

Globalization and U.S. Navy Forces

H. H. Gaffney

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The Center is under the direction of Rear Admiral Michael McDevitt, USN (Ret.), who is available at 703-824-2614 and on e-mail at mcdevitm@cna.org. The administrative assistant for the Director is Ms. Brenda Mitchell, at 703-824-2137.

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H. H. Gaffney
Director, Strategy and Concepts
Center for Strategic Studies

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Summary

The globalization era, as changed by 9/11/2001

1. Globalization is “the world system.” The U.S. created this world, post-World War II, together with the democratic market countries outside the Soviet bloc, through economic initiatives, alliances, nuclear weapons.
2. Globalization is lumpy, inconsistent, and can take several paths. Half the world’s people lies outside it. It must be managed, for it is not self-perpetuating, self-managed, or self-expanding.
3. Globalization proceeds because it is a world mostly at peace. Democratization spreads, and defense efforts and capabilities decline worldwide. Two-state wars are largely obsolete, and the numbers of internal conflicts decline.
4. There are opponents to globalization—on the spectrum from “Seattle/Genoa man” to al Qaeda, with some resistant states in between. These opponents are thinly spread, however. The only significant long-term danger to globalization would be missteps by the advanced economies themselves.
5. The U.S. is both the principal economic engine of the global economy and the only country that can “export security.” The U.S. Government takes much of the initiative in proposing new rules for the global economy.
6. After 9/11, the U.S. Government’s foreign policy priority is mostly the war on terror, which may be extended shortly to Iraq. This priority will continue for the indefinite future, given the difficulty of the task.
7. Defense is the highest priority of the U.S. Government, both for the homeland and internationally. But the combination of tax cuts and rising deficits will shortly cap the defense budget.

8. With respect to globalization, the U.S. Government faces the reality of being the System Administrator of the world—but, given the nature of conflict in the globalization system, this work consists of tidying up on the fringes—al Qaeda and the rogues.
9. Standing back from the world and preparing for unknown threats takes a back seat after 9/11.
10. Transformation of the role of defense in national security, however, may well be profound, thanks to the 9/11 impetus. The defense community must adjust to the reality that security has expanded far beyond DOD's purview.
11. U.S. naval forces made an historically significant contribution to the process of globalization that emerged after World War II. With the collapse of the Soviet Union, the U.S. Navy emerged as the largest and most capable navy in the world with the result that no other navy can or will challenge it. Thus its existence and presence provides the external assurance that reduce the need in each country for more defense and thereby fosters the pursuit of prosperity instead.
12. In the past, navies were a prime vehicle to spread globalization. They are not so much anymore, because of the greater peace in the world and the greater variety of ways globalization spreads. However, U.S. naval forces are integral to the U.S.'s ability to "export security" to support this continuing peace.
13. U.S. naval forces' contribution to current operations is to be net-centric in the joint force. Their main operational contributions are to be mainly in the Persian Gulf/Indian Ocean for the indefinite future.
14. The largest question of the path of globalization is "whither China." If it were to go bad, U.S. naval forces, along with the rest of U.S. forces, may have a more intense role in keeping the peace. This is not now in prospect.

How U.S. naval forces affect globalization

1. **The United States will continue to have a navy.** The U.S. is the richest country in the world, the engine of the world economy, and the

only country with a large/capable navy. It is the symbol of our continuing association with the world.

2. The U.S. Navy will continue to be the biggest and best navy in the world. There is no competitor in sight, peer or otherwise. The economics of globalization militates against it. Countries have given up threatening the seelanes in blue water.

3. U.S. Navy carrier aviation with its air strike capabilities is unique, powerful, and its cost and capabilities scares other countries from joining the carrier business. There are no other globalized militaries. The rogues so far threaten only their immediate neighbors.

4. The essence of U.S. Navy professionalism is to deploy regularly. The U.S. Navy is the only globalized navy. All others are niche navies that only make occasional cruises, or have become just coast guards.

5. All significant operations will be joint from the beginning. The U.S. takes whatever measures needed to enter a conflict with overwhelming force and will not commit forces piecemeal. It is the totality of U.S. military power that impresses the world, not just the U.S. Navy or Marine Corps.

6. The prime U.S. Navy contributions to maintaining the global system will be its operations in the Persian Gulf. The U.S. is the only outside country that can stabilize the region, which, because of its energy supplies, is critical to the functioning of the global economy.

7. The second most important U.S. Navy contribution to sustaining the global system is its continuing presence in Developing Asia. In the long run, the greater global growth will take place in Asia. This growth depends on continuing stability and no diversion of national resources to arms races.

8. The tertiary contribution to sustaining the global system would be that of maintaining navy-to-navy relations elsewhere with allies and friends. This can be done with surface combatants of almost any size.

9. The world is very much aware of the power of the U.S. Navy, from Desert Storm, Kosovo, and Afghanistan. These major contributions imply that the U.S. Navy need not be present everywhere. It is the

occasional demonstration of overwhelming U.S. power and its continued possession of the largest, most capable navy in the world that counts more.

10. The U.S. Navy also contributes a substantial portion of the nation's nuclear deterrent, and will do so for the indefinite future. Nuclear weapons underlay the global system as it has emerged, obsolescing major war.

11. As globalization presses in on the United States in the form of terror, the President/SecDef may direct the Navy to contribute more to homeland defense. The retreat of the U.S. into a garrison state, coupled with a breakdown of the progress toward freer trade, could be the largest single element reversing globalization as it has emerged.

What that tells us about the Navy's short-term future

- The U.S. Navy should keep 12 carriers and their aircraft.
- If the Navy keeps 12 carriers and the budget levels off, it will have to reduce the other three combat elements.
- The Navy should not take heroic measures to keep ships out around the world—save for the Persian Gulf.
- The Department of the Navy may wish to consider not deploying Amphibious Ready Groups (ARGs) on as full a schedule as carriers and surface combatants, but reserving them more for surge.
- The Navy should continue to take whatever measures are necessary to be fully joint. Network-centric means joint-netted.
- The Navy should not starve WPN and OPN.¹ These are key to being joint-netted and contributing to joint operations.
- The Navy should manage well what it has, including its people.

1. WPN is "Weapons Procurement, Navy," and OPN is "Other Procurement, Navy." OPN covers, inter alia, communications equipment.

- It should not take extraordinary measures to keep ships overseas.
- It should not be concerned about the numbers of ships if this means stinting warfighting capabilities.
- It should create some room in the program and in the schedules of ships and aircraft for innovation and experimentation.

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Approach

In this project, we examined how U.S. maritime forces—the Navy and the Marine Corps—relate to globalization. The project builds on the survey of globalization done by the Institute for National Security Studies (INSS) at the National Defense University (NDU).² All considerations have been updated in light of 9/11 and subsequent U.S. actions in response. We divide our analysis into twelve separate explorations:

1. We first look at globalization as the dominant condition or characteristic of this era's international system and define its key aspects.
2. Then we describe the structure of that international system as it relates to security, using the performance of states within economic globalization as the key distinguishing parameter.
3. Next we posit a variety of pathways for globalization as a system process to evolve.
4. Shifting to more narrow concerns, we next posit a categorization scheme for crises and conflicts within the globalization context.
5. Within that evolution, and in light of the relation of conflicts to globalization, we explore the various roles and responsibilities the United States has, both for private business and government.
6. Narrowing our focus, we then examine the key issues surrounding the U.S. Government's foreign policy in the continuing unfolding of globalization.

2. Richard Kugler and Ellen Frost, eds., *The Global Century: Globalization and National Security* (Washington, D.C., National Defense University Press, 2001).

7. Then we explore a series of questions regarding the allocation of U.S. resources for security at home and abroad, taking into account the new focus on Homeland Security.
8. Reaching outward, we next examine U.S. security relationships with various players in the international system.
9. Bringing all this back to the U.S. Navy, we ask what the past can tell us about the role naval forces play in relation to globalization, which is mostly an economic process, that is, what role U.S. naval forces play in relation to the world economy.
10. Then we explore how 9/11 has altered both perceptions of globalization and the evolution of U.S. naval forces.
11. Building off our understanding of today's naval forces, we then extrapolate future pathways for those forces as they may relate to different pathways in which globalization may evolve.
12. Finally, we present our list of "ten commandments" for the relation of U.S. naval forces to this era of globalization, in their configurations (modernization and transformation), peacetime deployments, and their uses in joint operations.

The spread of economic globalization unfolds mostly by the actions of private business and other private entities, but it is important to remember that political-military stability is the key enabler for its spread into any region. There are obvious links between the lack of regional security and any region's ability to integrate itself with the global economy. This raises the question of how governments, especially the U.S. government, catch up to and regulate these economic processes—what the NDU authors have described as the "governance gap." After all, the huge U.S. economy (estimated as 27-30 percent of global GDP at exchange rate values) is considered the engine of the world economy while the U.S. military—thanks in large part to that huge economy—is the only large and technologically significant military establishment left in the world. Moreover, that significant military establishment is based on "power projection," as in World War I, World War II, and in protecting Europe, South Korea, and Japan against the Soviet bloc during the Cold War. Simply put, the U.S. mil-

itary establishment had to “go over there” to perform its roles, with the exception of U.S. strategic nuclear forces.

After 9/11, it is clear that the U.S. Government’s priority in its foreign policy is on security, not economics. Its security initiatives now overtly focus on both homeland and distant defense (the “home” and “away” games). In the area of expeditionary defense, the U.S. likewise seeks to bolster both current operational capabilities and transform its military for the future, hedging against bad turns in the globalized world. The U.S. Government is mopping up in Afghanistan, could chase al Qaeda into places like Somalia and Yemen, and may yet attack “the axis of evil” countries—Iraq, Iran, and North Korea—as security segues from tracking down terrorists to stopping Weapons of Mass Destruction (WMD) proliferation.

It is in these contexts that we examine the roles of U.S. maritime forces in support of the U.S. Government and its foreign and security policies. We note that current military operations are both joint and interconnected, and that the U.S. Navy has demonstrated that it can operate that way, thanks to many improvements since Desert Storm. We note for future transformation of U.S. forces that both the paths the global system may take and the evolution of the forces are long and gradual. Thus a close coupling between global paths and the paths maritime forces may take may not be easy to describe or plan for. But in the end, this may not be necessary, for the flexibility and adaptability of the forces seems both necessary and the permanent genius of the U.S. military establishment.

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Globalization today (after 9/11/2001)

The globalization of economics, trade, culture, and people has been unfolding since World War II:

- First, in those crucial sections of the world represented by the U.S., Western Europe, and Japan since Bretton Woods and the constitution of Germany and Japan as exporting economies;
- Second, in the vast majority of the world outside the Soviet Bloc, as decolonization took place and as economic development, led by the Asian Tigers, spread—most importantly into post-Mao China;
- Finally, as the Soviet Union dissolved and Russia and the other former Soviet bloc countries struggled to join the “market economy” world, thus expanding globalization—the Western system of free trade and democracy—to potentially 100 percent of the world as the only system leading to prosperity as a better way of life for people.

What is globalization?

One definition is that it is a process of deepening and widening the complex integration of previously more distinct economies, societies, and polities. This process takes place in both public and private spheres. It takes place at the individual, small group, local, national, and international levels.

- It is certainly the opposite of the world dividing into blocs. It is a non-polar world, not one of “multi-polarity” (as some assumed would emerge after the Cold War’s end, because somehow “history” dictates it). We will see free trade blocs appearing, first as a spread from national economies, and possibly later with some exclusivity (as for the European Union (EU), but not anywhere else yet, e.g., not MERCOSUR, which

is the customs union among the countries of the Southern Cone of South America).

- It is a non-zero-sum system—everyone can benefit, as opposed to the former security bloc world where power was calculated only in zero-sum terms, as reflected in balances of nuclear weapons and conventional forces.
- It is electronic interconnectedness (see Y2K—when many watched with anxiety as the New Year 2000 rippled across the world), further division of labor and comparative advantage in the production of goods, the spread of mass-accessible popular culture, and vast movements of people (though 95 percent move around only in their own countries, and still maybe half the world's population has never left their own village—the globe comes to them).
- It means the balances of internal (national) and external transactions, which had become more internal in the post-World War II and decolonization period, are now tending in the other direction, toward a greater number of external transactions.
- The growth of electronic transactions and commercial aviation have enabled this globalization process.
- Both elites and general publics participate in this globalization.
- It is political. It is not simply the development of an interconnected global economy. The rules that govern the global economy are still being worked out among governments, who also create international organizations to apply the rules. Democratization has been spreading as the global economy creates more wealth and opportunities, though it is still only loosely connected to economic growth, not firmly established in many countries, and deeply threatening to the leadership in many countries, most of them Muslim.

Globalization and changes in the international security system are linked

The current system of globalization—economic, political, and cultural—has emerged as a result of the underlying security stability that emerged first in the West during the Cold War. It has spread to much of the East and parts of the South following the demise of the Soviet Union and its tendency (with at least one of its allies—Cuba) to foment revolution and support terrorism around the world. With progress as well in economic globalization, we note a huge change in the security sphere itself. This suggests strongly that globalization's advance and improvements in international security are intimately linked:

- The great military confrontations—U.S.-USSR in the strategic nuclear field and to an extent in the naval sphere and NATO-Warsaw Pact—were both materially and psychological neutralized by the collapse of the Soviet Union. The solidarity of the West under the Soviet threat, the Soviet desire to consolidate their own empire, and the fear of nuclear weapons finally ended the series of great Europe-centered wars.
- Two-state wars have nearly disappeared from the planet; those potential ones that might be left are hardly “global” and barely globally disruptive, except maybe in the Persian Gulf.³
- After the Cold War, defense budgets and the size of forces declined all over the world.
- These changes have occurred because:
 - External threats to most countries have declined.
 - Military industry was no longer a stimulant or core element of national economies, and indeed can be a net economic

3. It is problematic as to whether another Korean war, or an India-Pakistan war, would be at all disruptive of the global economy, though either would certainly focus of international attention. Stock markets might plunge for a while—but then stock markets do that at the least excuse.

detraction from economies, as the Soviet experience demonstrated;

— The prospect is that war would ruin economies, especially those dependent on global connections.

- At the same time, a number of states have failed (including those whose economies never took off, but whose existence became even more miserable).
- However, internal conflicts have actually declined from a peak in about 1988, though those that persist are more intense and devastating, and may receive more international attention.
- The rogue states—Cuba, Libya, Syria, Iraq, Iran, and North Korea—have not joined the process of globalization. Their decisions have made them weaker, not stronger, over time.⁴
- Upon 9/11, we discovered that terrorists have taken advantage of access to both the globalizing advanced countries and the failing countries to spread around the world, exploiting the latter as base camps and the former as way-stations in preparing to attack the United States and Americans wherever they may be. We are learning fast what it means to fight against such networks, and this struggle will greatly expand our definitions of national security, which will go beyond DoD's traditional purview, to include especially the new Department of Homeland Security.

Globalization has spread with the lack of great power war since 1945 and the decline of great power rivalries of the past, overshadowed as they were by the huge military forces represented by the U.S.-Soviet rivalry and the threat of nuclear weapons. This history has generated economic advances and dependencies that work against the reemergence of great power war. Underlying that virtuous cycle has been the stabilizing impact of nuclear weapons—perhaps the key security factor that separates this era of globalization from the last one, aside from much more successful economics. During the Cold War, weap-

4. Both Saddam in 1991 and Milosevic in 1999 acted as if the Soviets were still backing them.

ons of mass destruction were preponderantly the domain of the U.S. and USSR. The proliferation represented by France and China turned out to be manageable (the U.K.'s programs were tied into those of the U.S.). Further proliferation has been greatly feared for decades, but has turned out to be very slow. To understand the nature of the concerns about security that arise in this globalization era, we turn next to an examination of the underlying structure of the international security system.

The shape of security in a globalizing world

It is very hard to imagine the world becoming less networked or less connected over the next decade—only possibly increasing these connections more or less slowly. However, in the coming years most advanced states will make great efforts to secure those networks from disruption, corruption, and outright attack, while many developing states will try to control the flow of content (defined broadly as information, entertainment, services, and consumer goods) from the West even as they pursue greater connectivity with the West. Both classes of states are guarding against disruption:

- The governments of advanced countries fear the disruption of flow, as it may affect their economies in some measure, while confident that their social and political systems can accommodate whatever content may come across the wire.
- The governments of developing countries fear the long-term consequences of content exposure, knowing that such exposure may well lead to social and political unrest that they may have difficulty controlling.

This raises questions, addressed in the next section, of what we call “competency vs. culture.” Ultimately, we will want to ask whether any conflicts are likely to arise from the division between the advanced states, the leaders and main beneficiaries of globalization, and the developing states, that is, the emerging economies that wish either to join globalization or are resistant to it, especially for cultural reasons (as in the Arab world).

Division by culture or competency?

Some observers of the international scene, like Samuel Huntington or his protégé Robert Kaplan, fear this putative conflict between greater flows and attempts at control by governments, believing it signals the evolution of a global system increasingly divided by culture or civilization that governments cannot control. However, the globalizing world features a helter-skelter distribution of content exporters and importers, and governments have trouble sorting out what the balance is even within their own countries. Despite a large flow of imports, some cultures strive to resist Western content, while others are overwhelmed. In either instance, governments find their own roles in controlling content threatened. Thus, the current defining ideological conflict is more about content than about connectivity. Governments' attempts at controlling content become exercises in rule definition. And then competing rule sets define different parts of the world:

- Democracies rely on “downstream” or consequence-based rule sets, wherein legal systems define penalties for behavior related to content, but by and large leave access to content unfettered (except when it comes to copyrights and commercial transactions designed to reimburse authors for their wares or service providers for their services).
- Authoritarian states rely on “upstream” or access-based rule sets, wherein the government determines who can have access to what information/services/goods, in effect attempting to preempt what the state defines as negative behavior relating to content (e.g., listening to a certain form of music leads to “hooliganism” or “parasitic lifestyles”).

These are opposite archetypes. The governments of the world are distributed between these two poles.

If this is the case, it becomes clear that the problem of adjudicating between the flows of globalization and management of a given political space depends on the competency of governments, not on culture, even if the people who populate government offices are products of the local culture. Some political systems can handle the

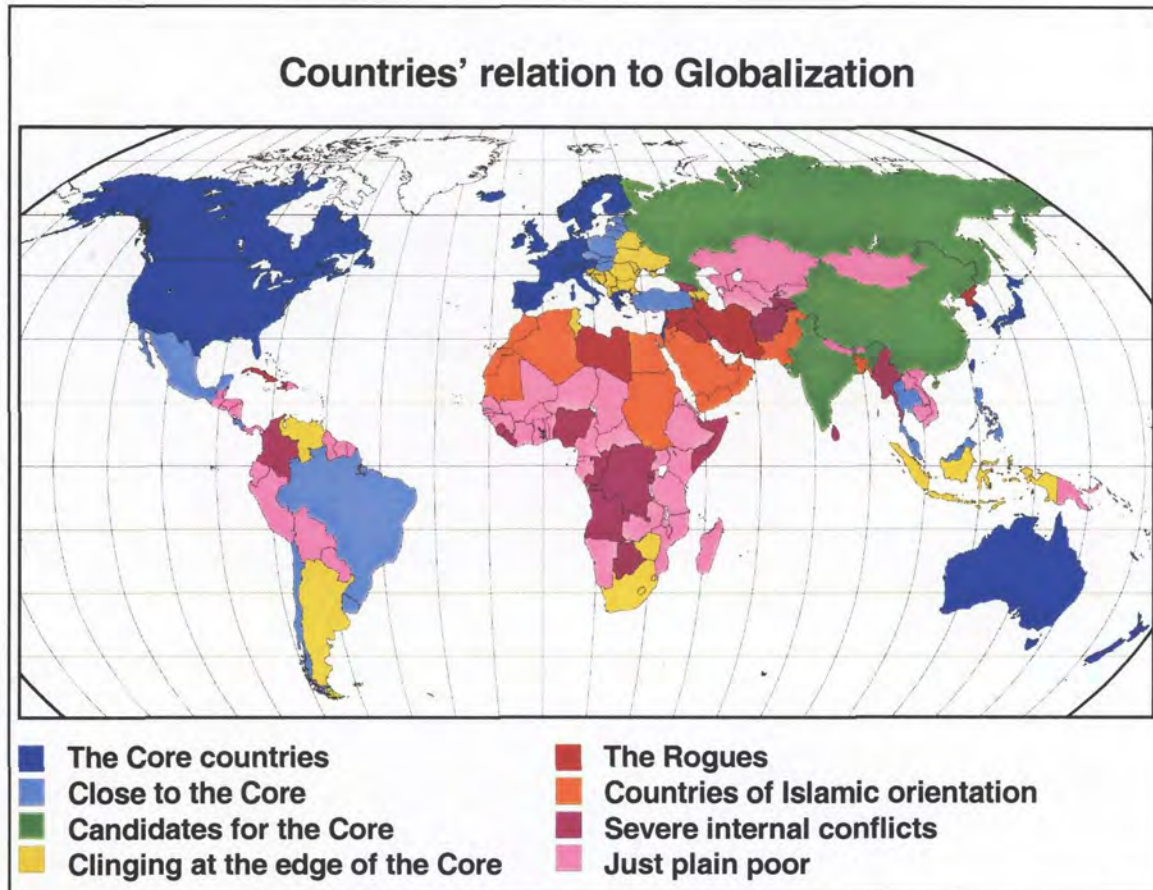
challenges of content importation, while others cannot. Conversely, some political systems so effectively unleash the creative activities of their citizens that the economy as a whole becomes indifferent to the balance between content export and content import (i.e., indifferent to the sources of needs satisfaction), while other states may try to keep their citizenry shackled to more restrictive economic activities (e.g., raw materials, agriculture) that governing elites can control and manipulate for their own personal gain. Political culture in this age of globalization has advanced to the point where elites have enough opportunities outside government and do not have to rely on government positions to get rich personally. An intermediate situation is where the elites are moving outside government, but still rely on government officials to intervene on their behalf, as in Russia today (“rent-seeking”).

A key factor is the size of a given domestic economic market: a large, prosperous domestic market typically handles imported content better than an small impoverished one. In the former, the new content constitutes a proverbial drop in the bucket (and thus is usually coopted or localized to fit domestic tastes), while in the latter it can often overwhelm the meager domestic content market (e.g., music, literature, television), which in turns leads to charges of “cultural imperialism.”

The functioning core vs. the non-integrating areas

The world is a diverse place, ever-changing, so pigeon-holing countries into categories is risky. The following map divides the world into eight categories relating to globalization as we have described it. The particular countries in these categories are discussed in detail further on.

Figure 1. Countries' relation to globalization



The Core

Eschewing the popular approach of polarizing the world into “haves” and “have-nots,” we look around the planet to see which regions or states are functioning within the overall process of economic globalization. By “functioning,” we mean that the region or state in question is seeking to harmonize its internal economic rule sets with those emerging in the international marketplace (e.g., rule of law, transparent business accounting, free markets). Progress and direction are the key delineators here, not the degree to which harmonization has already been achieved:

- China, for example, has a long way to go before matching the United State’s standards of transparent economic markets and firm rule of law, but by joining the World Trade Organization

(WTO) it signals its intentions to move in the “functioning” direction, however slowly or non-uniformly the advance proceeds.

- “Functioning” may also include states undergoing significant economic distress, but which still strive to adhere to the global economic rule set.

