

Asan Plenum 2013

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First, I want to thank Dr. Hahm for inviting me to the Plenum and inviting me to open these remarks. Dr. Chung, thank you for all of your support. I want to repeat here publicly something that I have said to a number of my colleagues, that the Asan Institute is an incredibly impressive institution. I get your emails, I look at the talks that are taking place at the institute, and half the time I wish I was there way more than almost any other forum that I can see.

We know it is very hard to establish this kind of institute and to give scope that really reaches beyond the interest of the specific country in which a policy institute is located. What you have done here at the Asan Institute is an extraordinarily impressive accomplishment.

When Dr. Hahm asked me to speak about the 'New World Disorder,' I puzzled for a while about how I would approach this issue. I had to confront, I have to say here, a personal crisis. I grew up in New York, and if I had stayed in New York, I would have just seen the world as a very disorderly place. But I have been living in California for 30 years, you know, the sun shines and it does not rain that much, the golf courses are nice. Over the years and decades, I have kind of eroded away my initial pessimistic views of the world. So the remarks that I am going to give today, they may be a little more optimistic than perhaps Dr. Hahm hoped they would be. But you will have to excuse them for personal reasons.

Before I begin with my own remarks, I do want to elaborate on something that Dr. Chung just said and something that I am actually not going to address, which is that the most important and critical issues that we are seeing in the international environment are really issues that have to do with domestic politics. The question of whether the advanced democratic countries will be able to shake off the kind of moribund state into which their institutions have fallen, at least in some of these countries, is I think a very critical issue.

It is not one that I am going to talk about and it is not necessarily an issue that has been generated by the international environment, but it is certainly the case if you look at the United States and you have a constitutional structure that was established more than 200 years ago. It has actually been extraordinarily durable if you look at American constitutional practices compared to those of any of the other advanced industrialized countries.

But it is also the case that there are many things in the American political structure which seem woefully inadequate in terms of addressing American domestic issues. The way in which the Senate works, the elections to the Senate, the filibuster, and the Electoral College are all things that are easy to see as failures and very hard to see how they can actually be changed. So, I do think this issue, if we are thinking about the 'New World Disorder,' the most likely sources for something that would be deeply profound would be failures of domestic governance, especially in the advanced democratic countries. Having said that, I am not going to say anything more about it, but I did not want to leave Dr. Chung's opening remarks unnoticed.

At the international level, I think there are really three fundamental issues that have to be addressed if we are thinking about order and disorder in the contemporary environment. The first has to do with changing power configurations, obviously focused on China. My best prediction would be that this would not lead to disorder, although the question of whether this happens or not is not completely certain. The second are questions of global governance. I believe these can be managed, although they will be managed in a much more messy way than was the case during the Cold War. The third are problems of weaken and maligned states. You have one of these maligned states 30 or 40 miles to the north. This is, I think, by far the most difficult problem in the international environment. And if we do see a crisis, and a fundamental breakdown in the existing order, it will come from a black swan rather than emerges from one of these weak or maligned states.

Let me begin with this question of changing power configurations. This is an issue which international relations scholars have addressed pretty extensively, and the basic argument is this: that rising powers can lead to disorder because of three basic issues. One is conflict over territory, the second is conflict over spheres of influence, and the third is conflict over international regimes.

The classic example, of course, is the rise of Germany in Europe in the 19th and early 20th century, in which Germany made demands for territorial changes, made demands for fundamental changes in the spheres of influence in the center of Europe, and, certainly if you are looking at the Nazi regime, made demands for fundamental changes in the nature of the international regime. This did result in a crisis of basic civil war in Europe, which was incredibly destructive for what we might think of as Western civilization, at least Western civilization focused on Europe and North America.

The question is, will China's rise precipitate similar kinds of challenges in these three issue areas? First of all, the question of territory. China, as of 2008, China had had 23 disputes with neighboring countries, had used force in six of these conflicts, had resolved most of the others. Resolution was mostly driven by international and domestic considerations. If you look at China's territorial disputes now, first of all, you have to say this is nothing like the kind of territorial revisions that Germany was interested in in the 19th and the early 20th century. The amount of territory that is involved is much less, whether we are thinking of their dispute with India or disputes over offshore islands. If we were to identify the set of disputes which is most problematic, it clearly would be the dispute over this wide range of offshore islands. We have seen these disputes flare up in recent years and over the previous decade.

