

What's New in Globalisation: The American Military Predominance?*

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I. What's New?

There seems to be a view among opponents of “globalisation”, whatever exactly that fraught term is taken to mean, that over the last decade or so something quite new has emerged in international relations. In what follows, I am going to take that possibility seriously – both as a substantive issue and as an organizing idea in my approach to thinking about globalisation.

Some remarks at the outset about the “approach” aspect. It occurs to me that it may be more useful, rather than attempting to define what globalisation is exactly, to look at what is new in the international order – or at least what has emerged as salient over the last ten years – and attempt to assess the implications of these new developments (or one or other of them if there are a number) for the operation of the international economic order. After all, when we list the catalogue of ills that are laid at globalisation’s door, most of these are not new, and nor are the processes that are supposed to generate them¹. Many of the charges

* This paper was written as part of the response to the 2003 Annual Tampere Club Meetings on the subject of globalisation. It represents my personal attempt to think through one aspect of the issues that were raised at those meetings.

¹ Elsewhere in this volume, for example, I define globalisation in terms of reduced costs of international trading activities – perhaps as a result of reduced transportation costs in the case of goods and reduced regulatory barriers in the case of capital and labour flows. But, so defined, the process of globalisation is hardly new: it has been going on more or less systematically for the last three hundred years or so. Moreover, it is by no means clear that the last ten years have been especially significant in that long process. Opponents of globalisation so understood seem to me to be merely repeating general arguments against markets – arguments that are implausible in the abstract and in any case quite familiar. There may be cases in which market relations have undesirable consequences, but these seem to me (and to the body of the economics profession since Adam Smith) to be unusual cases.

against expanded trade, for example, seem to me to reveal mercantilist misconceptions that are (at least) as old as Adam Smith. If two hundred and twenty-five years of economist's careful demolition of those misperceptions have been unsuccessful in putting them to flight, I do not see much point in my attempting yet another such effort. More profitable, it seems to me, to take some of the developments that seem to be novel and explore those. That at least is the strategy that I shall adopt here.

Several things present themselves as interesting possibilities in this connection:

- * the very rapidly increasing significance of internet relations;
- * the threat that any new forms of disease that emerge will spread globally very quickly due to expanded travel patterns;
- * the emergence of international terrorism as a significant and distinctive source of global tension.

Of these, I think the first is extremely important, but I know too little about it for any speculations of mine to be profitable.

The second of these possibilities has been brought into some focus within living memory by the SARS threat. Although as it turned out, the SARS "epidemic" claimed relatively few lives outside rural China (where for independently interesting reasons the precise death-toll will almost certainly never be known), there was a period of several months in which anxiety about the disease – if not the disease itself – reached epidemic proportions. Tourist travel came to a standstill. Even business travel was significantly depressed. The World Health Organisation was declaring certain locations "highly dangerous" (much to the irritation of some of the locations so named). And so on. And even now that the deep anxiety about SARS itself has abated, the health experts assure us that the SARS *process* is one that could be repeated at some point in the future without the relatively happy ending. By the SARS process here, I mean the capacity for a localized, quite deadly mutant disease to be transported internationally from a single or very small number of carriers to a world-wide population in a remarkably short space of time, so that by the time the epidemic is actually recognized as an epidemic, it will be too late to do much about it. Certainly in the SARS case, tracing the progress of the disease from its origins in China to the various reported cases around the world, and the *ex post* identifiable interactions that constituted that progress, is a striking illustration of how global our world has become. However, what is striking in the SARS case was not just the global impact of the disease, but rather the global mobilization of the response to it – of which the tracking of international travel was a notable

element. The medical establishments in all affected countries (and quite a few unaffected ones) were quickly mobilized. Airline companies were enrolled in monitoring and avoidance activities. The response was fast, global in scope, and (as it turned out) highly effective. Of course, the international transmission of disease is hardly a new phenomenon, as the various European plagues in the late middle ages testify (to say nothing of the transport of syphilis to the Old World from South America, or the transport of AIDS to Africa.) What seems to be new is the rapidity with which such transmission can occur. On the other hand, that state of affairs includes a capacity to *respond* globally and rapidly: and this capacity is hardly a count against globalisation.

