

CURRENT INTERNATIONAL TRENDS AND WORLD PEACE

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Thank you very much for this generous introduction and, above all, thank you for inviting me here. For somebody who has had the honor of having audiences with three Popes and to have respected and admired the role of the Church over the centuries, to be able to be in the Vatican with a group dedicated to these purposes means a great deal.

I have been a policymaker, and I have been a professor and I have therefore experienced the different perspectives from which to view international affairs. As a professor, I could choose my subjects, and I could work on them for as long as I chose. As a policymaker, I was always pressed for time, and I had to make decisions in a finite time frame. As a professor, I was responsible primarily for coming up with the best answer I could divine. As a policymaker, I was also responsible for the worst that could happen. As a professor, the risk was that the important would drive out the urgent. As a policymaker, the risk was that the urgent would drive out the important. So how to find the right perspective?

The role of the Church, as Pope John Paul II said to me once, is to stand for truth, and truth cannot be modified according to the contingencies of the moment. I agreed with that as a philosophical statement. The prophet deals with eternal verities. The policymaker lives in the world of the contingent; he or she must deal with partial answers that hopefully are on the road to truth. Contingent answers are always somewhat inadequate; but the attempt to achieve the ultimate in a finite period of time can produce extraordinary disasters. Crusades have caused even more casualties than wars of national interest. Therefore how to balance the road to the ultimate with the needs of the moment is what policymakers have to deal with, and it is from this perspective that I would like to talk about the current international situation as I see it.

The unique aspect of the current international situation is that, for the first time in history, it is global in a genuine sense. Until the end of World

War II, the various continents pursued their histories almost in isolation from each other. There was no significant way, except by trade, that the Roman Empire and the Chinese Empire could interact with each other. The same was true through the centuries that followed with respect to the various empires and institutions in different parts of the world.

For two hundred years, Europe was the dominant element in international affairs. What we consider international relations today really dates back only to the Treaty of Westphalia of 1648. After the suffering caused by religious wars, a new international concept was needed. That international concept had various elements: it introduced for the first time the notion of sovereignty, that countries were supreme within their borders and that no other country had the right to intervene in their domestic affairs. The borders defined the reach of international law. The use of force across borders could be defined as illegal or as aggression.

Then, in the eighteenth century, the sovereign state became identified with the nation. It was a new idea that legitimacy was established by grouping people of a common language in the same political institution. As a result, the international politics that developed were based on a multiplicity of sovereign states. Peace depended on two attributes: first, a certain equilibrium of power; that is to say, no nation should be strong enough to dominate the others; second, the notion of justice of the various states had to be sufficiently comparable, so that they did not solve all their problems by force. These attributes of the European system were later defined as 'international relations'. China never lived in a world of equal states. It was always the most powerful state in its region until it became a subject of foreigners in the nineteenth century. China never had to live in a system of equilibrium with its neighbors and, until the twentieth century, no Asian state participated until Japan emerged.

I have said the international system is now global. It is also instantaneous. In the nineteenth century, it took three weeks for a message to get from London to Vienna. Therefore at the Congress of Vienna, it was not possible to instruct the ambassador by telling him what to say. He had to be instructed in the concepts of foreign policies. This had the enormous advantage that it obliged the ministries to outline their strategic concepts. Today ambassadors or plenipotentiaries are instructed precisely on what to say, which means that at home, people think primarily of the next day or the next week, and they are not obliged by the diplomatic process to conceptualize their foreign policies.

Of course, it had never happened that one could observe what was occurring in real time. All of this accelerates policymaking to a point that

makes it extraordinarily difficult to develop the concepts that are needed at the moment when concepts become more and more important.

The international system is in a state of upheaval, but there are different kinds of upheaval in different parts of the world. One characteristic is that the nation and the state, as we have known it, are in the process of transformation in most parts of the world. So some of what were thought of as universal principles of international relations are changing.

In Europe, the nation state is in the process of being diminished. The European Union is supposed to replace it, but the reality is that Europe is in transition between a past that it has rejected and the future which it has not yet reached.

Until the middle of the twentieth century, the European nation state could appeal to its citizens for great sacrifices on behalf of the nation. Today the European nation state can demand much fewer sacrifices. To be willing to sacrifice, one has to believe in the future as being more important than the present. When the satisfaction of the present becomes a principal aim, the capacity for sacrifice for either domestic or international politics diminishes.

Therein resides one of the deeper causes of disagreement between Europe and America. America is still a nation in the traditional sense and, rightly or wrongly, it can demand sacrifices of its people. For most Europeans now, peace is an overriding objective, and that affects the capacity to conduct traditional foreign policy. I am not attaching value judgements to this. For all these reasons, for the North Atlantic countries, the so-called soft power issues become the dominant issues in their relation to each other and to other nations.

