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Multipolarity, Multilateralism, and Strategic Competition

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This paper explores the clash between political and economic transnationalisation, multipolarity, and the return of traditional inter-state competition. In response, the coming global order will be the result of the interplay between both structural and domestic factors, namely the realignment of U.S., European, and Chinese grand strategies on the one hand, and the trend towards anti-internationalist and inward-looking politics and non-cohesive civil-military relations on the other. The paper argues that these contradictory pressures of transnationalisation and renationalisation will undermine current multilateral institutions and in the short-to-medium term lead to a hybrid and dysfunctional global order where strategic opportunism is more prevalent.

The accelerated economic globalisation that followed the end of the Cold War and the increasingly prominent role for frameworks of transnational governance has been interpreted as a fundamental shift in the nature of international relations, and specifically as a sign that nation-states should no longer be considered the pre-eminent unit in global politics. However, in retrospect, there is an inherent contradiction in these beliefs. The multilateral system that developed alongside transnationalisation did so only under the aegis of American unipolarity and a broad consensus on the part of Western – if not global – state elites on the benefits of globalisation. The US dominated the expanding series of – in overall number, members, and mandate – international institutions (such as NATO, IMF, WTO) and presided over a growing global, liberal economy for most of the two decades that followed the collapse of the Soviet Union. American military and political power also seemed to many to be the crucial condition for the functioning of the system.

However, over the past decade, following the long wars in Iraq and Afghanistan, combined with the dramatic rise of China and the rest of Asia, American power has eroded in terms of legitimacy and resources. Though whether this represents the end of American unipolarity is still disputed (Layne, 2012; Nye, 2012; Wohlforth, 2012), it is apparent that the US is reprioritising its regional strategic interests towards the Pacific and Indian Ocean. It is unclear if and how an overstretched and preoccupied US will be able to continue to provide the basis for a global order in the future, and also if such a role is indeed necessary, or that the system can survive without it (Keohane, 2005: 12-14, 50) .

What is currently becoming more apparent is the strange tension between the classical model of international relations based on great power competition on the one hand and a fundamentally changed global system that is integrated and economically interdependent in historically unprecedented ways on the other. So far, the nascent strategic competition between the US and newly rising powers has seemed to operate largely separate from the spheres of multilateral governance and economic globalisation.

In this paper I argue that these developments should be seen and analysed together, and with special attention to the domestic factors in the regions in question, of which I focus here on growing role of populist social and political movements and civil-military relations. These domestic level developments will both impact the respective grand strategies of states and determine how they will apply diplomatic, military, and other instruments in response to the perceived changes in the international environment. My approach here therefore falls broadly under neo-classical realism (Rose, 1998; Rynning, 2002; Dueck, 2006; Layne, 2006; Dyson, 2010).

Domestic pressures in the US, Europe and China will amplify both security and economic nationalism that in turn undermines support for globalisation in general and internationalist policies specifically. Populist backlash against globalisation, liberal internationalism and the elites that support them is increasingly prominent in both the US and Europe, as evidenced by the increasingly unilateralist rhetoric in the US and the re-emergence of old nationalist stereotypes during the EU debt crisis. China too has several structural sources of domestic instability. Moreover, the decline of support for internationalism among the traditional transatlantic supporters is accelerated by the diminished American military footprint in Europe, which undermines NATO's expanded global mandate as enforcer

of the post-Cold War order. The political base for a Common Security and Defence policy in turn seems weakened in the short term, and instead, a series of bilateral arrangements, such as the recent Franco-British defence agreements, is now seen as the way forwards. The weakening of civil-military control in China and the US further decreases the cohesiveness of their grand strategies, whereas in European states the diminished integration between political and military means and ends is problematic in light of the strategic shift of the US.

It would be a mistake to simply revert to analogies to earlier eras. While the contemporary era is not the departure from traditional international relations it seemed to be twenty years ago, neither does it seem that a full-on return to traditional state-based competition is in the cards. The question for IR theorists and researchers theory is therefore how and when these two systems complement, coexist with and contradict one another. I argue that these and other developments together suggest a significant trend of re-nationalisation or multi-tiered regionalization of politics that undermines a global political order and instead drives an unstable hybrid and region-centric system.

The end of traditional international relations?

The evolution of international relations as a field reflects the developments of the past century, as drastic events as the October Revolution, the World Wars, decolonisation, nationalism, the increasing number of democracies, and the end of the Cold War challenged established ideas on the nature of global politics. The succession of theories reflect then-current concerns, whether multipolarity and the balance of power before Second World war, or bipolarity and material capabilities during the Cold War. Consequently, the field of international relations since the end of the Cold War has been articulated around the concurrent developments of the end of war between major states and globalisation. Both developments altered the manner in which the nature of the system is conceived of, the spheres of political interactions to pay attention to, as well as its predominant actors and units of analysis.

The end of the bipolar stand-off between the United States and the Soviet Union without overt direct conflict between them underlined the decades-long decline in interstate warfare. While violence became increasingly directed at groups within states, with several horrifying examples in the nineties, the more cataclysmic systemic wars between great powers seemed to be a thing of the past. Academics (Van Creveld, 1991; Kaldor, 1998) argued that the 'new wars' were less shaped by the 'rational' pursuit of national interest, but by clashes over identity. The field of strategic studies, and neo-realist theory specifically, had developed in the process of explaining bipolarity, nuclear strategy, and alliance building. However, with the perceived decline of the nation-state as the primary unit of the international system, what was traditionally thought of as international relations – diplomacy, alliances, military force, war – seemed less relevant and decreased in importance. Furthermore, instead of the international order fragmenting into distinct geopolitical poles challenging the US, it remained the only global superpower – political, military, economic, and ideological- and was able to dominate the expanding number of international institutions and presided over an expanding global, liberal economy for most of the nineties. Security was instead

conceptualized at the subnational level, and explicitly as part of a whole of social, cultural, environmental, and developmental issues. Similarly, in light with the new missions, Western, and specifically European, armed forces were refocused from traditional defensive tasks towards peacekeeping, conflict management, prevention, and counterinsurgency.

September the 11th was crucial in accelerating these trends, seemingly driving the message home that rogue states and non-state actors were the primary threats to security. The wars in Iraq and Afghanistan also appeared to demonstrate that the late 1990s focus of U.S. defence planning, as exemplified in Rumsfeld's defence transformation, in which the American armed forces were rebuilt towards hyper-kinetic, 'shock-and-awe' type warfare, was unsuited for nationbuilding and counterinsurgency. This doctrinal shift in American planning fit neatly with the comprehensive approaches preferred by the European governments. This common understanding of security allowed some rebuilding of the damaged transatlantic relations after the controversy over Iraq, at least at the level of the armed forces.

The second key development that coincides with and was accelerated by the end of the Cold War was the parallel trend of globalization. The increasing interconnectedness of national economies, made possible by the technological improvements in the speed of transport and communication, drove the initial waves of globalisation, but the breaking open of the frozen structures of the bipolar system and the victory of free-market liberalism accelerated it. Globalisation went beyond markets: the number of international and non-governmental organisations has grown rapidly over the past three decades.