The third of these is an obvious issue to raise in this context, and yet I feel some inhibition about raising it. I think much too much attention has been devoted to the terrorism issue – or at least, too much attention of the wrong kind. And this excess attention, in my view, constitutes a large part of the *problem*. To be more specific, I believe that there is now considerable evidence to suggest that common beliefs about the likelihood of terrorist attacks and of the actual damage they are likely to do are distorted. People hold “exaggerated” beliefs about the terrorist risk, with exaggeration here understood literally to refer to the difference between subjective and epistemically warranted estimates of probabilities of loss. Of course, how it comes to be the case that these probabilities *are* widely mis-perceived, and what the likely consequences of such mis-perception are, are important questions (increasingly vitally important, in my view) that demand serious scholarly attention. However, I am not going to focus on those issues here.²

In fact, in this paper I am going to concentrate on something other than the three novelties already mentioned. I want here to engage with the issue of American military predominance, and this not so much as a matter of interest in its own right as for its implications for the functioning of the global trading order. Of course, American military power sits alongside American political and economic power more generally, and it may be difficult to keep these elements entirely separate. But America has been a predominant world power politically and economically for the entire twentieth century – whereas the picture militarily has, at least on its face, been utterly transformed over the last decade. What that transformation consists in, whether it is genuine or merely apparent, and

² I have however addressed them at greater length elsewhere. G. Brennan, “Terrorism and its discontents” (forthcoming).

what the implications, if any, are for the global economic order are the questions that I shall be trying to explore.

II. American Military Capability

On the face of things, relative military capability seems likely to be an important factor in shaping global trading arrangements. If, to slightly misquote von Clausewitz, war is diplomacy by other means, and if an important part of diplomacy is trade-related, then changes in relative military capacity ought to change the shape of international relationships in the arena of trade, no less than in other arenas.

Certainly, there *have* been significant changes in military relativities over the last decade. With the collapse of communism, the Soviet bloc has become, at least for the time being, a military has-been. In a striking statistic I saw quoted recently, it was claimed that if one ranked the countries of the world by military expenditure, then not only was the US way out there in front ahead of its nearest rival, but in fact the US military expenditure was larger than that of the next twenty countries combined. To the extent that military expenditure can be taken as an index of military capability (a relation that I shall aim to explore in what follows), this situation reveals a military dominance that the world has probably not seen since the days of the Roman empire!

Such an imbalance may well be a matter of concern in its own right. In the design of institutional arrangements within a political order I tend to be a follower of Actonian aphorisms about the distribution of power. I and others in the broadly classical liberal tradition are supportive of institutions that minimize the concentration of power. "Power", we say, "tends to corrupt, and absolute power tends to corrupt absolutely". There seems no obvious reason why the same general principle should not have an international analogue. Although we know well enough that a reasonable "balance of power" is no guarantee against wars of aggression, we might still hold to the view that maintaining a tolerable approximation to such balance makes such wars less likely. That view certainly seems an intuitively plausible one. In contemplating any military adventure, a country is bound to have an eye to possible retaliation, and to the costs that such retaliation might impose on it. If the possibility of retaliation is low, or the damage done by it likely to be minimal, then one natural constraint on military adventuring is absent.

It is worth emphasizing that to observe that imbalance of power is presumptively bad is not in itself an anti-American remark. In fact, my

own view is that, if such an imbalance were to obtain, it would be better that the power be held by the US than by any other country (with the possible exception of Switzerland). For one thing, the US is a well-functioning democracy in which power *is* tolerably widely dispersed within the polity. The US is a more heterogeneous society than it may seem from the outside – especially than it may seem currently. There is a wide range of political and ideological opinion; and a strong tradition of expression of contrary views. No military exercise by the US could be expected to avoid significant domestic political opposition – and, moreover, significant opposition that will be publicly articulated.