The question is, will these disputes over offshore islands precipitate a set of developments that will lead to disorder in East Asia and beyond? My guess, and I admit I say guess, is that they will not for the following reasons. I think if you look at the structural situation that China confronts, the fundamental problem for the Chinese is this: the more aggressive they are, the more decisive they are, the more they are likely to prompt balancing reactions from their neighbors and from the United States. So that, pushing harder does not necessarily make things better for the Chinese. If they follow more aggressive policies with regard to these offshore islands, they are a lot more likely to prompt more balancing by Korea, more balancing by Japan. And Japan has lots of kind of scope for being a balancer. Japan could change its constitutional restriction on the amount of money that it is spending on defense. It could be a much more formidable power. It could present a situation in East Asia in which the balance of power between China and its neighbors would be much less attractive for China than it is now.

And there is this U.S. commitment to rebalancing. The Deputy Secretary of State [William Burns] was recently at Stanford and went through a very long list of things that the United States was doing to actually put in place this rebalancing, since we have now abandoned the term "pivot" since it made the

Europeans too nervous. But they are substantial. 60 percent of naval assets in the Pacific, increase in the number of long-range bombers, increase in technical assets, humanitarian exercises with Indonesia and Malaysia, and sea lane security exercises with India. A pretty ambitious set of projects on the part of the United States.

It is clear for the United States now, in the beginning of the 21st century, that American national interest absolutely drives the United States to continue engagement with Asia and that the kind of ambiguity that we saw on the part of the United States before the First World War and before the Second World War is not likely to be repeated in the contemporary environment. So, if you think about the United States as an offshore balancer, if you think about the anxiety that would be generated by more aggressive Chinese policies with regard to territories, especially the offshore islands, with regard to its neighboring countries, it seems to me that this is an issue that is not going to go away but it is not an issue that is likely to blow up.

Spheres of influence is the second set of questions in which you have a rising power which could lead to disruption and disorder. It is clear that China would like to dominate East Asia. Any kind of very straightforward simple-minded realpolitik assessment of Chinese national interest would suggest that the Chinese would like to push the United States out of East Asia, would like to eliminate the possibility that the United States could implement a blockade against China similar to the blockade that the United States implemented before the Second World War.

Will China succeed then in establishing a sphere of influence in East Asia? By 'sphere of influence' I mean a situation in which China would have significant influence over the domestic political structures and the foreign policy choices of its neighboring countries. It seems to me that this is unlikely and unlikely for exactly the same reasons that conflicts over territory involving Chinese expansionism are not likely to blow up. The more aggressive China becomes, the more appealing it becomes for neighboring countries to balance rather than bandwagon. The critical issue in terms of whether they will be able to balance is the commitment made by the United States. You have to have somebody to balance with, that is South Korea, Japan, and Vietnam.

The question, then, is will the United States maintain its commitment in East Asia? And I think you would have to bet—if you were betting, not for sure—the answer is that the United States will maintain that commitment. If China is going to increase its influence and its sphere of spheres of influence in neighboring countries, the most likely area seems to me for sure Central Asia. China has major security concerns in Central Asia and a major interest in getting access to Central Asian energy supplies. The main rival there is Russia. The Central Asian states want some options, some balance between Russia and China. Russia's ability to act effectively is declining. China's ability to act effectively in Central Asia is increasing. The Shanghai Cooperation Organization, although it includes Russia as well as the Central Asian states and it is not well defined at this point in time, could obviously be a vehicle for an increase in Chinese spheres of influence in Central Asia. That is not though a set of developments that is going to lead to global disorder. So, on the question of territorial changes and spheres of influence resulting from the rise of China, it seems to me unlikely that this is going to generate global disorder.

Similarly, if we look at China's role in international regimes, the third area in which rising powers have traditionally generated disorder, here too, it seems to me unlikely that China's rise will lead to some kind of new global disorder or even disorder within East Asia itself. With regard to economic regimes, China has been a major beneficiary of the extant international economic regimes. I mean, there is a question here, and Dr. Chung really alluded to this, of whether the glass is half-full or half-empty.