Transnational politics, the Cold War global order, and American unipolarity

There is clear case to be made that a fundamental transition in global politics has taken place, as reflected in the growth in international organization in terms of both their numbers and the scope of their mandates. The international organizations created after the end of the Second World War, and expanded after the Cold War, encompass all areas of international governance, from security (North Atlantic Treaty Organization (NATO) and the United Nations (UN), finance (International Monetary Fund (IMF), World Bank), trade (World Trade Organisation (WTO), General Agreement on Tariffs and Trade (GATT), economic coordination (EU and its predecessors), and every other conceivable issue. The European Union is considered the foremost example of this drastic shift, where its member states voluntarily pooled sovereignty on issues traditionally solely belong to the state, including monetary policy and defence. That these moves are incomplete, difficult, and (currently) controversial, and, in the end, not final, does not undermine the point that they represented a departure from traditional international relations, and suggested a radically new period in international politics had been ushered, making the EU appear a post-national normative power for the 20th century (Manners, 2002).

However, there is an inherent contradiction in beliefs about the end of nation-state based politics. The multilateral system that developed alongside transnationalisation did so only under the umbrella of American unipolarity and

reflected specific geopolitical needs of the post-Second World War period. The arguments about hegemony as a necessary precondition for systemic stability are varied and inconclusive (Kindleberger, 1974; Snidal, 1985; Grunberg, 1990; Lake, 1993; Milner, 1998; Ikenberry, 2011), but it is evident that the United States was crucial in establishing and shaping the specific set of international institutions and organisations that currently make up the system. It is equally evident that these multilateral structures were created to meet the demands of the post-Second World War and Cold War international context. Both NATO and the predecessors of the EU were originally created to balance Soviet forces, contain German power, and keep the United States involved in Europe.

After the Cold War the size and mandate for NATO broadened to ensuring good governance and stability within the new members and a scope became more global, and similarly the European project has expanded in mandate, and in members. Both organisations encompass territory that belonged to the sphere of influence of the Cold War adversary. The World Bank, the IMF, and GATT similarly represented moves to rebuild the economies destroyed in the war and safeguard them from a repeat of the events that led to the war and from falling into the Soviet sphere, and gained a greater role during 1990s. However, while dynamic and adaptive, the current organisations have not been natural or inevitable emergent features of a globalising order, and reflect the time of their creation and the key role that the American leadership. As long as a broad consensus remained among transatlantic elites, and those of other industrialised state, on the benefits of globalisation, their existence was ensured. However, this system created paradoxical outcomes.

The global liberal order reinforced by the United States and the other Western states in the decade after the end of the Cold War brought about the seeds of its own weakening in three ways. First, the United States, in spite of the disappearance of its rival, maintained its global military presence and the concomitant costs of peacetime forces deployed abroad. The two Major Regional Contingencies (2MRC) planning assumptions established in the 1997 Quadrennial Defence Review (QDR) focused on states that fell outside this new global order. US armed forces should be able to simultaneously fight and win two conflicts in separate regions, one in the Middle East (Iraq and Iran), and one in East Asia (the Korean peninsula). This continued global conception of American security and interests prepared the way for the expansion of the war on Terror into Iraq. In turn, the long and costly wars in Iraq and Afghanistan eroded American power, in terms of legitimacy, and blood and treasure, in the process discouraging allies in 'old Europe' and emboldened regional challengers.

Second, the preeminent position the United States and the other Western states found themselves in after the end of the Cold War settled the ideological debate between the market and the state firmly in favour of the former. The transnationalisation of finance made possible by the continuing deregulation initiated during the Reagan-Thatcher 1980s triggered a series of global financial crises (South East Asia, Russia, Latin America) in the 1990s, but also underlined the transformational changes taking place in the global economy. The victory of the markets and access to easy money eventually undermined the stability and basis for US (and Western) power in the still on-going crisis that began in 2007, and combined with the military overextension of the War on Terror, presents us with a second, ironic and paradoxical outcome.

These first two paradoxical/ironic outcomes are especially instructive in light of the third, and most significant, development: the dramatic rise of China, as well as the emergence on the world stage of India, Brazil, and regional powers, including South Africa, Turkey, and South Korea. The rapid rise of China is the most striking and important of these developments. If current IMF projections hold, which is far from certain, the Chinese share of global GDP will surpass the US share by 2017 (see figure 1). In terms of material war-making capabilities, the CINC index of Correlates of War has China surpassing the US more than a decade ago (see figure 2). While the CINC measure is problematic, because the size of population and armed forces contribute such a large part to it, the distance between the US and China and the rest suggests that a systemic change in power distribution is taking place.

The end of American power has signalled several times before (Nye, Jr. , 2012), as it was in the 1980s when Japan (and to a lesser degree Germany) seemed to approach the economic weight of the United States. The current shift arguably differs in some important respects. The current rising powers are self-confident, self-aware, organised (in BASIC and BRICS), and are investing in traditional military power. Japan and Germany, which have been de facto protectorates of the United States since the Second World War, maintained their pacifist stances as they rebuild and grew economically. Furthermore, the absolute size of the Chinese and Indian economies and populations is by definition more impactful. The current rising states exhibit a fuller range of sources of power, which suggests that the system is heading towards a more complete state of multipolarity that encompasses all levels of political competition.

Certain themes tend to dominate discussions of multipolarity and the shifting global landscape. Authors tend to take an American perspective and focus on prescribing how American grand strategy can reconstitute itself to maintain US pre-eminence (Layne, 2012) , adapt itself to thrive in a new order with multiple centres (Zakaria, 2008), or at least ensure the survival of its preferred liberal international order (Ikenberry 2011). The emphasis the fate of American power takes in debates on multipolarity, should not lead to underappreciate the consequences of the nascent strategic competition. Moreover, such a competition generates a dynamic within the system that is essentially at odds with the logic of the transnationalisation of governance, trade, and finance, in which the importance of the nation-state is gradually diminishing. Instead, the rise of multiple centres of power responds more closely to 19th century international affairs. The following sections lay out several ways in which the tension between these two modes of politics will erupt or be resolved.

The shifting distribution of relative capabilities does not determine *how* state elites will respond strategically, but does predict *that* they will feel the need to respond. However, while, as neorealism argues, states respond to external pressures, I argue here that the manner in which these structural tensions will erupt or be resolved lies at the unit level, shaped by domestic ideas, interests, and institutions (Rose, 1998; Rynning, 2002; Dueck, 2006; Layne, 2006; Dyson, 2010). Specifically, I focus here on increasing distrust of elites and of internationalism, and on civil-military relations , namely whether the armed forces are part of the political competition or whether they are strictly controlled but largely autonomous (Huntington, 1954; Desch, 1998).

Multipolarity and grand strategy

United States

In the 1990s Barry Posen and Andrew Ross (1996) described four possible grand strategies open to the United States in the post-Cold War period: isolation, selective engagement, primacy, and collective security/liberal internationalism, with each succeeding option representing an increase in military and/or diplomatic engagement. The U.S. arguably followed a course between primacy and liberal internationalism in the first decade after the Cold War. It maintained its extensive military deployments abroad, including now secure Europe, maintained defence spending higher than the next twenty states (including Western allies) combined, continued investment in cutting edge military hardware, and sought Full Spectrum Dominance (dominance in air, land, maritime, and space domains, and information environment). The collective security organizations and agreements established during the Cold War were maintained, and, in the case of NATO, used to expand American power into the former sphere of influence of the old adversary. The Bush (II) era removed ambiguity whether the US was seeking primacy, and even public statements from that era contain the idea that American 'forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equalling us'¹.