In this manner, globalization has become a dominant issue. A gap is opening up between the economic world and the political world. The economic world runs on globalization, but the peoples of the world live in nations. The impact of globalization is inherently differential; it is in the nature of the market. Those who suffer setbacks as a result expect help from their governments, and governments seek to bring about reform. But there is no real structure for the necessary sacrifices. As a result, governments can lose respect even when the economy is growing. Polls in almost every country show that there is less confidence in governments than there was earlier; that may be due to the quality of the government, but it may also be inherent in the situation.

The Asian states, by comparison, are still nations in the original sense with quite well-recognized international borders which conduct foreign

policy on the basis of a strategic assessment that they make of the role they can play in the world, on the impact they can have on their neighbors and on the consequences they want to bring about by their conduct. The states are larger than the European model. In China, most provinces, or many provinces, have a larger population than the largest European countries. Japan is the second largest economy in the world. Each of these countries is undergoing a transition of its own. Japan, at this moment, is moving from a period when acquiescence of the American leadership role was the condition of its economic growth, and when Japan did not conduct a very active foreign policy, into considering three options: one, to continue the present relationship with the United States; two, to adopt an independent course in elaboration of the national interest; three, moving towards Asia, and even towards China, into some sort of community. At this moment, Japan is still committed to the American relationship, but the discussions beneath the surface are looking at these options in a way that has not happened previously.

Then we have the situation in Korea, which is fundamentally an issue of whether it is possible to bring about the denuclearization of North Korea. The U.S., China, Japan, Russia, South Korea all agree that North Korea should denuclearize yet have so far proved unable to impose their will on a country of 20 million with the most decrepit economy in the world and the most oppressive government. Every step of the way is contentious. The fact remains that if denuclearization is not achieved, the impact on the rest of the world in demonstrating how one becomes a nuclear power is so enormous, that it simply cannot be permitted.

If anyone had told me, during my secret trip in 1971, what the Chinese economy would look like today, I would have thought it was a fantasy. In 1971, China had no consumer industry and no automobiles, no significant heavy industry, no trade with the United States. When we opened to China, one of the moves we made to show the Chinese that we were willing to deal with them was to permit American tourists visiting Hong Kong to buy \$100 worth of Chinese-manufactured goods. Now China is running a huge export surplus. Recently, I made a speech in China in which I said, 'The rise of China is inevitable'. And that is true. We must get used to that proposition. There is nothing we can do to prevent China from continuing to grow. Nevertheless, I received some letters after my speech asking, 'Are you implying that America is on the decline?' My answer is, 'No, I am not saying America is on the decline, but the outcome of the rise of China depends importantly on how we handle international affairs from here on in'. First,

China has enormous problems of its own. At any moment, there are 100 million Chinese on the road, looking for jobs, coming from the countryside into the cities. The cities require a new infrastructure. The interior of China is at the level of the least developed countries. The coast of China is at the level of the most advanced countries. It has never before happened that a country could develop in this manner. That is the big challenge to the Chinese. This is why for the next decade or so, they will not engage in international adventures.

At the same time, the influence of the Chinese, because of their economic capacity, their political skill and their growing military strength in the surrounding countries is going to grow. It is a twofold challenge for Western strategy: one, to remain engaged in Asia; two, to see whether the generation of Chinese that is now growing up can develop a sense that the United States and the Western world are potential partners rather than permanent adversaries. That will determine how China will use its strengths in ten or fifteen years from now. It is also the fundamental challenge that we face in that relationship.

It is partly a cultural problem. American history dates back 200 years. That is shorter than the history of most individual Chinese dynasties. Americans are convinced that they have the best governmental system in the world. But the Chinese think that they have managed 4,000 years of history before America ever existed, and therefore they react neuralgicly to American lectures on how they should reform themselves. Americans are very pragmatic. They think every problem has a solution and that that solution can be achieved in a very brief period of time. By contrast, the Chinese think in a more historical, long-term manner. So how to mesh the long-range thinking of the Chinese with the practical thinking of America is one of our big tasks in the decades ahead.

In the long term, the challenge of Asia may be the most important. In the short term, the challenge of the Middle East is the most dangerous. The Middle East is in the position of Europe in the seventeenth century before the Treaty of Westphalia. The state has no firm foundation because almost all states were created after World War I by foreign countries to suit their own interests. The nation has even less meaning because its borders do not coincide with ethnic realities and so, therefore, the Middle East is organically in turmoil. When a religious ideology of a fundamentalist nature is added to that mix, dialogue collapses because dialogue must be based on the premise that there is some objective criterion, like reason, while fundamentalism recognizes only one truth.