The 2008 financial crisis, I would say at this point, it has been actually pretty surprising how well this has been handled. It is not that everything has been handled well, and it is certainly not that fundamental changes have been put in place which would prevent a crisis in the future. But given the financial crisis which took place in the United States and the financial crisis in the Eurozone, which was really generated independently, it is striking that the system has worked okay. That it has had more resilience than perhaps we would have anticipated four or five years ago. If this system collapsed, it would be more problematic for China than it would be for the West—and by the West I mean industrialized North America, Europe, and East Asia. The Chinese regime is still more fragile, more vulnerable, more dependent on maintaining robust economic growth over time than is the case now for the Europeans, Americans or the Japanese or the South Koreans. It is not in China's interest to have the international economic regime, the system of economic openness that we have in the contemporary environment, fail.

With regard to other kinds of international regimes, look the Chinese have never really signed on in a significant way. International security regimes, the Chinese have cooperated in some areas. They have almost always had representation in UN peacekeeping missions. They certainly were not enthusiastic about American intervention in Afghanistan and Iraq. They cooperated with regard to the international piracy patrols in the Indian Ocean. They have opposed the Proliferation Security Initiative. So that if you look at international security regimes, surely the story here is mixed. But it is not the case that you could point to some set of Chinese actions which will somehow lead to global disorder.

With regard to human rights regimes, the Chinese have never signed on to human rights regimes. When I was in the State Department in 2001, one of the early things that I did—I was a staff member in the policy planning staff—I went to a human rights dialogue between the United States and China. First of all, it is definitely a dialogue of the deaf: one side made a set of complaints, the other side made its set of complaints. The Chinese that were there—and I think that this was right—they were basically regional officials who I thought were, you know, getting a few days in Washington and that was pretty much it. But it is not something if you look at what the Americans have done in their efforts to alter Chinese human rights practices. There have been a few cases where they have gotten political prisoners released. But I think it is very hard to argue that they fundamentally altered the way the Chinese are behaving. However, China has not offered anything like an alternative to the discourse of democracy and human rights, which is basically a Western discourse.

Chinese diplomats are very capable of explaining to Americans why China has a democratic system that is as good or almost as good as the American system, and they will point most prominently to various kinds of democratic practices at local, provincial, and village levels in China. Although China has not signed off in any way to the human rights democracy regimes, it is not the case that they are offering some alternative. If these predictions I am making about the rise of China not being fundamentally disruptive to the global order are wrong, it will be because for obvious reasons, and the obvious reasons are domestic.

Will you have nationalist mobilization in China? Will there be some kind of misperception of how different parties regard their interests? I would say on the US side, although I say the Americans will be firmly committed to compelling resources to East Asia, we cannot say that it is absolutely certain. Still, if the rise of China does lead to global disorder, it will be because of domestic factors, not because of some fundamental imbalance in international relations.

Second, the question of international regimes, in general, and global governance. This has been a topic that has obsessed international relations scholars for the last 20 years. The Cold War did have a way of dealing with global governance based on international regimes that were grounded in universal international organizations, often with one nation, one vote, but not always. A set of economic organizations which had weighted voting, but which were not universal, and which excluded the Soviet Bloc.

So it is not as if during the Cold War, you had a set of international regimes that were global, and the international regimes that existed that were global, like the United Nations and its various functional organizations, often were not very effective. Basically, during the Cold War, the UN did nothing. And it did nothing because of the veto in the Security Council, which prevented effective action. I counted up at one point the number of international conflicts between 1945 and 1980. There were scores of international conflicts, and the UN played no role and hardly played a role in any of them. The fact that the UN was involved in the Korean War was a result of an aberrant fact that the Soviet Union had walked out.

Moreover, if you look at the principles and norms that were articulated by the West, led by the United States, during the Cold War, they were always opposed by the Soviet Bloc. They were also opposed in a vigorous and well-defined way by the G77 and Non-Aligned Movement, which made a serious and sustained effort in the late 1970s and the early 1980s, encapsulated in a proposal for a new international economic order, to put forth a set of alternative principles and norms to the ones that were being supported by the United States and Europe.