The wars in Iraq and Afghanistan undermined the support base for this global strategy by weakening American legitimacy, economy, and military hard power. The demands of nation-building had led to an emphasis on counterinsurgency and dependence on the land-based army and marine units, a far cry from Rumsfeld's attempt at 'shock-and-awe' with minimal boots on the ground during the invasion in Iraq. Under pressure to control its budgets, the Pentagon has been called on to find cuts to the tune of \$487 billion over the next decade, although compared to an annual budget that approximates \$1000 billion when every defense related expenditure is accounted for, makes the cuts less impressive. In any case, American grand strategy will be forced to reprioritize. For example, the 2011 QDR scaled back the ambitions of the 1997 QDR to the less ambitious planning assumptions of fighting and winning one major war while being able to meet and 'spoil' any aggressive designs by a second adversary. The strategic pivot² to the Pacific represents the most important reprioritization, and statements from the administration, such as President Obama's claim that the 21st century will be a Pacific century³, illustrate the extent to which the importance of Asia has become paramount. The U.S. is already reducing its global military footprint in relatively secure regions and shoring up its assets in Asia and the Pacific. For example, since 2011 7000 American troops have been withdrawn from Europe, and redeployed to South and East Asia, and in 2012, after a 26-year stand-off on nuclear issues, the U.S. lifted a ban on visits by New Zealand warships to U.S. bases around the world, with the US and New Zealand agreeing to cooperate on maritime security, counter-terrorism, and peacekeeping operations.⁴ Moreover, the diminished focus on nation-building and other lower intensity tasks

¹ Bush, G. (2002) National Security Strategy of the United States. Washington, D.C.: White House.

² Wan, W. (2012) Panetta, in speech in Singapore, seeks to lend heft to U.S. pivot to Asia. Washington Post, 1 June.

³ The Atlantic. (2011) Obama's Plan for America's Pacific Century. The Atlantic, 11 November.

⁴ Alexander, D. (2012) U.S. lifts ban on New Zealand warships, New Zealand keeps nuclear-free stance. Reuters, 21 Sept.

demonstrates a refocus on potential great power conflicts. The armed forces are, at least partially, moving away from the post-Iraq/Afghanistan land-based COIN doctrine to the navy and air force-based Air-Sea Battle doctrine. These capabilities are intended to counter China's growing maritime role.

These developments should be seen together with the shift towards less restrictive and more flexible forms of multilateralism, which has been taking place during both the Bush and Obama administrations (Van Hooft, forthcoming). This is part of a larger trend that has been taking place over the past decades. Krause (2004) signals increasing scepticism towards multilateralism, driven by frustration over traditional avenues of influence such as the United Nations and the World Trade Organization. This led to a decreased willingness on the part of American policymakers and public during the 1990s to contribute to and compromise with multilateral organisations. As Jeffrey Legro (2012) argues, the American response has been to shift from global multilateral forums to other arenas in the international system such as regional organizations, bilateral webs and even non-state transnational links. These moves point to an increased desire for and focus on flexibility, which in turn reflects an American hegemon less certain of exercising its power through the established institutions built in the Cold War. As Secretary of State Clinton phrased it in 2010: if some nations "don't want to join, we will press ahead with others".⁵

The cumulative effect of these developments suggests that American grand strategy can now be best characterised as selective engagement or partial primacy, underlining that the US has definitely moved away from collective security / liberal internationalism.

Europe

The consequences for Europe of multipolarity and the resulting shift towards a US grand strategy of selective engagement are varied, and in turn will impact the fundamentals of the multilateral order. A unifying Europe has clearly not become a challenger to American unipolarity, nor have the intra-European rivalries reignited as realism predicted (Mearsheimer, 1990). Realist theory offers different interpretations for this lack of response: European states have hedged with the US against one another and against a possible resurgent Russia, to create an advantageous balance of power within Europe (Art, 2009), or conversely, while the Europeans avoided hard balancing, they were soft balancing the US through the acquisition and development of interventionary and power projection capabilities (Posen, 2006). The continued role for NATO in the transatlantic relationship both enabled the Europeans to avoid making difficult national or European choices about security and the US to safeguard its global influence. The lack of an overt challenge to the US or other European states is derived from secondary effects of US security guarantees provided through NATO. The centrality of NATO also had other consequences, namely by establishing a transnational elite on matters of foreign policy and defence.

Europe's armed forces have especially been transformed through their role in NATO, working towards and converging on common projectionary capabilities (King 2011, Dyson 2011). These represent a move away from the large scale conscript forces needed for collective defence within Europe during the Cold War, towards smaller professional units able to undertake interventions and nationbuilding outside Europe. However, because this has

⁵ Council on Foreign Relations. (2010) A conversation with U.S. Secretary of State Hilary Rodham Clinton. Council on Foreign Relations. 8 Sept.

largely taken place through NATO, the US has disproportionately shaped the commonly shared strategic concepts, threat appraisals and solutions. This applies to Great Britain, Germany, the closest and most enduring transatlantic relationships, and to a lesser but increasing degree to France since its full reintegration into the NATO political and military command. Especially relevant here are the smaller European states that lack the ability to independently conduct comprehensive threat analysis, conduct military R&D, and anticipate doctrinal developments.

The likely strategic pivot of the US will have consequences for current European force postures. The Europeans may adapt to the American shifts in doctrine and focus, either by taking on certain security tasks or by changing their niche roles. The former seems to be happening with the Franco-British defence agreements towards greater cooperation in terms of pooling R&D, and building shared power projection and interventionary capabilities, of which the joint aircraft carrier is the clearest example. As with previous instances of British–French rapprochement this seems to have been triggered by changes in the external environment. However, problems of pooling defence resources remain, whether in the acquisition of planes that cannot land on the joint carrier or ambiguity if preferences for their usage differ (the South Atlantic dilemma). For Germany and smaller European states the U.S. reorientation presents a more specific challenge. For reasons of history and size respectively, several European states have tried to develop niche positions (Rickli 2008) complementary to the US and the larger European powers, where they deliver the ‘soft’ capabilities (peacekeeping, reconstruction, nationbuilding), after the more powerful states have intervened with more traditional conventional war-fighting capabilities. The extent to which these abilities will continue to be valuable in light of the move away from precisely these kinds of difficult missions towards more traditional uses of military force is unclear, but it will force these states into difficult choices.

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These developments in turn are likely to have negative consequences for the future of NATO, and, while the longevity of NATO has been questioned before, there several reasons that the current pressures are more serious. To begin with, the experiences over the past ten years in Iraq, Afghanistan, and Libya have offered unconvincing lessons to the U.S. on the continued feasibility of current transatlantic arrangements. The end of the International Security Assistance Force (ISAF) operations in Afghanistan in 2014 represents the finale of NATO’s longest-running mission, where member states actually fought together and with significant troop contributions from most members. Signals from the various capitals suggest that exhaustion, expenditures and general lack of confidence in the strategic outcomes in Afghanistan have made it unlikely that any state is willing to make similar major long-term commitments in reconstruction and nationbuilding any time soon. While this means the source of tensions that surrounded joint campaigning will come to an end, it also means that there is less immediacy to better integrate European capabilities (beyond the budget restraints of the age of austerity). The operational weaknesses demonstrated in the Libya mission have also dampened enthusiasm for more limited missions. The Europeans were unable to sustain the bombing campaigns against Gadhafi’s forces and began running out of munitions within weeks of the start of operations. In 2011, then-Secretary of Defense Robert Gates pointed out that, while Operation Unified Protector was a mission with widespread political support, not involving ground troops, in Europe’s neighbourhood where European vital interests were at stake, it clearly demonstrated major shortcomings in European capabilities. Gates argued that NATO risked turning into a two-tiered alliance that consists of members who specialize in ‘soft’

humanitarian, development, peacekeeping, and talking tasks, and those conducting the 'hard' combat missions. This lack of equitable burdensharing – in American eyes– together with new generations of American policymakers with less memories of the cooperation of the Cold war years, is leading to a declining appetite and patience on the part of the U.S. Congress and the larger American polity, to expend limited resources on behalf of nations that are apparently unwilling to devote the necessary resources to their own national interests.⁶

A retrenchment of American strategy is therefore likely to undermine NATO for which the US still provides most of the infrastructure and hardware. However, it has now become less likely that the US will continue to undermine European efforts to build a rival organization of NATO, in terms of the ESDP. The extent to which the European Common Security and Defence Policy will fill this gap is unclear, or whether a series of bilateral agreements can take its place. In other words, whether European security arrangements in the near future will continue to be globalized, become more strictly regionalized, or some hybrid form due to renationalization, has become an open question.