Employing that general metric, we define the “functioning core” of globalization as the following:

- North America, to include Mexico
- The European Union and its new affiliates in East Central Europe. Turkey hangs in the balance
- Australia and New Zealand
- Japan and South Korea
- The Southern Cone of South America, although Argentina is undergoing severe problems
- China (especially the coastal regions)
- Malaysia, Singapore, and Thailand; the Philippines make progress, while Indonesia hangs in the balance
- Israel

Russia is a major aspirant to the core, but its economy hangs in the balance. President Putin has declared that his country is to be associated mainly with the West (not so much China) and is trying to create all the “right” measures by which to become a transparent economy not excessively regulated and bled by the government. India is also in transition to the functioning category, led by its world-class software sector. Whether it is “an aspirant to the core” is not clear yet. Turkey also hangs in the balance—not quite of the West (despite its NATO membership), and not quite of the Middle East.

The non-integrating gap

The rest of the world we will define as “non-integrating,” which means the states or regions are either functioning so poorly within globaliza-

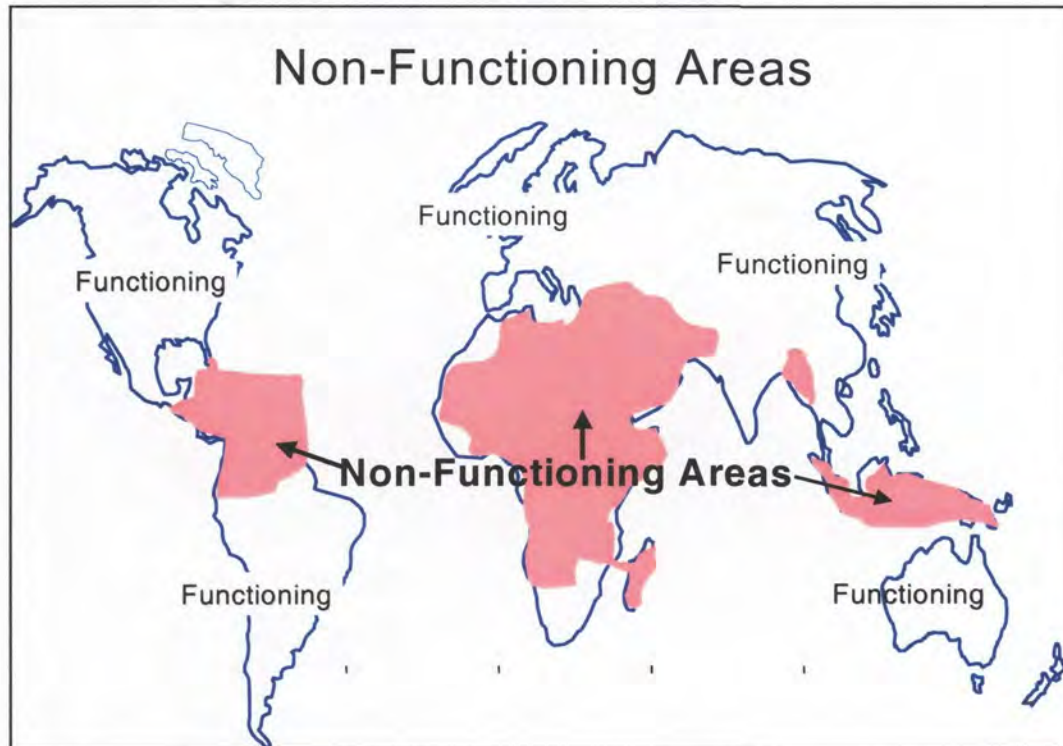
tion as to be considered “rejected” or are actively seeking to control content to such a degree as to be considered “anti-Western”:

- Segments of the Caribbean (especially Cuba), Central America (except perhaps Costa Rica) and the rest of South America. Colombia is torn apart by drugs and the FARC; Ecuador and Peru hang in the balance, and Chavez threatens to take Venezuela down Castro’s road.
- Virtually all of Africa south of the Sahara, although Botswana and Ghana seem to be functioning
- The Middle East, including Egypt and the Maghreb
- Much of Central Asia and the Caucasus
- Pakistan and Afghanistan

We note the problem of countries where the population is mostly Islamic, sometimes only nominally so. None are in the fully functioning category. In those that are rich, it is because they have oil, but the proceeds go to the government, to the ruling elite, for further redistribution. Many are poor, not having been favored by either oil or the advantages that the West has developed.

A rough map of this breakdown is presented below in Figure 2.

Figure 2: Functioning versus non-functioning economies



The Established Core

The recreation (after World War I, the Great Depression, and World War II) of a globalized economy among the three great pillars of the current global economy (North America, European Union, Japan) was the crowning achievement of Washington's decades-long strategy of containing the Soviet threat. These three entities currently account for only one-tenth of the world's population, but just over two-thirds of the world's GDP and foreign direct investment flows. The rule set emergence and convergence among the three entities has set patterns for the rest of the world to join. This convergence was cemented by the unprecedented military alliances among them, instituted after Bretton Woods and the German and Japanese recovery programs were established.

The relationships between the United States and the other two pillars of the global economy, which were developed after World War II and during the Cold War, are likely to undergird their continuing cooper-

ation in the globalization era in reacting to the challenges and disruptions of globalization. Some of the challenges each faces include:

- A need for heightened levels of immigration to offset aging populations that must be supported by an otherwise dwindling active workforce;
- Significant dependence on outside energy sources;
- Shared economic stakes in the emerging markets of the world, especially Asia;
- Vulnerabilities that arise from increasingly interdependent economies, e.g., from financial panics or to the computer systems that move financial instruments quickly around the world.

The effects of 9/11 and the war on terrorism have reinforced what the core members have in common with one another, making it highly unlikely that fissures will soon develop in these long-standing relationships, dominated as these are by the far larger, overarching economic concerns. They also do not disagree on the conflicts and security issues that arise with globalization and 9/11. However, because of past history, they do not respond to the security challenges in the same way. The recovery of Germany and Japan, for instance, was based on their economies, not on their militaries, and both have been reluctant to deploy forces at a distance because of the restrictive military conditions they accepted as conditions for their rejoining the civilized world, conditions that have become rooted in their post-war cultures.

The European neighborhood is quiet as far as security challenges to globalization go—Europeans survived terror campaigns in the 1970s and 1980s. But Japan still has to worry about the North Korean threat, and the U.S. and Japan are concerned about whether China is to emerge as more than a threat to Taiwan. Given the history of World War II and the Cold War, Europe and Japan have left the export of security to the United States and continue to live under that umbrella.

Nonetheless, we cannot predict that all will be orderly in globalization's Core—only that security in the classic sense is unlikely to be

challenged. In other words, for new hostile blocs engaged in arms races, or a new European “world” war, to emerge is highly unlikely. There is some talk of the U.S. and Europe going in different (not necessarily opposite) directions, e.g., over Iraq. This is not to be exaggerated. Rather, it is in economic management that stresses and strains may be encountered. The general thrust of this paper is that globalization has brought with it a lot more peace than the Cold War and the period of the two World Wars. Prosperity continues, but must be continually managed. The bursting of the dot.com bubble and the attendant corporate and auditing scandals indicate that the American model is not necessarily ideal. The Europeans have their own problems with rigidities of labor laws and resistance to immigration.

The Major Aspirants to the Core (China, India, Russia)

This trio of emerging countries (or re-emerging in the case of Russia) aspires—each in its own way—to become a big player within the globalized system and each is struggling to apply the advanced core’s rule sets to their own economies and their own participation in global trade:

- China has become a huge exporter and has a huge domestic market potential;⁵
- India is emerging as a strong player in information software, and also provides a potentially huge domestic market;
- Russia is emerging as the energy balancer in the world, at least in the short term. What potential it has to contribute to the world economy beyond energy and other natural resources is yet to be envisaged, much less established.

Each of these three states has its own significant military establishment, each of which may be evolving to address its own local security concerns (e.g., rebellious regions within Russia, India versus Pakistan

5. But Chinese exports in total dollar terms come nowhere close to what the U.S. and Germany, the two leaders, export. U.S. exports are at least five times those of China. The active internal consumer market in China right now is only around 200 million people of a total population of nearly 1.3 billion.

over Kashmir, China vs. Taiwan). Each treats such situations as local and not the business of the outside world. Russia is a past peer competitor, but will never be one again. Some worry that China might be some kind of peer security competitor sometime in the future. However, both countries are evolving away from the path the Soviet Union took to become a peer. If their economies are to be efficient producers, their governments must go on budgets and must not try to pick industrial winners and losers—i.e., they must privatize their economies and not strangle them by excessive taxation or irresponsible fiscal policies. They have a long way to go to become as rich as the United States and thus afford anything comparable to the U.S. defense budget. Russia has half as many people as the U.S. and China five times as many, and both those circumstances for different reasons impede military growth. Both countries want to join the world economy and are taking steps. India wants to as well, but is having even more trouble shucking its state-controlled economic policies.

What avenue of future security competition could overwhelm the growing mutuality of global economic interest between the U.S. and these states? The most likely avenue of disruptive future competition would seem to be the reactions to disruptive events in Southwest and Central Asia, given developing Asia's massive dependency on energy from those regions and Russia's long-standing hegemony over Central Asia. However, the events surrounding 9/11 have already demonstrated mutual interests and may yet prove to be an important boost to multilateral cooperation among the U.S., Europe and the trio of major aspirants. The common economic interests could lead to mutual security dialogues. In effect, none of the core members nor the major aspirants to the core wish to see their economies unduly "firewalled" from globalization, whether out of the fear of terrorist attacks or the internal displacements globalization creates.

The Minor Aspirants

The minor aspirants to join the rest of the functioning world of globalization include:

- The Southern Cone of South America, despite the current setback in Argentina

- South Africa
- Turkey
- East Central Europe
- The Asian Tigers—Thailand, Malaysia, Singapore, possibly the Philippines, with Indonesia in the balance.

Many of these aspirants have not been concerned with threats or making international security arrangements for solidarity against putative threats. Indeed, they have joined globalization because their relatively benign security circumstances permitted them to prosper and reach out or—conversely—let more advanced economies reach in with investment. In the Southern Cone, economic cooperation has trumped historical military confrontations. Turkey and several of the East Central European countries are already included in NATO. The ASEAN countries have been reluctant to turn ASEAN into some classic military alliance. None of these states, except South Korea, face significant state-on-state threats, but rather the usual transnational instabilities and threats of the globalization era. None are spending much of their GDPs on defense, with the possible exception of Turkey. But al Qaeda has already penetrated into Malaysia, Singapore, Indonesia, and the Philippines, and these countries may have to worry more about terrorism.

Categories within the non-integrating areas

The Rogues

There are four active rogues—North Korea, Iran, Iraq, and Libya. Cuba and Syria would join them if they had the resources, but Cuba is destitute and Syria has to play its relation with Israel carefully lest it trigger conflict. Milosevic personally made Serbia into a rogue state, but he has been deposed and the Serbs now want to join NATO's Partnership for Peace. Sudan is sometimes considered a rogue for its war with the non-Muslims of its south and its harboring of terrorists from Carlos the Jackal to Osama bin Laden. Sudan has been far too economically destitute to cause international trouble, but now has oil. Sudan seems to have moderated its "roguish" behavior, especially

after President Bashir elbowed Hassan al Turabi out of power, and despite the greater opportunities it has with some oil income.

With the collapse of the Soviet Union, the rogues became the primary focus of U.S. national security policy in the 1990s. They were the ones threatening to invade their neighbors—in the case of Iran, subverting them. Libya and Iran have supported terrorists. All have aspired to build missiles and weapons of mass destruction. They are the inspiration for the presumption of “asymmetrical anti-access strategies” that have become the cornerstone of U.S. response strategy. With 9/11, the concern with the rogues has been at least temporarily superseded by the rise of the transnational al Qaeda terrorists. However, as the Afghanistan campaign winds down, they are now labeled by the Bush Administration as the “Axis of Evil” (Libya has been given a pass at this time). The great fear is that they will share WMD with al Qaeda. They may be back as the prime enemies.

The rogues have represented a challenge of patience for U.S. foreign policy. The U.S. pursued mini-containment strategies against them in the 1990s, much like it contained the Soviet Union during the Cold War. What could be classic vertical scenarios with North Korea and Iraq have turned into horizontal scenarios that drag on for years and years.

The Failed States

In reality, the global “market” for security—that is, the containment and resolution of conflict, violence, and aggression—fragmented over the 1990s following Desert Storm. The threat of aggression by the four rogues became only one part of a much larger mosaic of micro-instabilities—that is, internal conflicts that lay in numbers mostly well outside the stable core (with the exception of the Balkans, which were close to Europe). Following decolonization after World War II, many of the former colonies had failed, including those whose ability to govern their countries was limited largely to the capital city. During the Cold War, many former colonies received aid from one side or the other in the superpower rivalry, and these states became adept at playing the two sides off (see Somalia). Once the U.S.-Soviet rivalry ceased, and, coincidentally the strong men in the former colonies died off or were deposed, the countries fell into chaos and their

outside aid dried up. They did not provide suitable circumstances for private foreign investment, especially in the manufacturing that represents admission to globalization. In the post-Cold War world, it only seemed as though the number of failed states was blossoming, when in reality the superpower rivalry had covered up these slowly deteriorating situations in previous decades.

A corollary to the notion of the supposedly unprecedented frequency of internal conflicts in failing states was the myth that the U.S. was getting involved in most or all of them over the 1990s, when in fact it seriously intervened in only four cases: Somalia, Haiti, Bosnia, and Kosovo. A strong prejudice against "nation-building" emerged in the United States, supposedly because it would be left to the military to do it, and this would bog them down for years when they should be back home getting ready for big contingencies. Some impulses to provide humanitarian assistance survived, and there were hundreds of cases where the U.S. Air Force transported supplies to these countries, almost all in the event of natural disasters. However much the Defense Department debated the vague category of "small-scale contingencies," they were not central to either U.S. foreign policy or to the maintenance of security against the serious potential disruptions of the emerging globalized system. In short, they had no strategic significance in the new global strategic situation, which was economic.

With the war on terrorism and the successful defeat of the Taliban in Afghanistan, we see the current Administration under pressure to pursue there the very sort of nation-building that they had foresworn. They hope to leave it to others, with a minimal contribution of aid money to leverage others into the burden-sharing. The paradox of al Qaeda has been that their cells are lodged in the advanced (European) states on one hand and in failed or fragmented (e.g., Yemen) states on the other. In both areas, they have been able to operate in relative secrecy. Somalia, Yemen, and Indonesia are failing or fragmented states where the U.S. may be tempted to intervene in pursuit of al Qaeda. The Philippines presents a particular case of Muslim guerrilla activity at its periphery (as opposed to its past history of Communist rebels operating in central Luzon). A more serious problem may be tracking down al Qaeda hiding in states of shaky governance like Saudi Arabia and Pakistan. But such pursuit would not

represent a general foreign policy of rescuing failed states. The military portion of combating terrorism in failing states is less about nation-building and more about helping those shaky states improve their own internal security. That is, the role of foreign militaries, including the U.S., is more on helping to build professional militaries and their specific training than on assisting civil authorities in administration. Building local police forces lies in a shadow zone.

Super-Empowered Individuals

The most immediate questions posed for U.S. foreign policy after 9/11 involve how much importance the U.S. Government will now place on the ability of so-called transnational actors to negatively impact global security and thus the functioning of the global economy.⁶ Clearly, what al Qaeda did on 9/11 was something unprecedented in the history of terrorism. In one stunning blow, a group of nonstate actors disabled the financial markets of the world's most powerful economy for close to a week, triggering cascading effects throughout a surprising wide variety of industry sectors (e.g., airlines, tourism, insurance, manufacturing). The total economic losses associated with the attacks may top a trillion dollars worldwide, and yet all this was accomplished by an outlay on al Qaeda's part of less than half a million dollars.⁷

How far up the scale of national security threats the U.S. Government decides to elevate these "super-empowered individuals" will be a key enduring legacy of 9/11. To the extent these particular transnational actors become a major focus of U.S. national security planning, DoD will be forced to acknowledge both how much smaller its role will be in overall national security and how much more integrated its efforts

6. We are talking about the very specific case of transnational terrorists. We do not go so far as to lump multinational corporations or NGOs with them. We think it laughable and unfair to call al Qaeda an "NGO." An NGO is a charitable organization arising from an advanced country or countries and pursuing humanitarian work in the poorer countries.

7. The U.S. insurance industry pegs the loss of the World Trade Center at roughly \$40 billion, making it the most costly insured loss in U.S. history, equal to the combined total of the six previously most expensive disasters (all weather-related or earthquakes).

must become with the new Department of Homeland Security and other federal agencies traditionally associated with law-enforcement paradigms (e.g., the FBI).

Other non-state groups

The other major set of “non-state actors” are the drug traffickers. This problem has long been global—“the second oldest global profession.” The problem has been obscured at the moment because of the war on terrorism. Those assets conducting border and sea approaches patrols have reportedly been diverted from disrupting the drug traffic. On the other hand, drug seizures are rising due to the overall heightened security regime, at least on U.S. borders. The War on Drugs is, however, a war of its own—by us against those who simply want to do “some business” with our citizens. It will continue. Most sources of the drugs are also located in failing states—e.g., Colombia, Afghanistan, Myanmar. For U.S. foreign and security policy, Colombia is still taking a big effort.

Conclusion

Two features of the international security environment are unlikely to change in the near term:

- The difficulties the Arab and other nominally Muslim countries have in governance, especially given their high birth rates and declining ability to absorb new job seekers
- The convenience of air travel, e-mail and international financial transfers (however many security controls are imposed in all of these areas).

As such, it is difficult to imagine a future security environment where terrorists disappear from the scene.

The biggest issue in the future evolution of globalization’s underlying security structure may be how East Asia and South Asia develop. With roughly half the world’s population, their evolution into the functioning core would mean the bulk of the global population is part of the globalized economy. Both India and China had long resisted integration with the global economy, for different reasons. If they were to

retreat back into closed economies (i.e., trying to restrict imports or foreign direct investment), with continued heavy state ownership of industry, the growth of their economies would eventually be truncated. Alternative “rule sets” of those kinds no longer work, and their pursuit might send either India or China back into the have-not category.

But as we will note elsewhere, the most likely trigger for instability or even country military competitions in East Asia could be political-military instability in the Middle East because it is the expanding source of developing Asia’s current and future energy imports. In many ways, the war on terrorism offers an opportunity for the West and Asia to come together over common global security concerns.

Globalization’s major transactions and the U.S. role in promoting them

There are four major transaction flows currently evolving within the larger process of globalization:

- The flow of security from West to East
- The flow of energy from Southwest Asia to developing Asia
- The flow of foreign direct investment from the West to developing Asia
- The flow of immigrants from South to North.

Is there a role for the U.S. Government in any of these? Will any become central to U.S. foreign policy? In turn, what roles may there be for the U.S. Defense Department in these evolutions?

The flow of security from West to East

With the end of the Cold War and the obsolescence of war in Europe, the trend in the U.S. “export of security” has been from the West to the East. In general, the U.S. emphasis has shifted away from Europe and into the Persian Gulf-Indian Ocean area. This shift began in 1979 with the fall of the Shah and the Soviet invasion of Afghanistan later

in the year. The U.S. has maintained continuity—essentially the same force posture—in East Asia.

What does this trend have to do with globalization? In one sense, the first phase of post-World War II globalization had been completed: the stabilization and recovery to prosperity and democracy of Western Europe, now extended to Eastern Europe and even, as time passes, to Russia. The dialogue between the U.S. and Europe—not just between governments—has been mostly economic and has been since countries mutually grappled with the oil shocks of the 1970s.⁸

We had already seen, beginning in 1979 with the fall of the Shah, a major shift in U.S. security concerns from Europe to the Persian Gulf area. The operation in Afghanistan is almost a natural extension of that flow—in part because al Qaeda arose from the Arab world and in part because the U.S. already had facilities and was used to operating in the area. The further acquisition of bases in Central Asia had also been facilitated by the assignment of those countries to the U.S. Central Command's Area of Responsibility and the command's subsequent contacts with them.

The other major security concern, now that Europe is settled, is Northeast Asia. In some ways, the security situation there has changed little since the end of the Cold War, mainly because North Korea remains closed and belligerent despite its loss of Soviet support and even the reluctance of China to bail them out economically and diplomatically. The emergence of China, both in its economic growth and the connection of its economy to the world economy, also raises questions about security. In part this is because it is such a large country and the fear is that its Communist government might mount a big defense effort, and in part because of its continued threats to take Taiwan back forcefully. Finally, there is a lack in East Asia of the stabilizing security regimes that have characterized Europe's stabilization.

8. Since the first oil shock in 1973-74, it has been possible to assemble Western heads of state almost exclusively for economic discussions, not for security discussions. The NATO 50th anniversary summit of 1999 may have been the exception.

Of course, the U.S. will always attend to security problems in its own backyard, currently involving U.S. military assistance in the war in Colombia, anti-drug patrols in the Caribbean and the Pacific coast of the Americas, and the occasional quick intervention in the area (i.e., Grenada, Panama, Haiti).

Notwithstanding the two-thirds reduction of forces in Europe, including the reduction to minimal aircraft carrier presence in the Mediterranean (mostly during transits), the U.S. remains active in military and security diplomacy in Europe, as expressed in the maintenance of NATO and the enlargement of its members, fostering better security relations with Russia, and mobilizing contributions by European allies for the war on terror, etc. Moreover, the U.S. took a major role in resolving the situations in Bosnia and Kosovo, despite its reluctance to do so for the first several years of the crisis there.

There have been two major opportunities for U.S. security initiatives connected to the core of globalization:

- First there is the enlargement of NATO, or more broadly, the European security sphere, to include Russia.
- Then there is the question of arranging some sort of security regime for East Asia as a whole.

The opportunities for security regimes in the Middle East and South Asia have been more limited, but the war on terror may have opened them up to some extent. That is, contacts with Pakistan and the Arab countries have intensified as part of the hunt for al Qaeda. However, the situation between the Israelis and Palestinians has been a step backward.

With Russia, President Putin declared his solidarity with the war on terrorism immediately upon 9/11. He had already made clear that Russia's future lay with the West, not the East. To the extent Russia and the U.S. become partners in securing Central Asia's stability, and possibly even its future, the two governments enter into a new cooperative relationship recalling the "golden moment" of Baker and Shevardnadze and the New World Order at the time of Desert Shield and Desert Storm in 1990-1991. The creation of the Committee of 20

among NATO members and Russia is a natural extension of the relationship with Russia that showed glimpses of real mutual understanding across the 1990s and should further consolidate the stability of Europe.

In Asia, the choice for the U.S. Government is whether to play a lead role in trying to arrange some kind of "security community" for the area, as Admiral Dennis Blair had advocated, or to lay back from events and simply signal a long-term commitment to deterring and containing China's military potential, including the deployment of missile defenses. The current Administration planned a shift in national security strategy toward East Asia prior to the events of 9/11. The question for Washington now is whether the war on terrorism and the kind of mutual interest that the U.S. and China have shown therein defers further pursuit of an Asia security community in the larger sense. In the meantime, coordination of the pursuit of al Qaeda people among all the countries in the area will continue and these activities themselves may build solidarity in security matters, even if not in the classic sense of building alliances among regular military establishments. In the long run, the U.S. has to sort out whether China is part of the problem or part of the solution with regard to globalization's further advance.⁹

Ideally, an expanded European security regime and a new security community in East Asia would provide a firm security structure under the larger elements of the global economy. These ideal evolutions would then permit U.S. security policy to concentrate on the "arc of crisis" that now appears to stretch from Egypt through Pakistan and perhaps leaps over to Indonesia as well.

