

Global Challenges need Global Answers:

Tasks for Germany, Tasks for China

1. Nation-states are supposed to be sovereign yet globalization allows governments less and less leeway to exercise that sovereignty. Global companies, interdependent trade, global finance, migration and brain-drain, but also health risks or trade in arms, drugs and humans, influence the domestic affairs of states and the lives of their people. Governments and individuals are not able to influence global developments that they are affected by. Both positive and negative consequences of globalization weaken the authority of governments and their ability to administer a country. Weaker administrations break down under the weight of these problems. We see that governments resign themselves to being subverted by the influence of mafia-like substitute structures. Nations become the prey of powerful mini-aids. But not only states are made increasingly helpless by globalization.

Since 1998 the world knows two nuclear powers outside of the non-proliferation treaty: India and Pakistan. It may become necessary to include two more in the not too far future: North Korea and Iran – we hope not, but it may be possible. One of the most important international treaties, the Non-Proliferation Treaty, therefore is in danger of being gradually circumvented and the relevant international organizations, which in this case are the IAEA and the Security Council of the United Nations, are working hard to prevent it. Peace-keeping operations have become one of the most important tasks of the UN. But places such as Srebrenica, Rwanda and lately Sudan and the Great Lakes show how hard put the UN are to truly keep the peace. There are other examples of the authority of international institutions being put into question. WTO has survived the crisis of Cancun .

NATO is important for its new members but it is struggling at the same time to meet the new international challenges such as in Afghanistan. The OSCE had been expected to bring the countries of East and West together after the end of the Cold War? Neither the UN nor the EU have been able to do much to alleviate the recent cartoon.

Failing states and failing international institutions have thus become symptoms of the crumbling of the international order as we know it. This order had been created after the Second World War within only a few years, and with a high degree of complexity. The institutions erected, such as the U.N. and its sub-organizations, the World Bank, the IMF, remained as “frozen” as the overall world-wide situation throughout the Cold War. The interests of the two superpowers guaranteed that these post-war institutions were kept intact, even in phases of “limited” armed conflicts such as the Vietnam War or during the period of decolonization. Our post-Cold War world, to the contrary, is characterized by the breakdown of those institutional structures. Only now do we recognize that the East West conflict even slowed down the speed of globalization’s effects. Today, world trade rapidly expands in ways that make many people richer, few poorer, but allows riches to be concentrated in the hands of ever fewer people. At the same time participatory movements, emancipation, hedonistic “world culture” phenomena which go with trade and “modernization” subvert the authority of traditional structures or religions, of states, or of supra-national institutions. Add the globalization of dangers. Natural disasters that affect one country may severely limit its economic performance and thus have a negative impact on world trade. SARS, and today avian flu, show us how quickly pandemic diseases may spread and how inadequate our preventive measures are. So-called non-traditional security threats such as terrorism have become more evident since 9/11 and since the Iraq war. In a nutshell: If the government of the most powerful country of the world concludes that it is in the midst of a “long war” against Jihad terrorism, than this means among many things, that there is no “normalcy” anymore, neither domestically nor internationally.

Certainly governments and international institutions are as aware of these developments as the informed public is and are making efforts to counter-balance the loss in order and try to introduce new rules and structures. Sometimes, under the pressure of a crisis, old institutions prove themselves anew. There is, for example, the very efficient way WHO deals with the avian flu threat. But in the political arena we have just seen how efforts to reform the UN had to be buried. There are newer organizations such as the G-8 and the G-20. It is questionable, however, whether these new approaches will prove robust enough to steer us onto the coasts of a new world order. Examples such as the Afghanistan conferences or the “EU-3” show how unsystematic and chaotic - and also creative - our efforts are to bring order into the international situation. And also, by the way, in a perverted way, even Jihad terrorism may be regarded as an effort to produce a new international order though only that of a primitive islamist ideology which promises to compensate the losers of globalization by way of introducing a new totalitarianism.

We might therefore be tempted to assume that, all said and done, only strong states such as the “only remaining super power” are in fact able to define order, possibly unilaterally. Iraq however has shown, that a new world order based upon super power primacy is not sufficiently equipped to address the root causes of the growth of an increasingly frustrated social underclass in the world, expressing itself through Jihad terrorism or in many other ways. We have to face it: the consequences of globalization put into question the very existence of nation-states and of international institutions as such. They confront us, both Germans as well as Chinese with the question what a nation-state, be it the size of Germany or the size of China, can do in the age of a crumbling world order.

Allow me to confine myself to the realm of foreign policy, and to take a look at Germany first. I will name three examples where German foreign policy had or has to deal with problems unimaginable during the time of the Cold War.

Firstly it was a major effort for two consecutive federal governments to create a consensus in Germany on whether the German army could be used in armed conflicts outside of NATO territory. Only after being confronted with the UN disaster in Srebrenica, the necessity of military actions in humanitarian cases became a largely accepted consensus. With the beginning of the anti-terrorist struggle even Germany's engagement in Afghanistan became acceptable nationwide, our new thinking being represented by the statement of our then Minister of Defense that Germany is also defended in the Hindukush mountains. In these cases Germany has accepted that it may be necessary to get involved in what used to be known as the "internal affairs" of another country using armed force in order to reinstate some kind of domestic order in countries - "failed states" - whose conditions otherwise would turn them into global threats. The new international security threats have thus caused Germany to shed its image of a purely "civilian" power.