China

Historical precedence suggests that rapid transitions in power that upset traditional arrangements heighten the chance of open conflict. Radical shifts in power distribution and the parallel uncertainty about the overall hierarchy in the international system has been linked to the likelihood of systemic wars (Organski and Kugler, 1980). The rapid rise of the Asian powers, China and India foremost, could have consequences for peace and stability in Asia and the Pacific, specifically since the US has traditionally also perceived its interests there. Competition over international rulemaking, access to resources, specific symbolic issues that are seen as signs of status, are therefore likely to increase. It is therefore quite tempting to see, as many commentators do, parallels to the drastic changes late nineteenth and early twentieth century in Europe, when Germany experienced its own high growth that challenged British hegemony and led to the outbreak of the First World War. However, the German search for maritime power equivalent to that of the British was not driven by structural incentives per se, but by the (mistaken) beliefs of the Wilhelm II and the high command that Germany needed or could build these capabilities without provoking a British reaction and alignment with France. (Strachan 2004) Chinese policymakers have been aware of these parallels and are actively trying to avoid the German and Japanese mistakes of aggressive expansion that provoked countervailing alliances.

The evidence of balancing behaviour by China is mixed. The official Chinese policy has been of 'peaceful rise' (*zhōngguó héping juéqǐ*), with the reiterated stated goals to develop economically, increase the welfare of its own citizens and challenge no one. Beijing's priorities have so far been clearly domestic, and its stated foreign policy priorities are summarized as 'sovereignty, security, and development'. The course of keeping a low profile and bidding time (*tao guang yang hui*) ion which Deng Xiao-Ping set Chinese foreign policy in the 1970s seems to be paying off. Therefore, most of the perceived threat of China to American unipolarity lies in its consistent rapid

⁶ Gates, R. M. (2011) The Security and Defense Agenda (Future of NATO), As Delivered by Secretary of Defense Robert M. Gates. NATO-Brussels, Belgium, 10 June.

economic growth (10-14% annually⁷, but slowing down). While military spending has annually increased by over 12%⁸, somewhat outpacing economic growth, military multipolarity is as of yet far off. Chinese defence spending as a percentage of GDP may be persistently increasing, it still remains less than half of the percentage of GDP (2,1%) that the US spends annually (4,8%), and in absolute numbers they are incomparable (for the US \$689 billion in 2010 Dollars, and for China \$129 billion in 2010 Dollars).⁹ Chinese objectives have until recently been mainly concerned with issues Beijing considers matters of national sovereignty, namely Tibet and Taiwan.

However, it is also clear that China is modernising its armed forces, slowly but surely transforming them from strictly national defence tasks towards greater expeditionary capabilities. The most overt sign of this is the expansion of China's maritime capabilities towards a blue water navy, including the acquisition of its aircraft carrier. The value of the carrier is debatable but it does at least suggest a desire to compete in terms of prestige. While official Chinese policy remains a 'harmonious ocean', its influence is seen to be spreading to the string of pearls: maritime strategic choke points of the Strait of Mandab, Strait of Malacca, Strait of Hormuz and Strait of Lombok. The Chinese government is also developing deep-water ports in Pakistan, Myanmar, and Sri Lanka, and is discussing other potential sites in Bangladesh and Nigeria (Economy, 2010). As US is planning for confrontations with China, China is preparing for confrontations with the US. In 1999 two PLA colonels wrote a book on military strategy - '*Unrestricted Warfare*' - a prescription to overcome American conventional dominance by conceptualizing warfare encompassing all possible instruments. The strategic competition is evidenced not only by the military build-up: China is ensuring access to the Indian Ocean and hedging against India by establishing alliance between China and Pakistan, which is the strategic partnership 2011 between India and Afghanistan. The clearest sign of counterbalancing US power is the Shanghai Cooperation Organisation (SCO), which China and Russia founded together with Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. China and Russia's existing rivalry has not impeded looking for ways to counter American unipolarity.

China had been content to adhere to a non-interventionist support for state sovereignty, which appealed to states in the developing world for its stark contrast to American and Western tendency towards liberal interventionism over the past two decades. Yet, China's new found power has increased appeals for greater contributions to international public goods. As its interests and influence grow, it is taking a greater role in policing the global commons by maintaining regional order, and maritime security. Chinese contributions to UN peacekeeping missions have increased; it is increasingly acting against terrorism and piracy (Christensen, 2011). China's policy has become less country-oriented and more multilateral and issue oriented, such as its cooperation with India against Western pressures to limit carbon emissions (Wang 2011).

⁷ World Bank, World Development Indicators (WDI) and Global Development Finance (GDF), 2007-2011; Branigan, T. (2012) China's economic growth slows to 7.6%: Second-quarter GDP growth in world's second largest economy falls to lowest rate since depths of financial crisis in 2009. The Guardian, 13 July.

⁸ Hoyos, C. (2012) Chinese defence budget set to double by 2015. Financial Times, 13 February.

⁹ Sipri Military Expenditure Database 2011

Domestic level sources of instability

United States

American domestic politics seems less and less suited to allowing the US to continue to play its global role, due to both demographic changes and increasingly more inward-looking populism. The on-going demographic shift in American electoral politics means that the share of second or third generation immigrants from Europe is decreasing, while proportion of Latin American citizens is increasing. Furthermore, for the past decades American population has been moving Westwards, and the relative share of the traditionally pro-European Eastern seaboard in American cultural and political life has been declining (Walt, 1998). Europe has become something far less appealing. The 2011 and 2012 Republican primaries and the subsequent Presidential election provided several instructive examples that for a large part of the polity there is little interest to formulate a serious foreign policy vision or to take major allies into account. These ranged from dismissive remarks about European allies by the (eventual) Republican Presidential candidate and his rivals¹⁰, to one of his other contenders categorizing a NATO ally as a terrorist state¹¹. While these remarks should be considered offhand and insubstantial, they also reflect a certain carelessness by using foreign policy to score relatively minor domestic points. They also suggest that the transatlantic name-calling during the crisis over Iraq might have been less an exception than a preview of the future.