When we think about the current state of world order, we in some ways may have a somewhat too optimistic and rosy picture of how orderly the international order was during the Cold War itself. Moreover, if you look at grand strategy during the Cold War, it is true that the United States did have a grand strategy of containment. That grand strategy was actually pretty effective.

It is also the case that successful grand strategies in the international environment are very unusual. The American policy of containment is one, Bismarck's policy of Dreikaiserbund in the late 19th century is another, and the British policy in the 19th century of balance of power on the European continent is a third. There are very few examples. And there are very few examples because having an effective grand strategy is incredibly hard. You have to have some kind of overarching intellectual vision. The intellectual vision has to conform with reality. It has to be the case that that vision has domestic political support. And your domestic organizational structure has to conform with that vision. That is incredibly hard to do. The fact that we do not have effective grand strategies now on the part of any of the major powers should be seen as more or less a normal state of affairs and not as an indication that we are confronted with some kind of new global disorder.

If you look at the contemporary world, I do think we do have a way of providing global governance, but it is not the way global governance was provided during the Cold War. It is not based on international organizations with secretariats and buildings and doors that you can go and knock on. Rather, it is reflected in the formation of coalitions of the willing. These are organizations which have voluntary membership. The number of members is limited. These members may be states but also non-state actors. There is often no formal organization with a secretariat. There is no building. There often are a set of rules and some agreement on principles and norms but not more than that. Examples are the G20, which actually did pretty well in terms of central bank regulation and financial regulation, and in terms of rewriting the rules for the IMF; not so well in terms of macroeconomic coordination. The Proliferation

Security Initiative, which now has 80 or 90 members, is designed to impede the flow of weapons of mass destruction. The Open Government Partnership, an initiative that was begun during the first term of the Obama administration, which essentially calls for governments to sign up to practices to make their own government practices more transparent and more democratic. The Extractive Industries Transparency Initiative, which is designed to make the use of revenues from raw materials more transparent and therefore less subject to corruption. These, the EITI, the G20, the PSI (Proliferation Security Initiative), OGP (the Open Government Partnership), these are not front-page stories in most of the world's newspapers, but they are mechanisms through which global order is being provided. I think in a world in which there is disagreement about basic problems, disagreement about principles, uncertainty about power distributions, we will see these kinds of coalitions of the willing becoming increasingly important. Global governance will not necessarily be as neat as it might have been during the Cold War, but it is not going to be ineffective.

If we are looking for a source of fundamental discontinuity and disorder in the contemporary international environment, it will come from the weak, the restless, and the malign, and the relationship between weak states and malign states, and the ability to do harm.

One development in the contemporary international order that is historically unique is the disconnect between underlying power capabilities—things like population, urban population, the things that political scientists have used to measure international power, steel production, military production, military budgets, that set of underlying military capabilities—and the ability to do harm. There is a huge disconnect, and it is a disconnect that is much greater than has ever existed in the past.

Now, in some ways, this disconnect developed with the Industrial Revolution when all that you really had was a pike and an arrow. There was not that much difference; the amount of harm that one person could do was not that great. Once you had guns and explosives, if you look at the activities of terrorist organizations around the turn of the 20th century, you could kill a bunch of people, but a bunch of people was twenty, thirty, or fifty, seventy, or eighty people if you throw a stick of dynamite in a theater. We are now in an international environment in which weapons of mass destruction, especially nuclear weapons and biological weapons, can be possessed by states with very limited underlying capabilities. North Korea is the most obvious case in point.

If you look at nuclear weapons, the states that possess nuclear weapons outside of the five nuclear weapon states, North Korea, India, Pakistan, Israel, and potentially Iran, it will be deterrence which has maintained stability for the last forty or fifty years with nuclear weapons would be much more problematic.

Nuclear weapons systems are hard to manage and control. There was an incident three years ago which an American B-52 bomber mistakenly loaded up nuclear weapons instead of dummy weapons and flew them across the United States, I think from North Dakota to Louisiana. Someone did get fired for doing this. But there are many hair-raising stories about ways in which the organizational structure for controlling nuclear weapons has failed, including several incidents in which there were mistaken reports of attacks on the United States that turned out to be a failure of the system or birds or whatever they were .

