving security needs of its partners. The experience of Iraq and the struggle against terrorism have strengthened the alliance and reshaped its purpose giving it among other things a broader strategic reach.

Over the coming decades, however, the alliance could easily face some testing times. Domestic and international pressures have already impinged on many of America’s other Cold War alliances, weakening their bonds. In a world of change, and especially in the increasingly complex strategic environment of the Asia Pacific, similar pressures could affect the AUS alliance. These need not be damaging: there is a natural comity of security interests between Australia and the US that is likely to insulate the alliance from serious difficulties, but this will depend on its continuing capacity to adapt and serve both members’ interests.

Here the challenge will be to strike the right balance between so called ‘alliance obligations’ and national interests. This will be achieved more easily if it is remembered that while alliances are security partnerships, they reflect a complementarity, not an identity of interests. The truth of
Recommendation 8

Geopolitical trends suggest that Asia and the South Pacific will become increasingly important to Australia’s future. This is where Australia’s national interests will be most directly and fully engaged. Australia should continue to attach a high priority to its relations with the countries of these regions and to the geopolitical developments likely to shape their future.

Australia has always been a country with national interests widely distributed around the globe. Globalisation gives a strong contemporary resonance to this tradition and underscores the importance of Australia continuing its longstanding policy of international activism. Yet with limited national capabilities and lacking the means to protect all of its potential interests simultaneously and independently, Australia has little choice but to act selectively, establish clear policy priorities and commit diplomatic, military and economic resources as appropriate. The strategy of **selective global activism** proposed earlier reflects these priorities.

While this strategy could see Australia engaged diplomatically and perhaps once again militarily in different parts of the world, the growing significance of Asia and the Pacific to Australia’s future cannot be overlooked. Geography has never been the only determinant of Australia’s interests and will not be so in the future, but these regions already engage many of Australia’s most important political, economic, societal and strategic interests. In the decades ahead they are likely to become more, not less, important to Australia’s future as the fault-lines of the new global order slice through them, creating both opportunities and challenges. In order to adapt to and take advantage of the changes that are occurring, Australia must continue to develop strong and coherent policies and strategies of engagement with the countries of the region.
Events over the last decade affirm that Australia and its people can engage with Asia as Australians. This does not preclude, however, the need for further strategic thinking about national policy priorities, developing responses to emerging ideas on regionalism or building the base of national skills we will need to pursue our policy goals successfully.

Engagement in the Pacific makes qualitatively different demands and is likely, at least in the short term, to present more strategic and economic tests than opportunities. The case for a comprehensive re-evaluation of decades of Australian regional strategy towards the countries of the Pacific is now compelling. Australia can only ever assist the region in resolving its problems: the issue is whether this can be done more effectively using more creative solutions than those currently in place and whether these can serve to promote long-term regional stability, security and prosperity.

Recommendation 9

Institutions are an integral part of the Western liberal order and are likely to be of growing importance in the decades ahead. Australia has a strong tradition of contributing to effective multilateralism. It should aim to maintain and build on this tradition, seeking appropriate opportunities to advance its national interests through active involvement in regional and global institutions.

For most countries — and Australia is no exception — bilateralism remains the means par excellence of foreign policy. Direct contact with other governments through diplomatic networks and missions around the globe facilitate communication across a range of policy interests that are of core importance to the protection and advancement of every country's interests. The Howard Government relied heavily on its bilateral relationships to pursue Australia's political, economic and strategic interests around the world and there is no compelling reason to change this practice.

As earlier chapters of this paper make clear, however, some of the issues now confronting the international community will demand greatly improved cooperation if they are to be managed effectively. While circumstances will dictate form, this is likely to place a renewed emphasis on multilateralism, whether in the form of international organisations and institutions, the creation of informal policy regimes, or the mechanism of alliances.