The religious wars of the seventeenth century were ended by exhaustion. The challenge of our times is whether these can be ended by reason before a catastrophe or by exhaustion afterwards. But reason requires a Western presence and incentives to bring about some kind of equilibrium.

Two issues confound the international community on the Middle East above all others: Palestine and Iraq. The argument that the Palestinian issue is the key to Middle East peace is only partially valid. The issue of radical Islam transcends the Palestinian issue. It is important, therefore, that an outcome on Palestine be clearly achieved by moderate leaders rather than radical pressure. In some respects, the conditions for this are favorable. There is consensus about the outcome (even in Israel): the 1967 borders, except for the settlements around Jerusalem, a demilitarized Palestinian state with its capital in the Arab part of Jerusalem, return of refugees only to the Palestinian state. What is lacking are governments in both Israel and among the Palestinians that are strong enough to bring it about. The United States, the European Union and moderate Arab states need to cooperate to develop a plan and then conduct the negotiations to implement it.

The Challenge of Iraq is Far More Complex

Optimists and idealists posited at the beginning that a full panoply of Western democratic institutions can be created in a time frame the American political process will sustain. Reality is likely to disappoint these expectations. Iraq is a society riven by centuries of religious and ethnic conflicts; it has little or no experience with representative institutions. The challenge is to define political objectives that, even when falling short of the maximum goal, nevertheless represent significant progress and enlist support across the various ethnic groups.

Western democracy developed in homogeneous societies; minorities found majority rule acceptable because they had a prospect of becoming majorities, and majorities were restrained in the exercise of their power by their temporary status and by judicially-enforced minority guarantees. Such an equation does not operate where minority status is permanently established by religious affiliation and compounded by ethnic differences and decades of brutal dictatorship. Majority rule in such circumstances is perceived as an alternative version of the oppression of the weak by the powerful. In multiethnic societies, minority rights must be protected by structural and constitutional safeguards. Federalism mitigates the scope for potential arbitrariness of the numerical majority and defines autonomy on a specific range of issues.

Four key objectives for Iraq should be: (1) to prevent any group from using the political process to establish the kind of dominance previously enjoyed by the Sunnis; (2) to prevent any areas from slipping into Taliban conditions as havens and recruitment centers for terrorists; (3) to keep Shi-ite government from turning into a theocracy, Iranian or indigenous; (4) to leave scope for regional autonomy within the Iraqi democratic process.

However it was started, whatever was done unwisely, what is our immediate problem? The outcome in Iraq will shape the next decade for American foreign policy. A debacle would usher in a series of convulsions in the region as radicals and fundamentalists moved for dominance, with the wind seemingly at their backs. Wherever there are significant Muslim populations, radical elements would be emboldened. As the rest of the world related to this reality, its sense of direction would be impaired by the demonstration of American confusion in Iraq. A precipitate American withdrawal would be almost certain to cause a civil war that would dwarf Yugoslavia's, and it would be compounded as neighbors escalate their current involvement into full-scale intervention.

A total collapse of a Western presence may make negotiations impossible. The challenge is to maintain an equilibrium sufficient to convince all the parties to negotiate a standstill. There have to be three levels: First, there has to be a negotiation between the various parties in Iraq. Secondly, there should be a negotiation between the neighbors of Iraq and the permanent members of the Security Council and Egypt, as a major interested party, about the international status of what comes there. And thirdly, there should be a negotiation including all of these countries, plus countries with a large Muslim population, like Indonesia, India, Pakistan and countries that have a big interest, like Japan and Germany, that are not permanent members of the Security Council, to embed a stabilized Middle East into an international system.

The lesson everybody needs to learn is that nobody can achieve all his objectives, but anybody who tries to achieve all of his objectives will produce a chaotic situation in which he cannot even achieve his minimum objective.

Globalization

Many thoughtful observers rely on economic growth and the new information technology to move the world more or less automatically into the new era of global well-being and political stability. But this is an illusion.

World order requires consensus, which presupposes that the differences between the advantaged and those disadvantaged who are in a position to undermine stability and progress, be of such a nature that the disadvantaged can still see some prospect of raising themselves by their own effort. In the absence of such a consciousness, turbulence, both within and among societies, will mount.

The world's leaders – especially in the industrialized democracies – cannot ignore the fact that, in many respects, the gap between the beneficiaries of globalization and the rest of the world is growing, again both within and among societies. Globalization has become synonymous with growth; growth requires capital; and capital seeks the highest possible return with the lowest risk, gravitating to where there is the best trade-off between risk and return. In practice, this means that, in one form or another, the United States and the other advanced industrialized countries will absorb an overwhelming percentage of the world's available investment capital.

