

A NEW WORLD COMING
AND
AN OLD WORLD THEORY

THESIS

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INTRODUCTION

A NEW WORLD COMING AND AN OLD WORLD THEORY

The National Security Commission/21st Century was chartered by Congress to provide the most comprehensive government sponsored review of US national security in more than 50 years. It was formed under the authority of the National Security Act of 1947. The Commission (NSC) is Co-chaired by Gary Hart and Warren B. Rudman. Other members include, Anne Armstrong, John Dancy, Leslie H. Gelb, Lee H. Hamilton, Donald B. Rice, Harry D. Train, Norman R. Augustine, John R. Galvin, Newt Gingrich, Lionel H. Olmer, James Schlesinger, and Andrew Young.¹

The Commission was tasked by Congress to analyze the emerging international security environment, develop a US national security strategy appropriate to that environment, and assess the various security institutions for their current relevance to the effective and efficient implementation of that strategy and recommend adjustments as necessary. The first phase of the Commission charter was completed on September 4,

¹ The United States Commission on National Security/21st Century, *New World Coming American Security in the 21st Century*, Phase 1 Report on the Emerging Global Security Environment in the First Quarter of the 21st Century, September 15, 1999.

1999. This phase included the supporting research and specific predictions of what the world would look like, and what America should expect for the next quarter century. The NSC report is separated into five major divisions: Global Dynamics, A World Astir, The US Domestic Future, Worlds in Prospect, and Major Themes and Implications. The Global Dynamics section deals with the scientific and technological changes on the horizon, the global economic picture, socio-political predictions, and an analysis of the military-security structures of differing levels of societies. A World Astir attempts to predict how specific regions of the world will react to different scenarios of international stimuli and how those trends may affect US policy. The US Domestic Future section details the impact of technological innovations, social domestic and economic trends, and national attitudes toward national security. Worlds in Prospect outlines the possible future international environments the NSC believes are most likely within the next 25 years. Finally, Major Themes and Implications essentially summarizes the document by listing those items the Commission believes to be the most impacting on US future national security.

In my analysis I will focus on the Global Dynamics and Major Themes and Implications sections. The Global Dynamics section details the NSC's thoughts about the current and future international relations environment. Though the NSC conclusions claim only a 25-year shelf life, extended observations of the Global Dynamics section should serve to produce an understanding of the global environment that will likely be applicable much longer. As we move through the NSC's characterization of the future international environment, the *New World Coming* will begin to take shape. NSC assumptions will show the Commission's Realist roots, and the way that the Commission

approaches future changes will reveal a Functional, and at times even Idealistic approach.² Assuming that the Commission is even 50 percent correct in its predictions, the next 25 years represent great challenges and possibilities to states and individuals alike.

Once the NSC's predicted international environment of the future is established, Robert Keohane's Functional Regime Theory will be detailed and his terms defined. Robert Keohane is currently a professor at Duke University. He has written and edited many works on international relations theory, particularly in the Neorealist tradition. Like Kenneth Waltz and Robert Gilpin, Keohane has tried to patch holes in Realism to make it a more viable means of approaching international relations theory.³ Like the NSC Report, Keohane's Functional Regime Theory contains elements of Realism and Functionalism,

In Chapter II, I will apply Keohane's Functional Regime Theory to the international environment and projections of the NSC report. Understanding that the NSC report is not an historical document, this exercise is somewhat different than most cases I have experienced in international relations. Typically, theorists that use empirical evidence have the benefit of history as their guide. For example, in After Hegemony, Keohane cites the Realist and Institutionalist interpretations of Cold War events to prove their various respective theories. It may seem odd to consider 25-year predictions as historical facts and carry on by applying an international relations theory to those predictions, but that is exactly what I intend to do.

² Terms will be defined in Ch II

³ Noted Neorealist international relations theorists

The Predictions of the NSC are not inconceivable. They are not even outlandish. For the most part, I'm sure that most people familiar with the subject would claim that the NSC predictions are lock step and inline with the popular view. Personally, I have heard speeches from the Commanding General of the Army, attended Congressional hearings, read White House National Security Strategy papers, and worked with a Congressman that was given periodic national security briefings by federal agencies. Everything that I have read or heard about future global dynamics within the last two years mirrors the NSC predictions. It is true that no one really knows what will happen in the next 25 years, but the NSC is the United States' collective best guess.

In the concluding chapter I will discuss any discrepancies found between the NSC report and Keohane's Functional Regime Theory. I do not intend to attack Keohane's theory and disprove his claim to Neorealism; I simply intend to speak of the NSC's predictions in Keohane's terminology and within his discipline to cue attention to discrepancies. Once the differences have been pointed out, it will be evident that Keohane's theory lacks the necessary depth to provide a "rigorous, deductive systemic theory of international politics" to apply to the new world though it may have sufficed for the old.⁴ The traditional (Realism) forms, procedures and understandings in the international political world will likely experience change along with everything else. Neorealism is principally a new attempt to explain formerly inexplicable historical occurrences according to a Realist model. The NSC feels no obligation to the old models, so Realist concepts such as sovereignty hold less sway in the NSC predictions.

⁴ Keohane, Robert, Neorealism, Columbia University Press, New York, NY. 1986 p 7

In order to ensure understanding on reader's part, there is one term I must introduce before it is fully developed in Chapter II. In Keohane's estimation, a regime, or an international regime is on par with any international organization that makes a significant contribution to international political events. Therefore, in Keohane's model, Non-governmental organizations, state-level associations such as the United Nations, trade associations such as the European Union, and organizations like the American Red Cross are regimes. In international relations, regime does not hold the same meaning as in other political pursuits. Where a conventional definition would describe a regime as a system of government, the Realist interpretation of an international regime would not allow for that definition because of the question of sovereignty. Therefore, a Realist definition of international regime would be, a forum for reaching agreements between states.

CHAPTER I

GLOBAL DYNAMICS

The Scientific and Technological Future

It is the NSC contention that scientific and technological changes will have great impacts on global society within the next 25 years. These changes are based on historical examples of technologically advanced countries such as the United States of America. “The tools that Americans and others have built in this century alone have wrought major social and political changes in technologically advanced countries, most of them unanticipated.”⁵ Examples include mass electrification and private ownership of automobiles leading to changes in manufacturing, consumption patterns, and labor mobility’s effects on residential patterns. Other advancements in biomedical areas led to demographic changes and altered gender roles through antibiotics and birth control.

The NSC claims that the political impacts of these developments were significant, and as historical models they should serve to help predict like events in the future. As the defining example, the Commission points to the Industrial Revolution and its role in influencing, “the epic struggles of the 19th and 20th centuries between various forms of

⁵ NSC Report, 5

socialism and liberal democracy.”⁶ The social and psychological discontinuities produced by these struggles, turned, “socialist ideas into programmatic ideologies.”⁷ Thereby putting the United States and its allies in direct confrontation with the new socialistic ideologies. Taking this history as an example, the Commission believes that in entering a new revolution, which could be termed the information revolution, technological advancement will affect changes in international politics.

While technological advances will benefit humanity through greater capability and efficiency, they will also produce new challenges societies will need to overcome. Reducing the importance of certain aspects of people’s lives, such as location, will require adjustments. Changing capabilities will stress many societies or subgroups within societies and add to uncertainty. A never-ending learning curve with continuous adaptation as the keystone will mean greater uncertainty on the individual level and greater occurrences of failure or resistance throughout institutions as well. Greater capabilities may also be negative if they are used for negative purposes. In the end, technological advances are power. The NSC bases its projections over the next 25 years on what it believes people, states and non-governmental organizations (NGOs) will do with their newfound power, and how these technologies will change the way they interact with one another.

The various kinds of technologies that will come about are of importance, but of more import will be a changing of emphasis on scale. In past centuries, “Efficiency and status lay in large scale.”⁸ In the future, because of the evolution of new technologies,

⁶ NSC Report, 5.

⁷ NSC Report, 5.

⁸ NSC Report, 6.

prevailing industrial-technological paradigms will be measured by speed, adaptability and miniaturization. Information technology, biotechnology, and micro-electronics will be the most important of the new technologies because they will apply to that new concept of scale, and technological advancement as a whole will capitalize on their synergy.

Information technology will produce massive changes quickly. The NSC proposes that the near-universal access to information and real-time connectedness offered by information technology will change the variables people use to define possibilities and processes. Environments will become more interactive, with respect to devices and people. Timelines will be shortened due to access, and capability will no longer necessarily be tied to location in most cases. People will be capable of carrying vast stores of information with them wherever they go, and they will be able to function professionally in more environments than ever before. “The first century of the coming millennium may be remembered as that in which humanity achieved the potential, if not the reality, of full connectedness in real time. We will witness, as it has been called, the death of distance.”⁹ Location, a principle stumbling block to efficiency will be eliminated in part.

One reason to believe that the pace of technological innovation will produce challenges is that it affects the cognitive processes of people. Decision time-lines shorten, due to the speed of information and capability. “One of the inevitable consequences of an increased pace of innovation married to an interweaving of basic science fields is that our capacity to anticipate specific developments shrinks.”¹⁰ People

⁹ NSC Report, 7.

¹⁰ NSC Report, 10.

will benefit from having a greater amount of current information at their fingertips, but they will suffer from an inability to process that information with like efficiency.

The NSC predicts that the, “personal infosphere” as it terms it, will increase in sophistication and distribution as technology progresses. The personal infosphere refers primarily to increased mobile capabilities of people due to technology. This will make people more powerful, and will also change their chosen associations. “As a result, the physical boundaries of our neighborhoods and business locations will become less relevant as individuals create virtual communities of common interests----communities of choice or hobby tribes---by electric means.”¹¹ Because people will be able to choose the kinds of information they are exposed to and because of the comprehensive nature of the Internet as a medium, the Internet will come to be more a tutor and less a passive information resource.¹² Man will choose to be tutored by the Internet and the innovation therein, because he will need methods for analyzing and compiling the massive flow and dynamic attitude of information. “One of the key social implications of technologies in our future is that they will tend to confound all attempts at centralized control, not unlike the logic of the marketplace.”¹³ Whether individuals or institutions attempt that control, it will be difficult to turn information into knowledge in an environment that is constantly changing.

Increased capability and access will mean adjustments in every area of people’s lives. High-paced information flow and quick decisions may add to stress levels in the work environment. A completely unfiltered and ever-changing information source could mean

¹¹ NSC Report, 11.

¹² NSC Report, 11

¹³ NSC Report, 11.

more challenges for parenting, or necessitate increased personal mental reflection to incorporate moral models into behaviors affected by greater speeds. “As natural limits and disciplines imposed by physical and social borders shift and sometimes dissolve, individuals will have to accept more responsibility for their own mental and moral balances.”¹⁴ Concepts of right and wrong could be variable because information will likely be available to defend almost any type of behavior.

Additionally, gender and generational roles may alter. Gender will mean little in determining skill level where symbol manipulation is concerned, and the new information age may prize adaptability over experience. The NSC claims that gender roles among Western Civilization have been greatly affected by technology over the last 100 years.¹⁵ Over the next 25 years, women are likely to increase in stature in many non-Western domains. “Women’s issues are the main barometer of social change in many non-Western societies, and in some places the main vanguard force in breaking down patterns of social stasis.”¹⁶ Therefore, the NSC projects that new technologies will alter societal roles, decisions and decision processes of people, and that these changes will affect international proceedings.

Like information technology, biotechnologies will change the decision environment, principally by increasing average life spans of advanced cultures and revolutionizing the genetic and agricultural industries, but also by offering great economic benefits. The NSC projects that biotechnology will likely overtake information technology in terms of investment within ten years. Genetic splicing will make humans healthier and genetic

¹⁴ NSC Report, 12.

¹⁵ NSC Report, 12.

¹⁶ NSC Report, 13.

engineering will allow for cloning of human organs and trait selection in offspring.

Biotechnology will also add greater capabilities and variables. It will alter decisions of peoples and institutions because of the benefits and stresses it adds to systems.

Biotechnologies will likely introduce several ethical and moral dilemmas as well as demographic and individual ones. The possibilities of altering offspring on the genetic level, replacing organs, and even linking mechanical and biological systems will pose questions about which people should receive limited resources. If it should come to pass that only the rich receive biotechnologies to radically lengthen life spans, class frictions are bound to erupt. Additionally, many countries are already having problems dealing with social policy issues regarding retirement ages and benefit packages. If average life spans were to increase due to biotechnologies, many governments might find it difficult to provide promised benefits.

International affects of biotechnologies could be tremendous. If parents were able to select specific traits or genders for their children, disproportional demographic patterns could arise where a cultural propensity for certain genders could make future distribution patterns disruptive. Take for instance certain Confucian societies where male children are considered more important than female children.¹⁷ Also, class frictions within societies would not be the only difficulties stemming from longer lives. Exceptions could be taken across societies. If people from advanced civilizations were to begin to live an average of 50 years longer than those in underdeveloped nations, several countries might question the moral implications of reserving these technologies only for advanced nations.

¹⁷ NSC Report, 14.

The effects of these new technologies will be felt almost faster than imaginable due to advances in other technological areas. Micro-electromechanical devices (MEMs) will benefit all technological pursuits by making computers smaller and faster. “In July of 1999, a research team was finally able to fashion simple computing components no thicker than a single molecule.”¹⁸ MEMs will also improve existing mechanical devices by improving their efficiency.¹⁹ MEMs, or nanotechnology is the foundation for future technological gain. “The implications of nanotechnology are particularly revolutionary given that such technologies will operate at the intersection of information technologies and biotechnologies.”²⁰ Building computers on the molecular level will mean an ability to add computing components to biological systems and improve the efficiency of mechanical devices across all categories. MEMs will multiply the speed and effects of all other technological pursuits.

Taken together, information technology, biotechnologies, and MEMs will bring about great changes in the ways in which peoples use time and information. Economic and social changes will be numerous, but can really only be defined by possibilities within possibilities. The NSC notes various areas it believes will be affected by future technological growth and offers possible explanations for what they might mean internationally.

As stated, the possible implications are numerous, but one thing is for certain, with more and more products flooding the market populations are beginning to adapt to change at a higher rate. This does not necessarily mean that people are able to take advantage of the changes, only that they are open to them. The Commission emphasized

¹⁸ NSC Report, 14.

¹⁹ NSC Report, 14.

²⁰ NSC Report, 8.

the point that adaptability to innovation works as an accelerator for innovation, because ceaseless innovation results in a cultural propensity to accept and adapt to innovation.²¹

One of the strongest barriers to change is stagnant traditionalism, and when a culture becomes accustomed to rapid change it can assimilate new ideas and technologies more quickly. Once the culture has adjusted mentally to continuing change, arguments and occurrences of incapable infrastructure will largely disappear.²²

Another important point related to the rate of technological growth is how quickly technology gaps will begin to appear. As the United States gains in technological areas, other countries will fall farther behind faster than ever before. Disparities will breed resentment and may cause conflict, but an even greater worry will be how people who do not necessarily understand such technology will use it in the future. Eventually underdeveloped countries will have access to the new technologies gaining momentum through world markets. Nations wealthy in resource but not in education will be able to afford advancements, but may not understand the necessary controls or the implications of using them in certain capacities. In the future, countries will no longer be forced to develop the infrastructure necessary to support new industries.²³ They will be able to buy the technology and enter the market as an equal to almost any other major player. What this will mean in terms of economies, security, environmental balances, or terrorism is an unknown, but the speed of technology is the enabler, good and bad, for change.

Certain technologies are important because they are at once both products and marketing tools. As its own marketing tool, an item reduces its time of

²¹ NSC Report, 17.

²² NSC Report, 10.

²³ NSC Report, 17.

commercialization and then markets itself as well as other products. The Internet is just one example. Computers with Internet access are an aspect of information technology, but they are only a very small piece. The world of information technology encompasses all electric forms of knowledge and communication. Information technology is the driving medium behind much of today's information transfer.²⁴ When you have a fast growing product that is also a medium for information transfer, where information is the most valuable commodity on the market and information infrastructure can be bought instead of developed, possibilities multiply for everyone involved. Since we are concerned about the possibility of threats, it's easy to see how threats are being multiplied in this sphere.

The added economic complexities of biotechnologies are pretty easily grasped. Social security, Medicare and other entitlements, at least from the American perspective will need to be revamped to fit demographical changes. Other countries in Eastern and Western Europe, Southeast Asia, and the Near-East will all have their own economic and demographic battles to fight, but technology will have effects on them all. Some will deal with opening borders and new counter-culture ideas brought on by information access and the ensuing population effects. Others will suffer from population excess because of the very cures that sustain their lives.²⁵ Longer life spans and healthier populations will mean different things to different cultures, but in the end the technological revolution will put its stamp on every aspect of the global demographic evolution. The speed with which these new possibilities manifest themselves will defy attempts at rationalizing their beneficial affects on the international community.

²⁴ NSC Report, 18.

²⁵ NSC Report, 18.

Previously, I indirectly referenced other social changes made possible by technology. Most of them have to do with cultural mind set and education. Thoughts of innovation and their applications do not reside in the world of economics alone, because adaptation is a state of mind. Global information gives societies access to the ideas of other cultures, leading people to question their own cultural beliefs and values with respect to those new ideas. After being exposed to new ways of thinking, people alter perspectives. If change is what they require, they are in a better position to initiate it having been armed with some sort of information.²⁶

Because of the massive amount of information that is available, people will become more able in specific areas. They will have greater resources, but will have less time to manage data into usable information. Therefore, to be successful, people will need to adjust to a life of continuing education, shorter decision time-lines, and working with others of varying expertise. In terms of comprehension, an individual will likely only understand a smaller piece of the pie. As technology becomes more complex, only fielded experts will really understand what the latest technology can do, but also only with respect to their expertise. Bridging the gaps between disciplines and understanding the applicability of improvements across those gaps will become more difficult, lucrative, and vital to the survival of institutions.²⁷

“Less time” has an immense amount of social implications including affects on ethics, culture and security. Just because something can be done, does not necessarily mean that it should be done.²⁸ Less time will mean less reflection, and people will suffer

²⁶ NSC Report, 172.

²⁷ NSC Report, 172.

²⁸ NSC Report, 20.

more from mistakes. Other problems include the possibility of fewer face-to-face contacts increasing ethnic tensions, changing health concerns due to stressors, changes in social structure, and the further distancing of advanced from developing worlds. Things we do and do not want others to know will find a way into questionable hands! If the US can use an MEM to make a plane fly better, Iraq can one to make missiles dodge defenses. Technology will drastically permeate people's lives to the most minute of levels. In the future it will affect the way people live, do business, entertain themselves and make decisions, but for the time being there are still some areas that technology will not significantly alter.