Moreover, America is a country with a relatively strong isolationist tradition – not least on the right of politics. So although isolationism may not be a good policy in general, or for all countries, it may have much to recommend it when the country adopting it has the predominance of world military power.

Further, America's record in the twentieth century in military matters has been impressive. In particular, its treatment of erstwhile enemies after the Second World War seems to have been unusually enlightened: the reconstruction of both Germany and Japan through the late forties and fifties was almost unique in history as an example of benign treatment of former adversaries. Undoubtedly, competition with the Soviet 'empire' encouraged those benign policies. But whatever the causes, it is fair to say that America's record in matters of military diplomacy has a number of distinctive and encouraging elements.

So it is no attack on the US specifically to lament the prevailing power imbalance. The lament is based on general abstract considerations of institutional principle. Power tends to corrupt even when the holder of power is relatively incorruptible.

But perhaps the observed imbalance is more apparent than real. It seems clear that if we were to take an alternative measure of military capacity – say the size of the army, measured in persons – then America's predominance would be less striking. It is clear that it is rather cheaper to put, say, a Pakistani soldier in the field than an American one, which is part of the reason why America is increasingly attempting to enroll other countries in 'peace-keeping' forces in Iraq, Afghanistan and elsewhere.

Furthermore, it is becoming increasingly clear that military expenditure cannot guarantee freedom from attack. The current state of military technology seems to be one in which it is relatively cheap to inflict severe losses on civilian population, and to do so in a manner that sheer military strength is in itself incapable of preventing. No-one who has read Lyn

White's fascinating account of the introduction of the stirrup into early medieval Europe and its wide-reaching consequences could fail to be alert to the possible influence of military technology. In our current age, military technology is such that small numbers of individuals can make plausible threats against large military powers that are disproportionately costly to avert. And as biological and nuclear weapons become cheaper to manufacture, and therefore potentially more widely accessible, the significance of military power as such in securing protection from attack will diminish.

In that sense, one might well ask just what American military predominance amounts to. Here I want to explore several possible answers to this question. If the Iraqi and Afghanistan experiences suggest anything, it seems clear that US military power *is* capable of removing from office the prevailing political leadership in many countries in the world. In any business that involves relations between the political establishments of the US and such other countries, it seems clear that the US-political agents hold most of the best cards. But what precisely does this mean for globalisation? What does it mean, in short, for the freedom of trade, both domestically and internationally?

In what remains I want to focus on these questions. They are interesting questions to explore because it seems to me that the answers are slightly surprising and perhaps somewhat counter-intuitive.

III. Tactics for Dealing with A Large Partner

Suppose you are dealing with a very large trading partner. Suppose for the purposes of the argument that each of you is a perfect agent for your national constituency. This latter is an implausible assumption, and I shall want to suspend it later in the argument, but at this point it is a useful abstraction. Suppose that producers in each country enjoy certain rents from their trade with the consumers in the other country. So, in bi-lateral trade negotiations (if any), both countries will want, *ceteris paribus*, to get as good a deal for their domestic producers as they can. That "good deal" will consist of allowing as much of your product to enter the other market as you can at prevailing prices.

The *ceteris paribus* proviso is significant here and should not pass unnoticed. Specifically, it is often the case that what is good for producers of X in country A is also good for consumers of X in country B. And what is good for producers of X in country A is often not so good for consumers of X in country A. For example, a tariff on X importation in

A may be good for A's X-producers but is bad for A's X-consumers. Conversely, if country A chooses to subsidise exports of its goods to country B that is good for A's exporters (bad for A's producers of non-traded and import-competing goods) and also good for country B's consumers of A's exports (though bad for B's import-competing industries).