Multinational companies based in the United States or Europe emerge increasingly as the engines driving globalization. For them, the rush to size has turned into a goal in itself, almost compulsively pursued, because the ability to drive up the stock prices of their company is becoming the standard by which chief executives are increasingly judged. As executives turn from being long-range builders into financial operators driven by shareholder value determined in daily stock market quotations, the vulnerability of the entire system grows, its long-term vitality could be weakened and, even more so, its resilience in times of crisis.

The globalized world faces two contradictory trends. The globalized market opens prospects of heretofore unimagined wealth. But it also creates new vulnerabilities to political turmoil and the danger of a new gap, not so much between rich and poor as between those in each society that are part of the globalized, internet world and those who are not. The impact of these new trends on the developing world is profound. In economies driven by a near imperative for the big to acquire the small, companies of developing countries are increasingly being absorbed by American and European multinationals. While this solves the problem of access to capital, it brings about growing vulnerabilities to domestic political tensions, especially in times of crisis. And within the developing countries, it creates political temptations for attacks on the entire system of globalization.

In the process, the typical developing country's economy bifurcates: one set of enterprises is integrated into the global economy, mostly owned by international corporations; the rest, cut off from globalization, employs

much of the labor force at the lowest wages and with the bleakest social prospects. The 'national' sector is substantially dependent on its ability to manipulate the political process of the developing country. Both kinds of companies pose a political challenge: the multinationals, because they seem to withdraw key decisions affecting the public welfare from domestic political control; the local companies, because they generate political pressures on behalf of protectionism and in opposition to further globalization.

The social world reflects this two-tiered system: globalized elites – often living in fortified suburbs – are linked by shared values and technologies, while the populations at large in the cities are tempted by nationalism, ethnicity and a variety of movements to free themselves from what they perceive to be the hegemony of globalization, frequently identified with American domination. The global internet elite is completely at ease with the operation of a technologically based economy, while a majority, especially outside the United States, Western Europe and Japan, neither shares this experience nor may be prepared to accept its consequences, particularly during periods of economic hardship.

In such an environment, attacks on globalization could evolve into a new ideological radicalism, particularly in countries where the governing elite is small and the gap between rich and poor is vast and growing. A permanent worldwide underclass is in danger of emerging, especially in developing countries, which will make it increasingly difficult to build the political consensus on which domestic stability, international peace and globalization itself depend.

Let me turn finally to a totally new level of international structure: for the first time, there are now universal issues that cannot be dealt with on a regional basis and to which the balance of power is no answer. Allow me to begin with one that my personal fate has obliged me to deal with, namely the issue of nuclear proliferation. If I were to define what issue concerned me most when I was in government, it was the issue of what I would do if the President ever said he had no other recourse except nuclear weapons. The reason it preoccupied me is because, in the nature of the job, I knew better than most people what the consequences would be. On one level, I thought nobody has a moral right to make a decision involving the death of tens of millions. But on another level, I knew that if this is proclaimed as our attitude, we will turn the world over to the people who have no hesitation to commit genocide. I never had to resolve that issue because there was only one other nuclear country, the Soviet Union, which, however much it was a rival, calculated the costs of nuclear war in a comparable way. Now,

if you have fifteen nuclear countries, and every leader has to make his or her own calculations, and if these countries do not have the intelligence systems and the technological ability to protect their weapons, then we will live in a world in which some catastrophe becomes nearly inevitable. It is an accident of history that Iran has become the test case, after which it is impossible to conceive that nuclear proliferation can be stopped. This issue is graver than the situation in Iraq. Its solution has one aspect that the West can undertake by itself. Two leading Republicans and two leading Democrats who have held high office in the United States – George Shultz, myself, Senator Sam Nunn and former Democratic Secretary of Defense William Perry – co-authored an article a few months ago, in which we said that the nuclear countries need to make visible sacrifices in their nuclear weapons if they want to ask other countries to give up nuclear weapons. But I would say this is an overriding issue.

Looking at the energy world, when demand rises faster than supply, it is inevitable that conflicts must develop if it is attempted to be dealt with on a non-general basis. And on environment, countries like China and India are, in a way, right if they point out that we had a head start in which the world was polluted and now we are trying to stop them, but, on the other hand, it does not change the fundamental issue.

The German philosopher, Emmanuel Kant, wrote an essay in the eighteenth century, in which he said someday there will be universal peace. The only issue is whether it will come about by human insight or by catastrophes of such a magnitude that we have no choice. He was right then, and he is right today, although some of us may add that it may take some divine guidance and not just insight to solve the problem.