The tough talk is a symptom of a larger trend of increasing polarization across all issues of American politics over the past twenty-five years. As a 2012 study by the Pew Research Center found, both Republicans and Democrats have become smaller and more ideologically homogenous. Among Republicans, conservatives outnumber moderates by a ratio of about two-to-one, and there are now as many liberal Democrats as moderate Democrats. In fact, American values and beliefs are more polarized along partisan lines than 'at any point since Pew started measuring.'¹² Polarisation has gone hand-in-hand with an increasingly inward-looking focus on the part of the public: currently 42% of both Republicans and Democrats agree that more attention should be focused at home rather than abroad.¹³ Differences are, however, apparent whether the best way to ensure peace is through military strength, with 44% of Democrats currently agreeing, but more than 70% of the Republicans. As Yankelovich (2005) states: 'on a broad array of foreign policy issues, there is no majority stance. Instead, polarized groups of Americans glare at each other

¹⁰ Mitt Romney could boil down his critique of the Obama administration's taxes and spending on healthcare with the shorthand that Obama 'wants to turn America into a European-style social welfare state'. Finnegan, M. (2012) Romney's critiques of Europe raise some questions. Los Angeles Times, June 29; "If you're an entrepreneur and you're thinking of starting up a business, you need to ask yourself: Is America on the same road as Greece? Are we on the path to an economic crisis like that we're seeing in Europe, in Italy and Spain?" (Hooper, J. (2012) Mitt Romney botches another Italian job as anger lingers over Bain coup. Guardian, 1 Nov; Romney himself was attacked by fellow presidential hopeful Newt Gingrich for the time he spent in France and his ability to speak French, a somewhat (non sequitur) insult. Harris, P. (2012) Newt Gingrich's attack ad gives Mitt Romney a French dressing-down. The Guardian, 13 January.

¹¹ "Well, obviously when you have a country that is being ruled by, what many would perceive to be Islamic terrorists, when you start seeing that type of activity against their own citizens, then yes. Not only is it time for us to have a conversation about whether or not they belong to be in NATO, but it's time for the United States, when we look at their foreign aid, to go to zero with it," Perry said. Oliphant, J. (2012) Turkey, State Department blast Rick Perry's 'Islamic terrorist' remarks. LA Times, 17 Jan.

¹² The Pew Research Center for the People and the Press. (2012) Partisan Polarisation Surges in Bush, Obama Years. Trends in American Values: 1987-2012. The Pew Research Center for the People and the Press, 4 June, p1-2.

¹³ The Pew Research Center for the People and the Press. (2012) Partisan Polarisation Surges in Bush, Obama Years. Trends in American Values: 1987-2012. The Pew Research Center for the People and the Press, 4 June, p77.

across deep chasms.’ Nor should the outcome of the 2012 elections necessarily imply that there will be a return to the political centre: moving to the right has worked out well for the Republican Party over the past decades.¹⁴ The longer trend of culture wars is driven by a decrease in cultural homogeneity and a backlash against liberal values. Consequently, over the past decades the emphasis on American exceptionalism has increased (Mead, 2011), and in foreign policy terms, many American conservatives unify around the belief in America’s unique virtue and they are therefore reluctant to adapt to the rise of new centers of power, preferring to instead rely on ‘coalitions of the willing’ or a ‘concert of democracies’(Wade 2011).

These debates had direct effects on the global position of the US in different ways. A clear example was when the Tea Party driven debate in 2011 over raising the debt ceiling diminished the US credit rating, thus undermining American leadership. This has been a longer trend over the past decades, with examples including U.S. resistance to the Kyoto Treaty, the International Criminal Court (ICC), and the Mine Ban Treaty (MBT); Anti-Ballistic Missile Treaty (ABM); and the clashes in the UN over Iraq. For example, 34 Senators opposed the UN Convention on the Law of the Sea (UNCLOS) since it would impinge on US sovereignty, even though it would actually increase US economic and resource jurisdiction and help contain the maritime power of China in South East Asia and the Pacific, (Wright, 2012). This shift has led to a still broadly cooperative American grand strategy, but one where bilateralism, flexibility, and ad hoc coalitions of the willing have become more prominent.

Just as declinism is a recurring feature of American political debates (Wohlforth, 2012), some similarities exist with the period in the 1970s when the aftermath of Vietnam, the Iran hostage crisis and the military power parity with the Soviet Union proved the catalyst for the neo-con movements. The question is, even if the decline of the US is only relative and not absolute, whether domestic politics can adjust its expectations to a world where the US is no longer the only superpower.

The underlying problem is the centrality of credibility, especially for Democrats. Obama’s foreign policy presidency can be characterised as partially rebuilding the weakened multilateral ties, and partially to avoid the appearance of weakness while diminishing the American military role, as evidenced in the dependence on special forces and drones. American civil military relations are still cohesive, but a structural weakness exists when the armed forces have higher approval ratings than congress. Furthermore, organizational pressures and interservice rivalries between the Air Force and Navy on the one hand and Army and Marine on the other over the budget could create a force posture – Air-Sea Battle - that appears more hostile than it needs to be.¹⁵ Together with the overall disillusionment liberal internationalism the conditions exist for American administrations to over-depend on the show of force. In combination with the polarization of domestic politics, serious doubts can be raised about the US ability to produce a cohesive and coherent grand strategy to underpin current multilateral structures. Instead, it is more likely that the US will oscillate between unilateralism – as in primacy – and constrained selective engagement directed at specific regions.

¹⁴ In (1980) the Reagan revolution gave Republicans control of the Senate for the first time in decades; (1994) the Gingrich revolution control of the House; (1998) the impeachment of Bill Clinton; (2000) the presidency; and in (2010) a landslide midterm victory by Tea Party candidates . Drum, K. (2012) The Tea Party Is Dead. Long Live the Tea Party. Mother Jones, 9 Nov.

¹⁵ Jaffe, G. (2012) US model for a future war fans tensions with China and inside Pentagon. Washington Post, 2 August.

Europe

Over the past twenty years European unification has offered the best example of the transnationalisation of governance. The many overlapping and intersecting mandates and governmental structures suggested a possible example for global politics, expressed as normative power Europe. However, the broader economic crisis and the debt crisis specifically have undermined the base for the project. Most visibly, it has exposed the economic discrepancies and political cleavages within Europe between the wealthy Northwest and struggling South, and this has led to a striking number of nationalist references and back-and-forth insults. The crisis has strengthened and increased the number of political groups sceptical of the European project and these have moved from anti-immigration to a broader anti-elite and anti-internationalist manifestos (Kriesi, e.a., 2008). To the populist radical right, globalisation is a multifaceted enemy, where, according to Mudde (2007), all three major subtypes of globalization – economic globalization (associated with neoliberalism and immigration), political globalization (exemplified by the NWO), cultural globalization (seen as Americanisation) - are feared and rejected upon the basis of the same nativist beliefs: they threaten the independence and purity of the nation-state. The populist radical left, similarly rejects these three types of globalisations for different, but equally powerful, motives: the monoculture, the inequality, and the pressure towards Western universalism. The uncertainty generation by the liberalisation of trade and finance, has exacerbated the fears in the more unequal societies (Burgoon, 2011; Zürn, e.a., 2012).

This populist backlash interacts with an overall decline of trust in politicians and the institutions of representative democracy that has been eroding in most established democracies since the 1990s (Pharr and Putnam, 2000; Dalton, 2004; Dalton, 2005; Newton, 2006; Kaina, 2008). This assessment has been challenged, and Pippa Norris (2011) instead posits that there is no long-term trend of decline of public support for the political system until 2007, although there are sharp fluctuations of support within countries over time (Norris 2011 57-82). While the overall trend might be uncertain, the notion of national interests and the benefits of internationalist policies are abstract and distant compared to the main day to day practice of politics and far removed from the daily concerns of citizens, and are consequently predominantly driven by and associated with national elites. The stresses caused by the Eurocrisis are likely to push more inward-looking policies, also among the states with previously impeccable internationalist credentials.