The simple thought I wish to offer here can, however, abstract from most of these complications. The thought is just this – that if you are going to be involved in trade negotiations with some country that is large enough and powerful enough to be able to threaten you, your best strategy may well be to give yourself as little power to deliver goodies to the other as possible. Consider a simple example. Suppose in (small, weak) country A there is a nationalized industry producing a product, X, that is internationally traded. Suppose in particular that a chief market for X is the government of B. This means that the governments of A and B are in a position to bargain over the price of X – a bargain that, because of asymmetric military power, A is bound to do poorly in. Country A might well do rather better if it were to divest itself of the power to determine the price of X. It might do better if the provision of X were privatized, and the production of X distributed across a range of firms. To be sure, this would make disparities of size between buyer (government of B) and each seller even larger. But the peculiar pressures (and in particular, threats based on military power) that B's government can apply to A's *government* are less telling. The prevailing political regime in A has more to lose from threatened military aggression than do the firms in A that acquire the production rights. Privatisation in A shifts the domain of negotiation away from the military towards the economic.

In the same way, if A maintains a policy regime of minimal intervention in market processes – no tariffs, no special subsidies and so on – then the capacity of B to extract special deals, and appropriate some of the rents within A over which the government of A might have discretion, are likely to be significantly diminished. If this is so, then B's substantial military power may have the effect of encouraging freer markets among B's trading partners, not because of any export of B's "free market ideology" but because governments want to minimize their exposure to the specific sort of bargaining power that military superiority gives rise to.

Critical to this argument is, of course, the proposition that military capacity is mainly an element in inter-*governmental* relations. And there is in play a distinction between intergovernmental relations and "international trading relations". This distinction exposes a verbal ambiguity in the use of the word "international". When we talk of international trade,

we mean the aggregate of trading relations between individuals and/or firms that happen to be based in different countries. We do *not* mean trade specifically between nations as entities – between, in particular, the *governments* of those nations. When an Australian firm sells an input to a Finnish manufacturer, the fact that the seller is Australian and the buyer is Finnish is at best a second-order feature of the exchange. The contracts may be registered under German law, and the prices at various points in the transaction specified in US dollars or Swiss francs. Perhaps, given that such trades often depend on trust, and certainly depend on mutual awareness of the trading opportunity, the Finnish and/or Australian Trade Commissions/Embassies may play some role. But they need not; and any role they do play is necessarily subsidiary. It is precisely *not* the case that Australia is trading with Finland in any meaningful sense.

This fact is obvious enough to economists. But the verbal ambiguity involved in references to “international trade” might lead one to think differently. One might be induced to think of all Australians as having a common interest in all the transactions that Australians engage in with Finns, and separately with Americans and Japanese, as if it really were nations as a whole that were the trading parties. The aggregation of all Australian-Finnish transactions is, however, just that: an aggregation. And the bits that are aggregated have remarkably little in common.³

The point is that we should not confuse Australia, or Finland, with the governments of those countries. Those governments are significant institutional actors, to be sure. And they will often talk of themselves as “leaders”, or more modestly as “representatives”, and play significant symbolic roles in international and national affairs – not all of which roles are merely ceremonial. But it is an important element in clear-thinking – and in social analysis – to maintain a sharp distinction between resident/citizens of a country, and the particular individuals who are appointed⁴ as that country’s political agents. The domain of discretion

3 It would be too much to say that they have *nothing* in common. Australian taxpayers together sustain the cost of the Australian embassy in Helsinki and may look to get some return on that cost, of which one possible return is alerting Australian consumers and producers to opportunities for mutually advantageous exchange with Finns. And the Finnish embassy in Canberra presumably plays a similar role for Finnish taxpayers. There is *some* element of common interest along national lines: but that element is pretty minimal.