Flow of energy from Southwest Asia to Developing Asia

The issue here is not the buyer so much as the supplier. The buyer (developing Asia) has both the need (economic growth and development) and the means to complete this transaction. The question is

9. In the meantime, the problem of an unchanging North Korea at one end of East Asia and a fragmenting Indonesia at the other stimulates constant U.S. attention. North Korea represents the proliferation issue, while Indonesia may turn out to represent the issue of the harboring of al Qaeda terrorists.

whether or not the world community, and in particular the United States, can continue to maintain the stability in the Middle East necessary to maintain the flow. Right now the Achilles' heel of globalization, given its dependence on oil, may well be the rigidity and obsolescence of the political regimes in the Middle East. Their lack of any significant evolution in the direction of adapting to the challenges of globalization (e.g., adherence to emerging global rule sets, ability to handle cultural content flow) marks them as members of the non-integrating area despite their oil wealth.

Globalization appears to be a threat to most regimes' legitimacy and internal stability in the Middle East (save for Israel), and continued instability there seems foreordained. The most positive outcome in the near term would-be reformers arising within individual states who would be committed to lifting their country toward both the challenges and promises of greater integration with the global economy, with its implication of free trade regulated by non-corrupt regimes accountable to their people. In effect, the region needs some country to effect a turn toward globalization much as Ireland did within Europe, demonstrating how a small state can go within a generation from being an economic backwater to arguably the most globalized economy in the world.

Whatever reforms the individual countries might undertake, cooperative security has been difficult to arrange in the region. Despite the lack of a major Arab-Israeli war for three decades, no real peace has emerged for the region as a whole—rather, it has suffered one conflict after another (Lebanon, Iraq-Iran, Kuwait, Intifada I and II, and so on). The U.S. has the stabilizing role in the Gulf and the Strait of Hormuz, that is, containing Iraq and Iran. In this role, the U.S. is in effect stabilizing world oil prices, which is of benefit to the U.S. consumer as well as others. No other advanced country is likely to take this role (the U.S. has picked up its role as the British laid it down across the years). If over time, much of the oil exported from the Gulf travels to Asian customers, we might expect China, India, and even Japan to become more interested in the region's security over time, given their growing dependency on its energy flows.

The flow of investment from West to East

The emergence of the rule of law in developing Asia, and how that development leads to sustaining the flows of foreign direct investment is an important issue. For more than a century, the Western business community has dreamed of the great riches to be found in Asia's domestic markets—specifically China's, and possibly India's, where most of the people are. Foreign direct investment still flows into China in huge amounts (e.g., \$50 billion a year, vice about \$4 billion a year to Russia). Much of this investment supports export industries rather than production for Chinese consumers. Nonetheless, local consumption continues to grow. In joining the WTO, China may be opening up its economy even more to the import of consumer goods. Some of the same considerations would affect the flow of investment to Russia and India, where Russia has to institute an effective rule of law and India has to relax its stifling bureaucracy.

What role can the U.S. Government play in all of this? Probably the biggest role has already been mentioned: avoid casting China as the long-term threat and work with Beijing and Tokyo to establish some kind of enabling security framework for Asia. In addition, the continued presence of U.S. forces in the area has already contributed to the security that permits foreign direct investment, and this will continue.

The flow of immigrants from South to North

According to UN projections, by roughly 2050 the global population should peak somewhere between 9 and 10 billion people. After that, the population will likely begin to shrink. This will be a huge turning point for humanity in more ways than one. Take graying: by 2050, the global 60-and-over cohort will match the 15-and-under group at roughly 2 billion each. From that point on, the old will progressively outnumber the young on this planet.

In theory, the aging of the global population spells good news regarding humanity's tendency to wage war, either on a local level or state-on-state. Today, the vast bulk of violence lies within the Non-integrating Gap, where, on average, less than 10 percent of the population is over 60 years of age. In contrast, the Core states average 10 to 25 percent of their population over sixty. Simply put, older societies are

associated with lower levels of conflict, since these older societies are emerging out of the success of globalization, with prosperity and fewer children per family.

The big hitch is this: current projections say that in 2050 the Potential Support Ratio (PSR, or the number of persons aged 15 to 64 per one person 65-and-older) in the Core will have dropped from five to only two. In the less developed regions, the PSR will still stand at least five to one (10 to one in the least developed countries). That means that worker-to-retiree ratios in the Core will plummet just as the retirement burden there skyrockets—unless the Gap's "youth bulges" flow toward the older Core states. Japan alone is predicted to require 600,000 immigrants per year to maintain its current workforce size (age 15-64), while the Europe Union would need to increase its current immigrant flow roughly five-fold (from 300,000 to almost 1.5 million a year).

In effect, immigration from the Gap to the Core is globalization's release valve. With it, the prosperity of the Core can be maintained and more of the world's people can participate. Without it, overpopulation and under-performing economies in the Gap can lead to explosive situations that spill over to the Core.

Thus the process is inevitable: the populations of the major northern countries are aging rapidly. They will need workers to maintain a sufficient worker-to-retiree ratio. The economies of the countries in the South produce far too many people for sustainable development. These people press north, whether across the U.S. southern border, the Mediterranean, or even from Indonesia. The movement of people may be the great safety valve of globalization, that is, the process that releases the pressure within the non-integrating areas either for resistance to globalization. The key for the U.S. Government in this process is simply not to allow the war on terrorism to restrict—out of security fears—the long-term flow of immigrants from South to North.

Categorizing conflict in the era of globalization

Defining conflicts or instability within the functioning core

Conflicts or instability within or across the core countries

Given the internal stability of these countries, it is very unlikely that any of them will seek to disrupt the functioning of the global system, as through aggression against their neighbors. The non-zero-sum benefits to all economies participating in globalization are more rewarding. The Japanese did not need to establish their Co-Prosperity Sphere after World War II by conquest. Instead, they “globalized” East Asia and elsewhere by exports, and later by exports of manufacturing capabilities.

By and large, internal conflicts or instability will not occur with any significant frequency within these countries.¹⁰ There will always exist the potential for natural disasters within any country, but these countries are generally capable of controlling any consequent civil disorders and to set economic recovery in train swiftly. The destruction of the World Trade Center was catastrophic (the damage to the Pentagon less so), but the incident points up a characteristic of these countries—their ability to recover.

Conflicts and instability within or across countries close to the core or aspiring to join the core

Russia, China, India, South Africa, and possibly Mexico, Brazil, and Turkey are countries that aspire to join the core or are closely associated with it, but that also present potential for conflict or instability. They are undergoing radical and rapid evolutions to facilitate an effective embrace of globalization and the rule sets it imposes. They all face problems of governance, the establishment of the rule of law, and sustainable growth. Although Israel could be considered a core country, it remains assailed by Arabs from within and without.

10. At the moment, the only persistent conflicts in the core countries are in Northern Ireland and by the Basques in Spain.

- On the individual level, the process of breaking up a unitary state structure (e.g., China, Russia) or a heavily statist economy (e.g. India) might foster significant political instability. Such internal crises are not the sort of crises to which the U.S. is likely to have to respond to in a material way, especially with any military forces. Any internal crises in these countries would be important because of the potentially negative effect they can have on US-country bilateral relations, at least on the economic side.
- To the extent that internal instability might underlie country decisions to attack their neighbors (which most observers now consider an obsolete concept, except for the cases of Iraq and North Korea discussed below), This sort of danger may really only exist with regard to China (over Taiwan), and India in conflict with Pakistan. U.S. involvement could be substantial in the case of Taiwan. In the case of India versus Pakistan, it is hard to see how the U.S. might intervene militarily. If a revitalized al Qaeda showed up in Central Asia (e.g., in the Ferghana Valley), one could imagine a U.S.-Russian collaborative effort.

Other than in those cases already cited, conflicts involving core countries are possible in five ways (an illustrative list):

- The U.S. accuses a country of harboring or abetting terrorists who engage in actions designed to generate disruptions to the global system, such as the 9/11 terrorist attacks.
- A country transfers weapons to, or engages in military cooperation with, a rogue state accused of sponsoring international terror either by offering sanctuary to terrorists or developing weapons of mass destruction. One thinks here of countries—France and Russia—that have been associated with Iraq over the past decades. This is more likely to be contained by diplomacy than by the U.S. military.
- A country is accused of not sufficiently participating in, or cooperating with the functioning core countries responses to systemic threats, e.g., by insufficient policing efforts within its own boundaries.

- A country is accused—in effect—of “doing too much” or “going too far” within any coalition response to a systemic threat. Think of India’s strong posturing vis-a-vis Pakistan after the attack on its parliament on December 13, 2001, or a United States that is perceived as having grossly violated international laws and norms in some future invasion of Iraq.
- A systemic perturbation occurs that is of such great significance as to generate a period of genuine global chaos. Here we can simply think back to the weeks immediately following 9/11 and what could have ensued if multiple “9/11s” occurred around the world (say, in London, Paris, Beijing, Tokyo, etc.). This possibility presents the greatest potential for widespread military actions, both within and outside countries. While a kinetic version of “multiple 9/11s” occurring throughout the functioning core may seem far-fetched, an electronic version of the same is not. In effect, such an occurrence would be the equivalent of the worst-case scenario imagined regarding the Year 2000 problem.

Clearly, after 9/11, our definitions of “improbable” scenarios have been dramatically expanded. Still, it is important to remember that here we are talking about core countries, i.e., those that are stable nodes in the system of globalization. Moreover, the character of the globalizing system is such that they have more to lose by opting out of the system than in continuing to cooperate with it. The “Great Power” politics of the industrial age are dead, replaced by a far more complex interaction pattern in the information age.

Crises within non-integrating areas

Failing states

Failing states are crises for the people of these states, i.e., humanitarian disasters following upon the collapse or inability of governments to govern. Such countries can promote intervention by other states, such as:

- Neighboring states looking to extend their control over the situation either for long-term gain or simply to stem the chaos

and prevent spillover into their own territory. This is what happened in Zaire/Congo.

- Regional organizations, outside countries (such as the U.S.), or international coalitions. Nowadays the advanced countries are reluctant to intervene in most cases unless there is some prior agreement among the belligerents or sufficient agreement among themselves, including U.N. sponsorship, for example.

A given failing state cannot trigger systemic crises in globalization. If the economy or strategic position of such a state were important enough to a region's stability to potentially trigger a more widespread crisis (e.g., Saudi Arabia), it presumably would not be allowed to "fail" by those regional powers interested in preserving its stability.

Failing states can, however, serve as breeding grounds for those who endeavor to generate system-significant conflict. Afghanistan, for example, was a weak enough state that al Qaeda's leadership could "buy" its "sponsorship." The U.S. has turned its attention to similarly susceptible states like Yemen, Sudan, or Somalia.

Messy states

Messy states offer the same possibilities as failed states, although the probabilities are much lower, primarily because the government of the state in question is seen as still largely in control.

- It is reasonable to categorize Pakistan as just such a messy state, and as events have shown, its inability to police its own territory (a tradition in the Northwest Frontier Province) or in Karachi where the near-anarchy has led to a series of crises, to include Osama bin Laden's possible escape from Afghanistan into the tribal regions of Pakistan and the near-war with India over Kashmiri rebels operating with impunity.
- Nigeria may offer another example.
- Indonesia is a "messy" case where the central island of Java stays stable, but disorders occur at its far peripheries.

Losing states

Losing states really only present crisis potential on the level of the individual, meaning the states segues into the status of being either a failing or messy state. Likewise, its potential for crisis might be greater if it were to move into the rogue state category.

By definition, then, this category of state offer no genuine crisis potential other than the following:

- Disasters requiring outside relief (not that hard to predict, given historical data)
- Invasion from some neighbor state (fairly uncommon)
- Spillover from some failed state (most likely).

The rogue states

There are four currently active rogue states—Libya, Iraq, Iran, and North Korea—and two passive ones—Cuba and Syria. Serbia under Milosevic has a fling at rogue-dom within the former Yugoslavia, but that is over. Following 9/11, the U.S. also defines rogue states as any that harbor or provide sanctuary or support to terrorist groups. Rogue states present the greatest possibility for aggression against neighbors within the current international system. That potential essentially defines their “rogue-dom” (as opposed to a state that simply oppresses its own population, like Belarus). The worst potential for the rogue state is to attempt to generate system-level conflict through the employment of weapons of mass destruction.

Conflicts and instability spanning both the functioning core and non-integrating areas

Other than the obsolete situation involving Russia and the United States engaging one another in a strategic nuclear confrontation, crises that span both the functioning core and the non-integrating areas would have to include cascading effects that leap across functional boundaries (e.g., social, economic, political, technological, environmental, security). These effects might include:

- Economics: regional currency crisis or financial meltdown, as with the financial crisis in Southeast Asia in 1997.
- Politics: revolution or coup d'etat in some state of great importance to the global economy, such as Saudi Arabia.
- Technology: a worldwide computer virus of enormous impact (again, essentially the worst-case scenario of Y2K) or an "electronic Pearl Harbor" perpetrated by a nation engaging in war or a transnational group engaging in terrorism.
- Environmental: dramatic and rapid climate change, a prolonged period of severe weather, a new pandemic, or catastrophic environmental damage generated by humans.
- Security: any act of grand terrorism designed to wreak extensive havoc on a crucial ecosystem, spread disease or human-engineered biologic agents through a society, or simply engage in widespread physical destruction of some key economic node.

Naturally, when describing the potential triggers for these system perturbations, the tendency is to identify super-empowered individuals like al Qaeda terrorists as the most likely players, followed by rogue states. We assume that the "larger" the entity, the less likely it would be willing to strike a match that sets off a conflagration:

- First, there is the fear of detection and retribution. Super-empowered individuals may feel least constrained in this regard, while naturally a more stable large country would be less so—under normal circumstances.
- Second, there is the danger of blow-back. A country that sets off such a system perturbation may itself suffer greatly from its downstream consequences, and hence be less willing to take that chance.
- Third, the greater the power of the entity, whether country or super-empowered individual, the more likely it is that there are alternatives to achieving the same ends that do not involve such large risks. In effect, the greater the means at hand, typically the less the will to employ any one option to its logical extreme.

Conversely, the smaller the means, the greater the will to take any one option to its logical extreme.

If the events of 9/11 are suggestive of a turning point in international security, it is because, for the first time, a transnationally networked group of limited means but great will was able to trigger the closest thing to a systemic shock that the global system has suffered since the end of the Cold War. What that event may ultimately suggest is that, under the conditions of ever tightening economic integration among the great powers, the biggest threat of violence in the global system may well come from individuals acting purposefully to trigger what they hope may be systemic perturbations. They may hope to generate at least short periods of genuine global chaos.

Again, what this ends up sounding like are some of the worst-case scenarios dreamed up in the months leading up to the Year 2000 Problem—in effect, technology-triggered global chaos that leads to accidental strategic war between the more advanced countries. This proposition comes off as far-fetched, and yet, one need only take into consideration the potential nuclear conflict between Pakistan and India to envisage how such a chain of events could unfold.

If a terrorist network is bold enough and clever enough to trigger a systemic perturbation that potentially pushes the United States into some poorly thought-out or accidental war, then would a organized government with some power be willing to do the same? If, for example, it never made enough sense for the Soviet Union to put all its achievements on the line one day with a preemptive nuclear strike against the United States, why would it make any more sense for a China to put all it has achieved on the line by triggering a global crisis through some indirect, network-based attack against the United States? Then again, although there is no turning back on a preemptive nuclear strike against a United States, a virtual preemptive strike involving network attacks would not offer anywhere near the same “line of no return” dynamics, especially if the goal in question (say, a Taiwan) did not carry enough political weight with the U.S. public to justify risking a strategic nuclear exchange.

Under such circumstances, the conduct of virtual warfare using network means may well come to play the same role in the globalization

era as proxy wars did during the Cold War—a sort of “no harm, no foul” environment of brinksmanship. The larger problem is that it is possible to recover from virtual warfare, in a finite time, including work-arounds, so that a window of opportunity for an aggressor might be very narrow.

Some alternative pathways of globalization

We do not think globalization can be reversed. It would probably take a new World War or a new Great Depression to reverse it. The core of globalization is the more advanced states (represented, for instance, by the OECD countries). We note the aspirants to join that core—particularly Russia, China, and India. We note a lot of other countries—the so-called emerging economies—who wish to join. And we note that there are countries that may never be able to join, particularly in Africa or Central America. On the fringe of all this are the states that deliberately opt out or are the rogues—the so-called axis of evil, including Iraq, Iran, and North Korea, and Libya. Cuba and Syria might be added to the list of rogues. Some countries that opt out do not bother their neighbors and wallow in poverty. The rogues are those that pose disruptive threats to the advanced countries through their support of terrorism and their pursuit of weapons of mass destruction, even though they all have miserable economies and decaying militaries.

For heuristic purposes, however, we have examined some alternative paths, as described below. The heuristic purposes are to surface the issues, and particularly the confrontations and conflicts that might affect the continuing progress of globalization. By examining the alternatives, we may be able to better frame the issues of security and defense that may arise.

How does globalization unfold after 9/11?

Two questions define the course of globalization after 9/11:

- Are the divisions flowing from the terrorists’ war on America and America’s war on terrorism based on culture or competency? (“Divisions” implies some kind of breakdown of the uni-

fyng path of globalization—though globalization is already lumpy and regional.)

- *The West versus the Rest* describes divisions based on culture, whereby possibly competing cultural cores promote distinctly different models of dealing with globalization's long-term impact on local situations.
- *The Best versus the Rest* describes divisions based on competency, whereby those cultures that successfully deal with globalization's content flows seek ever deeper network connectivity with one another—in effect, expanding the one great core. In contrast, those who either fail at accommodating to or generating advantageous content flows are relegated to the “non-functioning” category.
- Does the prospect of global economic recession encourage:
 - The erection of more barriers to economic interactions (i.e., the old rule sets of protectionism)?
 - The achievement of new economic rule sets to better manage the ups-and-downs of global trade and financial flows, and thus continue the gradual reduction of trade barriers?

These two basic questions suggest to us four alternative global scenarios (see Figure 2):

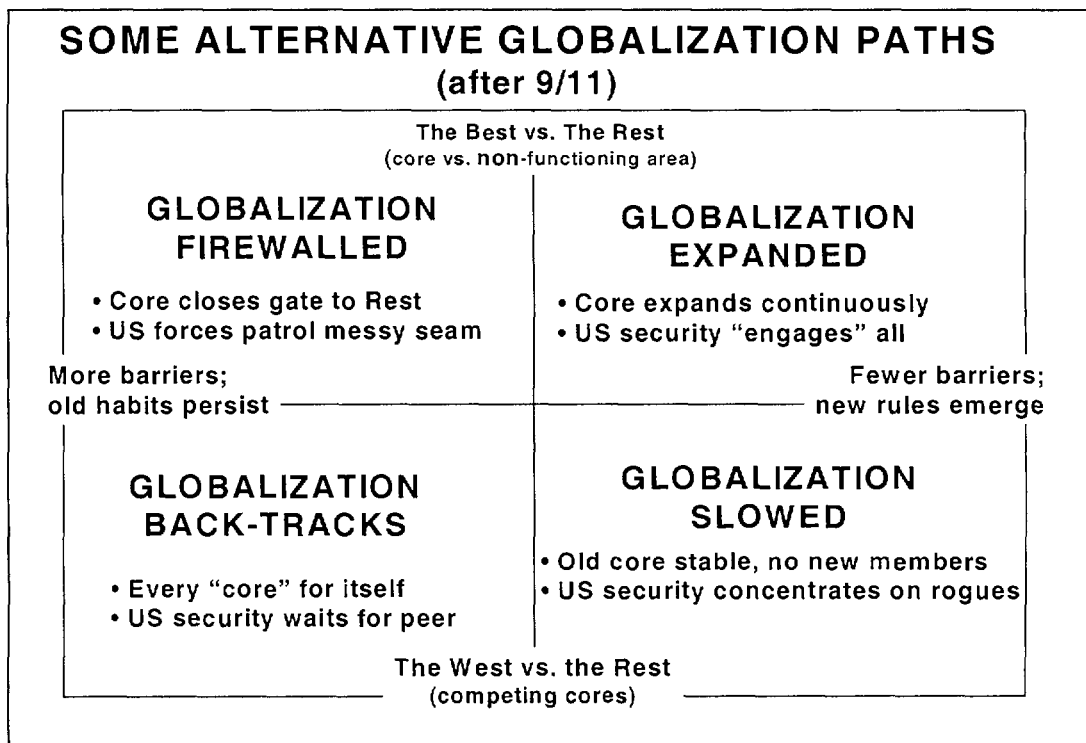
- Globalization is forced into *back tracking* by the combined effects of the Global War on Terrorism and the global economic recession to the extent that cultural and economic nationalism reappears in major regions of the world. Instead of all regions of the world economy basically adhering to a single emerging rule set, the larger economies in each region of the world might seek to define their own rule sets to regulate content interactions with the outside world (both cultural and economic). Network connections might continue to rise globally, but many governments might make efforts to manage imports and content flows in order to weed out unacceptable goods, influences, and behaviors. In short, we might see a renational-

izing of some economic activity plus the emergence of new trade blocs that try to exclude the rest of the world.

- Globalization is divided—or *firewalled*—by the core’s fear of instabilities in the non-integrating areas causes it to erect excessive barriers both around the core (especially to prevent immigration) and within it (to prevent unwanted effects from spreading from “looser” to “tighter” regions). In effect, this is the core firewalling itself off from spillovers from the non-integrating areas that could be disruptive. At this time, the fringe of the non-integrating areas adjacent to the core world consists of several countries in which radical Islam’s penchant for political violence and religious authoritarianism is manifest. Globalization is compromised in this situation because the functioning core has not tried to integrate the non-integrating areas into the emerging globalization network of advanced economies. Instead it has preferred to limit content interactions to the stable flow of energy resources out of Southwest Asia into both the West and developing Asia.
- Globalization would be *slowed* when at least the three great pillars of the “Western” world (Europe, North America, and Japan) achieve an even higher shared awareness of, and commitment to, reducing content-flow barriers between them and seek ever more clearly defined rule sets for governing how disputes among them—particularly on trade issues—would be resolved in a transparent manner. It is assumed that the emerging economies of Russia, India, and China would take a very long time to join this traditional core in this scenario. However, we would also assume that none of the advanced countries would abandon the general principles of political pluralism or free trade. Absent significant global crises, the process of globalization’s expansion would resume.
- Globalization would be *expanded* when divisions do not emerge along cultural lines, but remain defined by levels of successful functioning within the global economy and when new rule sets emerge within the functioning core about how best to further achieve economic integration. Normalization would be achieved, at least within the core, when crises such as the 9/11

terrorist strikes can be handled among the core's major powers with little or no *ad hoc* coalition-building, meaning the alliances and agreements are in place for handling such transnational acts of mass violence or disruption without extraordinary measures or self-declared "crusades" led by one or more of the major powers. In short, the rules of the game would be clear within the core regarding how best to collectively respond to such system perturbations.