One area that will resist technological advancement over the next quarter century in terms of how it affects political decision-making will be that of energy resources. Alternatives to fossil fuels exist in theory or possibility through nuclear fusion, zero-point energy sources, or substituting ethanol for standard gasoline. Most alternatives however, do not take into account existing fossil fuel infrastructure.²⁹ The NSC projects that instead of changes in the kind of energy resources mankind uses; it should expect greater levels of efficiency in the devices using those resources. Location and business infrastructure where energy production is concerned will still matter in politics. Energy resources will continue to grow in importance in coming years as many developing countries gain in industrial productivity. Countries such as India and China will demand more resources and compete with the United States for limited reserves throughout the world. Areas such as the Near East will gain in political and commercial importance and may come to be a breeding ground for even more conflict between great powers.

²⁹ NSC Report, 9.

In conclusion, the next quarter century will mean drastic change to a large number of people, and technology is the catalyst. The capabilities that technologies will give to humanity will be enormous and will have an affect on the way people make decisions. While these innovations will add to the healthiness, happiness, length, and security of people's lives, they will also present many challenges.³⁰ In diminishing location as a variable, the finite mental capabilities and social norms of man also shorten time. Higher speeds leave less time for making decisions. Gaining the ability to synthesize data into usable information will likely be the next greatest challenge to humanity. Mistakes could be disastrous because of the speed in which an idea may become reality. Most important, technological advancement will set certain elements of information and economic power beyond state control.

Global Economics

Stated very simply, global economics is important to the future security of the United States because it aids in determining the distribution of world power. To be sure there are aspects of political and military power not directly tied to economics, but if a state does not have the resources to achieve desired actions, those aspects are meaningless. Technology too, has much to offer a global market and the United States is at the forefront of that pursuit at the moment. Most important to the United States in the next 25 years however, will be the continuing integration of various markets into the world economy. A global economy offers the promise of greater wealth and cooperation for many other countries besides the United States, but has its dangers as well. In the end,

³⁰ NSC Report, 21.

the visible trends and dangers associated with a future globally integrated economy will assist in molding and shaping US national security strategy.³¹

Technology is the enabler and information is the necessity for globalization. The first, and one of the most important effects technology has had on global economics in the recent past has been in the area of capital investment. Aspects of information technology have given the would-be individual international investor the tools to become a player in global economics. Individuals in developed nations are now able to “collect, analyze, and act on information about markets with unprecedented speed.”³² The days of the investment monoliths such as the World Bank and the IMF are over. They are over in the sense that institutional lenders are contested and now competing with a host of individuals for the opportunity to loan money. As more people gain access to more technology, the number of individual investors in global markets will also likely rise. Many states that need capital but do not wish to follow recognized international procedures will take advantage of these capital markets initially, because they will lack the diplomatic restrictions associated with traditional international investment firms. The most powerful states would then likely try to bring exploitation of individual international capital markets under some centralized control; when these markets are shown to be detrimental to the interest of states that follow recognized procedures.

Technology offers other solutions as well, especially in the area of production. Technologies have revolutionized the way businesses are organized, the markets they attempt to exploit, production techniques, and distribution processes. Near-instantaneous market knowledge brings about the possibility of niche production, “a technique of

³¹ NSC Report, 23.

³² NSC Report, 23.

shaping specific production techniques to meet specific market sectors.”³³ Faster information also changes the organization by eliminating the necessity of having company facilities located in different areas. Warehouses, company headquarters, buildings themselves may eventually mean little in the face of the coming virtual office where company employees work from their homes and interact over computers and cameras.³⁴

Not to claim that the recent technological revolution is wholly responsible, but the nature of international trade itself has changed dramatically. Today, states are benefiting from economic interaction with other states more than ever before. Trade itself is changing as more and different kinds of products are imported and exported. Markets are less dominated today by commodities and manufacturing than in the past, and services are becoming a greater percentage of the total exports.³⁵

Multi-national corporations are evolving into transnational corporations as information speed and accuracy increase at an accelerated rate with other “globalizing” tendencies. Transnational corporations are able to capitalize on comparative advantages in different areas of the world. For example, “US-based corporations are increasingly shifting their operations overseas, depending more on global markets for revenues and production.”³⁶ This splitting production of essential parts among the cheapest producing entities is made possible by the free market producing tendencies of global integration and ease of access to information, otherwise US corporations would likely stay home³⁷

³³ NSC Report, 23

³⁴ NSC Report, 23

³⁵ NSC Report, 23

³⁶ NSC Report, 24

³⁷ NSC Report, 24

Once again, today's attempts at integration are different from the past because of technology. The people in many countries are aware of the benefits global integration has to offer. Because the knowledge is out there, they have the reason and ability to pressure their governments into removing restrictions and impediments to globalization. Economies themselves are also more closely wed to world financial markets. When this is the case, governments find it more difficult to maintain protectionist policies. By default, this in effect induces the spread of international "best practices" and benefits many by cutting out government mismanagement.³⁸

Other factors contribute to make today's market different than the past. Stock markets have developed in various areas of the world and help to allocate resources according to market-based criteria. This exercise can be especially helpful to countries newly introduced to the capitalist system. In that fashion, stock markets may also have direct effect on the political processes of newly liberated countries.

Equally impacting, multilateral trade institutions are more powerful than they once were. The Association of Southeast Asian Nations (ASEAN) is an example of a multinational trade association that is growing in power and developing different functions. The most important of which, is the function of investment. As in the EU, ASEAN or its affiliated groups, field dispute forums, introduce international financial policies, and may even move toward common security structures in the future. One of ASEAN's most important roles however, is to," unify the ASEAN market across a wide range of manufactured products. Its principal objective is to boost ASEAN's attractiveness to foreign investors, particularly as a base for production for global

³⁸ NSC Report, 24.

markets.”³⁹

All in all, the recent effort toward a global economy seems to be proceeding apace and offering many benefits to people around the world. The political implications of integrated economies are promising. Closely related to strong integrated economies is the question of stability. Conflict between nations is bad for business, and there are few times when business and political interests are mutually exclusive. This should be a pacifier. Rational leadership has understood the value of stability in the economic sector for many years. When economies are dependent on others for their well being, governments are less inclined to lose resources in exchange for conflict.

The NSC emphasizes the point however, that at times business and political interests do not coincide to cause peace. Often leaders make inexplicable decisions based on factors other than rationality. Traditional animosities or territorial disputes have a habit of getting in the way of market warfare as well by introducing elements of instability. In reality, instability in certain areas may be determined to be of short-term value to national security concerns, but when political power is defined as economic and information-based power, stability is more beneficial than short-term political achievement.⁴⁰ The US has a stake in world stability because it is in a position to compete, and it stands to persevere through global free trade as it always has.⁴¹

The United States is currently enjoying one of its strongest economies in the recent past, and is in a great position to fight it out in the market. Global integration promises to

³⁹ “ASEAN Free Trade Area: Trading Bloc or Building Block?” Executive Summary, Australian Department of Foreign Affairs and Trade, http://www.dfat.gov.au/eaau/asean_free_trade_area.html.

⁴⁰ NSC Report, 26.

⁴¹ NSC Report, 27.

provide market outlets for all of the wonderful technological and intellectual products emerging in the new millennium. But continued integration into a global market also produces its own national security concerns and many countries struggle with the task of determining the benefits of joining the global economic revolution. Poorer countries will have to compete in a global setting with modern nations well versed in the theories of capitalism. Lack of protectionism brought on by global integration could destroy staple markets in certain countries.⁴² “Going global” for many developing countries is a great risk, but may also return great dividends.

While close economic ties tend to reduce the will of countries to fight, these same ties increase the vulnerabilities of countries to foreign markets and foreign investments. Any kind of conflict may affect, to some degree, the entire global economy. Advances in information technology will increase the efficiency of businesses, smaller inventories will be maintained, and companies will be more susceptible to distribution problems caused by international conflict.⁴³ Biological disasters, massive epidemics, or war could have greater and more far-reaching impact than ever before. The more integrated world markets become, the more local causes will have global effects.⁴⁴ Elements of security and economy will war as uncertainty increases; for example, consider state inventories.

Just what are the national security implications of inventories? In an integrated world economy they are huge. As portions of the world focus more on individual areas of comparative advantage, they are more vulnerable to the absence of any one particular part of the process. Imagine a scenario where Brazil no longer grew any grain and only

⁴² NSC Report, 27.

⁴³ NSC Report, 28.

⁴⁴ NSC Report, 28.

concentrated on cattle production. If its grain imports were ever disturbed by some conflict elsewhere, Brazil would suffer, all of its cattle would die, and its entire economy would fall into disrepair. The same example holds true for commodities as a bargaining chip and investment capital as a resource.

Take for example the United States. Because private foreign investments are increasing, an economic recession in the United States could have disastrous impact on the rest of the world. A recession would cause international investors to pull their money out of investments abroad. Without capital investment, many fledgling industries would fold. It is very easy to envision a scenario where recession in the United States would lead to global recession. Even if a recession is not domestic born, instability in other markets could cause investor skepticism and affect a pull out of American personal investment capital. It has happened before, as in the case of the 1998 Southeast Asian recession. The abandonment of personal investment in those markets only exacerbated problems.⁴⁵

Despite the possible negative impacts of integration, a global market is a benefit to many because it lets states focus on concepts like comparative advantage and opens up the knowledge pool. Access or exposure to concepts such as information technology and genetic engineering introduce less technical societies to the possibilities of technological growth. Exposure to modern management practices, like those of the Nike Corporation in the Far East can have valuable impacts on less advanced societies.⁴⁶ Through exposure developing countries may gain valuable insights into competition on the global

⁴⁵ NSC Report, 29.

⁴⁶ NSC Report, 29.

level, even if they are being exploited in the process. But knowledge of the possibilities is not the only element of a successful equation in the global market.⁴⁷

This exploitation may be viewed as a barrier to globalization by under-developed nations. It is difficult to condemn a modern state, or more accurately a corporation from a modern state, for exploiting a raw materials based society for capital gain. Because globalization will increasingly come to mean free trade there will likely be a little exploitation of underdeveloped nations, but they will also be exposed to newer technologies and ideas in the process. The allure of a global market for modern societies is still business centered and not some altruistic attempt to pacify the world. If the United States can make more money on its own relative to a global market, it's not difficult to guess which it will choose to the detriment of all else.

Beyond exploitation arguments, there are bound to be other barriers to globalization. The primary question is: Who wants change and who doesn't? Especially in developing countries, some resistance to change is inevitable.⁴⁸ Cultural factors, people who prefer the status quo and protectionism are all barriers to continued integration. But we must look also to the highest levels to find possible barriers. Take for example competing trade blocks such as the EU and NAFTA. Either may slow the integrating process themselves when gaining comparative advantage of an essential resource of the other.

The first few faltering steps of any nation new to the global market will be painful. In order to accede to integration, a country has to turn its market over to the forces of fate to see how it will be reorganized by market whims. This amounts to

⁴⁷ NSC Report, 29.

⁴⁸ NSC Report, 24.

disrupted local economies and traditional patterns of commerce. “It requires wrenching shifts within the country’s industrial base and employment profile.”⁴⁹ Acceptance of this change is also in effect an acceptance in the change of some of the country’s social structure. Of those who had power in the previous system, some will likely lose it in the new one. Great barriers to the global integration of some of the world’s poorest societies are the richest people in those societies.

Another barrier is protectionism. Where market forces may tend to push a certain region toward particular market aspects, some industries may emerge in violation of those forces. When said industries begin to feel the weight of international competition, they may leverage the affiliated government into a supporting role. Protectionism defies comparative advantage and warps market forces away from efficiency. The United States experiences elements of protectionism all of the time, and though protectionist impulses may save certain industries and provide for higher wages across lower-class sectors of society, overall it reduces the effectiveness of the economy. In reality protectionism keeps sectors of US society from developing more fully, but the growing pains associated with changes would make losers out of current winners.

Domestic industries are also not the only bodies that exhibit protectionist sentiments. Large trade blocs, such as ASEAN, the EU or NAFTA have and will likely continue to do the same. Consider the EU and its agricultural industry. American agriculture as well as Czech and Polish have experienced and suffered from the protectionist tendencies of the EU. Because the United States is rich in resources and land, it is able to produce vast quantities of agricultural products that drive down the per

⁴⁹ NSC Report, 25

unit price. Countries like the Czech Republic and Poland produce cheaper goods because the farmers themselves are not used to making much money and their standard of living is lower. This leaves primarily French and Belgian farmers at a distinct disadvantage, and normally according to market principles, would drive them out of business.

But once again, inventories have a national security dimension that cannot be overlooked. In the end, the EU may be wise to support its agriculture in the face of comparative disadvantage. Cold market rationality is not always reasonable in the political world, and while market integration reduces the chances of hostility between states it does not negate it. Where the EU suffers, the United States is sheltered from one aspect of economic blackmail through a comparative advantage in agriculture.⁵⁰

There are no guarantees that economic integration will continue apace. The various barriers could end up producing a “halfway” integrated world where some chose to become a part of the global society and others did not or could not make the same decision. The NSC predicts that the security implications of such a system are variable, but in imagining such a system it is easy to predict greater numbers of terrorist acts and conflict between groups. Other factors may prove to eventually produce a global society, only to watch it dashed apart by the wrong crisis at the wrong place and time.⁵¹ Once again, economic integration increases collective vulnerability. War, famine, energy distribution problems or source conversion, epidemics like AIDS, or even a downturn to the United States economy may serve to upset the entire global system if severe enough or occurring at certain times and locations.⁵²

⁵⁰ NSC Report, 26-28.

⁵¹ NSC Report, 32.

⁵² NSC Report, 32.

The Commission predicts that there will be monumental economic change in the next quarter century. There will assuredly be shifts in the international balance with current winner's pieces of the economic pie shrinking to accommodate changes in social structure. Questions will be raised about international currencies, the probable results of massive capital flows, and the comparative income disparities created from intellectual products as opposed to industrial ones. Countries like Brazil, China, and India will be global competitors, all with a massive need of world energy resources. This may draw attention of OPEC and make currently difficult negotiations in that region even more so. The euro and the dollar will compete for international supremacy. Countries such as Panama use the dollar as their national currency; others may choose to do so. What could it mean to the level of international investment capital if several countries chose the same route? Finally, a result of intellectual products leading the global market will be that rich countries will become richer and poor countries will become poorer still. This disparity could lead to resentment and terrorist attack of the global infrastructure necessary to international trade.⁵³

An important consideration with respect to a truly global economy is how states themselves will react to a possible loss of power. As borders diminish in meaning and transnational corporations and non-governmental organizations (NGOs) gain in power and influence, the organization of the state itself will likely come to mean less and less.⁵⁴ Depending on how "global" economies actually become, people may throw their allegiances behind regional, continental, or even world bodies instead of traditional state

⁵³ NSC Report, 32.

⁵⁴ NSC Report, 33.

structures.⁵⁵ With transnational corporations providing for healthcare and retirement functions, maintaining several bases of operation and thereby removing some state control in the form of taxes and laws, states will lose economic and social capital. This will affect what states can provide and how people define themselves and their institutions.

In summary, there are four major points for consideration to pull from the preceding section. Increased interdependence will have a massive affect on national security concerns. In actuality, those concerns alone may in effect spark controversy in the act of economically integrating. Second, the changing of trade will bring about greater income disparities. Because of the kinds of products companies are selling these days, fewer are able to compete. Developing the technology to produce commodities is different than that required in creating high technology, and today intellectual products are worth much more. Income disparities will cause conflict, and therefore security concerns. Third is the exploitation of both trade and private capital markets by political entities. With so much private capital invested in the world markets, nations have opportunities on a scale never before seen. The primary difficulty here is that states do not have as much control over their resources as they once had. Private capital markets can work in ways to circumvent state national security concerns, and those can be manipulated by foreign states. Finally, States themselves may become a barrier to integration as the state as a political entity begins to lose power to corporations and international organizations. Without a state, or with a diminished one, how do governments address traditional state

⁵⁵ NSC Report, 33.

activities without the power they once had?⁵⁶ They may change and adjust or disappear entirely in the future, but for the next 25 years; the state will remain the primary international actor.⁵⁷

The Socio-Political Future

“Individuals have historically granted their allegiance to the state in return for domestic peace, economic well-being, and security from external threats.”⁵⁸ They have done so in the context of a nation as the expression of a common culture, ethnicity, or social values. States have also come together as institutions built on ideals, such as the United States. Such states are commonly composed of various cultures and ethnicities. In either case, socio-political pressures can alter or diminish the ways states affect individual’s lives, and external political pressures of the past have changed the way many states were traditionally organized. Where association or allegiance is tied to fixed territorial boundaries, change will add pressure. “The ties that bind individual or group loyalty to the state can change and even unravel, the next 25 years portend a good deal of unraveling.”⁵⁹

It is very possible that in some circumstances citizens will find that their states do not provide what is required of them. In turn, these citizens may alter their allegiances and loyalties and come to define themselves as something other than citizens of a particular state. Theories abound about the need or occurrence of the decline of state sovereignty itself.⁶⁰ Whether ideologically objectionable, or the solution to a war plagued system,

⁵⁶ NSC Report, 28-33.

⁵⁷ NSC Report, 28-33.

⁵⁸ NSC Report, 38.

⁵⁹ NSC Report, 38.

⁶⁰ NSC Report, 38.

globalization will be the principle competitor of the state in years to come. Globalization here is defined as technological connectivity coupled with transnational economic integration.⁶¹

Still other challenges to the state as primary international actor persist.

“Fragmented nationalism and a return to tribalism, ecological pressures, international terrorism, and an “outbreak” of stable peace,” all call into question the sufficiency of the state as an organizing principle, yet the world has experienced these phenomena for a number of years.⁶² Globalization will tend to magnify the affects of all other challengers, and call into question the true benefits and liabilities of the state. Where globalization is concerned, various opportunities at resistance manifest themselves.

Some believe the state is the only reliable locus of political accountability, others that globalization is destructive of local community and community control, and still others that the market theology behind globalization will be used by the corporate rich to become richer at nearly everyone’s expense.⁶³

While differing views of globalization and other peripheral affects on the state persist, the NSC believes that the state will remain the principle international entity for years to come. In the Commission’s view, the state as a concept has experienced challenges to its authority in the past and has adjusted to those challenges without permanent loss of legitimacy. “Its (the state’s) role has ebbed and flowed before other challenges many times over the years.”⁶⁴ Because the NSC Report’s “shelf-life” only encompasses 25 years it is likely safe to say that its predictions are correct, but individual

⁶¹ NSC Report, 38.

⁶² NSC Report, 39.

⁶³ NSC Report, 39.

⁶⁴ NSC Report, 39.

states that may not be able or may not choose to rise to the challenges of globalization will still experience diminished power and that will affect international events.