Multilateralism is often among the most demanding and frustrating of diplomatic endeavours, requiring creative political leadership and a considerable commitment of human and material resources to secure worthwhile results. Yet, as Australia's own experience underscores, it can serve as a 'force multiplier' in advancing national interests on the international stage, helping to: establish order through common
norms of international behaviour; encourage compliance by countries disinclined to play by international rules; dissipate tensions, enabling more serious conflicts to be avoided; blunt the natural instinct of great powers to rule in their own interests; offer mechanisms for the solution of shared problems; lend political legitimacy to outcomes; and permit policy preferences to be accommodated through coalition building.

In reality, multilateralism has a long-revered place in the conduct of Australian foreign policy and has enjoyed bipartisan support. Despite an oft-stated preference for bilateralism, for example, it remained part of the policy arsenal during the period of the Howard Government. On issues as widely disparate as international trade negotiations, climate change, United Nations reform, and strengthening the nuclear non-proliferation regime, among many others, Australia worked through multilateral mechanisms to play an active and constructive role in problem resolution. At the same time Australia has long been a member of numerous regional and global international organisations and in 2005 signed up to join the new multilateral East Asia Summit process.

Multilateralism and the institutions created by it should not be approached in a suffusion of fuzzy and sentimental expectations that they will always deliver acceptable outcomes to challenging international problems. It often has a narrow utility as an instrument of policy and should be employed sparingly where the need is manifest. In recent years the legitimacy and credibility of multilateralism has been under especially close scrutiny as it has too often failed to offer effective solutions to international problems. International organisation needs rehabilitation, and to the degree that this serves Australia’s interests we could well make a useful contribution as we have done in the past with APEC, the G20 and AP6 among others.

Recommendation 10

Rules are also an integral part of the Western liberal order. Australia should seize opportunities to contribute to the strengthening of international rules and norms of behaviour that will assist to uphold this order, help to reinforce prosperity, security and stability within the international system and enhance the role of international law as an important global institution.

It is one of the important features of the Western liberal order that there are now wide areas of international politics where the development of normative regimes and rule-based agreements and understandings are of increasing importance in managing interstate relations. Even with regard to critical issues of security (arms control agreements and non-proliferation regimes, for example) rules and norms of behaviour are of functional importance in establishing frameworks for policy. Australia benefits from many of these arrangements. It is in our interests to encourage international behaviour, as with the establishment of the International Criminal Court, which expands the domain of international law and of rules and norms, as an integral part of a civilised international society.

No one should be under any illusions about the many limitations of law as a source of order and security in an anarchical international system. But for democratic states familiar with the rule of law at home, the promotion of a rules-based international order offers some important benefits including: defining agreed obligations and responsibilities between states; more clearly drawn boundaries of international behaviour; the structuring of international bargains that balance the interests of both the weak and the strong; reinforcing principles of reciprocal rights and duties; and providing internationally sanctioned and thus politically legitimised arenas for the resolution of issues and
problems. In general, rules and norms help to limit the use of coercive force in international affairs, constrain the bullying instincts of great powers, and allow weaker states a role in shaping the terms of their international engagement.

Although offering considerable promise, international legal and normative principles are underdeveloped in the contemporary international system. Nor have significant advances in the field been easy to achieve in the contemporary security environment where new threats such as international terrorism both breach established rules of behaviour and demand, at least in part, extra legal responses. Yet it would be extraordinarily short-sighted not to recognise the potential gains to be made, especially for a country like Australia, in expanding the domain of international law and normative principles on which it depends. A more comprehensive system of international law will not offer Australia a reliable foundation for its security any time soon, but in material ways it can certainly contribute to that goal while also helping to create an international society that is more civilised in the way it seeks to promote peace, justice, prosperity, order and security.

Notes

1 The full text can be found at: www.presidency.ucsb.edu/ws/index.php?pid = 18820 & st = & l = .
3 John Lewis Gaddis, Toward the post Cold War world. Foreign Affairs 70 (2) 1990/1, pp 102-22.
5 Princep is widely regarded as having precipitated the First World War by assassinating Archduke Ferdinand of Austria in Sarajevo in 1914.
6 Madeleine Albright, Bridges, bombs or bluster. Foreign Affairs 82 (5) 2003, pp 2-19.
8 Joseph S. Nye Jr., The paradox of American power: Why the world’s only superpower can’t go it alone. New York, Oxford University Press, 2002, p 82.