Figure 2: Globalization scenarios after 9/11



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U.S. foreign policy in the era of globalization

Globalization will continue to be a central issue of U.S. foreign policy

With the fall of the Berlin Wall in the autumn of 1989 and the final collapse of the Soviet Union in 1991, a new age began in which ideologically-driven competitions, confrontations, blocs, and bloc-on-bloc confrontations and conflicts would no longer define the global system. In effect, a single global rule set characterized by persistent evolution toward free markets and democracy had emerged. There was no alternative to the Western model of development, just variations on a theme—such as the so-called Asian values. The vector of development and that initiative would be left to free markets was never really in question, but whether governments—individually and collectively—would impose some order and rules on the process was not clear. What was clear was that the era of government planning and direction of economies was over. Governments would no longer try to pick winners and losers—given that they picked mostly losers—but would pursue monetary and fiscal policies instead.

With the emergence of Seattle Man (the protesters who disrupted the WTO meeting in Seattle), however, a new ideological debate emerged. This one concerned the loss of individual and local identity that many people feared was the natural result of globalization's homogenizing impact on culture and product choice, plus its tendency to shift jobs across regions (forcing workers to regularly redefine their occupations through lifetime learning). Seattle Man reflected the debate about the more equitable distribution of income. He/she also blamed globalization for the persistence of poverty around the world.

Seattle Man, however, offers no real alternative to the dominant global rule set, but more a plea to slow down the pace of change and

to find ways for more equitable distribution of wealth. This plea dovetails with related public fears about the rapid pace of technological change in general, including in the field of genetics or bioengineering. In short, a good section of the global population—both North and South—fear that science and technology have simply outpaced our capacity for rule-making, leaving mankind in a dangerously unbalanced situation where private sector ambitions for profit place the global community's long-term health and the environment at risk.

The extreme anti-globalization sentiment represented by Osama bin Laden has taken these fears to a whole new level, beyond the demonstrations of Seattle Man. Osama and others have equated the spread of American culture through globalization to the extinction of their own cherished identity as devout Muslims and threatens the rule of Koranic law. While such a conflict between cultures is cast by some—most notably Samuel Huntington—as a “clash of civilizations,” its roots are rightly found in the relentless spread of globalization, because therein lies the combatants' sense of urgency as well as our own sense of incredulity as to why they hate us so.

Three key developments shape these rising global tensions into the defining tensions of our age:

- The conflation of Americanization, Westernization, modernization, homogenization, and globalization.
- The fact that the United States is the sole military superpower and thus presumed to be capable of enforcing rules by violent military action.
- The sense that the U.S. and, to a certain extent, the West in general, benefits disproportionately from a rule set that the West establishes.

In the eyes of those around the globe who may wish to resist the pace of local change imposed upon them by globalization, to fight this historic trend is to fight the United States itself—against what they see as its political ideology, its military power, and its cultural imperialism. In this manner, the United States reassumes its historic role as a revolutionary force. It had subsumed that role in the post-World War II

period in order to counter the revolutionary ambitions of the Communist bloc centered around the Soviet Union (i.e., the strategy of Containment), but mostly with regard to Western Europe and Japan. The United States did not lead and in many ways ignored the other post-World War II movement, that is, decolonization, and the emergence of the bloc of non-aligned nations.¹¹ Nonetheless, after the demonstrations in Seattle and Genoa and following 9/11, the Doha meeting of the WTO marked the beginning of a greater role for the emerging economies in setting the agenda.

Yet, thanks to the continued success of the U.S. as an economic powerhouse and the political connections it had made in the course of the containment strategy, the post-Cold War age might be defined as a clash between those who welcome some form of the American version of a global future, with its emphasis on private business, individual freedom, democracy, and a merging of cultures, and those who oppose it and strive to somehow remain “off line” from the U.S.-dominated globalized network that has emerged. Other countries might aspire to join the global culture, but simply have nothing to contribute and continue to wallow in poverty—notably through much of Africa.

By virtue of possessing the world’s largest and most influential economy as well as an unrivaled capacity for exporting its values and culture, the United States is by far the nation most capable of encouraging continued integration among the world’s advanced and emerging economies. In an ultimate sense, globalization is not possible without the United States’ vast economic and social involvement. The further question is how much the fact that the U.S. maintains and employs the world’s most capable military forces affects the U.S. role in globalization.

Whatever that influence, it is not the same as saying the U.S. Government somehow “directs” or “controls” the course of globalization,

11. U.S. official economic assistance programs in the Third World were directed mostly at those countries that were on the front line between the West and the Soviet bloc, and were not decisive in transforming economies.

any more than one could say that the U.S. Government “controls” the U.S. economy or society. The U.S. economy with its consuming population and opportunities for investment makes globalization possible. It is a necessary element of globalization, but hardly a sufficient one. Even its most ardent support is nowhere near sufficient to determine globalization’s continued advance. On the other hand, Washington could certainly torpedo or at least stall globalization’s advance if it became much more protectionist, or engaged in wars that tended to disrupt world politics and economic flows. In any case, most of globalization has been occurring outside the control of any of the governments in the world.

The larger role of the U.S. private sector

The private sector’s primary influences are six-fold:

- The U.S. private economy provides the world much of the technology of information and transportation networks, and these networks constitute the underlying connectivity that defines so much of globalization.
- Along with the European Union, It provides the largest amount of long-term financial capital for industrial and infrastructure development, likewise encouraging connectivity.
- With that capital comes typical U.S. private sector expectations, demands, requirements, etc., for financial transparency and accountability—meaning the impetus for efficient and equitable rule sets governing markets.
- The U.S. financial sector is also a major creator of markets throughout the world, exporting its know-how and associated networks to help emerging markets monetize various elements within their economies for more effective processing of risk.¹²
- U.S.-based multinational corporations lead in promoting global integrated manufacturing.

12. Unfortunately, American accounting rules and firms as a model for the rest of the world are under a cloud as of mid-2002.

- Finally, the U.S. private sector is recognized by most experts as the largest single provider of intellectual and mass entertainment content for global and local communication networks.

In sum, the overall influence of the U.S. private sector on the economic progress of globalization is enormous when compared to that of the U.S. Government, which by and large is limited to promoting general rules of the road (e.g., through WTO rounds), its influence in selective IMF bail-outs and in the selective military interventions that it undertook in the 1990s. In many ways, the U.S. *economy* is a significant driver of globalization (probably the most significant in the world), whereas the U.S. *Government* spends the bulk of its time working the regulatory margins (i.e., pushing agreements to bring down barriers to trade and financial flows, helping the world play catch-up on various rule sets for emerging connectivity and content flow issues, and perhaps enforcing some rules with military actions, like the sanctions on Iraq).

What the private sector demands from the U.S. Government is its best effort to encourage transparent rule sets that optimize long-term certainty of the sort that allows U.S. businesses to most effectively plan and execute entry into and/or expansion of their shares in overseas markets. That certainty is obtained in three ways:

- The U.S. military's ongoing presence and activities around the world encourage continuing political-military stability.
- The U.S. Government's ongoing efforts to reduce barriers to trade and expand the norms of regulatory transparency encourage the emergence of ever more stable international markets for our goods and services.
- The U.S. Government's readiness to provide bail-outs (e.g., Mexico in 1994) or to push the IMF, Paris Club, or London Club provides financial relief (in a wide variety of forms) during periods of economic distress.

Exports of the cultural aspects of "the American way of life" may sometimes be seen as threats (e.g., to Islam in the Arab world, to political control in China) and thus may generate cultural backlashes against the U.S. There is a tendency in the world to conflate Ameri-

canization, Westernization, modernization, and globalization, and this means the U.S. becomes a convenient scapegoat for whatever cultural, political, and economic tensions result from globalization's progressive penetration of national markets and cultures. The U.S. private sector's relentless quest for efficiency in the global marketplace is a key driver of globalization. It has also generated reflexive calls for more equitable distribution of incomes and for global environmental standards.

Before 9/11, these calls seemed to be part of the unfolding of globalization. For the near term, they seem to have been displaced by the challenge of Osama bin Laden and al Qaeda to globalization. The principal international role of the U.S. Government has become defeating that challenge.

The mix of economics and security in U.S. foreign policy

Those who determine the direction of U.S. foreign policy have to set priorities between enabling a better future (economic diplomacy) and preventing a worse one (military policy, through deterrence, alliances, interventions). This issue can be cast as a struggle between promoting the advancement of new and better economic rule sets and promoting and enforcing political-military interventions or the threat thereof to prevent conflicts from perturbing the globalization system. For the current Bush administration:

- Will its attention be more consumed by military and police actions against the most reactionary forces of anti-globalization (the al Qaedas and Talibans of the non-globalized world)?
- Or would it give priority to working more on the "front lines" of economic globalization (such as the meetings of the WTO, APEC, or the establishment of the Free Trade Area of the Americas, etc.)?

While any administration has enough resources to muster significant efforts in both quarters, assuming delegation to the professionals, the few most senior political officials, including the President, must ration their time, first, between domestic and foreign issues, and second, among the foreign issues. In reality, the U.S. Government tends

to be (1) reactive to foreign events, and (2) to be focused on the big issue of the moment. The Bush Administration has been forced by events to spend the bulk of its time and resources waging the war on terrorism, and has spent less time and effort since 9/11 on furthering globalization's economic rule sets. Granted, every U.S. administration wants to be all things to all peoples, befitting the longtime role of the U.S. as a global leader. Does the current Administration's focus on preventing bad terrorist incidents in the future limit globalization's advance, in part because it would not be able to pay attention, or does it present new opportunities to promote globalization?

If U.S. leadership is absolutely essential to globalization's progress, then its preoccupation with the war on terrorism may result in deferral of progress on the economic front. But two developments may argue against this dark view:

- First, now that al Qaeda's main sanctuary in Afghanistan has been toppled, the war on terror becomes less an overt military operation and moves more into the realm of the law enforcement agencies. The U.S. Government continues its collaboration with other countries to hunt down individuals, infiltrate cells, and choke off financing. At best, the military operations recede into the background, involving fewer platforms and bombs and more advisors and trainers. What was an extraordinary operation in 2001 becomes a more routinized defense function in 2002.
- Second, as evidenced by the subsequent WTO meeting at Doha, most states participating in globalization do not view 9/11 as an excuse for a pause, but are willing to continue efforts to advance economic agendas. The meeting of the private World Economic Forum in New York in early February 2002 was further reaffirmation of the desire to continue. September 11th reminded both advanced and poor countries of the dangers of being left behind. In effect, the U.S. did not need to issue a political ultimatum of "are you with us or against us?" In reality, the economic fear of being left behind already motivated most states to continue moving in positive directions regarding globalization—most notably China.

One could further argue that most states could focus their attention on the global economic agenda because the U.S. is willing and able to play the role of global policeman. The U.S. can generate just enough certainty about the continued stability of the international strategic environment, providing it does not overplay its hand or retreat in the face of another horrendous terrorist incident. The key goal of the current Administration's war on terrorism is to marginalize this international threat, and as quickly as possible. By doing so, it might be able to then turn back to the messy "seams" of globalization that were recognized in the 1990s, where, with luck, the U.S. can seek to contain its spillover effects much as it did (and does) in its mini-containments of Serbia (now tamed) and Iraq (still boxed in).

Unilateralism and multilateralism in U.S. foreign policy

The world situation before 9/11 might have been described as, "the U.S. provides the security while the world as a whole (including the U.S.) negotiates the next round of trade barrier reductions." But that would seem a rather simplistic formulation on both counts. In the world of trade negotiations, the U.S. Government has clearly played a leading role. In the world of security, the U.S. maintained the world's largest defense budget and most capable forces, maintained a significant portion of those forces overseas, and intervened in selected situations (it did not really serve as the world's policeman, but more as the world's fire brigade, albeit still in a selective manner). It also maintained all its alliances from the time of the Cold War. The U.S., and the U.S. military, were engaged with many countries around the world. Such involvement has been reinforced after 9/11; the U.S. cannot fight the war on terrorism by itself. It is responsible for its own homeland defense, but even there it is dependent on information from other countries as to the oncoming flows of people and goods.

Depending on the intensity of concentration of U.S. leadership on a given situation, the U.S. Government can lead in both worlds, thereby strengthening the connections between the two. The aftermath of 9/11 has demonstrated the importance of cooperation for the operation in Afghanistan and possible follow-up operations in other countries that might harbor al Qaeda.

Moreover, in its responses to 9/11, the U.S. reached out to other countries, including some with which the U.S. had not cooperated closely before, or at least not lately, while not losing those with which we were previously associated. The U.S. reopened its relations with Pakistan, reinforced its emerging relations with India, and negotiated with the Central Asian countries for bases. Its relations with both Russia and China took new turns.

Yet the U.S. is never going to give equal attention to every country all the time. Some countries would have higher priority, some lower, depending on the situation and current needs. Some relations would be mostly economic, but a smaller set would be based on security. With some countries, government-to-government relations will be very intense and may constitute most of U.S. contacts, but with others the U.S. Government may well leave much interaction to American (and local) business, as with Canada. There are limits to the amount of contacts the very top people in the U.S. Government can have in their busy schedules. With many countries, relations continue to be routine and can be handled by lower-level officials. Others would take minimal governmental attention.

The 9/11 strikes came at a very crucial time for the global economy, which was teetering toward a worldwide recession, given the economic stagnation in the U.S., Germany, and Japan. The stopping of air traffic and the increased border controls upon 9/11 initially signalled not only that the world's largest market was destined for a serious downturn of some indefinite length, but that a new and indeterminate "security tax" would be imposed on the United States and perhaps on the global economy as a whole.

Besides coming to better grips with the growing connection between security issues and economic stability, 9/11 has also forced the U.S. Government to once again put together a global coalition of security partners at a level not seen since the Persian Gulf War of 1991. In many ways, the U.S. response in Afghanistan to the attacks of 9/11 serves to reinforce the global image of the U.S. as the "indispensable" nation for providing forces and security while reminding the U.S. Government of the limitations of a go-it-alone foreign policy.

Day-to-day U.S. Government roles

The U.S. Government can assume limited, but crucial roles in facilitating the advance, maintenance, or consolidation of globalization, regardless of the path that globalization may take:

- Keep the U.S. economy on an even keel. It is the consistency and growth of demand generated by the U.S. domestic economy that has been serving as the engine of the global economy.
- Consistent leadership in the World Trade Organization (WTO) to promote the reduction of trade barriers.
- U.S. financial and political support for the International Monetary Fund (IMF). This is essential because with any crisis comes some possibilities of key states going into bankruptcy and relapsing into protectionist behavior, and even into chaos and violence.
- Forging bilateral and multilateral trade agreements with partners, especially within the Western hemisphere (e.g., the North American Free Trade Agreement).
- The Treasury informing international markets about U.S. Government economic and financial intentions, policies, and strategic vision. The Chairman of the Federal Reserve performs a similar role by his public pronouncements.
- The President of the United States attending the G7(8; now firmly the G8 after the Summit in June 2002 in Canada) and APEC meetings.
- Forging international consensus regarding the proper level and form of trade regulation through interactions with other governments and international regulatory bodies.
- Finally, the U.S. military and national security establishment play an important background role in sustaining globalization through the containment and/or eradication of sources of instability on the margins of the functioning global economy, especially where those instabilities may threaten trade routes, particularly in the Persian Gulf.

The U.S. Government's crucial role in establishing globalization's rules sets is derived primarily from the overall size of the U.S. economy, rather than abstractions such as the U.S. Government's "power."

The impact of the war on terrorism

In the near term, how the U.S. Government conducts the war on terrorism will go a long way in determining not only how the rest of world's countries accept this country's continuing role as globalization's "top cop"—as opposed to the financial regulator—but also how the American people redefine this country's role in enunciating and enforcing international rules about violence perpetrated by transnational actors and their networks across the globe. These are politico-military rules that go beyond the rule sets of trade and communications that have characterized the attempts to regulate globalization so far. By leading this global response against the al Qaeda terror network, the U.S. is likewise establishing precedents for rule enforcement by the more advanced Western nations against transnational actors within the globalization setting.

Over time, the combined politico-military and economic effects of all these impressions, definitions, precedents, etc., will greatly help in determining whether the large emerging economies (India, China, Russia, Mexico, Brazil) continue to seek closer connections with the functioning core. These emerging economies appear at the moment to recognize a strong confluence of interests with the U.S., based on a strong interest in trade to strengthen their own economies and shared fear of the disruptive threat posed by transnational actors (or any terrorist group with a substantial sphere of operation within a single state). This development may strengthen globalization's progressive advance. Alternatively, they may form their own trade blocs, or look to their own security, if they believe the United States was pursuing adventures, becomes absorbed in homeland defense, or pursues unilateral initiatives.

Does the vulnerability of globalization showed by 9/11 demand a response from the U.S. Government beyond the particular problem of the war on terrorism?

In general, it is U.S. business and not the U.S. government that has been and continues to be responsible for propelling globalization's advance. But the events following 9/11 remind us of the important role played by governments. Questions on the roles of governments and the U.S. government in particular are as follows:

- How vulnerable does globalization seem to be after 9/11? Could the combination of al Qaeda terrorism and recession in the U.S., Germany, and Japan for example lead to a reversal of globalization? Nine months after 9/11, in June 2002, this did not quite seem to be the case.
- To the extent globalization seems vulnerable, does the current U.S. administration believe it needs to take an active role in promoting and protecting globalization, that is, as economic policy, or has the process advanced to the point where it is self-perpetuating and the U.S. Government contents itself with tidying up on the fringes, that is, attends mostly to security matters?
- What does U.S. military force have to do with stabilizing the process of globalization, and what would its role be in the case of breakdown or reversal of globalization as we understand it?

On the question of vulnerability of the globalized economic system, some would argue that, despite the impressive record of growth in the 1990s, the excesses of the decade in some ways looked like the excesses of the 1920s: excessive stock speculation (e.g., in technology firms, in emerging markets); creative bookkeeping; the rapid rise and fall of industry leaders in the stock market (the dot.com collapse); the scandals (e.g., Enron or the *chaebols* in South Korea); the consequent calls for new government oversight of the business world.

It appeared for a while after 9/11 that the global economy was experiencing its most synchronous downturn in history, that is, with the U.S., Germany, and Japan all in recession at the same time. This phenomenon may have been more simultaneous than synchronous, but

it has made leadership more aware of just how interconnected the world economy has become. With Japan stuck in a seemingly perpetual recession and the U.S. suddenly veering back into significant budget deficits and experiencing a crisis in capitalism with management scandals in what were globalizing industries, we see two of the global economy's three great pillars at risk, with only Europe as a whole looking steady at the moment. Rising China, meanwhile, continues to attract capital and achieve significant growth, but faces adjustment to the conditions that had been imposed upon it to gain WTO membership, which may aggravate the internal labor crises it has begun to experience.

Back in the 1930s, after the "irrational exuberance" of the 1920s, globalization broke down. Three reasons have been adduced for this—the raising of tariff walls, the drying up of foreign direct investment, and strict controls on immigration.¹³ Are there threats of either depression or governments taking these kinds of steps in the present situation? Is this era of globalization any more permanent, or is its advance any more inevitable than the first great period of economic globalization (roughly the 1870s through the 1920s)? That period of globalization evaporated rather quickly across the Great Depression of the 1930s. Back then, the U.S. Government played a minimal role as a global leader, even though its economy was the largest in the world, but instead engaged in much the same economic nationalism as everyone else. Even in 2002, the U.S. has imposed tariffs (to steel) and added subsidies (to agriculture), foreign direct investment (FDI) is down around the world—and even the U.S., which has to take in \$400 billion in FDI a year to offset the difference between its exports and imports—may be discouraging foreign investors with its current corporate scandals and stagnant stock market. Japan and Europe are being stricter on immigration, and U.S. border and visa controls are becoming more rigorous because of al Qaeda. Is our political system capable of imposing the same kind of restrictions this time around, and would such an outcome determine the current globalization's disintegration, or is the current version of globalization simply too

13. See Harold James, "Globalization and the Great Depression," *Orbis*, Vol. 46, No. 1 (Winter, 2002).

advanced in its spread and diversity to suffer such a fate, no matter what the actions of its major pillars?

Rather than trigger any retrenchment, 9/11 seems to have energized most nations' commitment to pushing ahead with globalization. For example, the surprising progress at the Doha meeting of the WTO was, by all accounts, fueled by many governments' strong desires to appear firmly behind globalization's continued advance despite the shock of 9/11. Prior to the September attacks, there was little if any talk about a "Doha round," but that meeting produced such positive results that the round came into being to the surprise of many observers. That kind of strong response only demonstrates the crucial, enabling role that political-military stability plays for globalization: any threats to the former are enough to catalyze a "rally" for the former.

In the lexicon of Thomas Friedman, when push came to shove on 9/11 most nations realized they wanted to be in the "Lexus" camp and not left behind in the violent world of those who fight over "olive trees."¹⁴ Friedman goes so far as to argue that the current global conflict pits secular democracies and free markets against those who advocate religious totalitarianism, at least in the Arab world, and possibly across the whole Muslim world. If the Muslim totalitarians were successful, they might conceivably replace the secular totalitarianism of the Communist bloc as the great system-level threat to the system of globalization that is the successor to "The West" or "The Free World." Their replacement is a dubious proposition given the historical record of difficulties in cooperation among revolutionary states in general (see the Soviet Union vs. China). Islamic countries have long histories of difficulties in cooperating with each other. By contrast, the United States and its allies in the erstwhile free world have a substantial record of cooperation, both institutionally and for contingencies.

The war on terrorism is likely to be the centerpiece of U.S. foreign policy for some time to come. Therefore, preserving security is likely

14. Thomas Friedman, *The Lexus and the Olive Tree* (New York: Alfred A. Knopf, 2000).

to be the primary role the U.S. Government takes in relation to the further development of globalization. Prosecuting the war on terrorism requires a lot of international cooperation. That may say to the world that collective efforts to further secure globalization's benefits will also pay off. But, while the response to terrorism is necessary to the advance of globalization over time, it does not guarantee that advance. The U.S. Government's willingness to—in effect—“export security” to protect the advance of the global economy is a necessary contribution to preserve globalization's progress during this difficult time. With that protection, it still takes the WTO and all its member nations to translate the rhetoric of free trade into the reality of extensive and equitable growth around the world.

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U.S. national security policy: resources and foci

The background role of the U.S. military in globalization

As stated above, the U.S. Government does not “direct” or “steer” economic globalization so much as encourage transparency and rule-making. The enforcement of these desired standards is largely left up to international markets, where Thomas Friedman’s “international electronic herd” votes with its “feet.” The WTO as an organization and set of procedures and rules plays a small role.

Undergirding this emerging global rule set, however, is the relative calm of the international security system, which has not seen a great power-on-great-power war since 1945. The key elements of this general stability are as follows:

- Most important is the strategic stability afforded by the introduction of nuclear weapons and their accumulation by the United States and the Soviet Union in huge numbers. While this serves as a source of great anxiety and has occasionally put the planet through a few precarious moments (e.g., Cuba 1962), this strategic nuclear stand-off allowed the global community outside the Soviet Bloc to survive a half-century of Cold War while systematically constructing a globalized economy.
- There are worrisome proliferation potentialities associated with globalization (given the availability and transfer of technologies), but none to date have elevated any state-on-state conflict to the level of a strategic exchange. Rather, state-on-state conflicts and their potential have declined across the nuclear age and as globalization of economies has progressed. This could change at any moment, but no single use of Weapons of Mass Destruction is likely to lift the general taboo over their use. In general, the aggregate capacity of nuclear weapons in the hands of the U.S. remains the Doomsday Machine for glo-

balization as a whole, effectively ruling out major destructive war. All the U.S. needs to do to continue the benevolent effect of nuclear weapons is simply to avoid any steps that signal a reconsideration on our part of their essential unusability.