We have already touched on reduced state power through evolving technologies and economics. Because new technologies are changing how people do things, they will also affect how people are governed. One example is that of transnational corporations (TNCs). By virtue of maintaining several hubs of activity, TNCs limit the amount of influence any single state may have on business decisions and costs. “Many states will lose much of their control over many economic decisions, limiting the means by which they can provide domestic economic growth or domestic peace and security.”⁶⁵ With less influence, states will receive fewer resources and will not be as effective in affecting change or maintaining stability. “In all cases, the changes ahead have the potential to undermine the authority of states, and the political identities and loyalties of citizens will be put through various tests.”⁶⁶

While possible negatives exist, an integrated global information network will provide very real benefits by encouraging the expansion of political pluralism. As an example, the Commission cites the fall of the Soviet Union. “The inability of a closed political system to accommodate itself to economic imperatives based on openness, the flow of information, and new market demands,” added to several years’ worth of “containment” was what finally brought about the destruction of the U.S.S.R.⁶⁷ Because information technology is advancing so steadily, the affect on closed political systems will likely increase in the future. Multiple methods of communication reduce the

⁶⁵ NSC Report, 38.

⁶⁶ NSC Report, 38.

⁶⁷ NSC Report, 41

possibilities of censorship. Communication aids in the creation of civil society, and civil society itself tends to advance toward democracy.⁶⁸ Increased pressure for democracy should make states more responsive to the needs of their citizenry, and in the end suggests that people will eventually experience better government.

It is possible that increased education and communications will not lead to democracy in some cases, but in applying those conditions to others such as economic well-being on a larger scale, life is bound to be more secure for greater numbers of people. “Citizens of the advanced states are increasingly less willing to fight or support messy wars partly because technology has made life much less risky and frail than it once was.”⁶⁹ Better living conditions across the world, will likely make wars less frequent and less bloody. It may be that the majority of future wars will be designed to attack capability instead of citizenry. Wealth, personal security, education, and widespread democracy may all converge into greater power at the individual level.

Other beneficial concepts flow from the empowerment of individuals brought on by globalization. Authoritarian regimes will find it hard to deal with porous borders, but also, possibilities of anonymity for the oppressed abound. Citizens within authoritarian countries may act internationally without reference to their point of origin. “Non-governmental organizations and grass-roots interest groups will have influence across even those frontiers guarded by authoritarians.”⁷⁰ Therefore, authoritarians will experience pressure from without, within, and across state borders. The victims of authoritarian governments will not be the only ones who benefit. Some democratic states

⁶⁸ NSC Report, 41.

⁶⁹ NSC Report, 42.

⁷⁰ NSC Report, 42.

may begin to feel a level of greater participation as a result of the same forces at work. Greater participation may add stability by confronting social unrest and add to the legitimacy of governments. Where ethnically pluralistic democracies such as the US exist, the benefits could be substantial.

Democratic pressure and individual empowerment may also cause difficulties however. “Pressure for democracy in heterogeneous states can also portend their fragmentation into smaller units that better reflect cultural, ethnic, or religious identities.”⁷¹ A particularly potent example of the previous statement would be Kosovo. The same ideologies that put Serbian’s in charge of a government encouraged Albanians in Kosovo to attempt a new culture-centered state. As the Kosovo situation proved, such separations are not always peaceful. Beyond security concerns, a global tendency toward culture-centered democratization would alter economic and political pictures. “Not only will there likely be a wider economic polarization between have and have-nots, but also a wider polarization of legitimacy between democratically governed polities and authoritarian ones.”⁷² A separation into components could very well decrease the effectiveness of states in ensuring good economies, security and liberty. If that were the case, those states might experience massive emigration of educated elites. Poor state services in tandem with the developed nation’s need for highly skilled technical workers may exclude the poorly educated echelons of recently fragmented states from attaining the benefits of globalization.⁷³

⁷¹ NSC Report, 42.

⁷² NSC Report, 42.

⁷³ NSC Report, 43.

Indirectly affected by globalization, but one of the most difficult challenges all states will face will be demographic in nature. Most developing nations will experience population booms and all developed nations will suffer from aging populations.⁷⁴ Growing and aging populations will affect states in particular ways, but as a systematic event will add to resentment and social unrest between categories.

The aging of developed nations will translate into labor shortages, “and bring about a rising demand for immigrant workers to older and wealthier societies.”⁷⁵ The populations of developing nations will require employment. Placing poor immigrant workers in proximity with the perceived riches of wealthier societies could cause significant social unrest across societies as well as within them. Because, “economic growth will frequently be accompanied by growing disparities in income and wealth,” some may question their adherence to democracy and Western market principles⁷⁶

Attempts at market growth will lead to rapid urbanization and ensuing strains on state social services in many developing nations. Healthcare, sanitation, and education will be the greatest challenges to such governments. The Asian crisis of 1997-98 was soon followed not only by the collapse of the Suharto government in Indonesia, but also by increased strains on Malaysia.⁷⁷ This same model could follow in major states such as China, India, Pakistan, South Africa, the Congo, Kenya and even Mexico.⁷⁸

While many countries will see the benefits of globalization and attempt to gain advantage by fully integrating, others will reject either the notion or the methods on

⁷⁴ NSC Report, 39.

⁷⁵ NSC Report, 39.

⁷⁶ NSC Report, 39.

⁷⁷ NSC Report, 39.

⁷⁸ NSC Report, 39.

Western terms. Religion is important. “Many in the West think that its notion of modernity, where the sacred is privatized and secular values predominate, is a model that other societies must invariably follow.”⁷⁹ The fact of the matter is that some other cultures do not feel that way and no matter whether they do or do not intend to integrate or globalize, they will do it on their own terms. The NSC cites examples of people returning to traditional models to help them cope with the changes brought on by globalization. “We have seen a turn to pre-modern forms in which much of the Muslim world, among some Jews within and outside of Israel, and within India in the form of Hindu nationalism.”⁸⁰ In essence, all of the change that is taking place through globalization will drive some people to latch on to the continuity and stability of traditional ways. Where the state is seen to embody the social mores in which these people identify themselves and are comfortable with, the state will in affect grow in power and legitimacy. The state will then become a defender against rapid change.⁸¹

However people choose to approach globalization, even those who reject it will be more powerful by virtue of the fact that their governments will not know what kind of access they have to information.

Hence, it seems likely that in more cases than ever before, an individual’s or a group’s identification with the state may be superseded by other forms of associations beyond the state, as well as within it in the form of ethnic, religious, ideological, or tribal based organizations.⁸²

⁷⁹ NSC Report , 43

⁸⁰ NSC Report, 43

⁸¹ NSC Report, 43

⁸² NSC Report ,43.

While a state could be seen as a defender of certain concepts, the empowerment of the individual will encourage people to look beyond the state, and also within their communities to find fulfilling associations.

Beyond the state, transnational actors, or NGOs will further bring pressures to bear against state sovereignty. In several recent cases the ideal of universal human rights has questioned sovereignty issues. In places like Croatia, Somalia, Kosovo, and Rwanda, international debate or action has occurred in direct conflict with state sovereignty avowedly on behalf of human rights.⁸³ The United Nations charter itself has provisions to protect both, and it is obvious that some questions need to be answered as to exactly, which precedes the other.⁸⁴ NGOs will increase in number, and will need to be factored in to the political calculus of international life. As a possible suggestion the NSC proposes that, “it may become necessary to design some sort of legal personality for political entities that are less than states but more than mere groups of individuals.”⁸⁵ Another type of NGO important to international relations is a regime. The Commission never levies an opinion on authority removed from the state, which is understandable given US cultural attitudes and the origin of the NSC as a government institution, but the Commission does imply that some action will need to be taken on the international level to encourage cooperation between states. Nevertheless, whether NGOs remain tools of the states, begin to supersede states in certain capacities, assist where states cannot, or

⁸³ NSC Report ,44.

⁸⁴ NSC Report, 44.

⁸⁵ NSC Report, 45.

work in conjunction with them, NGOs are growing in number and will grow in power as that of states diminishes.⁸⁶

A final note to add to the list of uncertainties is a consideration of irrationality and geopolitics. Where states exist, territory and proximity still matter. Resources, territorial influence, jealousy, cultural differences, and irrational leadership may cause problems because of where states happen to be located. Just because market integration may dissuade countries that are economically dependent on one another not to war, does not mean that states will follow on to a rational conclusion. The human element is ever present and can ignite the system at any time.⁸⁷

The point of the social-political section was to capture the relational aspects of a future international environment. What emerged from the NSC's analysis was somewhat less than that. "The most persuasive conclusion that emerges from looking at the pressures liable to be brought to bear on states, and on how states of different capacities may respond to those pressures, is that we will have a mosaic of consequences."⁸⁸ Globalization is not a static anomaly. States will integrate along global lines according to their capabilities and desires, and the concept of the state itself will likely experience change, though it will remain the principle international actor. Some states will succeed in the global environment; some will fail and fall apart, and some will reject globalization all together.

The state itself will contend with a dramatic spectrum of dynamic entities seeking to de-legitimize it. Alliances could realign themselves in accordance with a culture-

⁸⁶ NSC Report, 45.

⁸⁷ NSC Report, 46.

⁸⁸ NSC Report, 44.

centered proclivity. The rationality of the marketplace will affect actors, but so will the irrationality of crazy leadership and the realignment of communities based on democratic values that tend to fragment the very states that are benefiting from more responsive governments emerging from democratic ideals.

The main idea however, seems to hinge on how people approach globalization. If they are open to the integrative forces, they may become wealthy, powerful, and vulnerable. If they are closed to those same forces, they will remain poor, their power significance would be questionable in terms of terrorism or alliance structure, and they will derive protection in large measure as a by-product of advanced societies' ethical framework devised by globalization.

The Military-Security Domain

The security environment of the next 25 years will be characterized by diversity. As in the last ten years, future threats will not be as clearly defined as those of the Cold War. "Societies will still need to protect themselves in 2025, and they will have to do so against an unprecedented range of threats and actors."⁸⁹ Non-state actors will gain power, influence, and anonymity if they choose. Growing integration of the world economic system will most likely mean fewer major wars, but there will still be conflict in the form of minor wars, internal upheavals, and terrorism.⁹⁰ Because of the socio-political dynamics discussed in the previous chapter, most advanced nations will be required to provide security with diminished authority.

In the Commission's view, threat assessments are based on state's will to Use power and military capabilities. Both aspects will experience change in the futures. Because

⁸⁹ NSC Report, 46.

⁹⁰ NSC Report, 46.

they are variable, threats will constantly change. The NSC chose to Use an environmental approach to defining will by differentiating between types of groups that would tend to Use force to attain political objectives. To represent capability, the Commission focuses on globalization's dispersion of advanced technological and economic procedures.

What would someone do with power if he had it? In order to assess the will of a state, group, or individual, it is necessary to ask this question. Those who would be willing to Use force believe they have something to gain from it. Typically, advanced nations only lose from international violence as it interferes with global commerce and wastes resources. Therefore, affluent states will most likely choose not to fight each other, but as world wars have proven in the past, economic interdependence and alliances may not be powerful enough incentives to stave off conflict for good. Resources still matter. There are areas of the world where gains, territorial and political, may be made by Use of military force. There are also states that may choose military action over other means to achieve the end of securing greater power. China's "One China" policy is a possible example.

All in all, wars will be fought between states for the same reasons wars have always been fought, regardless of the new technologies states and individuals are able make Use of in that capacity. Although better technology will be available to more of the world population, most conflict will still take place on the conventional level. So, while there will be war between the states, for the most part it should take place in mainly underdeveloped or developing countries with conventional forces.⁹¹

⁹¹ NSC Report, 47.

Intrastate violence on the other hand could grow markedly. Many civilizations are experiencing turbulence from political turnovers, as in the case of former Communist Bloc countries and the collapse of the Soviet Union. Also, many ethnic, religious, and tribal organizations are acting on their newfound freedom to reunite groupings and maneuver for power. Many countries, especially third world nations, are reacting to an opportunity at autonomy without Western border drawing, as well as Soviet attempts to redefine their ideologies. The fragmenting effects of democratic experiments on culturally diverse states may intensify the frequency of such conflict.⁹²

While intrastate conflicts may not disrupt the interests of major powers initially, they will eventually do so if they trigger interstate conflicts, grossly violate internationally accepted human rights, create massive refugee and disease problems, or produce large-scale environmental degradation.⁹³ Major powers cannot intervene for humanitarian purposes without also disrupting the political institutions of the people involved, so the decision to act will also harbor changes. Situations such as Bosnia and Kosovo will not cease, and neither will the responsibility they inflict on global players in the international arena, but powers that choose to involve themselves in the affairs of others may suffer uncalculated affects from their efforts in the cessation of hostilities.

Another species of international violence that is likely to grow in volume is terrorism. While the world has become Used to terrorist acts in a general sense, the organizations behind those acts will likely differ in the future. Because numbers will not place restrictions on power due to technological advances, terrorist organizations will be more

⁹² NSC Report, 44.

⁹³ NSC Report, 48.

anonymous, but their ability to coordinate mass effects will increase.⁹⁴ Many weak states may see the value of using international terrorism to accomplish state goals, and most assuredly there will be more incidence of state-sponsored terrorism. Today, terrorists like states, have greater access to deadlier technologies and may be more anonymous in their Use to affect political change.⁹⁵

The NSC notes that there is a growing resentment against Western culture and values in some parts of the world, and some perceive the United States as a superpower “has-been” trying to hold onto its global position without much muscle to back it up. This is breeding a backlash that can take many forms. One prediction is that the US will likely be the target of a terrorist attack by means of weapons of mass destruction. Currently, the US has limited means to defend itself from such an attack.⁹⁶

There is no clear cut and defining model that the NSC puts forward to predict why groups will choose to Use force in international politics. The Commission only claims that they will do so for all of the same reasons that they have always done so. The sources of violence will be different than in the past because of the massive political changes that have and are taking place in the unique international environment of today. Political instability will provide opportunity to gain power through force in underdeveloped and developing nations, and globalization itself will present a target on which NGOs may focus in an effort to advance their own political objectives.⁹⁷

The means with which powers choose to express their wills will alter due to globalization. A difficulty to face in the coming 25 years due to a more integrated world

⁹⁴ NSC Report, 48

⁹⁵ NSC Report, 48.

⁹⁶ NSC Report, 48.

⁹⁷ NSC Report, 48.

economy is arms trafficking. Many of today's weapons will be distributed throughout the world, as more and more companies are capable of developing such products. Major arms exporters may not even cooperate to prevent the sales of such weapons systems to states and other groups that pose major potential threats.⁹⁸

Beyond our present protections and detection ability for radioactive materials there is little to be done about the proliferation of WMD, but one present check on arms trafficking exists in the Wassenaar Arrangement that was formed just following the Persian Gulf War. The Wassenaar has two control lists consisting of a munitions list and a basic list, and a set of initial elements that lay out the obligations of the members. The first among these elements is a commitment to prevent "destabilizing accumulations of conventional arms" in any country or region around the world. Each member country chooses how it will achieve this goal through its national policies, but the Wassenaar provides the vehicle for coordination and information exchange. There is also an understanding in the Wassenaar, although it is increasingly under pressure, not to sell dual Use equipment to military end Users in Iran, Iraq, Libya and North Korea. The Wassenaar Arrangement could be enhanced to provide greater export controls, but may also lack the international cooperation necessary in the face of economic concerns.⁹⁹ So control lists and treaties exist, but do so in confrontation with economic gain.

Conventional forces themselves will advance with technology. Because future expectations include a volatile international environment, conventional forces will concentrate on speed, stealth, lethality, accuracy, range, and networked operations as combat multipliers to enhance their capabilities. Eventually, massed forces, and weapons

⁹⁸ NSC Report, 48.

⁹⁹ NSC Report, 51

systems laden with massive support systems will be circumvented by technological means, but in the meantime, the United States will still enjoy an overwhelming advantage in a skilled, outfitted, supplied, and power projecting conventional armed forces. The widespread adoption of MEMs into US military technology, for example, may provide increased effectiveness to combat the advances of adversaries and maintain US weapons system structures for the time being.¹⁰⁰

By the 2015-2025 timeframe many groups and states will have acquired the weaponry of today, and though it will not be state-of-the-art by that time, it will add significantly to many state's and group's destructive capabilities.¹⁰¹ The rapid spread of modern conventional weapons will likely destabilize several trouble-zones and make regional wars both more likely and far more destructive. States in the surrounding regions of such conflicts will then feel obligated to obtain arms for their own security purposes.

Because of the conventional superiority of the United States, those who come into conflict with the US will likely invest in weapons of mass destruction (or Nuclear, Biological, and Chemical weapons (NBC)). These weapons are an effective method of countering conventional superiority for many reasons. There are several different varieties of weapons of mass destruction, each with advantages and disadvantages. Today technological advancement and the wider availability of information make developing such weapons easier. It is no longer required to house the large industrial base or extensive scientific research necessary to support such endeavors.¹⁰²

International attitudes about economics and NBC weapons are changing, and the nature

¹⁰⁰ NSC Report, 51.

¹⁰¹ NSC Report, 51.

¹⁰² NSC Report, 51.

of many of today's transnational corporations makes regulation difficult. Some of these weapons are so easily made that even if they are not sold to a rogue nation they could easily be developed with little investment. Additional problems will continue to exist in ensuring the internal security of these weapons in several countries, such as those of the former Soviet empire.¹⁰³

Most of the poorer countries that may use NBC weapons in defense, offense, or terrorist attacks really only have a few options. "Nuclear materials and technology are available, but the cost of producing nuclear weapons is high, as are the risks of detection."¹⁰⁴ Radiological weapons, which are made by pairing conventional explosives with radiological materials, are cheaper, but the risks of detection are the same.

Chemical weapons are easier to produce and less expensive than their nuclear radiological counterparts, but they are unpredictable in many circumstances and often require special storage provisions. Also, the lethality of chemical weapons per unit of weight is generally low. Chemical weapons are often effective in attacking concentrated conventional armies, or small groups of citizens, but are unlikely to produce terrorist's objectives on a large scale

Biological weapons are likely to be the preferred choice for mass affect by groups and states to provide the most "bang for their buck". They are nearly as easy to develop as chemical weapons, they are far more lethal, and are likely to become easier to deliver. At present, many biological agents require special technical expertise to distribute them effectively, such as drone aircraft that are capable of dispersing agents in the right concentrations at the right altitudes and under the right meteorological conditions. In the

¹⁰³ NSC Report, 51.