For example, in 2010 the Netherlands did not extend its mission in Afghanistan in spite of a formal NATO request, which followed unofficial assurances by the Christian Democrat (CDA) foreign minister that such a request would be accepted. The Labour Party (PVDA), as the other major coalition partner of the government, refused, leading to the collapse of the government coalition. These decisions by the Labour Party seemed to be predominantly driven by fears that the populist appeal of the further-left Socialist Party was draining support from the Labour Party and the consequent need to make a statement and force elections. The punishment from the U.S. was clear: withdrawal of support to Dutch presence at the G20.¹⁶ Another example, was when in 2011 Germany abstained in voting on Libya in the Security Council, and opted out of contributing logistically to the NATO bombing campaign, even withdrawing

¹⁶ From Wikileaks; (2009) cable from The Hague embassy to Secretary of State on Netherlands/Afghanistan: Engaging Labor Part Leader Bos – part of the “Getting to Yes” Strategy for Extending Dutch Deployment in Afghanistan Post-2010. 9/18/2009/FM/Embassy the Hague.

its support personnel from NATO command in Italy. Basic disinterest on the part of the public, analytical uncertainty, and a strong inward-looking focus on economic crisis management all serve to explain the hesitancy of the German government, in spite of criticism on the part of its major allies. These examples suggest that short-term domestic political costs and benefits shaped policy rather than long-term national or internationalist interests.

There are structural factors that will further undermine European contributions to multilateralism. The transnational European elites for foreign and defence policy are relatively narrow and disconnected from both domestic publics and governments. To a greater extent than in the US, European members of governments have increasingly have less direct experience with military affairs. The ties between transnational military elites – built through NATO – with one another are in some ways stronger than within the national hierarchy, in terms of shared strategic concepts, doctrine and threat assessments (King, 2011). Consequently, there is less understanding of the possibilities and limits of European military power. The drop in support for activist foreign policies, suggests that the current built up knowledge within the armed forces on nationbuilding, peacekeeping, and counterinsurgency has become less valuable. The current lack of interest in similar operations within the US, further undermines the value and cohesion of the current European military profiles. This undermines the ability to cohesively project power and build sustained European grand strategy, and thus undermines the possibility normative power Europe to play a global role as a supporter of the multilateral frameworks.

China

The position of Chinese foreign policy towards the regional and global order will also depends on domestic politics, specifically how well the Chinese government will remain able to control the pressures and harness the rewards of its prodigious successes. However, the fruits of economic growth are spread unevenly, with China having one of the most unequal societies globally. The one-child policy created an advantageous demographic distribution for most of past three decades, although it has created a highly disadvantageous aging problem in the coming decades, leading to the fear that 'China will get old before it gets rich'. There is the concomitant 'missing women' estimated at 30 million girls aborted or killed after birth. Hypernationalist movement such as the 'angry young men' (*fenqing*) are already an increasing online presence. Economic uneven development between the coastal urban centres and the hinterland has led to massive migratory flows within China. Moreover, a growing and increasingly prosperous middle class will also demand accountable government. The lack of trust in the government is subdued but manifests itself in the number of wealthy Chinese placing their money overseas¹⁷ and the estimated hundred thousand protests each year (Economy, 2010). These already point to structural instabilities that the government will have to deal with. The question here is whether the Chinese economy can sustain its growth, better distribute the wealth, and broaden political participation while maintaining the paradoxical combination of stability and dynamism of the past decades.

The signs are ambiguous. Economic growth is slowing down, partially because Chinese prosperity is undermining its competitiveness, and because of the effects of the crisis dampening demand in the American and European

¹⁷ (2012) Officials, looking for an exit strategy, send family and cash overseas. *The Economist*, 26 May.

markets.¹⁸ There is evidence of a housing bubble already exists and with 50% of Chinese capital is invested in the construction sector¹⁹, that represents a serious possible structural weakness. Whether this leads to a crash of the Chinese economy or merely presents a minor speedbump in China's rise is impossible to tell. Whatever the case, possible disappointments for a generations of Chinese used to constantly in increases in incomes for their hard work, will multiply the difficulties for and pressures on the Chinese government. Internal turmoil might be channelled through more nationalist and extremist groups may force the government into a more assertive international policy, especially if Chinese prestige is undermined by American policies.

As noted, successive Chinese governments have worked hard to avoid the appearance of aggression, and have proved adept at managing domestic tensions. However, members of the PLA consistently signal less patience with constraints on China's position within Asia, suggesting a growing civil-military gap in which Chinese military elites tend to be more intensely nationalistic as well as more hard-line towards the United States and Taiwan (Scobell, 2009). Several events during 2009 and 2010 seemed instructive: when Chinese ships harassed the US Navy ship *Impeccable* in international waters in 2009; at the ASEAN Regional Forum in July 2010 Chinese Foreign Minister Yang warned Southeast Asian States to not coordinate with outside powers in managing territorial disputes with Beijing; in 2010 demanding an apology and compensation from Tokyo after Japan detained a Chinese fishing boat captain; and also in 2010 when Chinese officials warned the US and South Korea twice against conducting naval exercises in international waters near China (Christensen, 2011). China is also adopting a more aggressive stance on territorial disputes in the South China Sea, as outspoken PLA officers, intelligence advisers and maritime agency chiefs are arguing that China should more forcefully assert its sovereignty over the sea and the oil and natural gas believed to lie under the sea-bed.²⁰ Most recently, in 2012, a dispute between Japan over China over what Japan calls the Senkaku Islands and China the Diaoyu Islands showed how easily nationalist passions in both countries can escalate, with Japanese factories and dealerships coming under attack. The increased number of flashpoints suggest that perceived weakness on the part of the US provoked attempts at signalling Chinese resolve. Unlike earlier generations of Chinese leaders, the current generation of civilian policymakers have no experience within the armed forces and lack the immediate legitimacy to assert control. Currently, neither of the two major superpower has any direct issue with the other, and the costs for both of escalation would be great. However, the domestic drivers noted above are undermining coherent and cautious responses to managing the redistribution of global power.

The strategic use of multilateral organisations

A more hybrid and mixed global order will have several short-to-midterm consequences for state policies. First, the lack of coherence at national or intergovernmental level adds to overall uncertainty and increases the costs of cooperation. Second, the reservoirs of legitimacy built up in the existing multilateral structures with great effort over

¹⁸ Somerset-Webb, M. (2012) The Caustic soda connection. *Financial Times*, 27 July.

¹⁹ Somerset-Webb, M. (2012) The Caustic soda connection. *Financial Times*, 27 July.

²⁰ Lague, D. (2012) China's Hawks gaining sway in South China sea dispute. *Reuters*, 25 July.

the decades, offer opportunities to compete over and exercise raw power and soft power. Under the condition of increasing multipolarity, states are therefore likely to use existing multilateral institutions more strategically to gain relative in the short term advantages as well as depend more on the flexibility of bilateral or trilateral agreements.

State competition within a more dynamic environment will play out both along and against traditional alliances and the developed-developing states divide. For example, after the 1997-1999 East Asia/Russia/Brazil crisis, G7 Finance ministers and central bankers realized that a larger and more inclusive deliberative group had to be convened. In contrast to their general limited and informal multilateralist preferences, here the Americans campaigned for a bigger and more representative grouping than that on offer in the more modest European proposal. Behind the normative flag of 'more representation,' the United States wanted to bring in more U.S. allies to limit perceived European overrepresentation in both the World Bank, IMF, and many other multilateral organisations (Wade 2011). The negotiations over World Bank voting shares presented a shift to dynamic emerging economies only, part of a larger package that included changes in the composition of the seats on the board. Here the United States forced the 'advanced European' countries to give up two of their eight seats on the Fund's twenty-four-seat board. In doing so, the United States showed its commitment to a power shift from Europe to the South, can expect the states that benefitted to show gratitude (Wade 2011).