13 One is the annual Globalisation Index in Foreign Policy magazine. The most recent edition can be found at A. T. Kearney/Carnegie Endowment for Peace, The globalization index. Foreign Policy 163 November/December 2007, pp 68-71.


16 Globalization, growth and poverty, p 1 and p 5.


18 Ibid, pp 17 and 19.


23 An account of the ‘Washington Consensus’ can be found in Stiglitz, Globalization and its discontents.


29 The US has a GDP nearly twice that of the next ranked country – Japan, accounts for approximately 30% of global output, holds a substantial percentage of world patents and continues to make massive investments in technology and innovation. America’s military capabilities are discussed in global structural terms in Barry Posen, Command of the commons: the military foundation of US hegemony. International Security 28 (1) 2003, pp 5-46.


31 See interview with Madeleine Albright, Arab democracy can’t have an American stamp on it. New Perspectives Quarterly 22 (22) 2005, pp 66-69.

32 Andrew Kohut and Bruce Stokes, America against the World: How we are different and why we are disliked. New York, Times Books, 2006.


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40 The most powerful of these arguments is in Francis Fukuyama, The end of history and the last man. London, Penguin, 1993.


48 Bruce Hoffman, Combating Al Qaeda and the militant Islamic threat. (Testimony presented to the House Armed Services Committee, Subcommittee on Terrorism, Unconventional Threats and Capabilities) February 16th 2006. See also Maha Azzam, Islamism revisited. International Affairs 82 (6) 2006, pp 1119-1132.


52 Tony Blair, Clash about civilisations speech, 21 March 2006: www.pm.gov.uk/output/Page9224.asp.


55 During his second Inaugural Address in 2005, President Bush said: ‘it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.’ The 2006 US National Security Strategy emphasises the same goal. For a discussion see Michael Costello, Staking all on global march of democracy. The Australian, 21 January 2005.

56 The challenges are discussed in, Jack A. Goldstein and Jay Ulfelder, How to construct stable democracies. The Washington Quarterly 28 (1) 2004-5, pp 9-20. Also see Ivo Daalder and James Lindsay, Democracies of the world, unite. The American Interest 2 (3) 2007: www.the-american-interest.com/aiz/index.cfm.

57 In January 2006 The New York Times reported on a new environmental study which concluded that only six countries had reached 85% or better success in reaching a set of critical environmental goals. Felicity Barringer, United Sates ranks 28th on environment, a new study says. The New York Times, 23 January 2006.

58 It was inscribed on the political agendas in the early 1960s, most famously by Rachel L. Carson in Silent spring. Boston, Houghton Mifflin, 1987 [1962].

59 Food and Agriculture Organization of the United Nations, Global forest
The emerging global order

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61 Ibid, pp 5-8.


63 Department of Economic and Social affairs/Population Division, World population prospects: The 2004 revision, Vol. III, Analytical report. New York, United Nations, 2006. By 2050 the 10 countries with largest populations will be India, China, the US, Pakistan, Indonesia, Nigeria, Brazil, Bangladesh, the Congo and Ethiopia.

64 For a general discussion see, Danielle Nierenberg and Mia MacDonald, The population story... so far. World Watch 17 (5) 2004, pp 14-17.


68 Pimental and Wilson, World population, agriculture, and malnutrition, p 23.


72 Richard Falk, for example, critiques a recent work by the realist scholar Stephen Walt as having been written by someone who believes that the Westphalian world order of sovereign states continues to be a viable basis for thought, policy and action. ‘Realism,’ he writes, ‘is living in a historical bubble... oblivious to foundational changes’ See Richard Falk, Walt’s obsolescent foreign policy is deeply rooted in a statist of bygones era. Boston Review, February/March 2005. For other examples of the state in decline literature see Kenichi Ohmae, The borderless world: Power and strategy in the interlinked economy and Mary Kaldor, New and old wars: Organized violence in a global era. Cambridge, Polity Press, 1999.