¹⁰⁴ NSC Report, 51.

future, viable delivery systems will be present. Bio-weapons can also be produced at small, dual-Use facilities, and then reproduced in mass quantities using technologies and procedures common to civilian pharmaceutical labs. A bio-weapons arsenal can be acquired for as little as \$10,000-\$100,000.¹⁰⁵

Several countries are pursuing biological agents, and some are getting help from outside their borders. Biological weapons experts formerly employed by the Soviet Union have testified that the extent of the Soviet program was massive, but that control of the physical and intellectual assets of the former program is virtually nonexistent. Accordingly, a variety of improved toxins and biological agents are becoming more widely available. Technological developments in genetics and biotechnology portend even more deadly advances with the design and deployment of genetically engineered pathogens that could thwart most antibiotics and vaccines, and readily exceed US detection, antidote development, and distribution timelines. These could include genetically altered smallpox.¹⁰⁶

Given such circumstances, the prevention of the proliferation of biological weapons through treaties and a regime of export controls is unlikely to be effective. A Biological Weapons Convention (BWC) has been signed and ratified by 140 countries, but since the treaty was open to signature in April of 1972 the number of countries known to have or suspected of having biological weapons has doubled. The BWC has no enforcement or inspection mechanism, although negotiations are underway to provide for them.¹⁰⁷

¹⁰⁵ NSC Report, 51.

¹⁰⁶ NSC Report, 49.

¹⁰⁷ NSC Report, 49.

US deterrence policy will remain effective against acknowledged nuclear states, and the deliberate Use of these weapons will remain a low probability. But as other states acquire nuclear weapons, that probability will increase. Whether states take such a step will be a function of many factors, primarily related to the threats they see within their own regions. The literal costs of developing nuclear weapons, the political costs associated with their Use, and the difficulty of hiding their development, make them less likely to emerge as primary instruments of state policy. Still, given their vast destructive power, the United States will continue to deal with the threat posed by nuclear weapons throughout the next 25 years. There will be no abolition, and even the existence of the Non-Proliferation Treaty and wide ratification of test ban treaties will not significantly reduce the problem.¹⁰⁸

Non-state actors will also Use these weapons in direct attacks, and all open societies are vulnerable to extensive psychological and physical harm from weapons of mass destruction. The potential for covert delivery of these products will be high, much higher than during the last half century. The immense lethality, portability, and accessibility of WMD will be major sources of concern over the whole next quarter century.¹⁰⁹

Advances in delivery capabilities will also intensify, and the missile as an accepted means will continue to proliferate along with technological advancement. While the regime of missile producers, known as the Missile Technology Control Regime (MTCR), will survive and may be strengthened, it is becoming increasingly easy for states not party to the MTCR to master the technology necessary for such production. If Iran, Iraq, North Korea, Pakistan, and India can undermine the best efforts of the MTCR, the

¹⁰⁸ NSC Report, 49.

¹⁰⁹ NSC Report, 50.

prospect is that even less technologically sophisticated states may be able to do so in the future. Ballistic and cruise missiles are liable to be the long-range weapons of choice, given their capabilities to threaten land and sea targets from afar. The accuracy and lethality of such systems will increase significantly between now and 2025, even for the delivery of conventional ordinance. The competition between missile developments and defensive systems will be a key operational challenge over the next several decades. Large-scale missile attacks will be able to overwhelm defensive systems, despite considerable improvements to them, and American bases abroad will become vulnerable to these new weapons.¹¹⁰

A number of new lethal and non-lethal capabilities will be developed and fielded, including microwave, directed energy, and chemical/biological agents that could give small powers the ability to stymie power projection operations by any major power. As a matter of fact, the House Armed Services Committee Report accompanying the Fiscal Year 2001 Defense Authorizations Bill contained funding for the development of a 100mw laser for the Army intended to be mounted and Used as a combat weapon, a space-based directed energy weapon, and research and development funding to continue developing like products. So, not only are these weapons being developed by industry, they are receiving government funding for research and are already being incorporated into defensive systems.¹¹¹

In addition to “traditional” weapons of mass destruction, new forms of Strategic Information Warfare (SIW) will be developed and perhaps used as a new form of offensive warfare. SIW involves cyber-attacks against major national command systems

¹¹⁰ NSC Report, 49.

¹¹¹ NSC Report, 49

and military-related operating systems. Computer warfare will not replace conventional means in conflict, but those who cannot match the conventional strength of major powers will have strong incentives for asymmetric attacks. Given that the commercial world, not governments, is developing these technologies, and that military telecommunications are heavily dependent on commercial access, the potential exists for serious disruption of routine military operations in both peacetime and war. The United States and its allies are particularly vulnerable to like methods since their economies and military forces are heavily, and increasingly reliant on advances in information technologies. While countermeasures can be developed, this new form of warfare will be an important part of the military landscape for some time.¹¹²

In addition to weapons of mass destruction, the new concept "weapons of mass disruption" capitalizes on the structures and processes of modern societies, rather than their militaries as the primary target. As noted above, the computational and information processing capacities generated by the computer revolution are critical to modern financial, banking, energy, telecommunications, medical, and transportation networks. The health, welfare, and prosperity of the citizens of the developed world depend upon this infrastructure. But this infrastructure is also an enticing target to disaffected states and terrorist groups, who can achieve as much or more damage with a keyboard as with a bomb. Such examples as disruption of air traffic control towers, traffic lights, or the destruction of records at large financial institutions have been played out in the movies of our time, and will become more and more possible in the future.¹¹³

¹¹² NSC Report, 49.

¹¹³ NSC Report, 53.

In actuality numerous incidents of computer penetration have already occurred, often mounted by teenagers using relatively unsophisticated systems. Take for example the Love bug virus. Better educated, or well-financed computer terrorists could do far more damage, especially if insider personnel aided them. A plethora of new tactics and techniques to “infovade” critical systems now exist. Modern hacker techniques such as sniffers, logic bombs, mutating viruses, and Trojan horses, are increasingly common. The innate complexity and connected nature of information-based systems generate opportunities for hackers, terrorists, or antagonistic states to cause damage. Increased reliance on these information systems ensures that disruption to them will create serious dislocations within US society. No nation in the world is more vulnerable in this regard, or has more to lose, than the United States.¹¹⁴

Outer space, as well will become a warfare environment. Space-based systems are increasingly critical to both international commerce and military capabilities. By the early 21st century, such systems will offer such an invaluable advantage that continued access to space will be considered a necessary component of national security. Space access will become as important as access to the open seas was for major powers in the 18th, 19th, and 20th centuries. Not surprisingly, therefore, there are complications ahead. Once again citing the FY 2001 Defense Authorizations Act, Congress has allotted the Department of Defense appropriations for the development of thermo-nuclear dynamics for the express purpose of powering space flight.¹¹⁵ Free movement of various interests throughout space will expose vulnerabilities in today’s information technology structures

¹¹⁴ NSC Report, 53.

¹¹⁵ Fiscal Year 2001 Defense Authorizations Act, H.R 4205 Conference Report, May 2000.

and increase security concerns for all advanced societies, and the United States already seems to be arming space.¹¹⁶

The benefits to global commerce derived from space technology and expertise have vastly increased investment in such ventures, a trend that will likely continue. The national security implications of such investment are dramatic. With more than \$100 billion invested today, the United States has a clear economic interest in ensuring its own continued access to space.¹¹⁷ But the number of states and groups capable of exploiting space as an environment is expanding as a result of commercialization. More than two-thirds of today's 600 satellites are foreign owned, and of the more than 1,500 new vehicles that will be launched over the next decade, most will be internationally owned or operated by various consortia.¹¹⁸ This raises a major intelligence challenge. As space systems proliferate, it will be more difficult to determine their capabilities and who has access to what data.¹¹⁹

Since satellites are the current ultimate pre-positioned assets, and because they are so central to military operations, what happens in space will be critical. Most likely, weapons will be deployed in space fairly soon. Some systems may be capable of direct fires from space against targets on earth. It is possible that international treaties will ban such weapons, but that is not assured. What is clear is that scientists, if no one else will permanently man space.¹²⁰

¹¹⁶ NSC Report, 66.

¹¹⁷ NSC Report, 53.

¹¹⁸ NSC Report, 53.

¹¹⁹ NSC Report, 66.

¹²⁰ NSC Report, 53.

Space itself will also enter into competitive planning and strategies in ways that are barely conceivable today. Future adversaries will realize that assured access to information is a key component to any comprehensive US military strategy. Therefore, negating US conventional superiority through the denial of sources based in space is an obvious and lucrative strategy for some countries or groups to employ. In short, the relative level of information superiority that the United States enjoys today will become more and more meaningless as time passes, because groups will key on that source as a prime vulnerability.

Today, the United States enjoys superiority in what the military terms C4ISR (command, control, communications, computers, intelligence, surveillance, and reconnaissance) systems development and integration.¹²¹ As markets continually show how commercially run research and development programs outstrip their government counterparts, no one can really predict how long the United States will retain its lead. For the present time, military forces will continue to rely on highly networked, space-based and ground-based intelligence and reconnaissance systems, but those systems are not secure and could cease to exist at critical times.¹²²

One current example of this shrinking gap of information superiority, is the newly sanctioned national missile defense (NMD) initiative. Presently, the developers of the program intend to rely on an array of ground and space-based sensors to detect the launch of intercontinental ballistic missiles, track their speeds and directions, differentiate between true threats and decoys, and then guide intercepting missiles to collision.

Assuming that the system does eventually function, space-based information sources will

¹²¹ NSC Report, 66.

¹²² NSC Report, 66.

grow increasingly vulnerable as more states and groups gain the ability to reach space. Without the satellites in place to guide intercepting missiles, NMD does not work.

Due to the wide availability of commercial sources of space related technologies and commercially funded projects, the United States will no longer enjoy a monopoly in space-based information technology by about 2025.¹²³ One advantage that the United States will retain however is in intelligence. It is one thing to have the capability to acquire information, and it is another to have the analytical experience to transform raw data into usable information, distribute that information in a timely manner, and then be able to consolidate the resources necessary to act on it. It is because America can utilize its resources to perform all of these functions that it is the most powerful country in the world.

Generally, the varying “will calculations” and dispersed capabilities across the world due to globalization mean that both conventional and nuclear deterrence will remain a priority in the coming century, but will be harder to achieve than ever before. Deterrence will become more difficult because other countries will gain in conventional capability. Deterrence will also become less meaningful as aggressive conventional defensive means are superseded by defensive nuclear reliance. Deterrence from a Cold War perspective is steadily disappearing and with it general political power of that same scale based on military power.¹²⁴

Deterrence has changed so significantly, that we might as well come up with a different term altogether. In dealing with the Soviet Union and the Warsaw Pact, deterrence was more a policy of neurotic cooperation than leverage, forcing countries to

¹²³ NSC Report, 66.

¹²⁴ NSC Report, 67

act according to US will. The old analogy of a grand chess game via strategic move and counter-move is a fair description of how both the US and Soviet Union viewed the relationship as a one-on-one match.¹²⁵ Today many of the structures that kept the peace have disappeared, and where before the US had few entities to deal with, it now has many. During the Cold War hostilities were more organized and hence, less prone to error.¹²⁶

The primary constant American policy makers could count on during the Cold War was the cold rationality of Soviet policy makers. Everyone involved in the action understood that neither side wanted absolute destruction. Today there are no such guarantees, and actually a good chance that irrational or even rational groups and individuals will have the opportunity to touch and decide to Use weapons that could make a difference in the future, disregarding US attempts at deterrence.¹²⁷

Irrational groups or leaders may come into greater contact with sophisticated nuclear and non-nuclear systems due in great part to their increasing availability and the movement of a large portion of research and development activities from governments to civilian economic sectors. Returning once again to the disintegration of the Soviet Union, security on nuclear weapons and components has been lax over the last decade. It is almost common knowledge that nuclear components have moved to countries such as Pakistan and Iran from the Soviet Union. The Russian Federation has also used the sale

¹²⁵ NSC Report, 66.

¹²⁶ NSC Report, 66.

¹²⁷ NSC Report, 66.

of conventional systems to supplement its poor economy. In actuality, the weapons industry is one of few in Russia that are not completely broken.¹²⁸

Governments are looking for off the shelf items to incorporate in their security forces. When this is the case, there is a profit motive behind research and the will of the corporation backing that research to sell the findings, and to sell them to as many people as possible. Governments, especially those in free market systems, do not have the power to completely stop the leakage of this kind of information to foreign governments. So where the United States may continue to pull ahead of the rest of the world in military technological breakthroughs in the short term, the technological time gap will likely continue to shrink as more projects are given to business.¹²⁹

Rational leaders or groups may also avoid US attempts at deterrence. Increased conventional capability and possession of nuclear forces by groups may in turn deter the US from sending forces abroad as much as has been the case in the last 100 years. The United States has proved by its very existence that countries with limited capabilities can often defeat those with greater means due largely in part to location, politics, and the perceived value of victory to the citizenry. A rational leader may choose to make aggressive stands on issues in the future, relying on the fact that the political costs of US conventional action would be too high and nuclear action would be politically impossible due to proximity of other geographical features. The prevalence of possible US enemies makes offensive nuclear deterrence unlikely.¹³⁰

¹²⁸ NSC Report, 67.

¹²⁹ NSC Report, 67

¹³⁰ NSC Report, 67.

Beyond politically acceptable conventional force projection, retaliatory nuclear action is all that is left with respect to deterrence. Even retaliatory nuclear action may be impossible in many circumstances, be it from international attitudes, domestic political concerns, or business interests. In short, the varying increase of capabilities in multiple hands reduces flexibility in the United States military-security strategy. In order to project will the United States will need to project power. Nuclear power will not be a significant means of projecting power for the United States.

An additional area of concern is one that has been ever present throughout the post-Cold War years, and will continue to increase as destructive capabilities continue to increase. This concern is intelligence. No matter how sophisticated a system of information gathering happens to be, that information is Useless until put in the proper perspective. That perspective includes cultural perceptions, economics, military posture, and basically any other element of socio-political dynamics. In the past, American analysts have made incorrect assumptions about the activities of enemies based on perceived interests. To believe that the US's present and future enemies have the same values and beliefs is short sighted. Despite attempts to understand the motivations and values of possible enemies, the United States will be surprised by certain events in the future. At some point in the future, someone will guess wrong. In the new military security domain, a wrong choice could mean massive destruction.¹³¹ In essence the number and variety of threats will add to greater uncertainty making it more difficult to predict events.

¹³¹ NSC Report, 67.

“Nevertheless, presuming continued investment at roughly today’s resource levels, no state will acquire the strategic mobility and expeditionary capabilities that currently provide the United States with global reach and sustained combat power.”¹³² At the present time, the United States invests more money in defense related activities than anyone, far more. Though the technology gap will shrink at an accelerated speed, the US should remain ahead of all competitors for the next 25 years. A cause for concern however, is that America’s allies will lag behind in military technology evolution. Disparities among allies will likely lead to widening gaps in interoperability and hamper the ability of coalition forces to operate in tandem. This could also bring to question several alliance relationships in relation to areas of burden and risk sharing. At the same time that the United States seems to be trying to step away from the plate and let other coalition partners take on some of the burdens of supporting the security structures in Europe, the European allies are limiting defense expenditures.¹³³

In Conclusion, “only a broad definition of national security is appropriate to such circumstance,”¹³⁴ Taken all together, the security strategy of the next 25 years will need to be fluid and adaptable to various circumstances. The United States will become more technologically advanced and retain that edge, but its enemies are becoming stronger. It will likely have the strength in numbers and political power to deal with crisis in the future, but will have fewer options and less flexibility to deal with these concerns. Enemies will abound, and will have the power at their disposal to attack United States territory, and the government will likely not be able to protect its citizens from every one

¹³² NSC Report, 67.

¹³³ NSC Report, 68.

¹³⁴ NSC Report, 57.

of these attacks. US citizens will continue to try and promote American interest abroad, but old world political-military coercion will likely carry less weight compared to economic and information-based coercion.¹³⁵ U.S military reliance on forward-deployed forces will require revision due to the political costs and the vulnerability of those forces to criticism, weapons of mass destruction, and a myriad of antagonists.

America's posture is changing in policy where before it was only changed by the reality of crisis. The NSC claims, "that stability may simply not be achievable at small cost—or any cost—and riding out the storm at anchor is not an option," and suggests that it is supportive of active engagement in this very difficult system.¹³⁶ But the ways in which the United States may engage its military forces in the international realm are changing. It will become increasingly more costly to attempt unilateral military action, and the prevalence of weapons throughout the world, regardless of US superiority may incur an inverted deterrence on the United States itself. Finally, wonderful technologically advanced weapons systems will help defend America, but their Use abroad will be less tolerable.

¹³⁵ NSC Report, 57.

¹³⁶ NSC Report, 57.

CHAPTER II

KEOHANE'S THEORY

Keohane approaches his Functional Regime Theory from a Realist perspective. While he eventually concludes by claiming that his theory is Neo-Realist, others would insist that it is actually Idealistic in nature.¹³⁷ A Neo-Realist label implies that Keohane “attempts to systematize political realism into a rigorous, deductive systemic theory of international politics, rather than initiating a new line of theoretical inquiry.”¹³⁸ Regardless of his goal, Keohane is consistent in his almost exclusive use of traditional Realist premises. In a separate work entitled, Neorealism and its Critics, Keohane discusses traditional Realist principles from the time of Thucydides. “(1) States are the key units of action; (2) they seek power, either as an end in itself or as a means to other ends; and (3) they behave in ways that are, by and large, rational, and therefore comprehensible to outsiders in rational terms.”¹³⁹

But Keohane also names his theory a Functional regime Theory. In Keohane's terminology, Functionalism, Institutionalism, or a “modified structural research program” would describe relaxing certain realistic assumptions to incorporate Functional or Institutional environmental circumstances into the state power calculus, differentiating

¹³⁷ Mihalkanin, Edward. Telephone Conversation 18 Oct 2000.

¹³⁸ Keohane, Neorealism, 15.

¹³⁹ Keohane, Neorealism, 7.

that environment from one of traditional Realism. An Institutional approach would de-emphasize state actions in terms of Realistic power and interest considerations and emphasize the approaches states would use to fulfill their interests. Functionalism, at its most basic, is about applying the proper tools to the circumstance at hand.

Institutionalism is a Functionalism completely concerned with international organizations, or a Functionalism created by Keohane to describe only supra state relations Functionally, through a Realistic framework.

There are many logical continuations from the very basic Realist assumptions above. Realism is a very old and popular approach to international relations, and many variations to the traditional model exist. In any case, it is possible to explain most state activities as self-interest by one means or another in spite of empathetic objections. Unfortunately for Realists, most people do not accept completely self-interested explanations for apparently empathetic actions.¹⁴⁰

Keohane's Functional approach is an attempt to rectify the deficiencies of traditional Realism. Those deficiencies are fairly simple to outline, the primary one is the existence of irrationality. Irrationality is the inexplicability of state actions, whether they are influenced by the emotions of leadership, cultural propensity, or morality. Irrationality in international relations may be termed a catchall for describing activity inconsistent within a Realist power struggle. Keohane's work, is an attempt to take Realism and make it a feasible determinate for international actions in spite of irrationality.