- Also important to the international security system's enduring stability is the fact that the U.S. survives as the last military superpower on the planet, with no "near peer" in sight. As such, it is almost inconceivable that a country on the order of a Nazi Germany would be able to wage conventional war on an extended basis against its neighbors to achieve any sort of a conquered empire. Practically the one of the few contingencies that still concerns us in this regard is China's threat to use force to reincorporate Taiwan with the mainland. However, globalization itself is likely to mitigate that issue over time by encouraging deep economic integration between the two economies, to include the free flow of people and transparency that implies.
- Another important elements of the system's stability is the continued willingness of the U.S. to continue to play a leadership role in a variety of bilateral and multilateral military alliances around the world. Such relationships go a long way toward reducing long-term uncertainty while allowing participants to focus more of their energies on economic advance.¹⁵
- In general, the U.S.'s ability to "export security" has encouraged most significant states to forego the construction and maintenance of large military establishments. The U.S. Navy is the perfect example here: we field a global navy that allows the vast majority of states to feel secure with nothing more than a coastal force.
- Also, the U.S.'s continued willingness to contain those rogue countries (especially Iraq, North Korea) who pose direct threats to their neighbors contributes to the stability of the globalized system, for it tells the system that no countries will be

15. See Robert Jervis, "Theories of War in an Era of Leading-Power Peace," *American Political Science Review* (Vol. 96, No.1), March 2002.

allowed to trigger system perturbations sufficient enough to derail globalization's advance.

- The occasional interventions by UN, NATO, and U.S. peace-keeping forces into a few internal conflicts has also tidied up globalization at the edges. In those few instances where international interventions took place, we might say that the local "pain" was not to be allowed to exceed certain global norms. That may have created positive expectations that "things can only get so bad," even in the worst and most backward sections of the world, outside the globalizing areas. However, 9/11 made clear that it is the failed states that harbor al Qaeda, rather than a police state, e.g., Iraq or Libya.
- The long-running military-to-military engagement programs of the U.S. also have had a soothing effect on the international system by encouraging the professionalization of militaries and setting the groundwork for bilateral relationships that often prove crucial for later coalition formation. CENTCOM's military-to-military contacts with Uzbekistan, for example, paid off in the U.S. obtaining bases there to support current operations against the Taliban in Afghanistan.
- Finally, there has long been the U.S. military's relatively small and supporting roles in combatting violent transnational actors. While, in general, the U.S. military has taken a back seat to Law Enforcement Agencies (LEA) in this struggle, the current war on terrorism suggests that this role will grow substantially as the U.S. Government reorients itself more toward those non-state actors capable of inflicting serious violence—most importantly on its own people, but also on globalization's stability and/or continued advance.

After 9/11, and perhaps after a war in Iraq to topple Saddam Hussein, the U.S. military could move away from a focus on classic state-on-state wars and small interventions/engagements toward a new focus on battling transnational networks and/or actors capable of generating significant cross-border incidents. In that sense, its role as a background enabler of globalization may be superseded by a new, more up-front role against terrorism as a disrupter of globalization. This

new role involves operations of indefinite length in Afghanistan and possibly similar operations in Somalia, Yemen, and the Philippines. Beyond such roles, the war on terror would involve mostly police work. If the United States is successful in suppressing al Qaeda, the U.S. defense establishment would then be looking in two directions for the allocation of its resources:

- The Department of Homeland Security, in coordination with whatever law enforcement and intelligence agencies not under its authority. How much of the regular forces might eventually be involved remains to be seen. They would most likely be called upon if there were another serious incident, or upon specific threats. In any case, the National Guard might well be more dedicated to homeland defense than support of the active forces.
- Back to the pre-9/11 internal U.S. debate between transformation of the Cold War legacy forces vs. continued engagement in day-to-day events around the world using those legacy forces.

The ability of the U.S. to pick its fights

Since the end of the Cold War, the U.S. Government could be selective in its overseas military interventions. It felt safe behind the two oceans. Indeed, the need to project power across those two oceans was a constraint. Prior to 9/11, the last fight that seemed to leave the U.S. no choice but to intervene—initially with a defense of Saudi Arabia—was Iraq's invasion of Kuwait.¹⁶ Given the long-term commitment to Persian Gulf stability by the U.S., the first Bush Administration had little choice but to defend Saudi Arabia. The decision to oust Iraq from Kuwait was a more agonizing choice, and the military operation was therefore prepared deliberately.

16. Previous terrorist incidents—the 1993 World Trade Center bombing, the 1996 Khobar Towers bombing, the 1998 embassy bombings, the attack on the USS Cole—were not quite enough to set off a huge U.S. retaliation.

Over the Clinton Administration's eight years, no single struggle seemed to force a response on the scale that 9/11 has done, not even the embassy bombings in 1998. The U.S. continued to keep Saddam "in the box," but this was a legacy of the unfinished business of Desert Storm. Everywhere else the Clinton Administration intervened (i.e., Somalia, Haiti, the former Yugoslavia) involved a rather laborious and even years-long decision-making process in which the leadership finally concluded that some action was better than no action, or, as in the case of Bosnia, better than several years of half-hearted action (UNPROFOR). The Clinton Administration declined to intervene in far more situations—there were roughly three dozen instances of significant internal conflicts to choose from—whereas it became involved essentially in only four (Somalia, Haiti, Bosnia/Kosovo, and the Gulf).

The Clinton Administration did mount significant shows of force during the crisis of North Korea's threatened recycling of spent nuclear fuel rods in 1994 and upon China's threatening missile tests near Taiwan in 1996.

With 9/11, however, we can say that the fight picked the United States and the nation did not have any choice but to react drastically. Note that this did not mean reacting instantaneously—nearly a month's preparation was necessary to do it right and to get other countries' support. The U.S. military was able to adapt itself to carry out the response. Using assets acquired across the 1990s, and drawing on improvements triggered by "the last war" (Desert Storm), CIA and DoD rose to the occasion by employing what was available. From a foreign policy standpoint, the Bush Administration abandoned what seemed like unilateralist impulses and got international support from a mostly sympathetic and appalled world.

Once past the immediate issue of toppling the Taliban leadership in Afghanistan and eliminating al Qaeda's operational base there, this war moves into the category of the U.S. Government picking its fights. Employing the distinction between "vertical" (i.e., a single localized conflict of great intensity) and "horizontal" (i.e., long-term unfolding of many individual events) scenarios, we can say that vertical scenarios

tend to pick the U.S. Government, while the USG tends to pick which horizontal scenarios it wishes to engage in.

How much the war on terrorism dominates U.S. security policy

It appeared in the several months after 9/11 that the war on terrorism *was* U.S. foreign policy for the near term, meaning it became the prism through which all aspects of foreign policy were judged. In effect, this war became the ordering principle for U.S. foreign policy for some indeterminate period of time. This dynamic is also influenced by both the health of the domestic economy (e.g., the initial fear that 9/11 and both its psychological and material costs would deepen the recession) and the schedule of elections (e.g., mid-term in the fall of 2002 and the start of the 2004 presidential election sometime in second half of 2003). In short, there are clear domestic drivers to foreign policy. In this case especially, the war on terror is not to be conducted by a small group of the elite. Nonetheless, the Israeli-Palestinian situation has intervened and makes it difficult to view all terror in black-and-white terms.

Do these internal political dynamics enhance or diminish the capacity of the U.S. Government to provide the world with the sort of leadership needed to further globalization's advance? If globalization as an economic integration and diversification process has gotten ahead of governments' collective ability to regulate it, including controlling the movement of crime and terror, then a rebalancing to defining new rules in the economic sphere while containing conflicts or disruptive countries and individuals in politico-military realm has become necessary.

In some ways, one could argue that 9/11 may prove helpful to the course of globalization's advance if it results in improved understanding among the world's largest economic powers that a mutuality of security interests naturally emerges with increased global economic integration—one that eventually supersedes many—if not all—of the old “great power” assumptions about competition and conflict. “Power” used to be calculated by possession of military vehicles (and

even numbers of army conscripts).¹⁷ The strength of an economy is not measured in the same terms. “Great powers” was a zero-sum game; participation in the global economy is not, and has made simple “great power” models obsolescent. As a result, the more economic globalization advances, the less relevant militaries are.

In the end, 9/11 becomes a seminal event in global history because—ironically—it demonstrates the obsolescence of conventional military power (the power of nuclear weapons had already demonstrated their particular military inutility). al Qaeda dreamed of “destroying” the U.S. economy, but with practically minimal force supporting a rag-tag army on the ground (the Northern Alliance), the U.S. destroyed their sanctuary and training bases. The continuing threat to systemic stability in the globalized world economy has yet to be defined—is it financial crises, as in Asia in 1997, or is it the super-empowered individuals of al Qaeda that are more disruptive? Comparing 1997 and 2001, we would have to say there is no comparison—in the longer run, the financial crises are more dangerous.

9/11 partly reorients national security from “over there” to “over here”

No U.S. administration will ever again be able to refer to terrorism as a “lesser included”—that is, a task subsumed under larger, more vague national security efforts. The merging of *national* and *personal* security was made complete by 9/11, as Americans experienced a new sense of vulnerability resulting from the extent and breadth of U.S. interactions with the outside world that the public had otherwise not thought deeply about—leaving it to the elites to pursue. After all, this violence was brought to our shores primarily because of U.S. involvement overseas. Osama bin Laden and al Qaeda saw the United States as the center of globalization and the world’s sole military superpower, as they said when they picked out the World Trade Center and the Pentagon to attack.

17. The IISS in London still puts out *The Military Balance* annually.

To date there has been no rise in isolationist sentiment in the U.S. in response to 9/11. There is a strong underlying sense that Afghanistan should not be left to revert to the anarchy that characterized the country after the Soviets pulled out in 1989. Rather, the successful efforts at policing and maintaining order in Bosnia and Kosovo are called to mind as the U.S. Government struggles with the notion of U.S. forces in a police role in Afghanistan. There have been a few calls for a more balanced treatment of the Palestinian-Israeli conflict, and even more calls for Saddam Hussein's fall. In sum, the call has been for more action overseas, not less.

Nonetheless, the great energy the Bush Administration has directed toward defense of the U.S. both internally and on its perimeter since 9/11 has been extraordinary, with billions being pledged for various government agencies in addition to staggering increases in the defense budget. The creation of the Department of Homeland Security should lead to unprecedented combination and coordination of otherwise independent federal, state, and local agencies. The almost complete reorientation of the F.B.I. toward counter-terrorism shows how sensitive this administration has become about future terrorist attacks.

The administration has shaped this war on terror as a campaign by the U.S. and its friends against an extreme form of Islamic fundamentalism. It has sought to avoid any implication that it opposes Islam, thus to avoid a "clash of civilizations." Many of the recruits to al Qaeda are those who have been driven out of their home countries and then become "super-empowered" as they take advantage of global amenities like privacy, false passports, flying lessons, and drivers' licenses. As the former Russian minister of defense Marshal Sergeev noted, terrorism is now without nationality. But, unlike the 1970s, when there were European and Japanese terrorists (even a Venezuelan—Carlos the Jackal), the global terrorists of note now are now all Jihadists.

Assuming that the attention at the top of the U.S. government is limited and that the leadership must set priorities, the balance in foreign policy would be between:

- Trying “over there” to prevent bad things from happening “over here.” This includes getting at “root causes,” such as poverty and restrictive political regimes.
- Accepting that bad things will happen “over here” and focusing instead on bolstering U.S. internal ability to withstand and recover from them.

To the extent that the administration aggressively pursues the terrorists and proliferators overseas, including possible attacks on Iraq, Iran, and North Korea, the public would expect a lessening of the terrorist and other threats to the U.S. homeland over time. But if there are more drastic terrorist strikes in the U.S. despite the administration’s efforts both at home and abroad, the public’s willingness to accept national security as an “over there” concept may sour. Or, to put it another way, they could sour on a foreign policy that is mostly based on a war on terror and want a retreat from overseas activities, including those of the Defense Department. What such a retreat might do to the advance of globalization in the free trade sphere is another question. Right now, the balance in foreign policy is clearly more about military measures than in promoting global economic architectures and rule sets.

How the needs of Homeland Security may shift national security resources

A medical analogy is usefully applied to this question. When speaking about how best to ensure the health of an individual, we can divide the subject into three subsets:

- The internal defense associated with the immune system;
- The perimeter defense associated with the skin membrane and associated entry-points;
- The immediate environment within which the individual lives (i.e., the nature of the threats to their health that the person faces from their environment).

To boost the health of the individual, one can either seek to bolster the internal immune system, encourage personal hygiene, or seek to make the immediate environment as antiseptic as possible. By anal-

ogy, we can say that the United States can reduce its overall vulnerability to terrorism by:

- Improving the capacity of first responders within the U.S. (the equivalent of the defense provided by our white blood cells);
- Increase screening mechanisms at our borders;
- Seek to eliminate the terrorist cells abroad—and to destroy those governments that harbor terrorists.

It is impossible to purge an environment entirely of threats, just as there will always be harmful organisms in the human environment. Malaria is a case in point. Likewise, there are only so many measures one can take regarding the permeability of borders. There is no such thing as impenetrable peripheries, especially when we are taking about an entity that desires to maximize the efficiency of goods transactions with the outside world. Logically, the best opportunity for reducing overall vulnerability is to concentrate resources within the system itself, in effect bolstering the ability of the society to recover as rapidly as possible, thereby reducing its attractiveness as a target.

If we accept that (1) the United States is going to keep expanding its interactions with the outside world over time and (2) that there will always be terrorists floating around the world who wish to do the U.S. harm, then it should follow that this country's vulnerability would continue. That should presumably lead to the U.S. Government's devoting more resources for internal and border homeland defense efforts. One can compare the endemic of terrorism to that of viruses attacking the Internet, arguably the security environment that best encapsulates the emerging reality of globalization. With the Internet, there is no hope of eliminating computer viruses in the wild, only the hope of maintaining a reasonably secure firewall and then maximizing a computer or network's capacity for virus detection, blocking, and response/recovery.

Balancing homeland and overseas defense

One would think that U.S. foreign policy after 9/11 would also embrace the task of trying to solve the root causes of the terrorism:

- Lack of economic opportunity in a number of Muslim countries (e.g., Egypt)
- Governance in those countries that is both restrictive and corrupt
- The failure of Middle East peace efforts and the continuation of the Palestinian problem.

We have also noted that the terrorists tend not to be the most destitute or uneducated people, but those who have been set afloat from their home countries and found their way into the Western world, as well as the backward areas on the fringe of the functioning core, where they have taken advantage of the connections that globalization has created. Thus, a new element of foreign policy is the U.S. forging even closer ties with other countries—in Europe, the Muslim countries, and Southeast Asia—in order to track down and arrest al Qaeda cells and to dry up their finances. But we continue to rely on U.S. business and other countries' businessmen to advance prosperity around the world. We do not rely on the U.S. Government to create job opportunities in the Muslim countries. The U.S. Government can urge other governments to promote democracy and human rights, but not much else.

However, over the long run, if globalization and U.S. Government efforts do not bring about changes in the roots of terrorism, it seems reasonable to predict that global terrorism will increase. Thus more U.S. national security resources may be devoted to internal or perimeter defenses vice efforts at imposing stability abroad through military means. Indeed, the American public might demand some retreat from the world if the incidents continue. Whether such a retreat might also result in a slowdown or disruption of globalization is not clear. But it is clear that globalization is providing more opportunities for the terrorists to move around, communicate, and finance themselves.

Whatever the outcome in the specific and likely extended conflict against al Qaeda, a diversified foreign policy—military and economic—will be necessary to cope with terrorism. The maintenance, improvement, and occasional use of U.S. forces overseas may not be

a major part of the reaction and the demands of homeland defense and of retreat from overseas could put some squeeze on U.S. “power projection” forces.

The effect of conflicts in the globalization era on U.S. force structure planning

During the Cold War, the United States, together with its allies, sized forces and chose technological capabilities roughly according to the Soviet threat—that is, against a great power with an even larger military establishment of roughly equal levels of technology. In the post-Cold War period, the U.S. replaced that standard with a pair of far smaller threats—Iraq and North Korea combined by the presumptive “near”-simultaneity of their aggression. In effect, the two major regional contingencies of Southwest and Northeast Asia replaced the specter of great power war in Europe and at sea.

Thus, in both the Cold War and the first decade thereafter, DoD bought for one sort of conflict arising from the abstract world of scenario-based planning, while using its forces in operations in different circumstances in the real world:

- The Cold War generated its own inertia: at the highest levels on both sides, the prospect of a strategic nuclear exchange or a Soviet attack on West Europe, or even another Korean War, faded away, especially after the Berlin situation was resolved. The U.S. took a huge risk in pouring forces into Vietnam, but neither the Soviet Union nor North Korea took that opportunity to attack elsewhere, even with two South Korean divisions in Vietnam. Otherwise, the U.S. made only small interventions, in Lebanon in 1958 and 1983, in Grenada in 1983, and in Panama in 1989. Aside from the prolonged “tanker war” in the Gulf and the general possibility of the Iraq-Iran war spilling over, specific operations were not prolonged.
- In the post-Cold War era, however, the dual high-end scenarios of Iraq and North Korea seemed less and less justified as the basis of all U.S. force structure and capabilities planning. Both those countries were in the pits, however much they were dab-

bling with missiles and WMD, and were deterred—in the Korean case by substantial South Korean forces in addition to the US tripwire force there. In effect, DoD was planning its entire universe around two isolated rogue states with ruined economies in an era of economic globalization, i.e., world events were elsewhere. The magnitude of the strike efforts in Desert Storm and the Kosovo operation provided bookends for what were minor interventions in between (only Somalia, Haiti, and Bosnia, as well as continuing air patrols over Iraq and one show of force off Taiwan). In the meantime, there was much talk of “engagement” and “presence” on one hand—the U.S. forces involvement in foreign policy—and “transformation” on the other hand—U.S. forces preparing for situations of new technological surprises.

Within years of the Soviet Union’s collapse, some within DoD invariably argued for the so-called near peer competitor standard, but that vision was even more abstract, in effect awaiting China’s maturation as a military superpower many years from now—if ever. In many ways, those who argued for such a distant standard feared DoD’s assets were being worn down by “overextension” into military operations other than war. “Worn down,” though, might have been a result of the other carryover from the Cold War: high readiness throughout the active forces, partly a carryover from the fear that the Soviets would attack out of the blue, but mostly a need for maintaining professional forces.

In many ways, the choice of the force-sizing standard involves the fundamental question: are military forces for *having* over the long run or *operating* in the short run? Those who view forces as being overextended by present involvements around the world fear a loss of DoD’s technological edge over the long haul, whereas those who fear tailoring forces too much for the future will doom the current security environment to progressive deterioration, especially since the tailoring for the future would inevitably lead to reductions in force structure as more costly platforms are added and resources are applied to C⁴ISR.¹⁸

18. C⁴ISR = Command, control, communications, computing, and intelligence, surveillance, and reconnaissance.

This progressive shift of defense functions from traditional military operations to those of law enforcement against individuals and groups may keep U.S. forces in the day-to-day support of U.S. foreign policy, whether on patrols or in retaliatory strikes. It remains to be seen how this would tie down or otherwise strain the forces. The burden for the regular U.S. military establishment in homeland defense is only now being worked out. In the meantime, some of the new techniques U.S. forces demonstrated in Afghanistan will contribute to the evolutionary transformation of those forces.

Recapitulating the connection of U.S. security to globalization

Earlier in this paper, we discussed four alternative paths for globalization, mostly as descriptions of the marginal trends globalization could take. The relation of paths that U.S. national security might follow to these paths can be summarized as follows:

- *Globalization expanded* = the old Cold War core (“the West,” sometimes still referred to as “the free world”)) would be willing to expand, generally on its terms. This is the path we thought the world was on before 9/11, and altogether it still is. **U.S. security strategy** would emphasize “engagement” worldwide. Expanded political-military cooperation may be a by-product of this path, built on the expansion and evolution of pre-existing security alliances, especially of NATO in the case of Europe and, toward broader “security communities,” based as much on economics as on the possession of military means. These conditions also mean that the U.S. could step back from heavy military engagement and operations out in the world, i.e., a more relaxed mode, and concentrate on “transformation.”
- *Globalization backtracks* = the combination of 9/11 and wide economic recession might lead to some retreats to re-nationalization and protectionist measures in economies around the world, including in the Core—but it is the old Core of North America, Europe, and our allies in East Asia. Russia, China and India would remain at arm’s length. **U.S. security strategy**

might be to strengthen the old alliances of the Cold War, but not to expand them. At the same time, the U.S. would reinforce its homeland defenses. The U.S. would not try very hard to “engage” with countries outside the old Core. U.S. security strategy would seek a stronger coordination between its economic partners and its security arrangements with them. Those outside the Core would not necessarily be considered “enemies” (except for the rogues and terrorists), but no great efforts would be made to bring those outside into either security or economic arrangements. The U.S. would be prepared to respond to aggression outside the old Core, forming any necessary coalitions of the willing from the Core.

- ***Globalization firewalled*** = the core would firewall itself off from the rest of the world that is turbulent, but would be open to expansion to include countries that are not turbulent, e.g., Russia and China if trends in those countries were favorable. **U.S. security strategy** would be to erect bulwarks against the emergence of some future military competitor, whether “near-peer” or “asymmetric genius.” The politico-military effect of this path would be to set up coalitions of the willing among just a few countries to conduct expeditionary warfare as necessary to keep enemies from breaking through the firewall. That is, traditional alliances would not be so structured, but would provide only convenient forums in which to form the coalitions for the efforts at hand.
- ***Globalization slowed*** = the core would see to its own continuing solidarity and economic recovery; expansion would slow down. **U.S. security strategy** would emphasize its traditional alliances, while taking upon itself the major task of containing the rogues and terrorists that might otherwise disrupt or slow economic progress. The politico-military effect of this path would be that core members would recognize that political-military cooperation has been the crucial basis for economic and political integration, and so strive to preserve it. They would not, however, seek to use coalition building for security as an avenue of integrating the emerging economies.

We are asserting that none of these models means the end of globalization. Rather, globalization either expands or it reaches limits and may even set boundaries as part of those limits. Thus, we rule out alternative world models:

- A return to the bipolar world of the Cold War. It ruined the Soviet Union, but it did not ruin the U.S., Europe, or Japan, and in fact formed the basis of their economic growth in expanding global markets. We do say that the U.S. may use its security approach to forestall the emergence of some military peer—only China is sometimes proposed as a possibility, but the U.S. military competition would be hard for them to catch up to. Besides, at least three of the models above would provide for China to join the Core.
- A turn to blocs or civilizations as the ordering factor around the globe. This may be a stronger possibility, at least for trading blocs. The notion of “civilizations” is religion-based, and does not serve the varied economic identities that have emerged. In short, the notion of civilizations does not correspond to any economic reality.
- A return to states dominating everything, as single, controlled entities, and then interacting with other states as if they were hard billiard balls. Every time a state has tried to run or create an economy, it has failed—the Soviet Union is the case in point. Private business has created globalization, under the protective umbrella of U.S. worldwide export of security during the Cold War. Governments will not replace them, but will only regulate the competition. The nation-state—a more or less consistent or integrating set of people occupying a more or less contiguous territory—will continue to be the basic building block of the globalized system.
- Anarchy, with every nation-state or other political entity pursuing its own course. There are simply too many global interconnections with attendant rules, for “anarchy” to be descriptive.