73 Ivo Daalder and James Lindsay, For America, the age of geopolitics has ended and the age of global politics has begun. Boston Review, February/March 2005, p 2.


79 Falk, quoted in Amoore and Langley, p 91.


Colin Gray argues that even for the substantially ‘debellicised’ West the ‘taboo against war, if such it is becoming, will evaporate like the morning mist if, or more likely when, bad times of strategic insecurity return.’ Colin Gray, How has war changed since the end of the Cold War? Parameters 35 (1) 2005, pp 14-26, at p 24.


Gray, Future Warfare, p 17.


There are two forms of international organisation; governmental (IGOs) and non-governmental organisations (NGOs) This discussion focuses on the role and importance of IGOs, a term I use here to include all forms of governmental institutional, organisational and regime creating activity, including multilateralism.

This theme is widespread in contemporary international affairs and not just limited to the liberal internationalists. See for example, the remarks of Richard N. Haass, Director, Office of the Policy Planning Staff, Department of State in the first George W. Bush Administration. Multilateralism in a global era. Remarks to the Carnegie Endowment for International Peace, Washington DC. 14 November 2001.

Ruggie, Multilateralism, p 575.


For a critical perspective see G. John Ikenberry, America’s imperial ambition. Foreign Affairs 81 (5) 2002, pp 44-60.

Charles Krauthammer, for example, argued that ‘we now have an administration willing to assert American freedom of action and the primacy of American national interests. Rather than contain American power within a vast web of constraining international agreements, the new unilateralism seeks to strengthen American power and unashamedly deploy it on behalf of self-defined global ends’. Charles Krauthammer, The new unilateralism. Washington Post, 8 June 2001, p A29.

Haass, Multilateralism in a global era, p 1.

Stewart Patrick has made the point that ‘for all its overwhelming power, the United States cannot by itself stem the proliferation of weapons of mass destruction, preserve regional stability, enforce international law and human rights standards, maintain and open and non-discriminatory trading system, ensure the stability and liquidity of global financial markets, protect the “global commons”, stop global warming, stem transnational trafficking
in narcotics, thwart organised crime syndicates, slow global population growth, regulate immigration flows, respond to humanitarian catastrophes, stem pandemics or promote sustainable development'. Stewart Patrick, America’s retreat from multilateral engagement. Current History, December 2000, pp 430-439, at p 439.

108 For ideas see Fukuyama, After the neocons, especially chapter 6.


112 The extent of this activity can be gained from a brief review of the matters before the Joint Standing Committee of Treaties of the Australian parliament.


114 Broadly conceived these rules related primarily to the defence of the state, especially in periods of conflict and included rules about when wars may be fought (jus ad bellum) and how wars may be fought (jus in bello).


116 Often referred to as the Ottawa Convention, its official title is the Convention on the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and on their destruction. Here the Canadian government took the international lead and was the primary state actor in the tortuous negotiations that eventually led to a treaty, but a wide range of individuals and other non-governmental actors, including the late Princess of Wales, were also critical to its success. Other examples exist in relation to the negotiation of the 1982 UN Convention on the Law of the Sea and the 1948 Universal Declaration of Human Rights.


119 Byers, Terror and the future of international law, p 126.


121 Watts, The importance of international law p 13.

122 Bobbitt, The shield of Achilles.

123 Bobbitt, The shield of Achilles, p 813.


127 In its report the State Department’s National Counterterrorism Centre reported that approximately 11,000 terrorist attacks occurred in 2005 and that they resulted in over 14,500 deaths. See, National Counterterrorism Centre, Reports on incidents of terrorism 2005. p ix, released April 2006: http://wits.nctc.gov/reports/crot2005nctcannexfinal.pdf.


130 Rohan Gunaratna, The post-Madrid face of Al-Qaeda. The Washington
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Examples include: the Abu Musab al-Zarkawi group in the Middle East, Jemmah Islamiyah in Southeast Asia, Ansar al-Islam group in Iraq, the Salafi Group for Call and Combat in Algeria and the Abu Sayyaf group in the Philippines.

