

Luncheon #3-December 16, 1999  
**Industrialized East and West – Summary**

Dr. Harlan Ullman began the lunch by introducing the subject – globalization in the industrialized world. He asked the participants to accept the definition of globalization discussed in previous luncheons and to focus discussion on implications for the topic at hand. He then introduced the first speaker, Robert Hunter, former US Ambassador to NATO, to speak on Europe.

According to Hunter, the increase in global finance has created a single international marketplace. The globalization gap will dwarf the old nation state disparity. It will cause stress within and among societies. As a result of globalization, decisions are being made by non-state actors and this must be taken into account.

The US is able to project military power, but the ability to follow through is questionable. Even though the US can influence world events through military might, willingness is low, especially if casualties are involved. There is an administration tendency to that ensure casualties do not go beyond what the US public will tolerate, which influences policy planning. Sanctions, however, are less useful in a globalized world without physical blockades to back them up. Policymaking practitioners must integrate analysis across disciplines (sociology, political science, economics, military analysis, information technology, etc.) to choose the best courses of action. The paradox of information is not that there is limited access, but it is difficult to process efficiently.

There is not a great economic disparity between the US and Europe because both economies are highly compatible. The tensions occur in the socio-cultural areas (i.e. McDonaldisation). The US sees a greater need for Europe to respond to crisis beyond Europe—Europe is not likely to agree. They do not see that challenge. EU integration has caused the rhetoric of ESDI to become out of line with reality. A creation of a “European caucus” within NATO could ruin the alliance. ESDI increased pressures for Europe to “buy European” in defense. Will the US be comfortable with this tendency and will Europe perceive US acceptance of an interdependent Europe? Only WMD and NMD threats can unify regional security concerns.

Following this, Richard Cronin of the Congressional Research Service spoke on Asia and globalization.

Asia is the best example of globalization in developing/emerging market countries. It is number one in trade and financial flows excluding the EU. The Asian miracle was achieved through a combination of state-led industrialization and access to global markets. The Asian financial crisis was directly linked to liberalized capital flows. East Asian manufacturing is linked backwards to Japanese and US technology and forward to the US market. This same process is a major element in the emergence of China.

Interdependence equals dependence in military terms. Reliance on computer chips and disk drives from other countries causes a dependence for the military. There are more US civilians and assets overseas that require protection. Technology transfers raise the technological sophistication of potential adversaries. Reaction to globalization can produce instability in strategically sensitive areas, i.e. Indonesia, Straits of Malacca. Piracy is a growing problem in

SE Asia. More than 1,000 incidents last year, including the disappearance of two Japanese bulk carriers. Japanese companies are hiring Indonesians to protect ships. Asian power rivalries affect US interests and alliance relationships, i.e. flux in Japan-ROK and China-ROK relations. US has a larger economic and strategic stake in the China-Taiwan issue due to dependence on high-tech components from Taiwan. Possibility of anti-western reaction or an Asian economic bloc that has security overtones.

Asian globalization is irreversible due to a strong hub and spoke economic relationship with the US, Japan, and Europe and high export dependence. Asian sub-regional trade is more problematic due to competing exports. Individual countries can fall out of the picture because of internal strife and disintegration. Future roles of China and Japan are very uncertain.

The US economic, political and security leadership will be more important than ever, since there are more US assets to protect. US needs to counter more lethal systems. There should be more stress on the alliance system and special relationship with Singapore. He also presented some economic statistics which may be found at [www.ascan.or.id/stat/intra13.htm](http://www.ascan.or.id/stat/intra13.htm) and [www.asean.or.id/stat/intra11a.htm](http://www.asean.or.id/stat/intra11a.htm).

The final speaker to present was Sam Feist on the media and globalization.

The media is at the forefront of globalization. CNN and other networks are not American news organizations, they are global news organizations. Correspondents are not US-centric. The media cannot be controlled. The CNN effect is a theory which states that compelling images of humanitarian crisis may cause intervention into crises that may not necessarily be in US interests. The reverse of this is that casualties among US soldiers are also broadcast and this makes the US pull out faster. As technology makes mobile news less expensive, the CNN effect will magnify in scope. The 24 hour news cycle is new in the past 10-15 years. Events are broadcast in real time and this allows policy makers little time to make decisions. Policy makers need to realize that global news is transnational and not American.

Dr. Ullman then opened the floor to comments.

- The theme is industrialized states, East and West. Democracies and wealthy nations are the drivers and guarantors of globalization, but there are more opportunities and challenges than resources. Need to prioritize, what are US interests today?
- Is looking for priorities old? In an organic market where interests ebb and flow, is this necessary?
- Americans viewpoint of casualties: if there is a death, escalate or withdraw.
- Who is willing to fight in extra-regional altercations. Asia is NOT willing, except for possible SE Asia.
- Globalization in regard to US can create more work for US Navy or it could reduce work if the result is peaceful integration.
- The approach to news is still American, even if the correspondents are not.
- Ten years after the Cold War ended, the change in military affairs is too little. We still do not know what the challenges will be.
- Grappling with the emerging strategic significance of China. Difficult, but must be done.

- Less micro-management will expand the abilities of ships to get things done.
- WMD and NMD—what about deterrence? Why have we lost sight of that?
- Will we use WMD to respond to WMD? We have convinced ourselves that certain rogues can not be deterred.
- India does not have the ability to make developmental decisions. It has potential, however, in globalized world.
- If globalization is a strategy, should it be an American strategy?
- Revolution in Military Affairs has become the evolution in military affairs because we and our allies are unwilling to spend the resources to buy the technology. Globalization offers a similar dilemma in that we do not seem to be willing to commit the resources to meet the many challenges and opportunities it presents us.

Nick Dowling, the Executive Director of the study, concluded with an update of the progress of the study.

We are in the key phase of the research effort. The literature survey and the abstracts are completed and are being distributed. This is a multidisciplinary perspective, but the authors and advisors need to interact to increase synergy and ensure cohesion. We urge you to contact each other on your own initiative. We will also be launching the web site in January that will jump-start interaction.