The most overt illustration of the specific interactions between traditional power politics and a broadly supported multilateral system seems to be the evolving debates on the reform of U.N. Security Council. While the composition of the Security Council has always been flawed and barely (if that) reflected the actual power distribution of the immediate post-Second War World, it fares even poorer in light of the contemporary distribution of economic, demographic and political power. Consequently, there is a clear need to address the legitimacy gap by adapting these institutions towards greater representativeness. The inclusion of the group of four states (Germany, Japan, Brazil, and India) seems an obvious inclusion, based on their economic and/or demographic sizes. Unsurprisingly, the P5 powers (the U.S., Russia, PRC, U.K., and France) have tried to retain as much influence until now. However, the changing power distribution is reordering this discussion.

First, support of the P5 states for new members is conditional on the possibility of balancing the other P5 members. The United States has supported the access of Japan for a decade and has more recently put its support behind an Indian candidacy in order to balance Chinese influence within Asia.²¹ It has even appeared to offer some signal to support for Brazilian accession.²² Yet, the United States has also blocked German accession to limit the already disproportionate influence of European states on the Security Council, frustrating the plans of one of its most

²¹ US supported candidacy of Japan unequivocally for the Security Council already in 2005, after it had set aside three previous proposals. (Hoge, W. (2005) U.N. Envoys see loss of steam for expanding security council. *New York Times*, 18 Nov. "By endorsing India for a permanent seat on the United Nations Security Council, President Obama on Monday signaled the United States' intention to create a deeper partnership of the world's two largest democracies that would expand commercial ties and check the influence of an increasingly assertive China. ... Mr. Obama's closer embrace of India prompted a sharp warning from Pakistan, India's rival and an uncertain ally of the United States in the war in Afghanistan, which criticized the two countries for engaging in "power politics" that lacked a moral foundation. Gay Stolberg, S. Yardley, J. (2010) *Countering China, Obama Backs India for U.N. Council*. *New York Times*, 8 Nov.

²² Powell appeared in 2004 to back Brazil's candidacy, but this support was worded in a manner which was careful and conditional. Hoge, W. (2004) *U.N. tackles Issue of Imbalance of Power*, *New York Times*, 28 Nov.

reliable partners.²³ Similarly, China, in spite of its counter-hegemonic rhetoric of solidarity among developing nations, has resisted allowing those rising powers greater access.²⁴ To illustrate, the aspirations of its major regional rival, India, for a permanent seat in the Security Council have at this point been explicitly endorsed by all P5 nations except China. Claims of India-China friendship, or shared membership in BASIC, do not make unresolved border disputes disappear, stop India making agreements with Afghanistan, or China making arms deals with Pakistan. While China might claim support for a more multipolar global order, it would prefer a bipolar order with itself and the United States as the main powers and where it can balance American influence.²⁵ Second, it is not only the P5 powers who are blocking a more representative Security Council. Traditional regional geopolitical rivals –organised in the Uniting of Consensus (UfC) group - are working to limit the membership of the G4: Pakistan (India), Italy and Spain (Germany), South Korea (Japan), Argentina and Mexico (Brazil), and others.²⁶ Since the reform process depends on consensus voting, the G4 accession to the council was considered indefinitely postponed, although this could very well change due to smart diplomatic manoeuvring by the G4 states aided by a bloc of African nations.²⁷

Transnationalisation, and renationalisation, and a hybrid global order

As the overview above demonstrates, there is a clash between economic transnationalisation and the emergence of transnational elites on the one hand and the trend towards inward-looking nationalist and populist demands as well as state-led strategic competition on the other. This tension is further played out against the institutional backdrop of armed forces that have become more autonomous, whether through greater popular appeal or through friendly disinterest, and are therefore more disconnected from civilian policy-makers. These developments are not confined to the U.S., Europe, and Asia, but represent broader global trends of democratic or authoritarian populism in Latin America, the Middle East, and Russia, as a result of increased overall economic volatility and increasing political volatility. This does not necessarily imply that intensification of competition is imminent but that the cost-benefit assessments of actors are undergoing significant shifts as more inward-looking policies become more attractive for the foreseeable future. In turn, this will have consequences for how states respond to a more multipolar world.

In the short-to-medium term the weakening of the appeal of liberal internationalism in the U.S. and Europe translates into the weakening of established fundamentals of western multilateralism, the EU and NATO. European military capabilities no longer have the same strategic value to U.S., as long as American grand strategy shifts to the Pacific Ocean. European armed forces may transform alongside current American doctrinal shifts as they

²³ Weisman, S.R. (2005) U.S. Rebuffs Germans on Security Council Bid. New York Times, 9 June.

²⁴ “China aims for a bipolar world in which it serves as the counterbalance to American power. Despite the flowery language of China’s public communiqués, documents published by Wikileaks demonstrate that behind closed doors China has long opposed efforts to accommodate other rising powers by giving them a seat on the Security Council.” Ladwig, W. (2012) An Artificial Bloc Built on a Catchphrase. New York Times, 26 Mar. “The United States has promised to support a promotion for Japan and now India. China is viewed as far less eager for its Asian neighbors to acquire permanent membership in the Council.” Gay Stolberg, S. Yardley, J. (2010) Countering China, Obama Backs India for U.N. Council. New York Times, 8 Nov.

²⁵ Ladwig, W. (2012) An Artificial Bloc Built on a Catchphrase. New York Times, 26 Mar.

²⁶ Weisman, S.R. (2005) U.S. Rebuffs Germans on Security Council Bid. New York Times, 9 June.

²⁷ Sharma, V. (2011) How Germany, Japan, Brazil & India beat Pakistan, Italy, Argentina & Korea in UN diplomatic war. Real Time News India, 25 July.

have for the past decades. This could underwrite a European effort to supplant U.S. contributions towards regional European security and that of bordering regions, and towards building even greater expeditionary capabilities complementary to the U.S. Here again, the lack of appeal of internationalism and European unification in the short term undermines such efforts. Instead, a series of bilateral efforts may emerge, along the lines of British-French cooperation.

At present China does not seem to have the ability or interest to play a supporting role to current multilateral structures. It is also questionable if it has the soft power to appeal more broadly to create such an order. Pushback from rising powers against American power specifically, like SCO and BASIC, is therefore likely to be contained to regional initiatives. Its rising status is pushing China towards ensuring its access to resources and maritime routes. When China asserts itself too strongly, it is likely to trigger countervailing alliances by India, Japan, Australia, and smaller Asian states, and there is enough evidence to suggest that this is already taking place. The cheaper option for China might be to provide regional public goods through cooperative efforts. This might be especially attractive when China will have to perform its economic recalibration after the unlimited growth of the past decades. The future is not bleak, but these trends suggest that China will not function as a global supporter in the short to medium term.

The pressures of multipolarity, together with the significant trend of re-nationalisation, is likely to push the global order towards an unstable hybrid of multi-tiered and region-centric arrangements. Along these more fluid sets of arrangements, there is greater opportunity and incentive for states to use the already established multilateral frameworks strategically. Capitalising on these uncertainties will, however, undermine what legitimacy these frameworks have, as well as the institutionalised trust built up over multiple decades. More optimistically, such a trend of the strategic use of international organisations may be countered by a number of middle- and small powers in Europe and Asia. These states seem to have the least to gain by the dismantling of existing multilateral frameworks, as it gives them leverage vis-à-vis the superpowers and constrains their behaviour. The more level playing field that exists under multipolarity may allow them to play different larger states off against each other, which in the long term strengthens the viability of the frameworks. Better mapping out the interplay of domestic and international factors is essential to understanding how these conflicting trends will play out.