4 Through whatever processes. I have in mind mainly democratic processes of election, but some offices may be hereditary or appointed by hereditary officers or appointed by elected officers. These are incidental features for the present purposes.

and decision-making power for these latter individuals will normally be restricted. And in liberal democracies, such restrictions will include minimal power to influence citizens' choices of trading partners. The political agents in Australia may actually have more in common with political agents in similar constitutional democracies (such as Finland) than each set does with the respective citizenries. One thing in particular they are likely to have in common is responsibility for military matters. So military strength is, not least, a matter of the relations between those agents; and relative military strength bears, I want to suggest, on the character of those relations – at least as a first-round matter. It is for that reason that US military power might prove hospitable to other governments' divesting themselves of 'economic' powers.

IV. The 'National Interest'?

The distinction between citizens and their political leaders/representatives actually cuts pretty deep. It constitutes one instance of a general admonition against treating aggregations of individuals as single actors, in any setting where one is not highly self-conscious about the possible problems of doing so. This admonition applies, in particular, in the field of international relations. For it is common both in academic and popular circles, to treat nations as if they *were* actors – and indeed as if they were *rational* actors in the sense that the effect of the aggregate behaviour was the faithful pursuit of the 'national interest'. The current setting is a good context in which to interrogate this feature – though of course, the topic is a huge one and I can hardly do more than touch on it in this discussion. In fact, all I shall seek to do here is to offer a couple of thoughts on this larger topic that strike me as worth bearing in mind in interpreting the significance of American military predominance.

The concept of the national interest is a rather complicated one. It admits two broad notions – one of the aggregated interests of the citizens who compose a nation; the other of the interests that those citizens share by virtue of being part of the nation. In the latter sense, we might refer to the interests of a football club or a choral society. In doing so, we would normally mean something quite different from the (sum of the) individual interests of all those who happen to be members of the club/society. And indeed it would not strike us as at all strange to conceive of cases where what is in the interests of the club is in the interests of no individual club-member and still less the interests of all of them, duly aggregated. Circumstances in which the club would flourish might be

bad for every member. Every member might be worse off overall, even though the club does well.

So much I take it is obvious and trivial. And the analogous distinction at the level of “nation” is no less so. However, it is worth emphasizing that such a distinction is real because sometimes there is lack of clarity about what meaning is being employed when the term “national interest” is used. It will be useful in what follows to have the distinction between the two concepts clear, and I shall use National Interest (upper case) to denote the interest of the Nation, as in club or society, and use public interest (lower case) to mean the aggregate interests of the individuals who happen to be residents of the nation in question.

Of course this is a distinction that is of special moment in the military context. Perhaps having a mighty military machine makes a Nation “great”, in the same way that having the best opera houses or the best museums might be seen to make a Nation great – without that “greatness” having much pay off in the life of the average individual citizen. Or perhaps there *is* a certain pay-off in terms of the pride that the individual citizen feels by virtue of his “National identity” – but that pay-off may be bought at a price that virtually no rational citizen would be prepared to pay. Just as it might be best for the Choral Society to have a raft of extra rehearsals – but in no sense in the broader interests of the members, who have other lives to live and other concerns to promote.

However, just as the Officers of the Choral Society may feel a special responsibility to promote the interests of the Society at the possible expense of the interests of individual members, so perhaps elected politicians may feel a special responsibility for defending the National Interest, whatever the aggregated individual interests of nationals might be.

Economists have a disposition to think that the only conception of “national interest” that makes sense either predictively or normatively is that of aggregated individual interest. At the predictive level, we ascribe rationality to individual agents and so are inclined to think that agents will just choose what they see to be best for themselves overall. So in particular in a relatively well-functioning democracy, voters will not vote for political agents who want to promote the National Interest at the expense of the public interest. Democratic politics may be dogged by other difficulties – the tendency of political processes to favour policies that redistribute from minorities to strategically chosen majorities, or majority coalitions of strategically chosen minorities. But the particular tension between rival versions of the national interest concept does not seem to play any notable role on this account.