However, in each of the globalization alternatives, we are assuming that the U.S. would continue to “export” security. We assume that the U.S. will continue to be militarily strong (however much the individ-

ual services may complain that they do not have enough, or can't meet "requirements"). This strength continues for historical identity and domestic political reasons. Besides, the U.S. is a rich country and can continue to spend what it does. The U.S. has also proved itself best able to exploit technology for military purposes. The question becomes how far the U.S. exports this security. At one extreme, it merely protects the Core, including with missile defense. At the other extreme, it "engages" and forms the backbone of security communities—a much more diffuse concept.

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U.S. Naval forces and globalization

Introduction

The U.S. Navy participates, to varying degrees, in all of the military roles identified in the previous section. We can identify the contributions of the U.S. naval forces, in two categories:

- Simply having forces:
 - In terms of strategic nuclear stability, SSBNs continue in their role. Under the Nuclear Posture Review of 2001 and the agreed reductions to 1700-2200 operational strategic nuclear warheads, the Navy could provide 1152 (12 Trident boats not in overhaul x 24 missiles x 4 warheads). The Navy is likely to be involved in National Missile Defense as well, but, given the need for continued development, the shape and extent of the Navy's contribution is not yet known.
 - The U.S. Navy remains the largest, most capable navy in the world. This has so far discouraged any other country from a major naval expansion, especially into aircraft carriers. In general, except for the scattered activities of pirates, there is no threat to global maritime commercial traffic. Rather, the best that another country might offer in the way of naval threats are anti-access capabilities—mines, a few diesel submarines, and shore- and sea-based cruise missiles designed to limit U.S. ability to approach their shores in any conflict.
- Deploying and employing the forces:
 - In sustaining U.S. alliances, the U.S. Navy routinely interacts with other nation's navies, in large part because of its ability to "play in their yards," since most nations' navies simply do not deploy overseas like ours does, and even our

capable allies expect us to visit them rather than their visiting us.

- The Navy in the long run is likely to play the dominant role in sustaining U.S. military posture in East Asia, i.e., after the peaceful reunification of Korea.
- The Navy has a key role in maintaining stability and deterring aggression in the Persian Gulf and adjacent waters (and perhaps the Red Sea).
- The U.S. Navy played significant roles in the two major operations of the 1990s—the mini-containment of Iraq and the two air strike operations into the former Yugoslavia. Two Navy carriers responded to PRC threats to Taiwan in 1996 (it has been unnecessary to repeat that show of force since then) and U.S. naval forces had major roles in Somalia and Haiti. These operations have pointed up the U.S. military's roles in either containing the rogues or coping with failed states that are outside globalization.
- Now it turns out that a few failed states may be the refuges for al Qaeda, as Afghanistan has been, and so the connection of these failed states to globalization takes on a new dimension. If the U.S. were to raid any of these states, the Navy's role will be substantial. That is, if other failing states harbor al Qaeda, they may well be more conveniently reached from the sea than Afghanistan. In such cases, the Navy's ability to provide mobile, sea-based airfields would be of particular advantage.
- These Navy roles as the only "global navy" contribute to international stability. However, to the extent that the Navy were to be pulled into homeland security duties as a result of the war on terrorism, that role may be diminished. In the near term, the Navy may see some small portion of its resources diverted to backing up the Coast Guard in these efforts. In the longer term, it may also contribute a part of national missile defense.

U.S. Naval forces and globalization: the effect of 9/11

Before September 11, the Navy was facing hard choices between maintaining force structure and “transforming” its forces, especially given resource constraints imposed by the Bush Administration. After September 11, the Navy rose splendidly to support the campaign in Afghanistan. Two carriers were available in the Indian Ocean quickly, with two more joining shortly thereafter. The Navy was also available for homeland defense of the United States, with carrier battle groups deploying off the two coasts, and the USNS *Comfort* hospital ship and USNS *Denebola* supply ship deploying to New York.

The U.S. has girded for more terrorist attacks at home. The intensive bombing campaign in Afghanistan to root out Osama bin Laden, demolish the al Qaeda training facilities, and bring down Taliban rule extended 73 days, from October 7 to December 18.¹⁹ Over the whole campaign, 70 percent of the strikes in Afghanistan have been by naval aircraft.

Beyond the campaign in Afghanistan, the possibilities exist of similar follow-up campaigns to root out al Qaeda in Somalia, Yemen, and Indonesia (assistance to the Philippines is being done by Special Forces). Beyond these campaigns, it will take mostly police and banking work to roll up al Qaeda. As of mid-June 2002, the President and Secretary of Defense allowed the Navy to reduce to one carrier and one ARG in the Indian Ocean area.

The attacks on the United States came at a moment when the U.S. economy was entering recession. The costs of the initial security measures seemed to be reinforcing that recession. Yet the combination of budget increases and supplementals for the war have both improved the Navy’s budget and stimulated the U.S. economy (which grew 5.8 percent in the first quarter of calendar 2002). However, the combination of extra expenses for building, homeland defense, the war, and

19. Coincidentally, Operation Allied Force in Kosovo and Serbia lasted 78 days, but to a definite end (Milosevic’s capitulation). The end in Afghanistan is not in sight. However, the U.S. Navy has been able to reduce its presence nearby, and the U.S. Marine Corps units have been replaced by U.S. Army units.

tax rate reductions are leading to a return to a deficit in the federal budget. This in turn will eventually put a squeeze on the level of the defense budget. The Navy will inevitably have to return to making hard choices about its forces, operations, and modernization, subject to guidance from the administration. These choices may well lead to reductions in the number of ships. The Navy will then have to choose among several options:

- Shrinking the combat elements proportionately
- Emphasizing one element over the others
- Taking new paths to increase capabilities, ones not necessarily dependent on the number of ships.

Naval forces and globalization: some history

The roles of navies in past globalization eras

It was the smaller naval forces—the company fleets and the navy patrol ships on foreign station, of lesser sheer warfighting capabilities—that were crucial for extending globalization. For example, major roles were played by the company fleets of the East India Company, Pacific Orient Company, and various others, most prominently British. Therefore one needs to refer to all naval forces rather than official country navies per se when recalling the historical record. Company directors for a long period of time relied on their own navies and discounted government naval activity on account of its expense. Thus, naval forces played a crucial catalytic role in enforcing the Western European rule set for trade, but with the smaller naval ships.

There were rival rule sets at the very early period of “the age of exploration,” notably the Islamic-Indian one and the Imperial Chinese one, but it was the Western European one that prevailed. It is interesting to recall that both the Portuguese in the 16th century and the Dutch in the 17th century contemplated imposing their rule sets on the Chinese Empire but concluded that it would have cost more than it was worth. But by the 1840s the disparity in European and Chinese power had widened so that it was possible for the British to impose

their opium trade rule set on China with strictly peripheral forces—at a reasonable price. Today we like to imagine that this was due to the force of efficiency, but the historical record suggests that it was due more to the force of ships and guns.

The main naval forces—the great fleets of fighting ships—were not key to the first great period of economic globalization that lasted from 1870 to 1914, that is, before World War I. They were only for contesting who would lead the globalizing system, not for pursuing globalization in an economic sense per se. However, state navies provided the ultimate backing for the company fleets, and became directly involved in Asia in some circumstances, particularly in the twilight years of the company system as state and commercial interests became more closely integrated.

The main battle fleets were maintained by the advanced states primarily for contesting dominance among European powers, as their deployment patterns clearly demonstrate—all the European states kept most of their forces at home. Britain was the exception, as it dispersed its navy to a significant extent toward the end of the 19th century, though its main concentration was in the Mediterranean.

The biggest exception to this pattern was the U.S., which kept most of its naval forces on distant station for much of the 19th century. But that only reflected the fact that, in that strategic environment, no state could seriously contest U.S. dominance in its home waters. In fact, the U.S. forces on cruising station were significant relative to those of other powers at a time when the U.S. Navy as a whole was very weak—it had only the smaller ships and no main battle fleet for much of the earlier period of globalization.

The differences in the current globalization era

Navies' roles in direct relation to globalization, by which we mean in one sense international trade by sea, have patently been reduced. We list the main differences as follows:

- Most goods still go by sea, but significant value—indeed, that which characterizes the differences between the old globalization and the new—goes by air and cyberspace.

- Globalization is not spreading by force, unlike the Portuguese, Dutch, and British experiences. However, even in the 16th century, globalization's spread was more catalyzed by the awareness of force than its actual application.
- U.S. participation in the current global economy is a product of the lessons learned from the experiences of the 1930s rather than the experiences of the 19th century. The economic institutions that the U.S. and its close allies among the advanced countries conceived during World War II and established at its end had the specific intention of recouping the economic losses of the 1930s, including global trade, and setting their economies on much more stable footings. Thus was set the Bretton Woods system and the Marshall Plan. The Cold War then kicked in, which kept the U.S. engaged, on the economic front (a competitive system) as well as the security front. This U.S. attention and the efforts of the advanced countries with which it was dealing (Europe and Japan) inspired much strengthening and refinement of the evolving global economic system, but the advance of globalization since 1950 cannot simply be attributed to the decades-long superpower rivalry.
- Following the demise of the Soviet Union, there is no blue-water threat to speak of, either globally or locally, except for limited piracy, mostly in Southeast Asia. Transnational terrorism has not to date gone by sea, despite our sense of great vulnerability regarding containers. The terrorist threat is that of Super Empowered Individuals, and they go by air, not by sea. The four rogues have gone nowhere, except for Iran's support of the Hezbollah in Lebanon. Libya and North Korea seem to have given up terrorist acts since the late 1980s, and Iraq never seemed to be very effective at it.
- In another sense, the Cold War—with its strategic nuclear forces, huge military alliances, and technological competition—made great power war obsolete by raising the stakes so high (i.e., the likely near-total destruction of life on Earth).
- In the present global regime, world power potential is primarily a matter of economic power (although of course other ele-

ments, including culture, also figure). As long as the U.S. is economically dominant and plays its hand well, it cannot be effectively challenged in the gross military competitive balance terms of the past. The military challenges become local or by peripatetic Super Empowered Individuals moving around other than by sea. In short, they don't have navies, but use other means.

The bottom line is that the U.S. Navy has already had its major influence on globalization by its activities across the history of the Cold War. It is now in the stage of "system administration," mostly by continuing to have the biggest and most capable navy, thus both discouraging other countries from having big, blue-water navies and letting them off the hook from having to do so. History counts big in this case—and it is mostly the history of the last 55 years, including the Cold War history, where the last superpower standing is the U.S. A double economy blow has been struck at all other navies: on one hand, they are too expensive, certainly in comparison with the U.S. Navy, and running a good economy means not spending it on defense.

What is exceptional about the present circumstances is that the U.S. still keeps a significant part of its main naval force deployed to distant waters—about as large a part as it practically can. No navy kept its main naval force deployed before 1945, and no others do so today with any significant platform numbers.

The U.S. can afford to keep these forces that have historically contributed to setting up this post-World War II globalized world. U.S. naval forces cost a little less than 1 percent of U.S. GDP—but any global competition in the naval sphere would cost another country a lot more of their GDP, and governments these days—unlike the Germans, Japanese, and Soviets in the past—simply do not command that much out of their economies to enter the competition. That is why the remaining "blue-water" navies are content with niche capabilities (British, French, possibly the Chinese) or coastal patrols. Russia owns a substantial blue water navy, but can't afford to send it to sea. The anomalies right now may be the directions the Chinese and Indians might go in as they experience economic growth that might pro-

vide surplus funds for defense and some priority is given their navies. But both countries are limited by both their internal politics and the difficulties of sustaining growth.

What this history tells us about U.S. naval forces today

The U.S. Navy, as the last global navy, with overwhelming strength and capabilities, reinforces among the nations that it is not very economically sensible to build their own navies. The U.S. Navy saves them from having to do so anyway, so they become mostly coastal patrol navies, a fate that may even befall the Russian navy.

The U.S. Navy, in its continuing alliances with friendly navies, is part of the backbone of friendships and common heritage among the NATO countries and Japan that constitutes the heart of the global system.

U.S. naval forces contribute to the joint and coalitional efforts across the 1990s to contain and prevent the rogues from disrupting the emerging global system. They have demonstrated in Afghanistan that they can contribute to the joint efforts to strike terrorists and the governments harboring terrorists. With regard to failing states other than those that might harbor terrorists, but that tend to generate emigrants seeking job opportunities in the more prosperous countries, and even if they are undergoing severe internal conflicts, the U.S. government has shown great reluctance to intervene, whether with U.S. naval forces or otherwise.

The paths of U.S. naval forces before and after 9/11

Before 9/11

Programs and budgets before 9/11

The Navy was slated to get around \$99 billion (Navy and Marines together) of overall DOD funding of up to \$332 billion. Even at that level, SCN and APN 1-4 were underfunded.²⁰ As a result, the Navy was finding it hard to sustain enough shipbuilding to retain its force structure of around 312 ships. Indeed, both DDG-51 and LPD-17 programs needed additional funds to cover prior year overruns. One

alternative had been to reduce to 11 carriers and 11 Amphibious Ready Groups (ARGs). However, the Defense Planning Guidance (DPG; issued before September 11) directed the services to maintain their manpower and, by implication, force structure. On the other hand, compensation and medical care had both been improved, and recruitment and retention were up. Readiness was improving, especially for deploying ships.

F/A-18E/F was in full production, and JSF source selection was drawing near, but MV-22 was to receive two more years of development. The DD-21 source selection had been deferred since the last days of the Clinton Administration, and DD-21 appeared to be in trouble with both the Bush Administration and Congress. The submarine force used the JCS conclusion that 68 SSNs were required to sustain a level of at least 55. A decision had not yet been made to proceed with the conversion of Tridents to SSGNs. The Navy was incorporating organic mine countermeasures throughout the fleet in addition to its specialized mine warfare forces. Given that the Administration was directing that the services keep force structure, the Administration and the Secretary of the Navy were looking for efficiencies instead, including up to \$10 billion in savings a year within the Department of the Navy. These efficiencies would include base closures, but Congress has deferred their consideration to 2005.

Deployments before 9/11

The Navy was maintaining the deployment of 2.5 carrier battle groups (CVBGs) and ARGs. With readiness improvements, the deploying ships were adequately supplied, although the problems with Vieques were threatening predeployment training. The Navy was continuing its role in Southern Watch, which necessitated a 1.0 carrier presence in the Gulf, and had thus reduced its Mediterranean carrier presence to 0.5, while Western Pacific carrier presence was around 1.4, counting USS *Kitty Hawk* in Japan. However, the Navy no longer had a role

20. SCN is the appropriations account for Ship Construction and Conversion, Navy. APN is Aviation Procurement, Navy. APN 1-4 covers new procurement, while the APN 5 account covers modifications to existing aircraft.

in the Adriatic Sea. Southern and Northern Watches and drug patrols were keeping EA-6Bs and E-2Cs pretty busy. The Multinational Interception Operation (MIO) was maintained in the Gulf to prevent Iraq from smuggling oil. Turn-Around Ratios (TARs) had been growing somewhat longer—up toward 4.0 in the Atlantic Fleet—especially given the increasing number of nuclear carriers in the fleet and their longer maintenance needs. Attempts were being made to make the Inter-deployment Training Cycle (IDTC) less stressful. After the bombing of the USS *Cole* in Aden, force protection measures had been stepped up, leading to even fewer in-port days in the Gulf. SSBNs continued their routine patrols. PERSTEMPO had not been broken since Desert Storm.

Debates in the Defense Department about the future before 9/11

The Navy continued to stress its unique contributions to presence, to engagement with countries, and to navy-to-navy contacts—together, “combat credible forward presence.” The submarine force emphasized its value in gathering intelligence. The Navy continued to be concerned with “anti-access”—the threats from mines, diesel submarines, shore-based cruise missiles, and swarming small boats (but not especially combat aircraft flying out to sea, as Aegis provides good protection and few if any potentially hostile countries train that way).

For future capabilities, the Navy advocated net-centric warfare, although it was not clear what it was beyond the Cooperative Engagement Capability (CEC), a program that was in some difficulty. The Navy had gained enormous amounts of bandwidth across the 1990s, which permitted it to install the IT-21 Internet system on ships, to communicate better with AWACS, and to receive Air Tasking Order (ATOs) electronically. They had begun the Navy-Marine Corps Intranet (NMCI) program to connect all the Navy and Marine units, sea and shore. They were acquiring more precision guided munitions (PGMs). Tomahawk had already gained the surface combatant force an independent role. Vice Admiral Cebrowski pushed for a small coastal ship he called Streetfighter, though it was not yet a program. CVNX and DD-21 represented new R&D on ships to reduce manning, to develop electric drives, etc. The prospect of STOVL JSF meant that air-capable ship platforms might be multiplied. The Navy was behind the Air Force in acquiring UAVs, though. The possibility of a near-

amphibious family of Maritime Prepositioning Force (MPF(F)) ships was discussed, but was not yet in the program. The last of the 20 large 24-knot roll-on/roll-off (RO/RO) Army sealift and prepositioning ships (T-AKRs) had been launched. There had been much discussion about stretching presence through rotation of crews, double-crewing, overseas homeporting (especially in Guam), but only limited experiments had been conducted.

Upon September 11

The Navy responded quickly. For homeland defense, a carrier and Aegis ships were deployed toward New York and similar measures were taken on the West Coast. USNS *Comfort* was manned and got underway to help in New York in 24 hours, rather than the five days planned for it. Some of the Navy's Cyclone-class patrol craft (PCs), originally built for Special Forces, augmented the Coast Guard. USS *Carl Vinson* and USS *Enterprise* were already in the Indian Ocean, and USS *Theodore Roosevelt* could be deployed six weeks earlier than planned, eventually to relieve the *Enterprise*. USS *Kitty Hawk* was stripped of most of its air wing and sent from Japan to the Indian Ocean to serve as a staging base for Army Special Forces. Tomahawks were on station on surface combatants and SSNs. The carrier aircraft carrying out strike missions into Afghanistan were refueled by S-3s and KC-10s and were directed by AWACS as well as tracking in on laser guidance and coordinates provided by Special Forces. Not too many Tomahawks were fired, and the number of escorts for the carriers was minimal. However, numerous surface combatants are still in the area, including in the MIO in the Gulf. Naval presence in the Mediterranean and Western Pacific was reduced.²¹ The political pressure on Vieques had receded into the background, the referendum postponed.

21. In 1999, during Operation Allied Force in Kosovo and Serbia, the USS *Kitty Hawk* was sent to the Gulf to cover for the USS *Theodore Roosevelt*, which had been diverted to the Adriatic. There was a hue and cry in the United States back then that the Western Pacific had been left uncovered. There was no such hue and cry in 2001 when the *Kitty Hawk* was deployed to the Indian Ocean.

Altogether, the Navy was in the general area, highly ready and responsive, for any joint action to be executed. PERSTEMPO was being broken for the first time since Desert Storm, but more on the order of seven months rather than longer. Given the location and continuous operations, record times between port visits were being recorded. In early December 2001, the Marines were directed to set up a base south of Kandahar and later moved to Kandahar airport. They have since been replaced by U.S. Army units. Force protection measures that had been set in train after the *Cole* bombing were intensified.

Defense has been authorized \$345 billion for FY02, including the \$332 billion originally planned plus the supplemental. The supplemental provides minimal additions for the Navy, however. Two Trident SSGN conversions have been funded. PGMs are funded. The budget does not, however, solve the SCN and APN 1-4 deficits, and the Navy plans to finance only five new ships with FY02 funds.

The new requirements for homeland defense are being studied intensively, but there remains considerable uncertainty as to what the role of the Navy may be. The Coast Guard is already taking much of the action to patrol harbors—see their careful escorting of a natural gas tanker into Boston Harbor in October 2001. The Coast Guard has had to give up other missions, e.g., drug patrols. It was not clear whether the Coast Guard will “get well” with its new missions and with the mere \$203 million it has received in supplemental funding. However, by June 2002, it appeared that the Deepwater program would be funded.²² The Navy is concerned with international airliner attacks, attacks on cruise ships à la the attack on the USS *Cole*, and rogue merchant ships carrying weapons of mass destruction. Better intelligence and intelligence coordination is the first need, for the problem of dangerous cargoes must be identified at the port of embarkation if not earlier.

22. *The Washington Post*, June 25, 2002, p. A3.

The changed long-term outlook for naval forces after 9/11

Deployments after 9/11

The long-term outlook for the Navy will initially be driven by the intensity and length of the campaign in Afghanistan and their likely heavy involvement in the anticipated U.S. attacks on Iraq. The Navy would be under great strain if it were required to keep four carriers on station in the Indian Ocean (or even if three were kept out there).²³ In Desert Storm, six carriers were present (and two more were being readied), but the war lasted only 45 days. If the Navy were to maintain four carriers on station, the IDTC would be greatly shrunk after a year, with consequent problems in training and maintenance.

If the President and Secretary of Defense were to order two carriers to remain in the Indian Ocean while sustaining a force of 12 carriers, carrier presence in the Med would go to near-zero and in the Western Pacific the presence would be around 1.0—the carrier homeported in Japan. However, the U.S. is establishing air bases in Uzbekistan and Kyrgyzstan, and this has relieved the necessity for two carriers in the area.

A minimal number of Tomahawks were fired into Afghanistan. Each carrier was accompanied by only one surface combatant, perhaps because of the absence of any retaliatory threat to them. However, the surface combatants of the U.S. and its allies were busy patrolling the Indian Ocean for merchant ships on which Osama bin Laden might have escaped. Surface combatants were also assigned to guard Guam and Diego Garcia on the remote chance that a commercial airliner or merchant ship might be commandeered by al Qaeda to attack these critical bases. One surface combatant has been assigned to patrol the Straits of Malacca in case of a terrorist attack in those narrow waters. An ARG/MEU-SOC remains in the Indian Ocean. It was not espe-

23. In the event, four carriers were present together for only about a week. The *Theodore Roosevelt* relieved the *Enterprise*, and the *Kitty Hawk* returned to Japan in December once Special Forces had bases on land adjacent to Afghanistan.

cially the Marines' amphibious capability that counted on this occasion as its ability to sustain themselves on the ground for 30 days.

If the war were extended to Iraq while the campaign continued in Afghanistan, the demands on the Navy to deploy carriers to the Indian Ocean/Persian Gulf area could at least double—there were six carriers in the Gulf in Desert Storm, but the Navy still had 15 active carriers then. The number of strike sorties and the consumption of guided munitions would be huge, but the distances for carrier aircraft to fly would be less stressing than in Afghanistan. So far, Saddam Hussein has not provided the excuse for such a war, even though, according to the former 2-MTW doctrine, the U.S. feared that opportunistic adversaries might take advantage of U.S. distraction to attack their neighbors.

As of mid-June 2002, the campaign in Afghanistan was in a mop-up stage, even though COMCENT warns that could last a long time. The Taliban was out of power, and the operating and training base of al Qaeda had been demolished. But Omar and Osama had escaped so far, along with much of the rest of al Qaeda leadership. Of the al Qaeda operatives in cells in 60 countries around the world, some were in custody, but many were still at large. The question remained open as to how loose versus how centrally directed al Qaeda really was, and how dependent it may have been on both the charisma and decisions of Osama. Some U.S. military attention was shifting to Yemen, Georgia, and the Philippines. The possibility of al Qaeda taking refuge in Somalia had not seemed to materialize. The Administration proposed the new Department of Homeland Security to consolidate the domestic security agencies. Warnings were frequent, but no new terrorist incidents had taken place.