I will not attempt to prove any initial divergences from Realism, or question Keohane's eventual alteration of Realist premises. The reason for choosing Keohane was

¹⁴⁰ I approach the subject matter when considering generalized reciprocity.

the Functional (Institutional) aspect of his Regime Theory, and not any relationship to Realism. It is important to mention this qualification, only because Keohane's approach is one determined to defend his theory within Realism and may cause confusion while trying to apply its Functional attributes in terms of Realistic Language. In other words, Keohane is only interested in Functionalism as far as it serves his purpose in aiding Neorealism as a viable defense of Realism, I am interest in its Functional attributes for the sake of Functionalism alone. I will simply explain Keohane's Functional Regime Theory in his own terms and within his own modified Realist argument as it pertains to NSC assumptions and conclusions. Both Keohane's work, and the NSC report contain elements of Realism and Functionalism. The following sections are organized in the same fashion as chapters six and seven of Keohane's book, After Hegemony: Cooperation and Discord in the World Political Economy.

A Functional Theory of International Regimes

Keohane begins his functional approach to regime theory by discussing political market failure and the Coase Theorem. Coase's theory assumes that discord results not from difficulties of coordination between actors, but from a fundamental difference of interests. Egoistic actors would not necessarily suffer from the existence of externalities. Externalities are defined as situations where, "actors do not bear the full costs, or receive the full benefits, of their own actions."¹⁴¹ Where a self-help system would tend to induce actors to calculate only on self-interest, the existence of externalities would impede cooperation, but Coase concludes that cooperative solutions could be approached in spite of externalities. Based on the rules of liability, perfect information, and zero transaction

¹⁴¹ Keohane, 85.

costs, Coase believed that efficient arrangements (cooperation) could be reached that would provide benefits in spite of the absence of a centralized authority.¹⁴² In other words, in spite of egoism and externalities, if states were assured of the three prior preconditions they would recognize mutual interests even in a self-help system or a state of nature.¹⁴³

Keohane points out that in the international political world none of the prior conditions are ever met. Because no world government exists, questions of legal liability are murky. Information and transaction costs are also high. Therefore, Keohane uses an inverse of the Coase Theorem to predict that the lack of the three prior conditions is what actually hinders international cooperation. In this case, if Keohane can propose a method that would make clear questions of liability, provide information, or reduce transaction costs, cooperation would be made more possible. In line with the argument, Keohane adopts the international regime as a solution for meeting the criteria of cooperation.¹⁴⁴ International actors will therefore join regimes because the costs of doing so would be less than seeking cooperation through multilateral means. A multilateral approach would simply constitute negotiating treaties or agreements on a case-by-case basis.

Through the unilateral mechanisms of a regime, states are able to economize on resources and actions. The legal liability offered by regimes is not binding in the same sense as similar institutional arrangements within the state. Regimes offer “quasi-agreements” usable by states, but do not direct states as through a world government. Because world politics have no centralized authority and issues of sovereignty make no

¹⁴² Keohane, 86.

¹⁴³ Keohane, 86

¹⁴⁴ An international regime is a supranational organization intended to facilitate cooperation between states. The concept is more fully explained in later sections.

agreements truly binding, the quasi-agreements of states represented by regimes rely on the far-sightedness of actors to uphold agreements. For Keohane, reputation is an important element to the future of states. The limited legal liability offered by regimes, relies on reducing levels of uncertainty in coordination between states, and also relies on the states to regulate themselves via concern of their own futures.¹⁴⁵

In terms of transaction costs, regimes limit the effort and uncertainty of coordination in a few specific ways. First, by providing rules and norms regimes partially eliminate the costs of following procedures while increasing the costs of not following them. States that are members of regimes run the risk of punishment by breaking agreements. Those that follow procedures gain by not “reinventing the wheel” every time they go to make an agreement. Second, regimes are Useful because alternate agreements can be nested within the framework of rules and regulations already established in a regime. Nesting may group items from different issues areas and reduce the coordination between separate bureaucracies within separate states, thereby reducing the effort of determining trade-offs between bureaucracies.¹⁴⁶

One of the primary difficulties states have when attempting to reach agreements is uncertainty, or lack of complete information. As self-interested entities, states are likely to attempt gain at the expense of other actors. Regimes offer a framework for accurate information transfer. The mere suspicion of asymmetric information may incline states away from cooperation. The ways in which states approach agreements within the framework of a regime give other states opportunities to assess the reputations of involved actors. This reduces risk by reducing asymmetric information and contributes

¹⁴⁵ Keohane, 88.

¹⁴⁶ Keohane, 91.

to cooperation. Additionally, regimes may offer mechanisms for supplying unbiased information.¹⁴⁷

The primary benefit that regimes offer is reducing overall uncertainty. In specific areas regimes alter the international environment from a “buyer beware” atmosphere into one more conducive to cooperation. Simply put, “Regimes facilitate agreements by raising the anticipated costs of violating others’ property rights, by altering transaction costs through clustering of issues, and by providing reliable information to members.”¹⁴⁸

When considering a Realist model however, even with the added benefits of reducing uncertainty it may be questionable why states would comply with regime rules to their detriment in specific cases. Keohane proposes that myopic self-interest is not a compelling description of the way that states make decisions. Myopic self-interest describes egoistic actors as calculating benefits on a case-by-case basis. Instead, he offers a calculation model based on far-sighted self-interest. Viewing a single regime in a vacuum, states may comply with rules to their detriment; because regimes have a tendency to nest issues and the benefits of the regime may outweigh the cost of loss in one specific area. The decision process of states is part of a system in the far-sighted view.¹⁴⁹

Outside of the vacuum and more in tune with reality according to Keohane, states deal with numerous issues and are also part of numerous regimes. The effects of breaking rules in one issue area or dissolving membership in a regime deemed detrimental to the interests of the state involved, may cause consequences across issue

¹⁴⁷ Keohane, 99.

¹⁴⁸ Keohane, 97.

¹⁴⁹ Keohane, 103

areas. States are inclined to follow the rules of regimes, and maintain membership in detrimental regimes, because balking at agreements or responsibilities may cause adverse affects in multiple areas.¹⁵⁰

Additionally, the costs of constructing new regimes generally outweigh those of attempting to change existing ones. Keohane believes that it is only possible to create an international regime through the presence of a *hegemon* or an extreme international situation. Therefore, states not satisfied with a particular regime's rules, but appreciative of the benefits of the regime itself would be inclined to attempt change of the regime instead of dissolving membership.¹⁵¹

Regimes themselves have no legally binding authority to punish sovereign states, but offer a mechanism for the members to punish transgression. The functionality of regimes according to Keohane is primarily based on the assumptions that egoistic actors are far-sighted entities that understand their environment in terms of time and the affects of actions on systems. Reputation is important to states, because mutual interests exist and cooperation is beneficial to state objectives. Regimes offer a forum and set of procedures that reduce cost and uncertainty in cooperation. States may act according to regime procedures in violation of their myopic self-interest for greater gain in the long-term and in parallel issue areas.

In offering the regime solution to challenges of government cooperation, Keohane attempts to show that regimes are worthwhile endeavors for states according to cost-benefit analysis. In his view, efficiency and diminished uncertainty are more valuable to

¹⁵⁰ Keohane, 104.

¹⁵¹ Keohane, 105.

states than retaining full autonomy. But in order receive greater benefits than costs through regimes; states must be deficient in certain areas in spite of traditional models.

Pure cost-benefit analysis is reliant on pure rationality and perfect information. Without either of the preconditions, limitations make pure cost-benefit analysis impossible and question the rational nature of the state as an actor. Why is this important? In Realism, the objective is power. It is inconceivable that a state would negotiate away power in return for information and cooperation. Therefore, Keohane must alter our perceptions of rationality and egoism, and expound self-interest to make cooperation apply to Realism. The tool for applying that cooperation is the functionality of regimes.

Bounded Rationality and Redefinitions of Self-Interest

In order to produce incentives for actors to limit themselves, and try to retain an argument on Realist principles, Keohane attempts to alter the nature of the actors themselves. Traditional concepts of rationality and egoism would not be very persuasive in attempting to explain international cooperation beyond balance of power considerations, regardless of the incentives. However, we know that cooperation takes place between states in areas other than security.¹⁵²

According to Keohane, the traditional definition of rationality does not accurately represent reality. Institutions, like individuals suffer from the inability to make complete calculations. They are limited by their own cognitive capabilities, as well as limited information.¹⁵³ Therefore, a theory of bounded-rationality more accurately portrays

¹⁵² Keohane, 121.

¹⁵³ Bounded rationality is a definition of rationality viewed through real-world constraints

reality according to Keohane.¹⁵⁴ It follows then, that states are not able to maximize potential benefits. A lack in capability encourages states to *satisfice* their desires. *Satisfice* means, “to economize on information by searching only until they find a course of action that falls above a satisfactory level.”¹⁵⁵

States are also confronted with multiple issues. In order to make decisions, states must adopt methods to deal with inherent deficiencies. Because states act according to bounded-rationality, the benefits of regimes are more easily apparent than in a traditionally rational world. States are no longer given incentives to cooperate through regimes because of cost factors alone; they are induced to accept the benefits of regimes because of their deficiencies.¹⁵⁶ Regimes codify rules in issue areas that are easier to use than developing new rules in each new situation. They also reduce uncertainty through shared state self-regulation.

When we abandon the assumption of classical rationality, we see that it is not international regimes that deny governments the ability to make classically rational calculations. The obstacle is rather the nature of governments as large, complex organizations composed of human beings with limited problem solving-skills.¹⁵⁷

Because states generally adopt rules to deal with different circumstances due to limited cognitive capacity, regimes are beneficial through a unilateral approach. As long as states view unilateral rules and the ensuing restrictions on other states involved as less costly than restrictions the procedures place on themselves, they are inclined to join the regime.

¹⁵⁴ Keohane, 112.

¹⁵⁵ Keohane, 112.

¹⁵⁶ Keohane, 113.

¹⁵⁷ Keohane, 115.

States may be inclined to join regimes for other self-interested reasons. One such reason is through the determination of changing preferences. The leadership of states often changes and different administrations may have different views. In order to force a government to continue the policies of a particular administration, certain leaders may use regime membership to maintain those policies. Because of restrictions emplaced through considerations of international reputation, it is much more difficult for a state to alter international agreements upon changing administrations than domestic ones. This reasoning leads to other questions about how to define the true self-interest of states, because as preferences may change, the context within which interests are gauged may change as well.

In using bounded-rationality, Keohane has endorsed an alteration of the classical concept of egoism. Keohane offers four examples of how states may gauge self-interest. First he proposes a condition of indifference, where states are not concerned about the welfare of other states. This approach is in line with the classical view. Next, he offers a situation of instrumental interdependence. This view encourages states to be engaged with the welfare of others, as long as their own interests are affected. A *situationally* interdependent approach has states interested in the welfare of others, because improvements in others' welfare improve their own. Finally, an empathetically interdependent approach has states interested in the welfare of others, despite no direct benefit to the interested party.¹⁵⁸ Through his examination of self-interest, Keohane intends to relax the assumption of egoism to incorporate far-reaching indirect benefits into the calculus of state benefit determination. "Relaxing the assumption of egoism

¹⁵⁸ Keohane, 123.

means entertaining the possibility that governments and other actors in world politics may redefine their interests so that they are empathetically dependent on those of others.”¹⁵⁹

One example of far-reaching indirect benefits in international politics is morality. Hegemons including morality into the formulation of international norms is completely understandable. States, like companies and individuals like to form rules on the basis of their own methods. A moral international environment according to the hegemon means familiar territory and adds to the hegemon’s status as referee. Morality injected into world politics may also be defined in egoist terms. If morals were worked into the fabric of norms, rules and procedures of regimes, self-interest would go a long way to describing why states would act according to moral principles in order to protect their international reputation. Even if certain actors did not ascribe to the moral doctrine inherent in the regime traditions, a public face of acting as if they did would be understandable in the calculus of self-interest.

Keohane introduces the concept of unbalanced exchange in a similar light. The appearance of unbalanced exchange revolves around reciprocity. Negative, generalized and balanced reciprocity are the terms Keohane Uses to explain additional benefits of regimes. Negative reciprocity, “refers to attempts to maximize utility at the expense of others, through fraud and violence if necessary.”¹⁶⁰ Above, the section detailing why states would choose to join regimes is an argument for their affect in countering negative reciprocity. In situations of balanced reciprocity, regimes provide additional

¹⁵⁹ Keohane, 125.

¹⁶⁰ Keohane, 128.

perspectives. Generalized reciprocity refers to situations determined without specified reciprocal obligation, such as in a family environment.

Balanced reciprocity may manifest itself in terms of simultaneous exchange of items of equal value. Regimes facilitate exchange and cooperation by making *nonsimultaneous* balanced exchange possible. The rules of regimes allow for punitive measures, therefore providing an environment where credit is also possible. States offer credit in similar ways to banks, with a level of certainty based on the reputation of the borrower that they will be paid in the future. Balanced reciprocity may also include items of tangible versus intangible benefits.

“Generalized reciprocity, by contrast, reflects either situational or empathetic interdependence of interests.”¹⁶¹ Under this model, states give to others because they will receive indirect benefits, or they are concerned about the welfare of others. Keohane claims that generalized reciprocity is not a substitute for the egoist interpretation, but may help US interpret certain actors’ actions not fully explained by the egoist concept. The reason why states would give to others empathetically is not sufficiently argued in Keohane’s analysis, but he believes that empathy is an important consideration in defining state’s self-interest. He admits that self-interest is a changing phenomenon within states across time, and that learning may alter the perceived rationality of state actions. For the most part, “explanations based on empathy can be redefined in terms consistent with egoist theories,” but the elasticity of self-interests make certain actions difficult to explain according to balanced reciprocity.¹⁶²

¹⁶¹ Keohane, 131.

¹⁶² Ibid, p 132.

In conclusion, a relaxed approach to egoism makes state participation in regimes more sensible. Bounded-rationality, leaders that wish to maintain current policies after their departure, and empathetic governments are more apt to find regimes Useful. By altering our sense of what egoism is, Keohane binds rationality and makes over state incentives to join regimes into something more on the level of imperatives for cooperation. Because he assumes that mutual interests are a given and states seek to increase power, the efficiency of seeking power mutually would be difficult for any Keohane egoist to refuse. Regimes then offer what states cannot do themselves. They provide a semi-legalistic framework incorporating norms of morality in some areas, reducing uncertainty, providing efficiency in agreements that states cannot attain themselves, offering a means for *nonsimultaneous* balanced exchange, and binding states to good behavior through peer pressure.

CHAPTER III

APPLYING KEOHANE'S FUNCTIONAL REGIME THEORY

On the basis of the Commission's report, I will apply Keohane's Functional Regime Theory to determine how the United States will react internationally to globalization in the future, and compare these findings to NSC conclusions. As the NSCs report only encompasses a 25-year span, predicted trends may eventually lead to events outside of the NSC's decision parameters. However, the NSC is probably correct in assuming that any global forces affecting states will not significantly alter those institutions within the time allotted, though they will produce great challenges. No matter what emerges, changing international dynamics will require adaptation by the United States of America to retain viability. The changing avenues of power will place great strains of states to fulfill their traditional functions.

The proceeding chapter outlines Keohane's Functional Regime Theory, defines terms, and describes how international cooperation may take place between states. The NSC report however, does not include the same level of analysis. The premises of the report are not necessarily defined according to the same terminology, and the purpose is slightly different. Where Keohane sought to provide a model for determining why cooperation takes place internationally, a significant portion of the NSC report is an

attempt to predict future technological, economic, socio-political, and military-security related trends in order to aid in developing a US National Security Strategy conducive to that future international environment.

Also, as they both begin with realist principles, the Functional aspects of the NSC report evolve more so than those of Keohane's theory. Keohane restricts Functionalism to the international institutional level, while Functionalism is also an individual phenomenon for the NSC. Therefore, the specific assumptions made by the Commission are couched in terminology relating mostly to US interests and environmental trends. In order to apply Keohane's theory to the NSC's conclusions, it is first necessary to outline the specified and implied assumptions that the NSC uses to construct its projections.

The NSC basically makes twelve assumptions about the future from which to base projections and conclusions. I match some Keohane terms and those acceptable to him on Realist principles captured in parentheses with the NSC assumptions. They are:

1. An economically strong United States is likely to remain a primary political, military, and cultural force through 2025, and will thus have a role in shaping the international environment. (Seeking self-interest)
2. The stability and direction of American society and politics will help shape US foreign policy goals and capacities, and hence the way the United States may affect the global future. (Internal factors affecting state power)
3. Science and technology will continue to advance and become more widely available and utilized around the world, but their benefits will be less evenly distributed. (Standard elements of a state of nature)
4. World energy supplies will remain largely based on fossil fuels. (Standard elements of a state of nature with a specific condition)
5. While much of the world will experience economic growth, disparities in income will increase and widespread poverty will persist. (Standard elements of a state of nature)
6. The international aspects of business and commerce will continue to expand. (To the NSC this is Globalization; to Keohane the phenomenon would be particular to each state. Each state would take advantage within its on market)
7. Non-governmental organizations will continue to grow in importance, numbers, and their international role. (Regimes)

8. Though it will raise important issues of sovereignty, the United States will find it in its national interest to work with and strengthen a variety of international organizations. (Mutual interests exist, and regimes are a means for facilitating cooperation)
9. The United States will remain the principle military power in the world.
10. Weapons of mass destruction will continue to proliferate to a wider range of state and non-state actors. Maintenance of a robust nuclear deterrent therefore remains essential as well as investment in new forms of defense against these threats. (Egoist/bounded-rationality in the Keohane's model)
11. We should expect conflicts in which adversaries, because of cultural affinities different than our own, will resort to forms and levels of violence shocking to our sensibilities. (Standard elements of a state of nature)
12. As the United States confronts a variety of complex threats, it will often be dependent on allies; but will find reliable alliances more difficult to establish and sustain.¹⁶³ (Egoist/bounded-rationality in the Keohane's model)

With very few exceptions, the NSC assumptions are very similar to Keohane's characterizations of the state. The United States will be a powerful international player providing for its own interests, it will be limited in capability and reliant on outside forces for assistance, and also be inclined to cooperate because of mutual interests. The United States will be farsighted, as this study in fact proves. The primary difference between the NSC's assumptions, and Keohane's premises, is in the importance of non-state actors. For the NSC, non-state actors will gain in influence, numbers and capability. They will gain in power through globalization, and some may take on traditionally state functions and have state-like capabilities, as in coercive capability brought on by weapons of mass destruction.