131 Gunaratna, The post-Madrid face of Al-Qaeda, p 93.

132 Pillar, Counterterrorism after al Qaeda, p 103.


136 For a general discussion see, Tony Blair, Clash about civilisations speech.


139 On the dangers of proliferation see, Vice Admiral Thomas R. Wilson, Military threats and security challenges through 2105. Statement to the Senate Select Committee on Intelligence, 2 February 2000, p 10.


141 Harris, ibid.

142 Smithson, Biological weapons: Can fear overwhelm inaction? p 170.


144 See Smithson, Biological weapons: Can fear overwhelm inaction? pp 174-75.

145 These fall into four broad categories: nerve agents, causing paralysis and convulsions (sarin gas and VX) blister agents affecting skin, eyes, airways and internal organs (mustard gas) choking agents affecting the respiratory system (chlorine and phosgene) and blood agents causing a range of symptoms including convulsions, dizziness and paralysis (hydrogen cyanide).

146 They are hard to deliver and in battlefield conditions very hard to control. Easterbrook, for example, cites a 1993 Office of Technology Assessment study which found that one ton of sarin gas used against unprotected civilians could kill as many as 8000 but that even in light wind or sunlight, the death toll would drop by 90%. Easterbrook, The meaninglessness of ‘WMD’: Term limits, p 22.


149 As of 4 February 2008 the CWC had 183 members. An additional five countries have signed, leaving just seven countries wholly outside the regime.


151 See Smithson, Biological weapons: Can fear overwhelm inaction? pp 174-75.


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158 As of 4 February 2008 the CWC had 183 members. An additional five countries have signed, leaving just seven countries wholly outside the regime.


161 In relation to vertical proliferation, the updated 2005 Congressional report by Squassoni, Nuclear, biological and chemical weapons and missiles: Status and trends, p 20, notes that although the nuclear inventories of China, India and Pakistan are small, they will probably be expanded. Also see, International
This anxiety stems from a series of events all appearing to highlight the shortcomings of existing non-proliferation measures. See Perkovich et al, Universal compliance: A strategy for nuclear security, pp 15-17. For a discussion of the ambiguous impact of the recent agreement between the US and India with regard to the exchange of nuclear technology agreement see, James Goodby, Nuclear nonproliferation’s missing link, *PacNet*, Newsletter 58 2006, Pacific Forum CSIS.


See Neil McDonald, Oil debate revving up – the search is on for efficient alternatives. *The Australian*, 3 February 2005. For projections and forecasts see the work of organisations such as Petroleum Economics Limited, the Centre for Global Energy Studies, Global Insight Inc and Energy and Environmental Analysis Inc.


Wood et al, Long-term world oil supply scenarios: The future is neither as bleak or as rosy as some assert, p 7.

See W. Zittel, J. Schindler and L-B. Systemtechn, The countdown for the peak of oil production has begun – but what are the views of the most important international energy agencies? *Energy Bulletin*, 14 October 2004: [www.energybulletin.net/2544.html](http://www.energybulletin.net/2544.html). Further information is available from the Association for the Study of Peak Oil and Gas, Ireland: [www.peakoil.ie](http://www.peakoil.ie).


E. Anthony Wayne, Assistant Secretary for Economic and Business Affairs, US Department of State, Energy security – A global challenge. Speech to European Policy Centre Brussels Belgium, 22 May 2006.

Stephen Boykewich, Cheney says liberty at risk in Russia: www.themoscowtimes.com/stories/2006/05/05/001.html.


As Wood et al observe ‘given the long lead times required for significant mass-market penetration of new energy technologies, this result (peak oil production being reached in mid century) in no way justifies complacency about both supply-side and demand-side research and development.’ Wood et al, Long-term world oil supply scenarios: The future is neither as bleak or as rosy as some assert, p 7. Also see Thomas Prugh, Christopher Flavin and Janet L. Sawin, Changing the oil economy, in State of the world 2005: Redefining global security, edited by Linda Starke. London and New York, Norton and Co., 2005.