Aside from the continuing campaign to round up al Qaeda operatives and break the organization, the world of conflicts and confrontations would probably revert to what it was before September 11, but with some changed attitudes and perspectives about what had previously been considered the threats to the U.S. and world security. The U.S. is already developing better relations with Russia, following Putin's initiatives to "join the West." The China-Taiwan confrontation had been softening lately, given complicated politics in Taiwan and the

recession in the Taiwanese economy. China is entering the WTO. North Korea and Iraq are still hostile. The slow evolution of Iranian politics seems to have stopped, and they were caught shipping arms to the Palestinians. The Israeli-Palestinian war continues. In Europe, the only current action is in the Balkans, where ground forces are still present in Bosnia and Kosovo and a truce has been arranged in Macedonia. Naval forces are not needed in the Adriatic Sea for now. The Mediterranean region is otherwise quiet: Libya seems restrained of late, the Algerian civil war is quiet for the moment, and Greek-Turkish enmities, including those over Cyprus, are handled by diplomatic means.

Thus, the Persian Gulf and Indian Ocean area remain the priority for both joint forces and U.S. naval forces for the foreseeable future. The shift to an East Asian strategy, with accompanying shifts of forces, which the Administration indicated earlier might happen, seems to be put aside for the duration. The future of an Asian strategy depends on the extent to which the war on terrorism ameliorates the mutual suspicions that exist between the U.S. and China.

The possibility exists for more Navy assets—e.g., ships, P-3s, E-2Cs—to be devoted to patrolling home waters. The Coast Guard has had to give priority to homeland defense measures over patrolling for drug traffic. The Navy's contribution are likely to become permanent, e.g., with the PCs. There is also a question of how much budget resources will be devoted to force protection; the amounts might seem marginal, but all current programs operate on a tight margin in any case. It is another burden. For patrols, it appears that gathering intelligence and tips would be more important to the interception of the great threats—rogue merchant ships—with the consequent need to be able to vector an intercepting ship or aircraft out quickly. In the longer term, homeland defense might involve surface combatants contributing to national missile defense, and thus not be available for overseas deployments. The decisions on the naval contribution to missile defense depend on the success of R&D and thus lie years in the future.

U.S. naval programs after 9/11

For FY03, the Bush Administration has proposed a \$48 billion increase for the defense budget, and another \$38 billion for homeland defense. The growing federal budget deficit may put a new squeeze on the defense budget by FY05. Initially for the FY03 program and budget submission, the Navy proposed to retire the rest of the Spruance class destroyers, thus going down to 98 surface combatants and to reduce to 286 total ships across the FYDP. The FY03 budget would provide the Department of the Navy a 9 percent increase, which would sustain the current fleet of over 300 ships, but still included only five new ships.

Since September 11, the JSF source selection has been made (Lockheed-Martin was chosen), so a program that some thought to be a candidate for cancellation proceeds (toward an IOC of 2008, presumably for the Air Force version). In the meantime, production of F/A-18E/F is to proceed at a full 48 aircraft a year. The DD-21 program is to be restructured to be DDX, a multi-purpose platform rather than one dedicated to shore bombardment, possibly smaller and modular. Service life extension of 22 of the CG-47 class has been initially funded. They would eventually be the missile defense ships, but the Navy Area Defense program has been cancelled and the Navy Theater Wide missile defense lies well into the future. The budget submission proposed to slip CVNX funding a year, from FY06 to FY07. Congress approved the conversion of four Trident boats to SSGNs, but the program still doesn't have room to ramp up to funding of two SSN-774s a year. The Navy would begin construction of the T-AKE class of ships, and has four LPD-17 amphibious ships under contract, but the full LPD-17 program has not yet been approved as design and cost problems have not yet been solved.

Meanwhile, replacements for LHAs (including LHD-8), P-3s (MMAs), MPS (MPF(F)), LCCs (JCC(X)), and EA-6B (F/A-18G?) are still in the Analysis of Alternatives (AOA) stage, with no places yet in the program.

So far, we see an emerging Navy that generally looks like the Navy of the 1990s—the Navy before September 11. There has been a struggle between the administration, which wants “transformation,” and the

services, which seek to keep force structure in the numbers they have had. But much transformation takes place on the platforms rather than in creating new platforms: e.g., all the PGMs entering the force (including Tactical Tomahawk), the interconnections (IT-21, NMCI, CEC, etc.), and the upgrading and evolution of Aegis and Standard Missiles for missile defense. The Navy still struggles to improve mine warfare and cruise missile defenses—the main (and old) instruments of “anti-access.” They also worry about diesel submarines in this regard.

There is a lot of discussion about futuristic concepts: The LCS—Littoral Combat Ship, space warfare, net-centric warfare, big shifts to UAVs, fast transport with high-speed catamaran ships, etc. None of these have acquired a place in prospective force structures as yet. More important for the allocation of resources would be progress on missile defense, both for homeland defense and tactical and theater defense in combat zones overseas.

The uncertainty of how long the war in Afghanistan continues would tend to postpone any radical thinking or changes in Navy deployments or training. The carriers are in the limelight, and are likely to be of critical importance in the Indian Ocean and Persian Gulf for the foreseeable future. The Navy can sustain two carriers on station in the Indian Ocean with its current force structure and deployment schedules. The need is less for surface combatants, submarines, and amphibious ships, so they can presumably stick more closely to normal rotations. In any case, the Persian Gulf-Indian Ocean area is pegged as the cockpit of the world and a “carrier-centric” Navy has proved its worth there.

New U.S. Navy and Marine Corps programs in the pipeline

The U.S. Navy and Marine Corps have the following major systems in the pipeline:

AAAV: Advanced Amphibious Assault Vehicle

AGS: Advanced Gun System

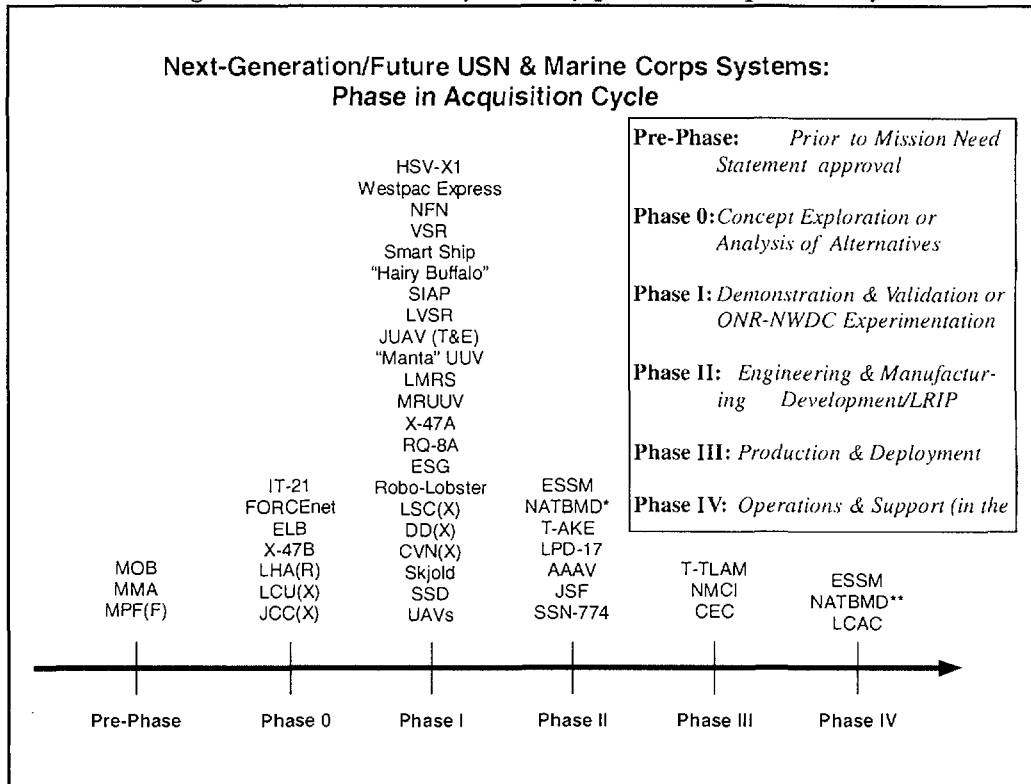
ALAM: Advanced Land Attack Missile

ERGM: Extended Range Guided Munition)

ESG: Expeditionary Sensor Grid
ESSM: Evolved Sea Sparrow Missile
JCC(X): Joint Command and Control ship (in design)
JUAV: Joint Unmanned Aerial Vehicle
LCAC: Landing Craft Air Cushion (in a SLEP program)
LCS(X): Littoral Combat Ship (in design)
LCU: Landing Craft Utility
LSC(X): Littoral Surface Craft (in design)
LMRS: Long-term Mine Reconnaissance System
LVSR: Logistic Vehicle System Replacement
MIDS: Multifunction Information Distribution System
MMA: Multimission Maritime Aircraft
MPF(F): Maritime Prepositioned Force of the Future
MRUUV: Mission Reconfigurable Unmanned Underwater Vehicle
NATBMD: Navy Area Theater Ballistic Missile Defense (cancelled)
NFN: Naval Fires Network
T-AKE: Auxiliary Cargo and Ammunition Ship
T-TLAM: Tactical Tomahawk Land Attack Missile

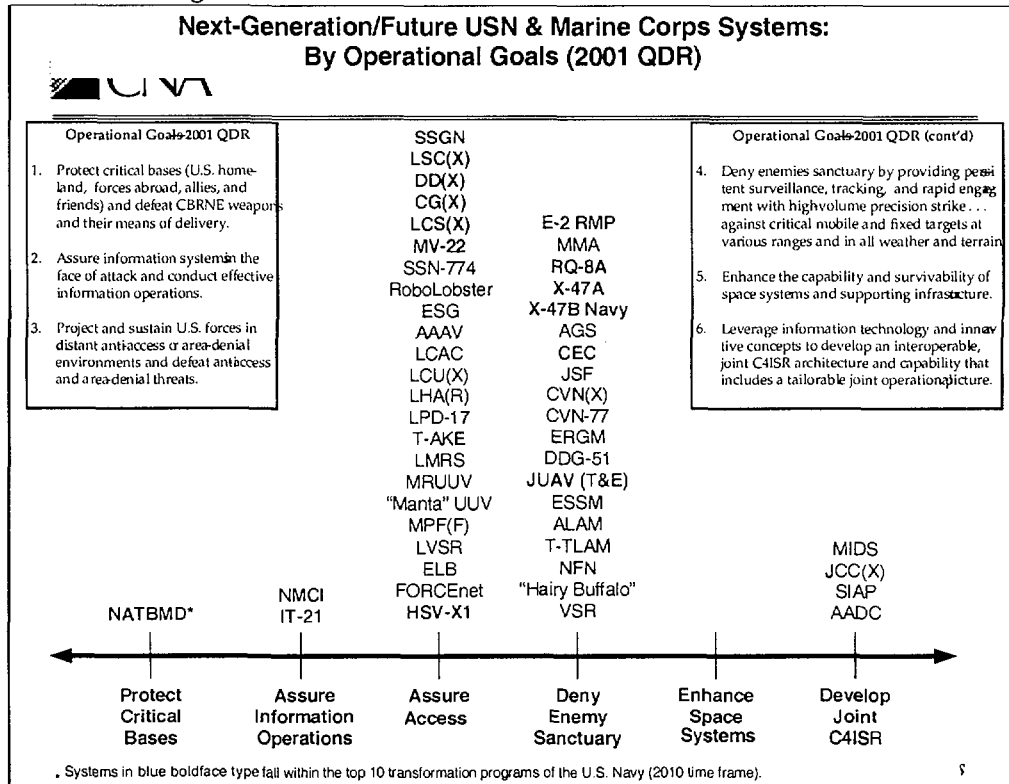
Their phases of development and fielding are as shown below:

Figure 4: Future naval systems by phase in acquisition cycle



The following chart shows the 45-55 systems broken out by the six operational goals defined in the September 2001 QDR report.

Figure 5:



A number of points about these programs are noteworthy:

- In terms of numbers of systems, the Navy's current and projected emphasis is on "Deny Enemy Sanctuary" and "Assure Access," but with differing emphases across the six stages of the acquisition cycle. This seems appropriate given the problems posed by Iraq and Iran in the Persian Gulf.
- In "Assure Access," the emphases are on air, surface, and underwater platforms, with 40 percent of the systems in Phase I of the acquisition cycle; 30 percent in Phase II, III, or IV; and 30 percent in Pre-Phase or Phase 0. The distribution of the 23 systems in "Assure Access" roughly mirrors the distribution of all 55 systems across the six acquisition phases.
- In "Deny Enemy Sanctuary," the emphasis is on upgrading radar capability, netting, and UAVs, with 60 percent of the systems in Phase II, III, or IV of the acquisition cycle; 30 percent in Phase I; and 10 percent in Pre-Phase or Phase 0.
- In terms of FY-02 dollars, the ratio is about 2:1 in favor of "Assure Access," with more than \$8 billion going to systems sup-

porting this goal, and more than \$4 billion going to systems supporting "Deny Enemy Sanctuary" (a particular system may be capable of supporting more than one goal, but was counted only toward the goal it primarily supports).

How U.S. naval forces stand today

The Navy had the capabilities on hand that were readily adaptable for the campaign in Afghanistan. The carriers were quickly on hand, and F-14s and F/A-18s conducted strikes with PGMs. Some Tomahawks were also fired. The strikes were conducted in a joint operation: they were generally directed from the air headquarters at Prince Sultan Air Force Base in Saudi Arabia. They were responsive to Special Forces spotters on the ground. They were refueled by U.S. Air Force and Royal Air Force tankers as well as their own S-3s. USS *Kitty Hawk* provided a mobile staging base for Special Forces helicopters. The Marines were offshore, ready to be moved into Afghanistan. These same forces would be appropriate to similar operations in Somalia or Yemen (which are rather more accessible from the ocean), or to strike Iraq. The Navy's homeland defense roles remain to be determined. It is likely that they would be used more as a response force than a routine patrol force.

Beyond these operations, the Navy will turn once more to the future. The future is still going to be constrained by the defense budget, which is not likely to be generous if the economy continues in recession, the budget is in deficit, and tax cuts maintain their priority.

However, the Navy has realized numerous improvements in its programs, even despite the constant shaving of the WPN and OPN accounts.²⁴ The platforms themselves are slowly evolving. There is a strong emphasis on littoral warfare. The force is becoming more joint. Missile defense, however, is likely to continue in development for some years to come.

24. WPN is Weapons Procurement, Navy. OPN is Other Procurement, Navy.

Future alternatives for U.S. naval forces

Introduction

If indeed carriers and naval aviation are the wave of the future (and noting how dependent they are in functioning within a joint structure, for target selection, refueling, and target direction on the scene), one might well imagine an even greater shift to carriers. However, the ability to ramp up carrier construction is severely constrained, as is aircraft production. But that would be only one model of the Navy in the future.

The big questions would be the shape of the world, the incidence of conflict in that world, and how U.S. foreign policy reacts and engages in the world. These are too complex to detail here, so we confine the discussion to variations of the current navy. In any case, the triad of world evolution, U.S. foreign policy, and the evolution of U.S. forces is only loosely connected. In that series of loose connections lies flexibility and adaptability for the evolution of the forces and their uses by political authorities.

There are persistent constraints on the configuration of naval forces:

- Constrained budgets, which lead to the inevitable long-term trend of the decline of numbers as the capabilities get more sophisticated.
- Legacy forces—past investments that are still useful (see carriers and supposedly range-limited F/A-18s).
- There are no competing navies out there—see Sam Tangredi's recent article in U.S. Naval Institute's *Proceedings*²⁵—so the Navy is more worried about opposition from the shore.
- Finally, every campaign to which the U.S. commits military forces is joint, with exceptions only in situations of lesser or no

25. Captain Sam J. Tangredi, USN, "Beyond the Sea and Jointness," US Naval Institute *Proceedings* (September 2001), 60-63.

strategic significance (e.g., NEOs or humanitarian response operations).

Alternative evolutions of the naval forces

We can postulate some major directions in which the Navy could go. These revolve around the five major combatant platforms:

- Carriers and naval aviation
- Surface combatants
- Amphibious ships
- Attack submarines (SSNs and SSGNs)
- Strategic nuclear submarines (SSBNs).

Whatever the talk about “net-centric warfare,” the Navy will remain platform-centric if it is to continue to be a navy—that is, if it is to be at sea. Any network must have nodes, and ships are nodes. What is done off these platforms and how they are connected—especially in joint and combined operations—is nonetheless important and most improvements are directed to these ends. Nonetheless, platforms are expensive, and if capabilities can be multiplied without a concomitant increase in ships, or even their reduction, the Navy may be drawn in that direction, as perhaps they have been across the Cold War and the 1990s. Several straw man alternatives for the composition of the Navy can be set forth, as follows:

- Evolution of the current five platforms versus an attempt at something completely different;
- A Navy that is even more joint versus its concentration in supporting an independent littoral operation by the Marine Corps;
- The same five combat platforms versus a drastic rebalancing versus some quite different concept of platforms;
- Continuing the post-Cold War littoral navy versus back to sea control and homeland defense.

Because of the large stock of physical capital bought previously, which can be retained and maintained and updated at much lower costs

than replacements, and because even these legacy forces are better than those of any other country in the world, and given that carriers have proven so valuable in Desert Storm, Southern Watch, Kosovo, and Afghanistan, an evolutionary force dominated by carriers and naval aviation is likely. This force would consist of 12 carriers—but not 10 or 15.

However, in keeping 12 carriers and equipping them with aircraft, there would have to be a squeeze on the numbers of surface combatants and submarines. It was already planned to reduce the amphibious force to 36 ships with the introduction of the LPD-17 class. The LPD-17 construction program is taking longer than expected, and it is possible that the Navy could decide to retire aging LSDs and LPDs earlier. If something close to the current balance among combat platforms is to be maintained, MPF(F) as currently conceived is unlikely to find a place in the program. F/A-18E/FS constitute a successful program and their production would continue until JSF became available—providing JSF does not run into serious development difficulties and slippages. Decisions on the replacement of P-3s may drag on for some time. SH-60s continue as mainstay helicopters, but the fate of MV-22 is uncertain at this juncture. The Trident SSBNs are to remain at 14 for the indefinite future. Whatever the minor changes in the balances among the five platforms, this evolutionary Navy would nonetheless provide a versatile toolbox for the continuing operations in the Persian Gulf and Indian Ocean.

Upon scrutinizing some other alternatives, we find they are unlikely to be chosen for political and industrial base reasons, but they illustrate choices that might have to be made:

- There are thresholds below which any of the Navy communities might not survive. The greatest flexibility always seems to lie in the number of surface combatants. Submarines could be reduced—but to what level? One Navy study of force alternatives thought the lowest number of submarines was 38, but the British sustain a community with a total of 16 SSBNs and SSNs.
- If all major operations are to be joint, as has been increasingly the case over the past three decades, it is unlikely the Navy would be reconfigured solely to support Marine Corps amphib-

ious landings. As noted, MPF(F) may not find a place in the program, though how to extend the capability represented by the present “black hulls” of MPS would have to be examined. And the precision aviation strikes demonstrated in Afghanistan may prompt questions about the utility of long-range guns.

- Homeland defense could conceivably pose serious constraints on the numbers of naval ships that could deploy overseas. Before September 11, the dilemma of diverting a major part of the cruiser force to missile defense was being contemplated. Surface combatants could be placed in a new version of the DEW Line Extension of the 1950s to intercept suspicious merchant ships, but that is unlikely. The PCs have taken on a new utility in homeland waters and will not be retired as previously planned. An increase in the Coast Guard might come at the cost of the Navy (but is highly unlikely, given the committee structure in Congress). A new emphasis on SSBNs might even come into play down the road, depending on ICBM threats to the United States.

Future evolutions of naval forces related to alternative globalization paths

Introduction

The roles that we have identified for U.S. naval forces within the globalization context do not provide very specific guidance for force structure or its configurations. It is not clear how numbers of ships count in this context, given the lack of threats at sea and the fact that, in the global economy, every other country operates under the same kind of budget constraints the U.S. operates under, although more so. The U.S. Navy has far more innovation in platforms, technology, communications, weapons, etc., than any other navy, so Admiral Cebrowski’s dissuasion function—of any future peer naval competitor—can continue to be served. The U.S. Navy’s practice of deployments and associated readiness means that it can continue to sustain a substantial presence in the most distant waters, that is, the Persian

Gulf. This in turn provides a major stabilization of the oil market against conflict (the politics of Middle East peace is another matter).

Looking at the 45 to 55 systems that are in the Navy's pipeline in one way or another may allow us to link the Navy more concretely to one or more of the four alternative globalization paths we have articulated. We may not be able to elucidate a cause-and-effect relationship (e.g., Navy reacts to a changing world; the world reacts to Navy influence). But this linkage could shed light on underlying assumptions about alternative globalization paths implicit in the systems the Navy has chosen to fund, build, and/or transform and the operational goal(s) it has chosen to emphasize:

- "Assuring access" is what the Navy (and Marine Corps) uniquely does, so it puts most of its eggs here simply because it has the means (platforms, systems) to do so. This is consistent with the littoral warfare approach to firewall off the rogues from disrupting globalization, especially in the Gulf.
- Looking at the systems through the lens of transformation, the Navy seems to be saying that the future it envisions will require small, high-speed, littoral surface craft and stealthy, underwater, land-attack systems (SSGN). Small, high-speed, littoral surface craft again conjures up the Gulf.
- Under the "Deny Enemy Sanctuary" goal, the Navy seems to imply a future in which C⁴ISR netting, UAVs/UCAVs, and extended-reach radar will be required. This may be driven by lessons learned from the Afghanistan campaign.

Naval forces in the various globalization scenarios

Globalization Expanded

In this scenario, U.S. administrations would direct the Navy's operational focus to that of assuring friends and allies by working the seam between the core (which in this model includes Russia, China, and India) and the non-integrating areas (much as it has during the 1990s, so the Persian Gulf would continue to be the center of gravity for the Navy). Force structure decision making would focus on sustaining numbers of ships while continuing to evolve a sufficiently

high-tech navy to dissuade competition within the (expanded) core itself, while encouraging niche roles among the most trusted members (in effect, replicating the junior partner role of the Royal Navy).

Globalization Slowed

In this scenario, the U.S. administration would direct the Navy's operational focus to deterring rogue states and transnational networks from disrupting the core's fundamental operations, most notably the flow of energy from the Gulf to Asia. Force structure decision making would focus on evolving joint forces, with their naval components, to conduct whatever campaigns are necessary to respond to severe disruptions (something like "2MTWs").

Globalization Firewalled

In this scenario, the U.S. administration would direct the Navy's operational focus to deterring threats emerging outside the core (primarily China), so the operational center of gravity would shift to East Asia. Force structure decision making would focus on building a sufficiently power projection-oriented navy to dissuade competition from outside the core, with an emphasis on long-range strike. The carriers would be prominent in such a force (Tomahawks and amphibious forces would contribute mere pinpricks).

Globalization Backtracks

In this scenario, operations would focus on establishing a near-war posture that recalls our Cold War hair-trigger stand-off with the Soviet Union. There would be less emphasis on "engagement," except with the traditional alliances of the core. The evolution of forces would put a strong emphasis on homeland defense, including missile defenses and long-range strategic strike. U.S. naval forces would include their contributions to national missile defense (and perhaps to missile defense of Europe and Japan) and to long-range strike, possibly including a new emphasis on SSBNs.

Conclusion on U.S. naval forces and globalization paths

Looking at the alternative paths of globalization, this sort of emphasis seems to imply the *Globalization Expanded* path, wherein a high-tech

Navy dissuades competition within the core, while containing, deterring, or strike the rogues that might threaten the core.