According to Keohane, any limits put on states, are state sanctioned and not particularly legally binding. In Keohane's terms, non-state actors (regimes) that attempted to perform state functions would suffer from legitimacy concerns when at odds with states. But for the NSC, non-state actors may gain legitimacy through changing allegiances. Location as a determinate of allegiance is minimized through globalization.

¹⁶³ NSC Report, 3.

Where individual allegiance may be determined as an internal domestic power consolidation problem for states, it may also be viewed as an external international questioning of sovereignty when exercised through non-state actors or regimes. Therefore, non-state actors may be able to act on a similar footing with states in the international environment of the future. While states remain the primary actors currently, globalization and the restrictions states put on their own power through regimes are changing the dynamics of nation to state power transfer.

Of the NSC's implied assumptions, it is clear that the elements of state power are an important part. Information, economic, diplomatic, and military power are the means by which states promote their agendas. These elements of power are also thoroughly interrelated. The threads of reasoning throughout the NSC's four sections describing global dynamics roughly parallel this concept of elements of power. Discussion of the elements of power and how states mobilize their resources into power usable internationally is important because, "the ever tighter harnessing of science and technological innovation, and of that innovation to global integration, is changing the rules of international engagement."¹⁶⁴ And, the ways in which states mobilize national power will be little different from the same process for non-state actors. This section represents the primary divergence of thought between Keohane and the NSC. The different Functional emphases of Keohane and the NSC will lead to different conclusions, regardless of their very similar Realist bases.

The Scientific and Technological Future essentially details changes in the decision environment. Information technology, biotechnologies, and MEMs will affect

¹⁶⁴ NSC Report, 1.

areas other than information calculations of power, but in general, this assessment gives states insights of what capabilities may be at their, and their adversaries' disposal in the future. It is clear from the time that the NSC allotted to information technology alone, that it believes information to be the most important aspect of future technological gain. Technologies will aid in enlarging economies, supporting diplomatic efforts, and in developing weapons systems, but primarily increase information accumulation capabilities.

The reasons why the economy is important to state power are readily apparent. Economies provide resources. States may also use the relative size of their economies, through incentives or punitive measures to enforce their will internationally. Levels of interdependence between actors in Keohane's terminology encourage cooperation and dissuade discord. A steadily integrating global market should make conflict between principle actors less likely, and bring about the existence of global free trade.

When discussing socio-political dynamics as defined by the NSC in terms consistent with international relations, the state's ability change resources into power affect diplomacy. Because the NSC takes a Clausewitzian approach to its discussion of elements of power, diplomacy is an international dimension of power. "In all cases, the changes ahead have the potential to undermine the authority of states, and the political identities and loyalties of citizens will be put through various tests."¹⁶⁵ The ways that states are governed in the future, incentives for individual allegiance, and the means by which states are able to turn all forms of capital into power will be felt internationally. This will affect their ability to bargain in the global environment.

¹⁶⁵ NSC Report, 38.

National power is not the same as state power, the latter being that share of the former that governments learn to collect, manage, and deploy. The formula for translating national power into state power is changing, but it is not beyond mastery.¹⁶⁶

The Military-Security Domain is concerned with the ways in which states will protect their interests. Whether those interests are domestic defense, protection of markets, or even territorial conquest, military capabilities are changing. Not only are they changing in structure, strategy, and destructive ability, how they will be used in the future will continually be restricted through globalization and international taboos. According to the NSC, there are only a few areas of the world where territorial gain by force of arms would be worthwhile to the conquering state. Recent concerted international military action has also tested the boundaries of sovereignty.

This discussion of elements of power leads to one of the NSC's key predictions about future trends. Information and economic based power will become more important than diplomatic and military-strategic power to state's international capabilities.¹⁶⁷ Globalization will affect state pursuit of these forms of power, because elements of information and economic power are moving beyond the locus of control of states. The nature of globalization defies state control, just as, "one of the key social implications of the technologies in our future is that they will tend to confound all attempts at centralized control, not unlike the logic of the marketplace."¹⁶⁸ Technology here is a metaphor for globalization.

¹⁶⁶ NSC Report, 37.

¹⁶⁷ NSC Report, 1-45.

¹⁶⁸ NSC Report, 11.

Aspects of globalization such as opportunities for changing individual allegiances will affect state consolidation of power. “The ties that bind individual or group loyalty to a state can change and even unravel, and the next 25 years portend a good deal of unraveling.”¹⁶⁹ Individuals that benefit from the economic and information incentives of globalization will be less inclined to support wars. “Citizens of the advanced states are increasingly less willing to fight or support messy wars partly because technology has made life much less risky and frail than it once was.”¹⁷⁰ Therefore, mobilizing national support of military operations may be more difficult in a purely domestic sense. Internationally, changing allegiances to non-state actors will alter the power calculus as well, as pressure from non-state actors impedes on state actions.

This means that the nature of globalization described by the NSC, and cooperation among the principle international actors according to Keohane seek to undermine state authority. In order to exercise power, states will be encouraged by their associations to focus on economic and information aspects of power. The difficulty here is that the nature of globalization will put those aspects of power further and further beyond the control of the state. How will states attempt to counteract this trend? We will now turn to the NSC conclusions to illustrate their changing emphasis on forms of power for future consideration.

1. America will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect US.
2. Rapid advances in information and biotechnologies will create new vulnerabilities for US security
3. New technologies will divide the world as well as draw it together.
4. The national security of all advanced states will be increasingly affected by vulnerabilities of evolving global economic infrastructure.

¹⁶⁹ NSC Report, 38.

¹⁷⁰ NSC Report, 42.

5. Energy will continue to have major strategic importance.
6. All borders will be more porous; some will bend and some will break.
7. The sovereignty of states will come under question but will endure.
8. Fragmentation or failure of states will occur, with destabilizing effects on neighboring states.
9. Foreign crises will be replete with atrocities and the deliberate terrorizing of civilian populations.
10. Space will become a critical and competitive military environment.
11. The essence of war will not change.
12. US Intelligence will face more challenging adversaries, and even excellent intelligences will not prevent all surprises.
13. The United States will be called upon frequently to intervene militarily in a time of uncertain alliances and with the prospect of fewer forward-deployed forces.
14. The emerging security environment in the next quarter century will require different military and other national capabilities.¹⁷¹

Grossly simplifying the NSC predictions, states will perceive greater threats and experience greater challenges to consolidating power over the next 25 years. According to Keohane, they will turn to regimes to ensure cooperation and decrease uncertainty. States will benefit from regime structures, because regimes will promote cooperation. Without addressing sovereignty issues within NSC conclusions, Keohane would likely say that in the future the United States would continue to act as it did during the Cold War. As a hegemon, the US was able to promote its own agenda through regimes. In the future, the US should take advantage of those regimes that it established to maintain international stability.

Taking Keohane's model we know that states pursue power, and in that pursuit may come to seek control over globalization as a mutual interest shared between states. In a purely Realist world, we would predict that individual states would try to control globalization to their advantage, and only act in concert when threatened by a greater power. In Keohane's institutional and Realist world, we predict that states would turn to

¹⁷¹ NSC Report, 4-7.

regimes to provide what states are not able to provide themselves. Because of all of the reasons why states join regimes (increased certainty, liability, transaction costs, information), the nature of globalization as a trend that tends to confound attempts at centralized control will induce states to attempt to counteract their loss of power through regime frameworks, according to Keohane. Taking the NSC's assumption that information will be more difficult to process due to sheer magnitude, and incorporating Keohane's concept of egoism, states will require institutions to process the information they cannot process themselves.

For the NSC, the act of turning to regimes for help will weaken states. They will gain in efficiency, but lose autonomy. A difficulty states will find in using military or diplomatic power in the future world is a result of the restrictions they have placed on themselves through international regimes. Unilateral military actions will become more difficult to manage as economies become more integrated. Regimes will serve to place limitations on armed forces because of nesting of issues and reputation considerations of states, and military actions may become acceptable only in terms of multilateral actions among advanced nations directed through regimes like the United Nations. It's somewhat ironic that institutions, according to Keohane, designed to facilitate cooperation among powers not only to provide all of the benefits covered in the previous chapter and aim at securing greater power for the state, but also in conjunction with globalization tend to limit states to the point that elements of their traditional exercises of power (military and diplomacy backed by that power) become increasingly difficult to use. Regimes add to the economic and information aspects of power, but may also restrict military and diplomatic forms of power. For the NSC, Functionality is not

necessarily a tool of the state, because sovereignty is questioned. Functionality then becomes a tool of the individual. Once state sovereignty is questioned, in an abstract sense individuals are given the power to choose what institutions will fulfill the functions they require.

CHAPTER IV

KEOHANE DOES NOT MATCH NSC PROJECTIONS

It is necessary to remember the time constraints of the NSC report, because some of the NSC predictions necessarily lead to diminished power of the state itself. Keohane's overriding goal is to protect state sovereignty as an organizing principle of international relations; therefore this concept is not accounted for in Keohane's work. This is not a criticism of Keohane. Because his study is focused on cooperation between states, and never questions the viability current or continued of the state, NSC conclusions work somewhat outside the Keohane box. The Commission implies that through diminishing resources and inefficient functionality, the state may lose certain functional aspects of power in the future.¹⁷²

In applying the rational explanations of state actions to individuals, as both the NSC report and Keohane do, and considering globalization's effects on individual empowerment, it is difficult to see why individuals will continue to rely on states to perform certain functions in the future. Although individuals are at the mercy of states in

¹⁷² Functionalism is applying the most efficient or best tool to a certain situation. A similar term Institutionalism, is used by Keohane to apply specifically to international relations and international organizations.

terms of location and coercion, reputation and precedent would not place the same restrictions on individuals within states as governments in international politics. Because Keohane believes that states are the important international actors, any Functional arguments in terms of individuality are not represented. His theory of Functionalism (Institutionalism) resides only on the level of regimes defined above. For the NSC, globalization is an individual, as well as a state trend. Therefore, international activities that matter, take place on the personal as well as on the state and international level.

Once again, because the report only encompasses 25 years the NSC retains the state as the primary international actor; anything beyond that time-span is not accounted for by the NSC conclusions. But because sovereignty issues and the legitimacy of the state itself are brought into question throughout the NSC Report, it is sometimes difficult to determine how much control over their fate states will actually have. The NSC's report necessarily leads to conclusions beyond the 25-year time-span, but for the sake of argument, I will not follow the premises to the logical conclusions.

In certain sections of Keohane's book, he acknowledges the existence and impacts of international actors other than the state, after all, that is exactly what a regime is. We run into problems however, when there is any question over sovereignty issues. Keohane takes sovereignty as an inviolate concept. The writers of the NSC Report consider sovereignty an issue that will face scrutiny in the future, and has already been challenged in particular cases. "It is not a forgone conclusion that the role of the state will be permanently diminished, or the system of sovereign states reformed or replaced on account of these challenges."¹⁷³

¹⁷³ NSC Report, 1.

While applying Keohane's theory to the future projections of the NSC Report, I will consider any questions to the legitimacy of the state itself, where such questions concern domestic consolidation of resources, as internal challenges states must overcome in order to consolidate power. External international questions to sovereignty will remain viable because they will directly call into question Keohane's characterization of regimes. There are limits to the separation of international versus domestic resource, and because of globalization, even the slim lines imposed here will blur further in the future. I believe the separation viable in this matter however, because from an international dimension, the course I will follow is within Keohane's own argument. It is a pure international relations argument and not a blending of disciplines with foreign and domestic policy.

"There will still be great powers, and their interaction in pursuit of their own self-interests will still matter."¹⁷⁴ Therefore, domestic sovereignty and legitimacy issues are not viewed holistically, but as separate events within separate states, and in line with the Keohane approach. Another assumption the NSC makes is, "the definition of national security must include all key political, social, cultural, technological and economic variables that bear on state power and behavior."¹⁷⁵ This is a traditionally Realist assumption from the time of Clausewitz, in line with the Hobbesian approach Keohane takes, and nothing that Keohane would likely argue against as he tries to defend his functional model in terms of Realist principles. "This book has deliberately adopted Realist assumptions of egoism, as well as rationality, in order to demonstrate the possibilities for cooperation on Realist premises."¹⁷⁶ So even for the NSC where

¹⁷⁴ NSC Report, 1

¹⁷⁵ NSC Report, 3.

¹⁷⁶ Keohane, 135.

globalization is a process that takes place at times beyond state control, states must seek to gain from its aspects in order to consolidate power. Where regimes take advantage of globalization and the inadequacies of the states to respond to change however, the door is open for argument on Keohane's own terms. Here, I will question Keohane's concept of a regime through the tool of diminished state power via globalization. I will then discuss the NSC conclusions and explain why Keohane's is not a convincing model for explaining the NSC's future projections.

The proceeding chapter outlines Keohane's Functional Regime Theory, defines terms, and describes how international cooperation may take place between states. The NSC Report however, does not include the same level of analysis. The premises of the report are not necessarily defined according to the same terminology, and the purpose is slightly different. Where Keohane sought to provide a model for determining why cooperation takes place internationally, a significant portion of the NSC Report is an attempt to predict future technological, economic, socio-political, and military-security related trends in order to aid in developing a US National Security Strategy conducive to that future international environment. Therefore, the specific assumptions made by the Commission are couched in terminology relating mostly to US interests. In order to apply Keohane's theory to the NSC's future projections, it is first necessary to outline the specified and implied assumptions the NSC Uses to construct its projections.

Another difficulty states will find in using military or diplomatic power in the future world, is a result of the restrictions they have placed on themselves through international regimes. Unilateral military actions will become more difficult to manage as economies become more integrated. Regimes will serve to place limitations on armed

forces because of nesting of issues and reputation considerations of states, and military actions may become acceptable only in terms of multilateral actions among advanced nations directed through regimes like the United Nations. It's somewhat ironic that institutions according to Keohane designed to facilitate cooperation among powers not only provide all of the benefits covered in the previous chapter and aim at securing greater power for the state, but also in conjunction with globalization tend to limit states to the point that elements of their traditional exercises of power (military and diplomacy backed by that power) become increasingly difficult to Use. Regimes add to the economic and information aspects of power, but may also tend to restrict military and diplomatic forms of power.

First, as reservoirs of information, regimes will come to be more powerful. As information becomes a more important factor in the power calculus, those who control it will attain bargaining principle. This will have a tendency to reduce the importance of sovereignty. States may retain the ultimate power in terms of abstract concepts of authority, but with their hands tied by situational and empathetic interdependence, and information a necessary means to power, states could then be more thoroughly coerced into following the regime rules and procedures. Trade associations such as the EU are perfect examples. Once a state relinquishes its authority, it is subject to authority.

Second, states will be bound by their own market theologies and regulated by regimes to follow procedures at odds with their own interests. In order to regulate non-state actors, such as transnational corporations, states would need to determine global tax structures, or some other means to regulate transnational commerce. This seems highly unlikely when considering the benefits to underdeveloped nations for not doing so, and

also liabilities such regulation will emplace on the growth of markets and their detriments to all states. Globalization has the tendency to produce free market economies because of interdependency of markets. The nature of transnational corporations will encourage them to seek out areas of comparative advantage, and this includes tax structure.

Globalization will make it possible for companies to do business anywhere in the world. The Internet as a medium and an increasing tendency toward intellectual products will mean intangible products and an intangible means of delivery. Large intellectual corporations could base their operations out of countries with unparalleled tax incentives, and leave advanced nations without means to tax them. Free markets themselves will work against nations when location diminishes as a variable. A perfect example of this is how the United States is currently handling state sales tax on Internet purchases. As it stands, only residents within the state of purchase are required to pay state sales taxes.¹⁷⁷

Admittedly, this concern may be a long way off. In the mean time, states will need to overcome obstacles of trade blocs such as the EU and NAFTA, and trade associations such as ASEAN. Transnational corporations will also have to deal with the protectionist policies inherent in such blocs, but globalization will tend to open markets and break down barriers. In the end, for states to retain their resources and consolidate economic and information elements into power, the very attempts to maintain sovereignty will reduce their effectiveness in those pursuits. It will be necessary for states to develop trade blocs in order to impose order on the world economy and ensure their own resources. However, these trade blocs will limit state autonomy and conflict with comparative advantage through protectionism, thereby making the system as a whole less

¹⁷⁷ Keohane, 71

efficient. Therefore, in terms of absolute power, regimes will hold more sway in determining international action than Keohane gives them credit for. His argument is based on sovereignty, but what difference can old-world authority (sovereignty) make, without the new-world tenants of power (information and economic control)?

According to Webster's Dictionary, sovereignty means freedom from external control.¹⁷⁸ Proceeding with the NSC predictions, it seems difficult to characterize a state in such a manner. Granted, Keohane's model does make an exception to retain the sovereignty of the state in the face of its loss. "Thus in a state of nature (which Hobbes asserts is the condition of sovereigns relative to one another) I am bound by promises made under duress—with a gun at my head—since I have rationally chosen to make these pledges rather than be shot."¹⁷⁹ I can accept an argument on those terms. Joining a regime or retaining membership in one, in spite of duress may be viewed as a situation where regime direction of power is not viewed as questioning sovereignty in terms of Realist models. Realism does not consider the consequence of extinction as a limitation on choice.

But according to the same model, and defending the empathetic actions of states, Keohane claims, "empathy by the advantaged may be more likely to develop in the context of a well-functioning international institution than in an international state of nature that approximates Hobbes' "war of all against all"."¹⁸⁰ If you change the context of the argument midstream, you can defend anything you want to. For Keohane,

¹⁷⁸ Webster's Online Dictionary

¹⁷⁹ Keohane, 71

¹⁸⁰ Keohane 257.

empathetic arguments only come into play after states are members of regimes.

Therefore, a regime changes the context of the environment.

Hobbes notes: The only way to erect such a common power, as may be able to defend them from the invasion of foreigners, and the injuries of one another, and thereby to secure them in such sort, as that by their own industry, and by the fruits of the Earth, they may nourish themselves and live contentedly; is, to confer all their power and strength upon one man, or one assembly of men that may reduce their will, by the plurality of voices, unto one will:....¹⁸¹

That change of environment is to a commonwealth or a state model. In defending multiple ideas with Hobbes, Keohane in fact questions his own definition of regime.

What does sovereignty mean to the man in the state of nature? What does it mean to a state in the same capacity, and how does that change upon leaving the state of nature? In his definition of a regime, Keohane emphasizes that states that are members that retain their sovereignty in spite of following regime rules and procedures. If they do not follow the rules, states will suffer punishment from the members of the regime directed through procedures of the regime. Direction of power is authority, and just as in the Leviathan, the sources of power in a regime are the members of the regime. Borders mean nothing to Hobbes' notion of civil society; the social contract is an exchange of autonomy for security and efficiency. It's the rule of civil law verses the rule of natural law.