The most dangerous and prevalent anthropogenic greenhouse gas is carbon dioxide, but the term also includes methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride. See IPCC, Climate change 2007: The physical science basis, summary for policymakers (IPCC Report): www.ipcc.ch/SPM2feb07.pdf and IPCC, Climate change 2007: Climate change impacts, adaptation and vulnerability: www.ipcc.ch/SPM6avr07.pdf.


Long populated by climate change sceptics, the Bush Administration has been the ‘bête noire’ of the Kyoto faithful, seemingly determined to frustrate change at every turn. This has attracted an enormous degree of criticism both in the US and internationally. See, for example, David A. King, Climate change science: Adapt, mitigate or ignore? (Policy Forum) Science 303 (5655) 2004, pp 176-177; Thomas L. Friedman, Geo-greening by example. The New York Times, 27 March 2005. For suggested changes in policy direction see remarks by Nigel Purvis at a Joint Conference sponsored by the Brookings Institution and the Pew Center on Global Climate Change; U.S. climate policy: Toward a sensible center. Brookings Institution, Washington DC, 24 June 2004; and Timothy E. Wirth, C. Boyden Gray and John D. Podesta, The future of energy policy. Foreign Affairs 82 (4) 2003, pp 132-56.

One scientific critic noted recently, ‘The real problem is that the climate models are now so complex that no scientist outside the closed shop of the numerical modelling community can ever really hope to assess whether or not the physical representations within them are acceptable. The normal and necessary process of scientific criticism cannot take place. It is not a good way to run the scientific railroad’. Despite this scepticism, however, the same critic was prepared to acknowledge that ‘the science of greenhouse warming is proven’. But, he contended, far less scientifically defensible is the corollary that ‘the rise in temperature will be so large as to be disastrous’ and thus justify the huge expenditures necessary to arrest the problem. Garth W. Partridge, Some ‘ifs and buts’ of climate models and why should we care anyway? Paper presented at the conference on Managing climate change – practicalities and realities in a post Kyoto future, Canberra, 4 April 2005: www.climatechangeissues.com. Also see C. R. deFreitas, Are observed changes in the consequences of carbon dioxide in the atmosphere really dangerous? Bulletin of Canadian Petroleum Geology 50 (2) 2002, pp 297-327.


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176 Sir Nicholas Stern, Stern Review on the economics of climate change: www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm. For a comprehensive range of critiques see, The Stern Report: Some early criticisms.


178 This point is made in Stern, Stern Review on the economics of climate change. Executive Summary (Full), pp xvi-xix. McKibbin and Wilcoxen have maintained a focus on a form of emissions trading by proposing a hybrid scheme that ‘focuses on a long-term goal for emissions reductions but minimizing short term costs’. See Warwick McKibbin, Sensible climate policy. Issues Brief. Sydney, Lowy Institute for International Policy, February 2005, p 15. Also Warwick McKibbin and Peter Wilcoxen, A credible foundation for long term international cooperation on climate change. Working Papers in International Economics, No. 1.06, Lowy Institute for International Policy, June 2006.


181 Possible levels of stabilisation, the date at which they might be achieved and the costs involved are all subject to intense international debate. See Jonathon Pershing and Fernando Tedula, A long term target: Framing the climate effort. In Beyond Kyoto: Advancing the international effort against climate change, edited by Joseph E. Aldy et al. Report published by the Pew Center on Climate Change, December 2003.


184 Peter Curson and Brendan Mc Randle, Plague anatomy: Health security from...
pandemics to bioterrorism. Canberra, Australian Strategic Policy Institute, 2005, p 76.


199 See note 75.


201 Michael T. Osterholm, Preparing for the next pandemic. Foreign Affairs 84 (4) 2005, pp 24-37, at p 37.


203 Quoted in Alan Dupont, East Asia imperilled, p 174.


208 Dupont, East Asia imperilled, p 28.

209 Naim, The five wars of globalization, p 36.


211 In the national interest, Australia’s foreign and trade policy White Paper, 1997: Commonwealth of Australia, Canberra, p 1.

212 Quoted in Owen Harries, Benign or imperial reflections on American hegemony. Sydney, ABC Books, 2004, p 91.


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