In addition, the long-range strike capability built into the *Globalization Slowed* and *Globalization Back Tracks* paths is currently being pursued by the Navy, but is not being emphasized as one of the Navy's top 10 transformation efforts (out to 2010).

Conclusion: Ten realities about U.S. naval forces in the Globalization Era (after 9/11)

We have drawn ten conclusions, as follows. They are explained in detail below.

1. U.S. naval forces occupy a fiscal space as much as a physical space.
2. The U.S. exports security, and naval forces are a collective good.
3. U.S. naval forces have been designed for away games, not home games.
4. U.S. naval forces operate in the seam between globalization's functioning and non-integrating areas.
5. In major operations, U.S. naval forces operate jointly with the other U.S. services from the beginning and with other countries' navies in international coalitions.
6. U.S. naval forces remain carrier-centric because U.S. naval aviation is unique in the world and a unique strike force.
7. In the war on terrorism and WMD proliferation, U.S. naval forces will play important roles.
8. U.S. naval forces will participate in the opening of relations with countries aspiring to join the globalization core.
9. U.S. naval forces protect globalization most by enabling the flow of energy from the Persian Gulf.
10. U.S. naval forces contribute to global system maintenance, so continuing to deploy regularly is appropriate.

1. U.S. naval forces occupy a fiscal space as much as a physical space

Considering how much global commercial traffic goes by ocean, it is simply amazing how small the security threat is on the high seas. When one considers how dependent the global economy is, for example, on the successful transport of energy resources by large, defenseless ocean-going tankers, it is really quite remarkable what a non-issue security on the high seas is in this current era. Southeast Asia features a modest amount of piracy, but the pirates have not attacked large tankers. Think of a Japan going to war in the 1930s to secure raw materials, and then realize that today's far larger Japanese economy is more dependent than ever on foreign sources of energy and raw materials, and yet Japan maintains a very modest navy (relative to the present U.S. Navy or historical Japanese navies) that stays mostly in home waters, but whose commerce (including the import of plutonium has not been threatened since World War II—even by the Soviets as it turned out. Japan has relied instead on continued U.S. naval and other presence, and pays a minimal amount for it.

The only genuine threat to maritime commerce and the economies dependent on it has been the cutting off of the flow of crude oil out of the Persian Gulf—politically during 1973 Arab-Israeli war, and physically during the tanker war of the 1980s when the Iran-Iraq War put at risk shipping through the Persian Gulf and during Desert Storm in 1991. But the U.S. Navy has been the effective policeman of the Gulf.

Globalization thrives by there being no competition in the maritime space. The lack of competition is primarily characterized by the U.S. Navy's overwhelming dominance in this realm of security. U.S. naval forces occupy a *physical space* (the world's oceans) as the global community's only truly sustainable blue-water fleet of any size. But they likewise occupy a *fiscal space*, or a funding level that no other nation of the world can hope to match. The U.S. spends roughly twice as much on its naval forces as any of the biggest economies in the world spend on their entire militaries, at a cost of less than one percent of U.S. GDP. As the U.S. continues to transform these naval forces, the technological gap between them and any other navy only widens, rendering moot the notion of any other country or group of terrorists

seriously challenging U.S. naval supremacy at sea—that is why U.S. fears of the vulnerability of its surface fleet focus mostly on attacks on it from land during a conflict.

It is appropriate that the U.S. Navy spend much time and effort to anticipate and counter any rising threat from smaller states meant to deny the U.S. access to the littoral space in the event of a conflict. This is a recognition that *their* littoral space remains the primary competitive space for conventional military power. *From the Sea* enunciated a new reality for U.S. naval forces following the end of the Cold War: it said that the U.S. Navy had no blue-water competition and that the U.S. could now bring any fight to its foes in their backyards with almost no concern for resistance until we reached their territory, including from the littoral. Despite fears of missile attacks armed with chemical or biological weapons and the possible “vulnerability” of big deck ships, it is not evident that these capabilities have matured. Nothing has really changed in the last decade to challenge our confidence that such ships remain difficult to target.

2. The U.S. exports security, and naval forces are a collective good

The U.S. is the only country in the world with a significant surplus of security resources available for export. The current war on terrorism, conducted in the midst of a significant country-wide mobilization of public resources for homeland defense, is a case in point. Despite the tragedy of the 9/11 terrorist strikes and the resulting unprecedented efforts by federal, state and local law enforcement agencies to bolster security within U.S. borders (not to mention the domestic-directed efforts of the national security agencies), the U.S. military is nonetheless engaged in several military operations—both active and support-oriented—in a finite number of countries around the world. These new activities are conducted on top of existing stabilization/containment efforts that have carried over from the 1990s (e.g., in the Balkans and around Iraq), plus routine presence and responses around the world. Such a combined national effort—both internal and external—following the devastating strike the U.S. experienced on September 11th is inconceivable for any other nation.

It is not simply because the U.S. outspends the world on national defense that the United States is able to muster such a tremendous export of security services. The U.S. also has a distributed and robust domestic security network, as represented by our police and emergency response assets that does not require much diversion of the regular armed forces. Most nations faced with major internal disturbances are forced to tap their regular military establishments in order to maintain stability. The U.S. is not forced to do so, and is thus able to “take the fight” directly to the terrorist threat abroad, employing both traditional national security forces (e.g., DoD, CIA) as well as police and investigatory functions (e.g., from the Treasury and Justice Departments).

No other nation has generated security for other states to the degree the U.S. is doing now, except perhaps for the Roman Empire. In three areas, countries have relied on the U.S. providing security:

- The core of the globalized system—Europe and Japan—got used to the U.S. “exporting” security after World War II and during the Cold War. They still welcome U.S. presence, provide bases and host country support, and interact on a regular basis with the U.S. at both the political level on security matters and with the U.S. military. At the same time, Europe is no longer threatened.²⁶
- The countries of Southeast Asia came to depend on the U.S. exporting security as well. They say their economies took off when the U.S. was fighting the Vietnam War—in a sense, the U.S. kept the Cold War at bay for them. They thought the U.S. was deserting them upon the end of the Cold War and the U.S. loss of bases in the Philippines. However, gradually, and with the growth of China, and with our naval demonstration off Taiwan in 1996, they came to realize that the U.S. was still around, especially in the form of the U.S. Navy. Until the North Korean threat goes away and China proves itself a “normal”

26. Notwithstanding the fears of the missile defense advocates that the rogues may target them with their Scud derivatives.

member of the international community could this U.S. role diminish.

- Beginning in 1979, upon the fall of the Shah of Iran, the U.S. became the dominant supplier of regional security in the Persian Gulf. The U.S. role there during the era of globalization might be considered equivalent to that of its role in Europe and Japan following the end of the Second World War and throughout the Cold War: the U.S. will provide the bulk of the “containing” security that allows states to progress economically and politically (if they can) and begin integrating themselves with the global economy as more than just oil suppliers. This will be an indefinite affair, much as it was for Europe and Japan.

In this long-term export of security, U.S. naval forces, along with whatever ground and air forces the U.S. deploys for a longer term to the region (witness the emerging base structure in Central Asia), will serve as a collective security good for each of these regions, and thus for the global economy as a whole. In the near term, the basic U.S. mission will be the rooting out and rolling up of al Qaeda or any successor terrorist network with global reach. Over the long haul, U.S. involvement might well serve to do nothing more than reduce the desire and need of the local countries to spend money on military capabilities rather than economic development (since those are a zero-sum trade-off given that military production is an economic subtraction above a certain level, perhaps above 3 or 4 percent of GDP, depending on the country).

As long as the U.S. focuses its deployed military assets on Southwest Asia and Central Asia, it is under pressure to reduce its movable presence elsewhere in the global system (i.e., Northeast Asia, Europe). Operation Enduring Freedom did represent some economy of force. The forces in the region have not been redeployed from Europe or Northeast Asia, with the exception of the USS *Kitty Hawk*, which has now gone home to Yokosuka. Nonetheless, the role of naval forces in maintaining U.S. global presence will continue in its historic importance—i.e., as a way of signalling U.S. continued commitment to a region. But the priority would be on the Persian Gulf/Indian Ocean for a while, because that is where the immediate threat to globalization lies.

3. U.S. naval forces have been designed for away games, not home games

The U.S. homeland security mission is already requiring greatly increased resources for perimeter defense and response to terrorist attacks. The role of the U.S. Navy in this effort, however, may well be minimal; so far, it has not been called upon to patrol the coasts of the U.S. The Marine Corps domestic incident response teams could be called upon terrorist attacks. The threat posed by terrorists comes not in their ability or desire to disrupt the ocean-going commerce of globalization, but in the possibilities (not yet demonstrated, but the contingency cannot be ruled out) to smuggle WMD into the U.S. in containers or by other means, or to cause catastrophic damage, as with an LNG tanker explosion.

What the U.S. government will discover in this effort is that the task at hand is not so much bolstering defenses against such attacks as bringing the rest of the world up to some established minimum standards for commercial transparency (i.e., the ability to track the flow of goods and services). This is seen most clearly in the container ship area, where the U.S. national security establishment has already come to the conclusion that heightened security will come through better transparency at the point of embarkation, or even at the container's point of origin at a factory rather than in any comprehensive security regime en route or at the point of debarkation.

This fundamental reality—that we need to engage the rest of the world in sensitivity to these possibilities rather than hunker down in some fortress-like security regime—will ultimately shape most of the war on terrorism. In the end, the U.S. government will see its role in international security grow, not diminish, because of 9/11. This will be as true for naval forces as for ground and air forces. While the U.S. government will spend much time and effort pressing countries to bolster their own capacity for security against transnational terrorist threats, it is the U.S. military that will conduct most of the strikes at terrorist camps or states harboring terrorists while other states police their own throughput of goods and people.

The temptation in the current environment is to assume U.S. naval forces would augment the Coast Guard in defending U.S. shores. However, given the above assumptions, the ubiquity of U.S. naval forces permits other states to use their naval assets in a coast guard-like fashion while U.S. naval forces provide collective security on both the high seas and regional waters. In short, the U.S. has a global navy that permits the rest of the world to operate their navies as coast guards. This is the best long-term method for raising the global maritime security standard as a whole, vice pursuing the quixotic goal of making maritime approaches to the United States “totally secure.” This devolution of roles—U.S. global naval deployments while other countries’ shrink to coast guards—had been well in progress before 9/11, quite independently of those events.

4. U.S. naval forces operate in the seam between globalization’s functioning and non-integrating areas

The overwhelming majority of U.S. naval forces’ responses to situations in the international security environment in the 1990s were concentrated on only five situations: Haiti, Somalia, Bosnia, Kosovo, and Iraq. It is also worth noting that these major responses were joint and coalitional, not done by U.S. naval forces alone. They occurred along the seam that separates the functioning core of globalization and its essentially non-integrating areas. This seam runs from the Caribbean/northern tier of South America through northern Africa and the Balkans to Southwest Asia and South Asia. The critical continuing area of this seam has been the Persian Gulf, extended by 9/11 to include Afghanistan, Pakistan, and in a way, Central Asia.

Four of the five situations of the 1990s have gone away, at least as far as U.S. naval forces are concerned. Haiti could come back, and there has been new attention to Somalia as a possible haven for al Qaeda. Otherwise, the Gulf situation remains the most acute focus. The flow of oil has been a critical reason for the deep involvement of the U.S. Navy and the U.S. Air Force in the Gulf since Desert Storm. But Osama bin Laden and al Qaeda have moved the threat to globalization beyond oil:

- Those countries with Islamic populations, or a majority of Muslims, have struggled with the challenges of modernization as defined by rising globalization, in large part because of their lack of democratic institutions and other problems of governance.
- Islam generates a strong, culture-based reaction to the forces of globalization, interpreting its influences as being akin to “forced Americanization,” and thus a threat to local cultural identity and structure of society.
- U.S. support for Israel’s existence and security places the U.S. in opposition to most Arab states on key questions surrounding a lasting settlement of the Palestinian question.
- Past U.S. activities in the region to thwart the advance of Soviet influence have tended to create long-term blow-back in the form of a hostile Iran, Afghanistan’s failure as a state, Pakistan’s slide toward failing-state status, etc.
- The world as a whole, but especially developing Asia, from India on through China, is growing more dependent on the region for energy, and so the region continues to depend on its one-dimensional economic structure. Countries that depend on the export of raw materials tend to be more statist because all the revenues tend to flow to the government itself, and authoritarian governments have the most difficulty reacting to the challenges of globalization, i.e., providing their people more freedom, both economically and in expression.
- The most vehement expressions of anti-Americanism and anti-globalization are therefore found in this area, which, not surprisingly, has spawned the transnational terrorists that struck the U.S.

In sum, U.S. military responses are likely to continue to be concentrated in Southwest Asia. Despite a penchant by some for scanning the strategic horizon for a peer competitor, the bloody seam between globalization’s functioning core and non-integrating areas will constitute America’s main military “market” for the foreseeable future.

5. In major operations, U.S. naval forces operate jointly with the other U.S. services from the beginning and with other navies in international coalitions

In our study of responses by U.S. naval forces, in the 1990s the major operations were all joint and coalitional, from the beginning. Those operations that were naval forces only were not strategic (e.g., Non-combatant Evacuation Operations, that is, NEOs) and involved only one or a few ships. This is the trend in the world, and can be expected to continue.

As Admiral Boorda once noted, the U.S. Navy tends to visit and exercise with other navies “over there” (the “away game”) far more than those other navies visit the United States. The countries come to expect it this way.

The war on terrorism has reinforced the need for cooperation with other countries. Military-to-military relations will be a primary vehicle for this cooperation, both in a practical near-term sense and over the long haul. In the period after 9/11, the U.S. had perhaps 30 ships in the Indian Ocean area, and its allies had about 40, for a total of 70, assisting in both the continuing MIO (multi-national interception operation in the Gulf) and scouring the seas for possibly escaping al Qaeda. In the near term, the process of rolling up the al Qaeda network will involve the U.S. cooperating with other governments in the largely internal security matters of a host of states around the world (roughly a half-dozen right now and increasing). If the operations against al Qaeda were to spread to other countries, U.S. naval forces may be conducting strikes or inserting Marines in ways similar to the intervention in Afghanistan, in countries more accessible from the sea. Whether and how other navies would participate remains to be arranged.

In both these near-term efforts and the longer-term approaches to bolstering the ability of states around the world to deal with transnational terrorist threats, the emphasis of U.S. activities may be on reconnaissance and intelligence, two areas where the U.S. operates at technical levels well above those of even our closest allies. As such, a

key goal of ongoing DOD transformation efforts must be to maintain U.S. ability to adequately integrate its information flows with those of its allies around the world.

6. U.S. naval forces remain carrier-centric because U.S. naval aviation is unique in the world and a unique strike force

U.S. aircraft carriers and the Navy's ability to sustain their operations overseas represent the biggest single difference between U.S. naval forces and the other navies in the world.²⁷ Put most succinctly, the U.S. can move its naval airfields anywhere in the world's oceans and strike far inland (albeit with U.S. Air Force tanking—an outcome of U.S. force planning, possibly inadvertent).

In general, carriers will remain a preferred mode of U.S. naval operations in the era of globalization primarily because the vast majority of our interventions overseas will involve the internal security affairs of states and not state-on-state wars. In such an environment, the emphasis will be on minimizing our on-the-ground footprint as much as possible, and carriers remain a primary tool in achieving that goal.

7. In the war on terrorism and WMD proliferation, U.S. naval forces will play important roles

As far as the war on terrorism goes, the role of U.S. naval aviation in the Afghanistan campaign may wind down or may require some minimal strike capability for some time to come. Naval aviation might be used to strike in Somalia, but Special Forces training has become the U.S. contribution in Yemen, the Philippines, and Georgia. Surface combatants would continue to participate in MIOs to intercept ships owned by al Qaeda or transporting them in the Indian Ocean and Mediterranean. Surface combatants might also be used to intercept rogue merchant ships approaching U.S. shores.

27. The French *Charles deGaulle* and the Russian *Admiral Kuznetsov* are the only other carriers to operate conventional take-off and landing aircraft. France sold the 40-year-old *Foch* to Brazil, which will operate Kuwait's old A-4s from it.

The overall security stance of the United States toward the “Axis of Evil” countries (Iran, Iraq, North Korea) is unlikely to change much from the past. U.S. presence on the Korean peninsula will remain ground-based (not sea-based), while the most permanent U.S. presence in the Persian Gulf has been sea-based. The U.S. is likely to conduct a major military intervention into Iraq, but not Iran or North Korea. U.S. Navy carrier aviation would play an even greater role in the attack on Iraq than it did in Desert Storm, given its progress in communications and netting in joint forces and its acquisition of PGMs. The U.S. will continue to contain Iran and North Korea. In the case of Iran, the U.S. Navy will continue to protect the flow the oil in the Persian Gulf and Arabian Sea while participating in the MIO against Iraqi smuggling of oil (until Saddam Hussein is overthrown and sanctions against Iraq are lifted upon the normalization of relations).

8. U.S. naval forces will participate in the opening of relations with countries aspiring to join the globalization core

Russia, China, and India constitute just over a third of the global population, and it is their emergence as significant economic players within globalization that may mark this era’s major changes in the international order:

All three countries possess rather large militaries, though each of these military establishments is in either a primitive state or has a large portion of their forces decaying. Russia and China border on Central Asia, and they organized “the Shanghai Five” (now six) cooperation council along with the Central Asian countries. This diplomatic initiative has been overshadowed by the diplomacy associated with the U.S. opening bases in the area—the U.S. now looks like the most influential country in the region. India and China have had border conflicts in the past, as have Russia and China. Russia is the major arms supplier for the other two states.

All three states are moving from a heavily statist past in terms of their economy and are overcoming their erstwhile aversions to Western-style markets. Most importantly, each took advantage of the opportu-

nity of 9/11 to upgrade their relationships with the United States. In effect, all heard the question, "Are you with us or against us in the war on terror?" and came to the conclusion that they did not want to be left behind in this globally-defined conflict between those who favor admittance to Thomas Friedman's "Lexus world" and those who preferred remaining behind in the "olive tree world." These three states may constitute the entire pool of putative peer military competitors, though military build-ups by any of them would be inconsistent with prudent management and growth of their economies in the globalizing context. The only conflict flashpoint for any of these countries that we can envisage at this time might be between China and the U.S. upon a Taiwanese declaration of independence and subsequent Chinese attack on Taiwan, to which the U.S. rises in defense of Taiwan.

It is this sort of unknown pathway dependency, where one or more major military players (including the U.S.) becomes involved in some significant response to a threat to its own security, that represents the greatest possibility for system-level violence in the era of globalization. Much of the effort to forestall any confrontation would be diplomatic, but military-to-military ties between the U.S. and each of these countries would assist in the diplomacy, especially as they promote the transparency of each others' military capabilities and possible intentions. Both economic ties of benefit to both parties and transparency are characteristics of security communities. The progressive removal of uncertainty regarding intentions vis-a-vis one another under the conditions of system-level crisis is a key rule set that must be established among these states, and the U.S. may be in a facilitating role. Navy-to-navy relations can be a first step toward progressively expanding professional military-to-military relations: it is easier for navies to exercise together in international waters than for army units to visit another country's territory.

9. U.S. naval forces protect globalization most by enabling the flow of energy from the Persian Gulf

The economic development of Asia over the next decade and beyond represents the greatest amount of change for the greatest number of people in the current era of globalization. National governments,

populations, military establishments, and political elites will all evolve faster and farther in this region over the coming years than anywhere else in the in the international system. All of this development will require two great flows: investments from the West and energy from Central and Southwest Asia.

Investment will continue to flow from the West (and Japan and Taiwan) to continental Asia because growth in Asia represents the greatest profit potential for the global economy as a whole over the coming years. The only thing that could truly stop it would be a political reversal in China or a major military conflict involving the region, or the collapse of India into chaos. None of these possibilities are likely so long as the energy flows, but since that energy flows from those parts of the world now caught in the U.S.-led war on terrorism and WMD, the certainty of that flow continues to be as much a security matter as an economic one. Nowhere in the current economic system is the enabling function of U.S.-supplied security “exports” more crucial than in the oil-and-gas-rich Persian Gulf.²⁸ U.S. naval forces go a long way in providing what certainty can be mustered in the current environment—as they have since 1979 and with two of the world’s great energy providers currently under rhetorical “house arrest” as members of the Axis of Evil.

Is this a special challenge for U.S. naval forces? No, simply a continuing task for which they are both ideally suited and well experienced, having provided such stability-enhancing security to the region for almost a generation now.

10. U.S. naval forces contribute to global system maintenance, so continuing to deploy regularly is appropriate

The number of U.S. military responses to situations jumped in the 1990s when compared to the previous decades, but only because of five situations—Haiti, Somalia, Bosnia, Kosovo, and the aftermath of

28. Some might throw Caspian oil or Turkmenistan’s gas into this equation. Caspian oil is beginning to flow out through the more benign Black Sea and Mediterranean routes, notwithstanding troubles in the Caucasus.

Desert Storm in the Gulf. Four of those situations have gone away, at least for U.S. naval forces, and assuming that al Qaeda doesn't seek refuge in Somalia. The Gulf remains and Afghanistan has been added. These five situations were stressful for the U.S. military, but the maintenance of Northern Watch and Southern Watch over Iraq has been the most continuous and stressful of any.

Did these responses contribute to the progress of globalization? Four of them had essentially nothing to do with it—Haiti, Somalia, Bosnia and Kosovo—although the air campaign for Kosovo was something of a precursor to Afghanistan. The Kosovo campaign also shook up China and Russia: they considered it an exercise in American global hegemony while the U.S. considered it a local matter. Afghanistan has been a response to an attack of global reach. We have already noted the connection of containment of Iraq and Iran to global energy supplies. Rather, the responses altogether have been a reminder of the background strength that the U.S. military establishment provides to the globalizing world system. U.S. naval forces are part of this background.

Following the success in the suppression of al Qaeda and assuming the U.S. is successful in deposing Saddam Hussein, the rest of the decade would likely be characterized by incidental conflicts and interventions, none of which by themselves would threaten globalization. The U.S. military, including naval forces, would only be selectively involved, as they were in the 1990s. In addition, we have noted the stabilizing role of U.S. forces in East Asia (for which the very long-term major role may be that of the U.S. Navy) and utility of continued professional military relations with both allies and with Russia, China, and India as they aspire to join the core. The triad of Gulf/Indian Ocean activity, presence in East Asia, and interactions with allies constitutes "system maintenance," or enabling the relatively smooth functioning of globalization's core by dealing with whatever instabilities emanate from globalization's non-integrating areas and countries.

The blossoming of al Qaeda terror, the persistence of the four rogues, and the incidence of failing states should not divert us from noting that most military establishment around the world today are being used more for fairly mundane matters as far as system-level security is

concerned. In the Cold War, the stakes were—by all reasonable definition—far higher: namely, the continued existence of our planet. In the era of globalization, with all of the key economic and military countries playing off roughly the same global rule set, no such danger really exists—except in the form of accidents and miscalculations (assuming al Qaeda is successfully suppressed). The U.S. military, while still stationed and operating in selective places around the world, is engaged in largely peripheral matters as far as globalization is concerned—working the unseemly margins of a global economy that is advancing quite nicely. U.S. naval forces have an important role to play on these margins. The U.S. government enables globalization's advance when it exerts maximum effort to provide the best possible care and feeding of its military assets—the personnel and platforms that generate this globally-useful export of security.