If you look at Pakistan and Indian border, they have a long border. There is absolutely no warning time between Pakistan and India. Pakistan has incentive to disperse its weapons to avoid a decapitating first strike. North Korea is sitting on the border with South Korea and surrounded potentially by hostile

American forces, the problem of using and losing its weapons is a real central issue for North Korea. North Koreans do not have a nuclear submarine armed with nuclear weapons, which Israelis do have. The Pakistanis and the Iranians have ties with transnational terrorist organizations. It takes no imagination at all to describe a set of circumstances in which they might provide one of these organizations with a nuclear weapon. And they are very intense nationalist hatreds now which actually never really existed between the United States and the Soviet Union. The president of Iran, Ahmedinejad, has described Israel as a wart that should be wiped off the face of the earth. Anyone who has dealt with Pakistani and Indian discussions of the other side, knows that there is a deep and profound level of distrust.

Biological weapons are also highly problematic and widely available. There are a million people in the world who have access to cloning technology. Someone with a master's degree from virtually any university in the world can manipulate genetic codes; the genetic codes for many diseases are available on the web. Although we have not seen extensive biological attacks yet, it is certainly possible that biological attacks will happen, and this stuff can be more easily cooked up in bathtubs in the decades going forward than is the case now. The technologies are almost all dual use technologies and very hard to control.

These are all then situations in which relatively weak actors with limited resources could kill hundreds of thousands or millions of people in the most powerful states in the world. That is an historically unprecedented development. Are there good policy actions for dealing with this challenge? I think there are not. Unlike the rise of China or unlike global governance, thinking about how we might deal with weak states with areas of limited governance or weaken or maligned states does not lend itself to good policy options.

So, here is what I think is a best possible option and another possible alternative; they are of limited likelihood and neither one is very attractive. The best possible option, if we are thinking about badly governed states, is to get something like 'good enough' governance, by which I mean effective territorial control, suppression of transnational terrorist activities, some opening for economic growth and therefore progress over the long-run, and some protection of basic human rights. This is very, very, very far from what the American Administration, the Bush Administration, originally sought in Afghanistan and Iraq.

If you ask whether 'good enough' governance is possible, if you think about Libya, Afghanistan, Iraq, and Syria, what we can say is it is really going to be hard. Maybe not possible but extremely difficult. What is a possible alternative? A possible alternative is targeted military strikes. The kind of poster child for this in recent years would be the French intervention in Mali. And it is certainly very interesting, I think, the contrast of American interests in Mali in which AFRICOM trained the Malian Army for a number of years; and that army fought a war in northern Mali; lost the war; went over and staged a coup d'état in Bamako, the capital of Mali; led to the downfall of what was a kind-of democratic government; disorder in the country which was only rectified by the return of French troops.

What about maligned states? And here I am thinking of North Korea and Iran. Dr. Chung, I really recommend this pamphlet that he wrote. It is an interesting and coherent way of dealing with North Korea, but I think it is fair to say this is a very hard problem. War would be extremely costly, if you are thinking about North Korea or Iran. Targeted strikes are not likely to stop the production of nuclear weapons. Economic sanctions are unlikely to work against regimes like North Korea and Iran, which are

very well-organized autocratic regimes which can deflect the cost of sanctions onto those parts of the population which are not critical for regime support.

Here, I do think that buying time is the only alternative and it is not clearly that buying time will work. So, if there is going to be a fundamental disruption in the global order, it seems to me it is mostly likely to be black swan. And [Nassim] Taleb describes a black swan as a situation where you have a concatenation of low probability events that are highly consequential and impossible to predict.

I do think this configuration of a situation where you have weak and maligned states with limited capability but access to weapons of mass destruction has the possibility for generating a black swan. It is very difficult to respond to black swans because you do not know what the probability of these events actually are. But I would leave you with a thought about what would the world be like if a nuclear weapon went off in a major city in the advanced, industrialized world. It would be a fundamental game changer. And all of the rules we have operated under, including very fundamental rules like politics should be organized according to sovereign states, notions about non-intervention, many of those fundamental rules would be questioned and would essentially go out the window. That would be a real break and a real world disorder.

Thank you.