In other words, the conventional “economic theory of politics” may cast grave doubts on whether political agents will reliably promote the public interest, but the danger does not lie in an excessive promotion of the National Interest. But I am inclined to think that there *is* a danger of this kind, and that the conventional economic account of politics is too sanguine on this front. My reasons are connected to an issue about what voters do when they vote. I favour an account in which voting is understood primarily in symbolic terms – more like cheering for a favoured team (or policy platform) than like choosing an assets portfolio. On this view, to understand what voters do requires one to understand those factors that induce individuals to cheer – and boo – factors that may be somewhat removed from the ones that are in play in ordinary market choice. In particular, it seems quite plausible to me to imagine that on occasion citizens will be led to cheer for National Identity, and/or policies that they see as expressing or supporting the National Interest, with seriously inadequate attention to the consequences of such policies for their own individual interests. The “expressive account” of voting that I favour draws a significant element in its rational grounding from the fact that individual voters can not expect in general to be causally efficacious in bringing about electoral consequences. If rational, each voter would have to concede that the chance of his vote tipping the balance between candidates/policies and thereby deciding the election is negligible. The outcome is going to depend on what other voters do: and this fact frees the voter to vote his principles, his conscience, his basic beliefs (or equally his fancies) with little concern for what the cost will be to *him*. He may worry about what the cost will be overall because his principles include a concern for such things: but this kind of mechanism for connecting him to interests is very different from what the economist normally has in mind when the subject is making a choice in a consumer market. In particular, the relevant measure of interests is the voter’s conception of aggregate interests, and there is nothing in basic economic theory that suggests that the voter will have such a conception, that the conception will be at all accurate, that the conception will have any special motivational force – and so on. In short, the role of public interest in voting is *pari passu* with the role of National Interest – it enters the lists as an object for potential cheering or booing. And it is not too difficult to imagine circumstances in which the National Interest may well win that contest.

However, once we have made this general concession – once we have accepted that there is nothing in fundamental economic logic that binds

individual voting to individual interests – then there is a further possibility that needs to be entertained. This possibility is that the views of non-Nationals may exercise influence in the decisions of voters.

I implied earlier that considerations of National pride and individual voter's esteem to be derived from their national identities might be a consideration in shaping expressive voting behaviour, and specifically behaviour in the face of National Interest considerations. But such esteem is not just a matter of how one is perceived domestically. If one knows oneself to be the object of significant disesteem internationally by virtue of one's national identity, or more particularly policies designed to promote the National Interest at other countries' expense, then that fact might affect political preferences. It is not at all implausible that Tony Blair, a person with very considerable rhetorical and personal powers, might have influenced American attitudes towards the war in Iraq. It is not implausible that Blair's effectiveness in this respect might have been rather greater within the US than Bush's. There seems to be no particular reason to doubt this possibility.

But if that is true, it seems no less likely that the "force of popular opinion" elsewhere than in the US might influence American politics in a whole range of areas. With a "global world" as we might put it, the scope of the politically relevant seems likely to extend considerably beyond national boundaries. Of course, only Americans will actually vote. But once we recognize that there is no restriction on the content of American voter sentiment – and in particular, no necessity that American public opinion track American "national interest" under any specific meaning of that term – then the fact that only Americans vote on American military activity may not be all that deep a source of concern. Opinion-shapers are potentially global players; and the fact that franchise is applied along strictly national lines may become a gradually less and less significant factor in the shape of national policies. Some democratic enthusiasts may be horrified at any such prospect. In particular, those outside the US may see any decline in the purely national element in politics in their own countries as just further evidence of the American hegemony. My point, though, is that openness is a two-way street. It is implausible to think that opinion in America will not ultimately be every bit as much affected by opinion in the rest of the world as the rest of the world is affected by the US. And this fact about globalisation is one that I find mildly re-assuring – not least when America is the overwhelmingly predominant military power.