Regardless of the inconsistencies based on Hobbes, even empathetic and generalized reciprocity arguments do not hold water in light of future NSC projections. Keohane needed something to explain the conduct of non-state actors. Granting self-interested egoistic actors empathy was his means to approximate international organizations formed for a purpose other than state power gain. Organizations such as the American Red Cross, the Audubon Society, or CARE under the Keohane model would

¹⁸¹ Hobbes, Thomas, Leviathan, 1651, 227

be viewed as international regimes built or directed by states to perform acts of generalized reciprocity when those acts would make significant contributions to international politics. Back to Realist principles, national power does not equate into state power necessarily. Individuals that form international organizations may be performing national acts of will that have no relation to state acts of will. So once again, Keohane's Institutional approach is not enough to explain the Functional tendencies of his own theory.

On the other hand, in Keohane's defense, he does mention the possible existence of externalities. Once again, externalities are defined as situations where, "actors do not bear the full costs, or receive the full benefits, of their own actions."¹⁸² The inputs of non-state actors may be explained away as externalities or as not having great impacts on the international political environment in terms of specific issues, but what happens when we include organized crime and international terrorist organizations? Keohane never develops the definition of significance where international occurrences would be judged. The only things that matter to Keohane in terms of international actions are significant ones. Significance is a very subjective notion that he never defines. Perhaps dropping a nuclear bomb on a major city would be considered significant, or maybe we could consider an attack on the global economic infrastructure such as a cyber-attack on the IMF. In the Keohane model, there is no method to account for these possibilities unless they are state-sponsored terrorism. Otherwise, he can just claim that they are insignificant.

¹⁸² Keohane, 85

The NSC grants that certain weak states may Use international terrorism as a means of asymmetric attack to further state goals, but other terrorist organizations, organized crime, or Keohane regimes will have, “at their disposal alarming means of destruction.”¹⁸³ State-like coercive capabilities will be in the hands of non-state actors. The means with which to deliver weapons of mass destruction will proliferate according to the NSC. We could call these organizations regimes with no sovereignty according to the Keohane model, either acting empathetically or irrationally, but what will territorial boundaries mean to genetically altered anthrax pathogens?

Keohane’s response would claim that states will take defensive measures domestically, but they will also form regimes such as the Wassenaar Arrangement to address their concerns. The NSC would say that this would serve to further reduce state autonomy, add to greater internationally wrought questions to sovereignty, and consolidate more power in the hands of international regimes. Once again, what is authority without the power to exercise it? How is a regime model based on state sovereignty and designed to explain state cooperation, useful in an environment that goes out of its way to make sovereignty more and more irrelevant?

My answer is that it is a suspect approach, but then I am basing my observations on projections of the future and not history. Additionally, Keohane’s model may be a means for explaining elements of state cooperation and international dynamics, but not a holistic model. The fact of the matter is Keohane continually compares the constitution and capabilities of states to those of individuals. Individuals act and are acted upon by multiple levels of organizations and people. Why should states be different? I think the

¹⁸³ NSC Report, 48.

only place it really makes a difference is in an attempted Realist argument. To an individual it may make little difference whether a mugger in an alley, or a constitutionally recognized official acting in a state capacity as an army officer shoots him. Either state is one of nature, one between men and one between states. I fail to see the difficulty of either experiencing civil society, the only stumbling block is our need to hold on to the abstract concept of sovereignty to have some means of describing international activity. Sovereignty is a realistic concept. Where states are the primary international actors and the focus of national wills, it makes sense to speak in terms of sovereignty. There are no other venues of power for the individual outside of nature.

Setting aside Keohane, it seems clear that sovereignty holds less sway in a situation where individuals may allocate aspects of their own power wherever they wish, thereby displacing military and diplomatic forms of power as the only viable international approaches. It is this issue of sovereignty that the NSC questions throughout its report. It is sovereignty that is in danger because of globalization. Non-state actors will contest the authority of states, because location will be diminished as a power-producing variable. States, armies, territories, natural resources, and boundaries will matter, but they will be placed beside other concepts of power. Information and economic forms of power may not be controlled in the same sense as diplomatic and military forms. Diplomatic and military forms of power have to contend with borders, economic and information power are less tangible and therefore able to travel more easily. We will now turn to the NSC conclusions to illustrate their changing emphasis on forms of power for future consideration.

It is fairly apparent that the NSC is truly concerned about asymmetric attacks on US society, attacks on global economic infrastructure, the destruction of states, and the inability of traditional military capabilities to deal with these concerns. US adversaries will use alternate means of power, or the vulnerabilities of globalization to attack US interests. The questioning of sovereignty will reduce US relative state power by diminishing its resource base and absolute authority and also reduce the same of other countries. The United States will not appreciate the instability sovereignty issues will breed in many countries where it is seeking to establish markets. Many market sectors will resist the control of states. Because of globalization, some states will fail, fragment, and fight wars. Non-state actors will have powerful capabilities and influence. They may eventually have similar standing to states, but will be dedicated to more organized interests than states.

The main idea behind the NSC Report is that the future international environment will be difficult to predict. Massive growth in information and economic capabilities will produce a dangerous environment, where institutions (states) developed to address other concerns will need to find ways to cope with the changes in order to remain viable. States were made to protect territory. The opening of societies through globalization will reduce the state's viability because, either individuals will find that the state is not the best form of organization to deal with their future concerns due to the changing emphases of power, or globalization will cannibalize the state's power by eliminating the state's coercive capability through interdependence. Either way, the state must change to address the evolution of economic and information power or it will survive diminished,

or not survive at all. Only time will tell what functions the state will serve in the future, but the Functional question is a questioning of sovereignty.

The new world will require a new model that takes into account objects other than states to determine international activity. While the state is currently the primary organizing principle of international relations, it is not the only entity that is significant. A more Functional approach would likely serve to explain more about state, supra-state, and NGO relationships in an international environment.

Appendix

I. Global Dynamics

A. The Scientific-Technological Future

1. Technology influences social and political life->Industrial Revolution
2. Developing technologies in the next 25 years -> Until the 1970's production was about larger factories and more output linking the world with mobility and commerce
 - a. Increasingly (new paradigm) miniaturization, adaptability and speed will characterize production->man is currently capable of mimicking the molecular assembly capabilities of biological systems
 - b. Information Technology->full connectedness in real time. Computers will become smarter, faster and more human. People in advanced societies will increasingly have the ability to carry around their own private infospheres, making both people, and information more accessible. All societies will be able to communicate on a more personal level
 - c. Biotechnology->Genetic engineering, cloning, viral diseases will be better understood. Another green revolution will consist of more nutritious and disease fighting foods. The human life span may increase to as much as 120 years, and more companies will invest in this kind of research
 - d. Micro-electronics->advances in micro sensors will monitor our health and safety systems and be able to regulate machining to perform functions more efficiently. Nanotechnology will be the linkage between information technology and biotechnology which will allow for more scientific investigation of our environment to include our bodies
 - e. These new technologies will give us the ability to eventually find different resources for our energy needs, but within the next 25 years will still be dependent on fossil fuels because of the inertia of existing fossil fuel infrastructure. We should expect more efficiency in devices that use fossil fuels, and less energy consumption as advanced countries are drawn closer together with information technology
 - f. Demand for fossil fuels will grow as less developed societies enter into their own industrial ages. Areas of the middle East and Africa will grow in importance as easily

mined fossil fuel deposits in other portions of the world decline

3. Social and political impacts of new technologies\
 - a. Changes will happen faster than ever, leaving people less time to adjust
 - b. More money is flowing into research and development in the private sector
 - c. Markets allow for rapid commercialization of new products, increasing adaptability to innovation accelerates innovation
 - d. Information Technology is both a product and a means of advertising->leading to self-replication
 - e. Individuals will need to cope with new levels of complexity because of all the information available to them. People will become smarter and dumber at the same time. They will have vast amounts of information but not the capacities to understand it all leading to specialization. Fewer people will understand the whole system
 - f. Real time capabilities will help us to process information more quickly, but people will be prone to think less about there actions. Less time to reflect.
 - g. Life will become more stressful because of the need of continued education and professional development, and lower reaction times. Cardiovascular and psychosocial diseases may replace others as primary problems
 - h. But, telecommunicating may save time in travel and allow more time for recreation->relieving stress
 - i. New technologies will help us understand learning disorders and may revolutionize education
 - j. Unfiltered internet information could cause moral and ethical problems in children. Parents need to be aware of the activities that their children are involved in and will need to reinforce traditional values
 - k. Younger, more receptive minds might become more important than older, wiser minds
 - l. Further closure of gender gaps
 - m. May incur ethical problems such as picking traits of children or inducing emotional states
 - n. The possibilities of longer life spans lead to problems in determining access to different technologies
 - o. Disparity between life spans of advanced and developing nations may cause problems
 - p. Virtual communities may replace real ones and produce narrowly viewed people who do not interact with other groups->problem for democracy

- q. Labor, construction profiles will decrease with the increase of E-commerce->fewer store locations
- r. Privacy and secrecy could be a problem->encoding, decryption
- s. Humans have altered the physical environment, but economic growth produces longer living and happier people. Environmental remediation is starting to keep pace with its destruction
- t. Unclear about global environmental impacts, no scientific evidence to suggest a catastrophe in the making
- u. Socio-economic borders will be reduced, because occupation will not be as tied to location
- v. Middle class may split with fewer jobs for more menial occupations
- w. Fewer face to face contacts may increase ethnic tensions->ATM's Voice recorders
- x. International borders will become more porous with ideas, technologies and threats moving around easily
- y. New technologies will further the division between advanced and developing societies
- z. Man's loyalties may change from national to world and subnational->The EU is one example of how this may happen. People may reorganize their allegiances to virtual groups

B. Global Economics

1. Continued integration of the Global economy will affect the distribution of economic, political and military power
2. Globalization also increases vulnerabilities of all those involved
3. Increasing international capital flows, information tech contributing to more individual investment
4. Technology is making it possible for companies to be truly global->niche production is also becoming more prevalent due to info sources
5. Inventory strategies may change->Companies will keep smaller inventories with greater info tech. If governments act in the environment it could disrupt global business operation
6. The percentage of trade as the world GDP is rising
7. Trade is less dominated by commodities and manufacturing and increasingly includes services
8. International institutions have more authority for resolving trade disputes and designing financial policies than in the past
9. Increased globalization opens markets making it more difficult for governments to institute protectionist policies
10. The wealthier and more integrated into the global economy the less likely a country is to go to war

11. Barriers to Global integration
 - a. Some resistance to change is inevitable->the rich and powerful in less developed countries may prefer the status-quo
 - b. Protectionism->countries that can not compete will seek to protect their industries
 - c. Competing regional trade blocs such as the EU and NAFTA could stagnate integration
 - d. Culture->many technologies are identified with the West. People may resent American culture stepping in and superceding their own
 - e. Because culture affects integration we may end up with a world with transparent borders where some embrace technology and others reject it leading to conflict
12. Security
 - a. War disrupts commerce->wars in less developed countries would put them further behind. Wars between major powers could threaten the entire system
 - b. Availability of energy sources may affect integration, if energy resources are cut off the growth of developing nations will be slowed
 - c. Disease, and massive bio catastrophes
 - d. Continued strong performance of the US economy is essential to avoiding a systemic crash
13. Possibility of a US economic downturn. Economic recession could have a huge impact on the rest of the world
 - a. What happens in the US economy will have an effect on the willingness and capacity of private capital markets to function. The economies of advanced countries will be heavily influenced by private investments
 - b. If investors were to pull money out of investments in the developing world political and social destabilization would most likely occur, making it that much more difficult to recover
14. Integration, slowing , stalling
 - a. Barring a major disruption to the global eco-political system, global networks will continue to deepen and expand
 - b. The internationalization of product networks will continue to expand, but the speed of integration will happen at different places at different paces
15. Patterns in capital flow may spurn the formation of capital blocks, or the taking on of different capital for availability(Panama)
16. Results on US security->Greater disparities, increased interdependence, the exploitation of both trade and capital markets for parochial purposes, and the lowering capacity of states to rule their people

- a. Knowledge based economies will see the rich get richer and the poor get poorer
 - b. Businesses will be more vulnerable because of over-seas investment
 - c. Security related technologies will be harder for governments to censor and control
 - d. Global infrastructures necessary to common life may become the targets of terrorist attacks, or the poor who will more easily notice the disparities between themselves and the rich. Cyber warfare may be used, or in using Bio tech to increase crop yields and nutrition we may make them vulnerable to bio weapons or natural disease
 - e. Potential exploitation of private capital markets
 - f. The internationalization of economic life may affect the very foundation of political life (state)
 - g. State's control over economic power and policy has been reduced from that of the Cold War Era
1. Private sector dominates sources of economic growth, employment and technological innovation
 2. Government's ability to manage fiscal policy without imposing penalties on the cost and availability of capital is decreasing
 3. Adoption of international standards
 4. Pressures of economic and political decentralization could push many national governments to empowerment of local governments
 5. Increased economic dependence on others makes it difficult for governments to plan
 6. NGO's are taking on more international responsibility and influence
 7. Most governments will be pressured by their own populations into shrinking
 8. States will need to learn how to transform national power into state power to become more powerful
 9. It is not clear what roles states will provide, but they will be important and the ones that manage change and growth well will become powerful
- C. The Socio-political
1. Nation-state borders are not necessarily inviolate
 - a. Market factors may divide states
 - b. States will be more vulnerable to attacks because of advances in technology
 2. The sovereign state as a key actor in international relations is undermined by
 - a. Globalization->Technological connectivity coupled with transnational economic integration
 - b. Fragmented nationalism and a return to tribalism

- c. Ecological pressures
 - d. International Terrorism
- 3. There are objections to globalization
 - a. Some think that the state is the only reliable and accountable political entity
 - b. Is destructive to local communities
 - c. Market theology used to make the rich richer and the poor poorer
 - 4. The state will remain the key organizing principle of international relations for the next 25 years
 - 5. Challenges to the Nation-state in the new world
 - a. Demographic->populations are growing in developing countries and aging in developed ones
 - 1. Labor shortages will lead to immigrant workers
 - 2. Economic growth is most often followed by economic disparity. This will increase the possibility of social and ethnic tension
 - 3. Rapid urbanization is expected in developing countries->straining social services
 - d. The global information network should open closed political systems
 - 1. Soviet Union
 - 2. Improvements in education will help->the global network makes unilateral control of information difficult
 - 3. Life becomes more costly and bloody wars are harder to accept by the population
 - 4. The network can allow people to interact across borders under the noses of dictators
 - 5. Democracy may cause states to fragment into more unified groupings
 - e. Social responses to change
 - 1. West->privatized religion /secular values predominate
 - 2. Secularizing pressures may not overcome traditionalism
 - 3. Technology may invigorate those who feel dislocated from global society to respond by moving closer to traditional values and where the state is seen as representative of those values also
 - 4. These traditional states may ally to oppose innovation
 - 5. State responses
 - a. Some will seek integration and meet economic challenges
 - b. Some will refuse and revert to religious and other social institutions, weakening the state in the long run
 - c. Some states will collapse and produce global effects with their disintegration
 - 6. Human rights will challenge state sovereignty
 - a. Kosovo
 - b. Kurds
 - c. Who should make decisions contrary to state sovereignty
 - 7. Transnational actors will grow in number

8. Crazy leaders with weapons of mass destruction may unhinge the whole system
- D. The Military-Security domain->non-state actors as well as groups and individuals will gain the ability to do great harm
 1. States, groups and individuals may use force
 - a. interstate wars between major powers have declines but can not be expected to cease entirely
 1. Influence(China, Russia)
 2. Old rivalries(Pakistan, India)
 3. Mistakes with new tech
 4. Disputed borders
 5. Economics
 6. Most likely conventional warfare will remain the most common
 - b. Violence within states
 1. Economic fragmentation
 2. Demographic shifts
 3. Need not concern major powers, but may if they exceed international norms(human rights) or disrupt trade.
Trigger intrastate conflict, export disease and refugees and environmental degradation
 - c. Terrorism
 1. They will become more anonymous
 2. Will appeal to many weak states
 3. Available are more catastrophic weapons and tech
 - d. Growing resentment against Western power
 1. United States should assume it will be the target of terrorist attacks with weapons of mass destruction
 2. US will be vulnerable to such attacks
 - e. Most conventional weapons will be readily available to more states and groups
 1. Domestic and economic incentives will lead to the sale of conventional weaponry abroad
 2. Multi-national corporations will have fewer barriers to their sales of such equipment
 3. International(law) organizations could be strengthened to combat this, but it is unclear if States will give them the authority
 4. The US will continue to have an advantage in technology to include better weapons systems and intelligence
 5. Availability of more technological weaponry could destabilize certain regions of the world
 6. Some states will purchase inexpensive technologies that deny the US Techno-advantages(NBC)

- a. Nuclear production price is high and discovery likely
- b. Radiological weapons are cheaper and produce contaminative results
- c. Chemical weapons are easy to produce, but hard to store and use. Chemical weapons are useful more attacking conventional forces in the field or small groups of citizens
- d. Biologics are the most likely, Easy to develop--many countries are pursuing them
- e. Interstate treaties are unlikely to eliminate the threats these weapons cause
- f. Terrorists will also use these weapons
- 7. Missile threats--More states are gaining rocket tech
 - a. Lethality, range, accuracy will continue to improve
 - b. Microwave, directed energy, and chemical/bio's will thwart ability of major powers to stop them
- 8. Strategic information warfare--computer attacks
- 9. Weapons of mass disruption--computer attacks on civilian institutions
- 10. Outerspace
 - a. 1/3 of current satellites in space are foreign owned
 - b. as space is more commercialized it will be harder to determine capabilities and information routes
 - c. weapons deployed in space that can fire on ground targets
 - d. US strategy is dependent on space based information--this could be a target
 - e. The United States Will not retain soul capability in space based command control communications computers intelligence reconnaissance and surveillance
- 11. Strategic environment of the future
 - a. Focusing on a single threat is eclipsed. A wide variety of capabilities and actors will characterize deterrence
 - b. Cold war concepts need to be revised or abandoned
 - c. The US will be deterred by NBC threats as well. Making it less influential coercively. The flexibility and credibility of US regional security policies could be limited despite US superiority
- 12. We will be surprised
 - a. Human intelligence should remain a factor, but predicting events is difficult because of the vast number of possibilities