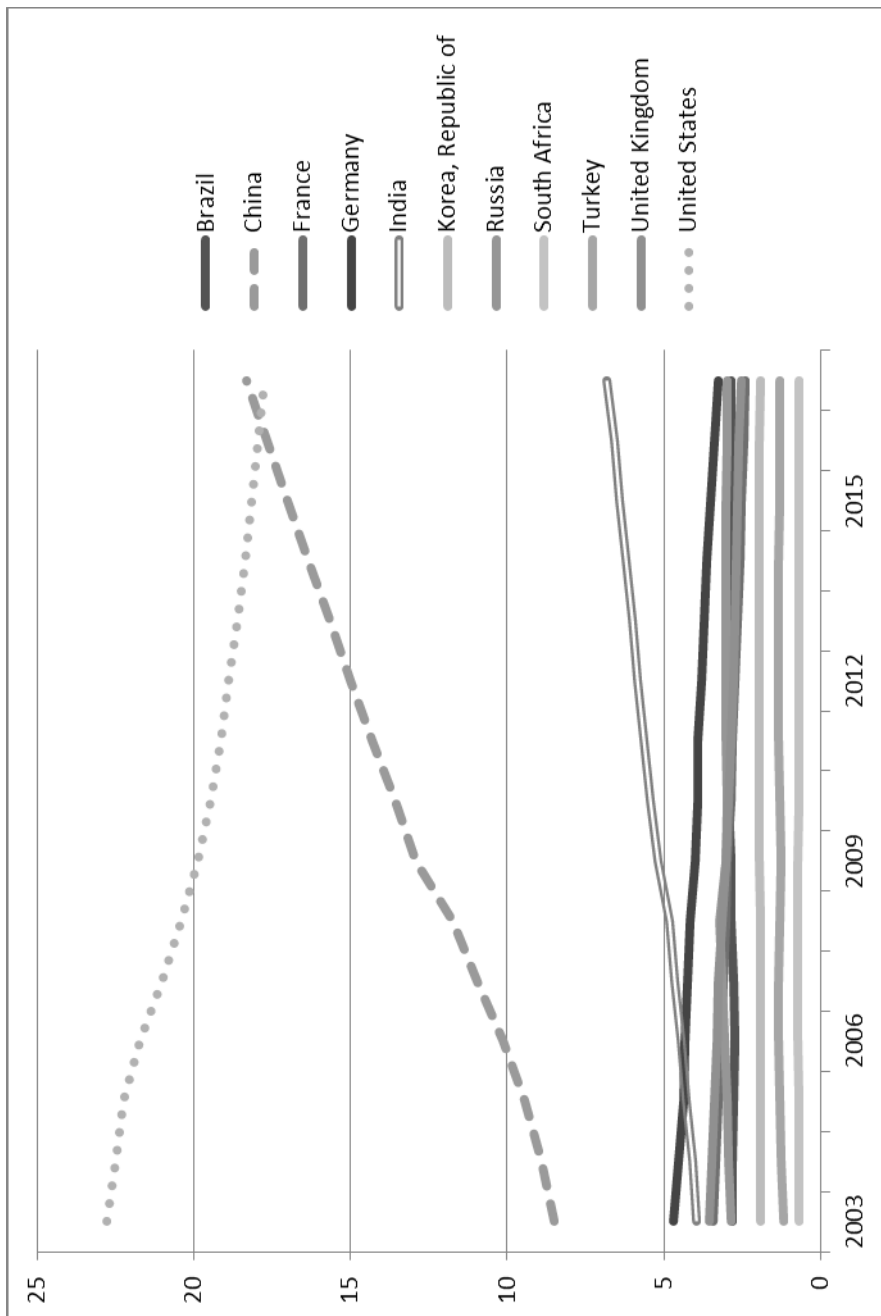


Figure1. IMF. World Economic Outlook (April2012). Share of Global GDP: 2003-2017(expected)

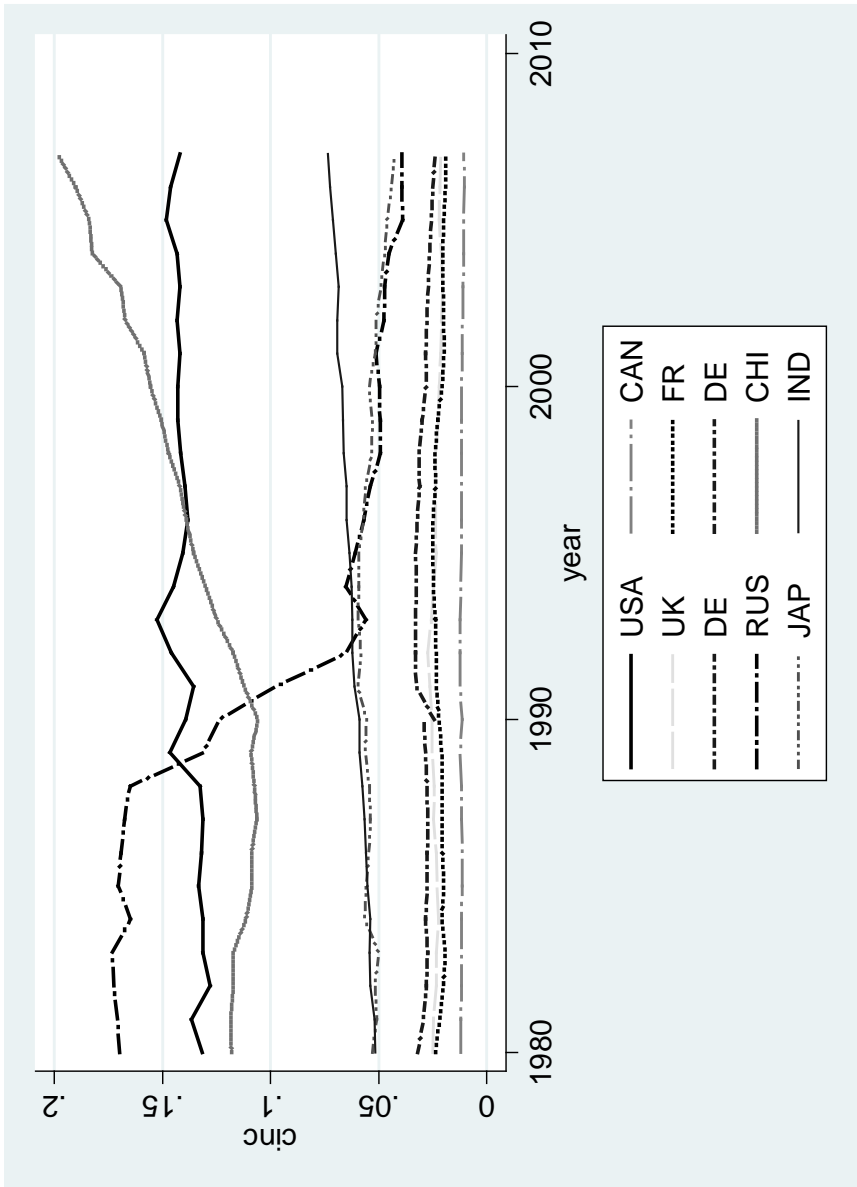


Figure 2. National Material Capabilities (1980-2005). CorrelatesofWarDatabase.

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