- b. We will continue to be surprised because people tend to think that their opponents share their own interests and commitments
 - c. Knowledge of foreign cultures is necessary to strategic intell
 - d. We should expect to conflict with cultures other than our own
- 13. War will remain essentially the same, non-states will still rely on force as a means to meet their political, economic and military aims
 - a. Conflict will not be limited to purely rational goals
 - b. War will still be determined by who is fighting whom, how and over what
 - c. At current spending levels no country will surpass the US in military superiority
 - d. US superiority will rely on educated, well trained forces with modern equipment using sound doctrine
 - e. National support will remain an essential ingredient
 - f. US will have techno edge
 - g. Alliance partners may lag behind US and there may be challenges to alliance relationships
 - h. War will have the same motivations some of which we will not understand
 - i. Sustainment of US forces abroad will become more difficult. Alliance costs associated will rise and vulnerabilities to weapons increase
 - j. Military strategy in this environment will require a broad scope of considerations including techno, commercial, environmental, and transnational foci

II. World Astir--regional analysis of Global Dynamics

A. Greater Europe

- 1. The US has expended vast amounts of resources in fighting two world wars and a 40 year Cold War to make sure Europe was not dominated by interests opposed to its own
- 2. Greater Europe --West, East, Central, and Russia will be important to US interests in the future
 - a. Economically integrated EU would have an economy slightly larger than the US
 - b. Region will remain important as a trade, finance, scientific, cultural, and techno innovation center with sophisticated weaponry. Political player
 - c. Europe is the cultural basis for a majority of Americans. America's political institutions and philosophies are European
 - d. Region most tightly bound to the US
 - e. Could also become a major source of trouble

1. Economic competition
2. Diverging political interests
3. Russia could spark security concerns
4. States between Western Europe and Russia
- f. Changing demographic patterns
 1. Aging populations
 2. Restrictive immigratory policies
- g. Russian demographics
 1. Age
 2. Shrinking pop
 3. Russia's poor economy and lack of ability to integrate will increase social tensions
- h. Eastern Europe
 1. Challenge to maintain democratic values in the face of economic stress
 2. Economic growth rates must be better than 2.4% to better support the EU and the Euro
- i. Common foreign and security policies are possible, but some states may be unwilling to yield authority
- j. Russia needs to survive its economic travails or it may backslide
- B. Plausible alternative futures for Greater Europe
 1. The EU could have everything go as planned and become a more significant leader in the International Arena
 - a. It could help institutionalize democratic governance and market economies in some of its neighboring states
 - b. It could share the burdens of world leadership with the US
 - c. It could end the possibility of a major power war in Europe for good
 - d. It could consolidate state economies and governments becoming a unified foreign and security alliance that provides for the defense of Europe as a whole
 - e. It is uncertain if the Union will offer membership to the Balkan states and the Ukraine because of their historic ties to Russia or inability to meet EU goals
 - f. Russian influence will be a serious obstacle especially if the EU accrues serious strategic-military functions
 - g. The economic progress of the EU could rival the US and even replace the dollar as world currency with the Euro
 - h. The political importance of NATO would diminish with the increasing security function of the EU
 - i. Russia is unlikely to achieve fully institutionalized democracy, but it could evolve in such a way to become neither a great democratic success nor a great threat to Europe
 1. Status-quo plus--Russia acquiring the essential government structure to provide social necessities. Russia autonomous

- regions may draw towards the center with economic success, but Russia could not grow an economy over 2% a year
2. Russia faces huge problems in renewing and diversifying its industrial base->because of distorted markets and under investment
 3. It also likely to face chronic unemployment, pervasive corruption, and mass tax evasion--could lead to status-quo minus
 4. If Russia's economy were to stagnate reduced foreign investment would continue reliance on the IMF
 5. Untreated health and environmental problems would grow very serious. TB and Aids would debilitate the workforce. Health risks would grow because former NBC sites would not receive remediation monies. Toxins in the soil and water would have serious negative health impacts on many Russian and East European peoples
 6. All these strains could produce social backlash against the democratic system
 7. Because of Russia's importance, the US and many Euro countries would continue funding but would not be able to affect growth
 8. Lack of police controls cause concern about nuclear and bio weapons and nuclear power facilities
 9. Lack of leadership from Moscow could disintegrate the Russian federation and push regions to into relation with neighbors
 - j. The region between Russia and the Eu is projected to improve dramatically. Many of these states should benefit from deepening democratic principles, economic integration and relationships with NATO or EU
 - k. The Balkans will remain unstable
 2. Possible future
 - a. Eu could fail
 1. Could not achieve projected growth rates, loss of confidence
 2. States could refuse to yield power, in certain areas of political and economic policy
 3. The unwillingness of people to suffer any economic pains could cause leadership turnover
 4. A government at the EU level could be seen as undemocratic, backlash could pull countries out
 5. Immigrants (large#) could add pressures to EU institutions not mature enough to handle it
 6. A significant military threat could empower a strong preference for NATO
 7. A disintegrated EU would lead to alignments like WWII

- b. Russian disintegration
 - 1. Regional and ethnic tensions coupled with unemployment and corruption would leave little for social programs and would fuel mass migration and conflict
 - 2. Military weapons might end up anywhere
 - 3. A large power vacuum would develop--essentially dividing Europe to prevent war America and NATO forces would draw the Balkans and Ukraine into their organizations
- c. A new imperial Russia may form at the expense of democratic values
 - 1. Defense would be the natural economic area for investment and political patronage
 - 2. Russia could then pose a threat to neighboring countries
 - 3. Either disintegration or imperialism would lead to a failed investment by the US and a questioning of its political values
- d. Balkans
 - 1. The Balkans are reliant on foreign aid, if the global economy falters they will be hard hit
 - 2. The US may develop a reluctance to intervene in Balkan wars
- e. Conclusions
 - 1. Eu will not collapse, but will probably not integrate fully on a security and foreign policy basis
 - 2. NATO will remain the predominant Euro security alliance
 - 3. Overall, Russia and Balkans picture will probably remain the same
 - 4. US-EU cooperation will be critical to both, NATO will define cooperation on other levels
- C. East Asia-1/3 world population Northeast Asia, Southeast Asia, Australasia--next projected politico-military near-peer competitor for the US->Also the region most likely to experience a major war and where war could significantly alter power structure
 - 1. East Asia embodies vast potential for economic growth, peaceful development, scientific, and cultural achievement
 - a. Economic boom, improvements in services, more equal opportunity
 - b. Could grow to be a huge eco factor
 - c. May be the largest source of capital for international markets
 - d. Energy consumption will surpass that of N America
 - 2. Australia, New Zealand, Singapore, Philippines, Thailand, Vietnam, Indonesia, Malaysia will also play major secondary roles
 - a. Providing raw materials
 - b. Capital
 - c. Financial services
 - d. Affordable labor
 - e. Expanding markets
 - f. Greater information linkages will encourage immigration-.which will produce educated immigrants that may return to their homes

3. If China's political structure remains stable it will compete with US firms for space launches, and have many competing technology firms world-wide
 - a. China will have access to the global comm grid
 - b. Use surveillance, communications and positioning technologies for commercial and military use
 - c. China is likely to peruse Bio tech
4. East Asia could become a peaceful region, governed by democratic principles. The Association of Southeast Asian Nations (ASEAN) ASEAN Regional Forum (ARF) and ASIAN PACIFIC ECONOMIC COOPERATION (APEC) will have matured and expanded in their function. Possible that East Asia will develop security and arms control agreements comparable to European ones
5. Old problems will persist--Not every government will be demo--- dangerous weapons will be available and economic competition may cause disturbances
6. This overall positive view could lead to a growth in living standards, better education, and openness of governments required to sustain an entrepenurially based culture
7. What could go wrong
 - a. Economic recession could lead to increased nationalism and protectionism(Indonesia 97)
 - b. Recession could lead to Anti-American sentiment because of US influence over IMF and World Bank and US cultural imperialism
 - c. American opinion could turn against EAST ASIA IF THEY RESPOND TO economic crisis with dumping/if US protectionism were bad enough as a result it could lead to isolationism and disengagement from the region
 - d. Recession of '97 may have been caused by different factors
 1. Structural defects in East Asian economies
 2. Poor risk management of Western financiers
 3. IMF policies could have had a negative impact
- D. China-benign
 1. By 2025 East Asia could have the largest share of the world GDP
 2. China could become a global player with investments all over the world
 3. China would require vast amounts of imported oil->may foster alliances with oil producers
 4. China will be a natural security focus for the US->with nuclear power and power projection capabilities/could produce a military build up in the region(Taiwan, Japan, Korea)
- E. China could become wealthy and remain authoritarian
 1. No creation of middle class
 2. Controlled by corporate elite, led by nationalism
 3. If this system fails China would most likely turn to aggressive regional policies

4. Become hostile to Japan, Taiwan, look to the Spratly and Diaoyu islands for expansion and blame the US for economic problems
- F. Greater Near-East->Arab world, Turkey, Iran, Central Asia, The Caucasus->contain the world's largest supply of fossil fuels and the lonely region where American forward base deployments have increased
 1. Few democracies/high concentration of despotic regimes
 2. Politically radical and militarized Islam
 3. Large supplier of illicit drugs
 4. Sectarian rivalries
 5. Ethnic violence
 6. Constant inter or intra state warfare
 7. Future possibilities proposing destabilizing change
 - a. If Soviet Union collapses
 1. Muslim peoples of former Union reunited
 2. India left without a super-power support to counter the balance with China->this will drive India to increase production of nuclear capabilities->leading to escalation with Pakistan, and increasing Iranian aspirations
 3. War in Balkans
 - b. Demographics->population boom/leading to ethnic rivalry over unemployment
 - c. Slow integration into the global economy as a result of ethnic conflict
 8. What could go right
 - a. India, Iran, Egypt, and Turkey will exhibit modern economies
 - b. Many countries in these regions are led by Western educated elites
 - c. All countries in the region should see from the example of their modern neighbors that real change and growth is possible
 - d. Many other powers will remain dependent on oil supplies->encouraging stability
 - e. Investments by East Asia in region should grow
 - f. Technological innovation will make authoritarian control over region more difficult because people will want new products
 - g. Greater literacy rates and access to technology should limit authoritarian regimes
 - h. Growth in modern states should cross borders
 - i. Governments and people will see modern states making Islam compatible with global economy
 - j. Neo-orthodoxy is replacing fundamentalism at an increasing rate
 - k. Role of women
 1. Aided by higher literacy
 2. Urbanization
 - l. Israel will still have problems with Palestinians and Syria
 1. Even with establishment of a Palestinian state
 2. Israel will continue to strengthen relations with Turkey

- m. India and Pakistan will likely not reach nuclear arms reduction agreements
 - 1. China
 - 2. India will grow economically
 - 3. My ally with Israel
- 9. What could go wrong
 - a. Iran and Afghanistan could war
 - b. India and Pakistan
 - c. Kazakhstan and Russia
 - d. Azerbaijan and Armenians
 - e. Israel and Arabs
 - f. Regime changes could alter national outlooks
 - g. Competition between major powers for oil resources could alter power structures
 - h. Water resources
 - i. US policies
- G. Sub-Saharan Africa-Infectious disease, rampant corruption, post-colonial boundary warfare, destabilizing political disputes, hunger->but in the long view there have been improvements
 - 1. Positives
 - a. Governments have tended to move from single party rule to military rule to more democratic rule
 - b. Some have cultivated more market based institutions and are attracting foreign investment
 - c. Literacy rates are growing
 - d. Urbanization is leading to economic growth in some areas
 - e. South Africa, the largest economy is suffering unemployment and organized crime, but is also transitioning to a multi-racial democratic government
 - f. Nigeria's oil resources are a potential aid and the new government is warring on corruption
 - g. The small to medium states that have already pushed democratic reforms and minimized corruption could be a further draw for foreign investment
 - h. Regional and sub-regional organizations could be an effective tool in information sharing
 - i. Means of positive growth (strategies)
 - 1. Combat viral epidemics
 - 2. Africa could achieve a 4 % real growth rate through 2010 and a 5 or 6 growth rate from 2010 to 2025
 - 3. Combat intra-state conflict
 - 4. Illegal drugs and domestic crime
 - 5. Many Inter-governmental organizations have expanded their political and economic foci to include security concerns (OAU's conflict resolution center, The Southern African

Development Community's Political, Defense, and Security Organization, and the Economic Community of West African States

6. The US has established programs such as the African Crisis Response Initiative and the new African Center for Security Studies
2. Overall challenges
 - a. One of the large states may fail to make economic progress (South Africa, Nigeria, Kenya, Tanzania)
 - b. Conflicts may persist
 - c. Aids
 - d. Population growth/pace with economic growth
 - e. Some states could become havens for organized crime and political extremists
 - f. Congo/Ethiopia are challenges to changing frontiers in Africa->The humanitarian fallout from wars such as these would easily overwhelm the social structures of near-by states
 - g. Technological growth will most likely exceed the ability of governments competency, thereby leaving business in control and governments losing legitimacy
 - h. Africa needs outside assistance
- H. The Americas->Latin America, Canada, and the Caribbean includes the US two largest trading partners, and areas provide vast amounts of US imported resources
 1. Latin America
 - a. All 35 countries in the region have democratically elected governments except Cuba
 - b. Southern Cone Common Market
 - c. Foreign investment
 - d. Curbing of human rights abuses
 - e. Negatives
 1. Income disparities in the region are the greatest in the world
 2. Small middle classes
 3. Social conflict between natives and European ancestry
 4. Government corruption
 5. Violent crime
 6. Can not rule out default on loans
 - f. Americas will become increasingly more important
 1. Brazil will grow to have an economy the equivalent of Japan today
 2. 690 mil by 2025-same size as EU
 - d. How will they affect the US pos
 1. Lower projected populations, possible 6 percent growth in economy, Free trade establishments growing, economic interdependence leading to stable environment

- 2. Interconnected trade might make governments more cooperative in areas such as drugs, crime, and environment
 - 3. May lead to monetary integration
 - 4. Transformation of military structures
 - e. negative
 - 1. Globalization may widen social disparities
 - 2. May widen ethnic disparities
 - 3. May depend on commodities markets
 - 4. Region suffers from scarcity of capital
 - 5. Inefficient tax structures
 - 6. Transportation infrastructure
 - f. Mexico
 - g. Brazil
 - 2. Caribbean and Canada
 - a. Caribbean
 - 1. Immigration
 - 2. Haiti
 - 3. Cuba
 - 4. US could acquire more territory here to maintain stability
 - b. Canada
 - 1. Canadian confederation may collapse
 - 2. Most likely will continue to prosper
- III. US Domestic Future
- A. Public opinion will still play a role
 - B. Social trends
 - 1. US will continue to grow
 - 2. Experience aging
 - 3. Immigration may offset aging
 - 4. Healthcare costs will increase
 - 5. Education
 - a. College->best in the world
 - b. Below university level poor in comparison to developed nations
 - C. Technological trends
 - 1. American preeminence in science and technology will increase
 - 2. MEM and bio-tech in lengthen life spans and may increase US economic growth above high mark predictions
 - 3. American military superiority will continue
 - D. Economic trends
 - 1. Growing internationalization
 - 2. Foreign trade will grow
 - 3. New innovations could spur economic growth
 - 4. Problems will income distribution
 - E. Values, attitudes, and National will
 - 1. Shared ideals over shared ethnicity

2. Ethnic divisions
 3. Generation cynicism
 4. Civic engagement diminished
 5. Need and enemy to focus on nationalism
 6. Foreign policy->lack
- F. Trends affecting national security
1. America's wealth
 2. Ethnic, generational trends, and historic foreign policy will push wealth away from defense
 3. How to Organize military
 4. Recruiting and retention are down because of the all volunteer force
 - a. Booming economy
 - b. High OPTEMPO
 5. Distance between American citizens and military
 - a. Solve with domestic missions for forces
 - b. Conscription
 6. Does America wish to have world responsibilities
 7. Americans will fight over direct interests but will not over abstract moral imperatives

IV. Worlds in Prospect

- A. Democratic Peace
 1. Democratic norms predominate
 2. Sharp ideologic conflict does not exist
 3. Political cooperation
 4. The state as a political entity endures
 5. Moderate economic growth
 6. Info revolution continues
 7. US remains in control
- B. Protectionism and Nationalism
 1. Protracted financial crisis
 2. Backlash against American hegemony
 3. Living standards in much of the world decline
 4. Many states abandon international trade agreements
 5. Cross regional alliances emerge(EU, NAFTA)
 6. Middle East becomes a region of contention
 7. Economic slowdown would lead to a technology halt in areas
 8. Nationalism and ethnic rivalries would increase
 9. Military alliances would increase
 10. World would be ready for another world war
- C. Globalization Triumphant
 1. Economic growth unprecedented
 2. Information and economic power eclipse military and diplomatic power
 3. International organizations would assume more responsibility
- D. Division and Mayhem

1. Uncontrolled technological diffusion would lead to moral and ethical concerns
 2. Economic world recession
 3. Environmental crisis
 4. Many states fragment
 5. Non-state militaries rise
 6. Collective security reduced
 7. Terrorist acts prevalent
 8. Contention of US power
- E. Patchwork Future
- V. Major Themes and Implications
- A. America will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us
 - B. Rapid advances in information and bio-technologies will create new vulnerabilities for US security
 - C. New technologies will divide the world as well as draw it together
 - D. The national security of all advanced states will be increasingly affected by vulnerabilities of the evolving global economic infrastructure
 - E. Energy will continue to have major strategic significance
 - F. All borders will be more porous; some will bend some will break
 - G. The sovereignty of states will come under pressure, but will endure
 - H. Fragmentation or failure of states will occur, with destabilizing effects on neighboring states
 - I. Foreign crisis will be replete with atrocities and the deliberate terrorizing of civilian populations
 - J. Space will become a critical and competitive military environment
 - K. The essence of war will not change
 - L. US intelligence will face more challenging adversaries, and even excellent intelligence will not prevent all surprises
 - M. The United States will be called upon frequently to intervene militarily in a time of uncertain alliances and with the prospect of fewer forward-deployed bases
 - N. The emerging security environment will require different military and other national capabilities

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Vita

Alex Michael Mayfield was born in Ft Hood, Texas, on May 26, 1974, the son of Maurice James Mayfield and Dahron Yvonne Mayfield. After attending high schools in Alexandria, Virginia, Round Rock, Texas, and Carlisle Pennsylvania, he attended Texas A&M University in College Station, Texas. At Texas A&M, he was a member of the Corps of Cadets and a contracted Army cadet. In December of 1996, Alex received a Bachelor of Science degree in Political Science from Texas A&M. After college, he accepted a position with the Boy Scouts of America in Dallas, Texas, and determined that that flavor of public service was not to his liking. He then enrolled at Southwest Texas University in May of 1998 to begin his Masters work, which eventually took nearly as long as his undergraduate.

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