Secondly the war in Iraq and our reason not to join the coalition has been discussed sufficiently. The negative consequences of the military campaign correspond to a hardly bearable degree to German warnings. The dispute over Iraq, however, was not a conflict over the principle that interventions of that kind may be necessary but about the question whether there was sufficient proof that Iraq possessed weapons of mass destruction, and secondly whether the fight against Al Qaida and Jihad terrorism would not become more difficult instead of easier. In an interdependent world the use of force can exacerbate instability. Still, within the traditional framework of transatlantic relations the consequence of refusing to take part in the war coalition was a severe shock to German-US relations. We see how old

alliances which contributed to the Cold War world order today are shaken and how difficult it is to replace them, even by “coalitions of the willing”. Germany’s reflexive, US-oriented multilateralism of the Cold War period has been replaced by a multilateralism based on our own assessment of the nature of given international problems.

Thirdly Europe may be the field where German foreign policy is being put to the test most severely. EU enlargement is in Germany’s interest. It is an instrument to prevent inter-state conflicts in Central and Eastern Europe, and it is in our interest to help economic and political transformation of the former Soviet bloc. At the same time, there is a danger that the advantages of the degree of integration we have already reached may erode. Then, Europe would not be able to face the challenges of globalization at a time when this is most necessary. The defeat of the European constitution shows the size of the task which we face. It is the task of Europe for the first time since 1956, with enlargement and the deepening of integration at the same time, having to be newly invented. Both deepening and enlarging the EU are essential building blocks of Europe’s future political architecture. Therefore Germany has to determine with each step how institutional contexts may serve both – and our own national – objectives.

3.

Let me now turn to China and try to understand how its foreign policy deals with its new environment. Again, let me look at three examples. First, a major task for China when it started its reform and opening policy was to get out of a very particular conundrum.

Between 1950 and 1980 China went to war four times. With its attitude to regard war as a means of policy it was not alone in its region. During the second half of the 20th century Asia remained the part of the world where most wars in the world took place, and most of them actually between Asian countries. This, however, was not the most auspicious

environment for the projected economic development of China. Deng Xiaoping therefore prescribed a policy of keeping a low profile in foreign affairs and making an effort to create a “peaceful international environment” for China’s concentration on its economy. This is where China’s foreign policy succeeded most. While previously China had not lived in peace with any neighbor except Pakistan and North Korea, during the course of more than 20 years it has succeeded in creating a peaceful relationship with each one of its continental neighbors, at times even agreeing to territorial compromises. This policy has created an “added value” of trust beyond close economic relations, and it is a factor that has facilitated China’s integration into the world economy, or even made it possible in the first place.

Secondly, there is one trouble spot close to China where we see all the symptoms of the challenges a China which is now a “world power” faces: the North Korean nuclear problem. It is a fact that North Korea left the IAEA and refuses to fulfill its contractual obligations. Nuclear development in North Korea is a danger to the region and through the threat of proliferation to other parts of the world as well. Therefore, the United States in its dealings with North Korea represents the international community as a whole. In order to facilitate a solution to the problem, China has gone to great pains to bring North Korea’s neighbors and the United States to one table with the regime in Pyongyang. That table being located in Beijing has brought tremendous respect to China’s new diplomacy. Very carefully China has avoided the danger of portraying itself as a mediator between two sides. Being part of the international community which has to solve the Korea problem, China can only be a facilitator. The history of the six-party talks so far has shown that this task does put to test all the skills of China’s diplomacy.

Lastly, the third example. During the past year we have observed an increasing concern

outside of China that China's needs for energy and other resources may change the situation on the most important world commodity markets. We have in turn seen rising concerns in China that the country should employ all its means to secure supplies of exactly those commodities. At the present time, China's position is still evolving. As far as energy is concerned we see a policy that resembles Western energy strategies proceeding the 1974 oil crisis. That is to say, China makes every effort to control its supplies from the oil wells all the way to China's coast, concluding exclusive supply agreements with producer countries, buying or building oil exploring and trading companies, and developing strategies to defend the oil routes or to develop land-based lines of supply. This is at variance with the strategy of the majority of oil consuming countries who after 1974 within the framework of the International Energy Agency found it most rational to leave energy supply security to the markets. A China that would be the odd man out here would create tensions which are superfluous. As I said, China's strategies here are still in the process of evolving and of coming to terms with the consequences of being part of an interdependent world.

This last example indicates how far China has come on its way from integrating simply and only into the world economy to integrating fully in the political world community. It is obvious that a country which depends in its development and affluence on what is happening in the world will try to influence the making of the rules of the game. But in which way? A "world power" may well try the unilateralist option, forcing its will upon its partners. Or, it may try to create "coalitions of the willing" creating alliances – with followers instead of friends? - that help it get its way. Lastly, it may try to make use of international organizations and institutions in order to arrive at compromises most satisfactory to a majority of the states involved. A medium-sized country such as Germany has found that the last option is the most rational choice. We do not actually regard international rules and norms as alternatives to the use of armed or non-armed

force but we regard it as the indispensable foundation of international policies in the age of interdependence. This is, from our point of view, the most rational choice for greater powers as well. It may be this choice expressed by Zhang Zhijun, the deputy head of the International Liaison Department of the Chinese Communist Party, when on 5 February 2006 at the Munich Conference on Security Policy he said that China's policy is based on the principles of international law, and that China hopes to settle traditional and non-traditional security issues through international cooperation, and to jointly deal with global threats and challenges.

Indeed, China is making great efforts to develop, or take part in the development of, international organizations, mainly in its own region. Yet, newly created institutions such as the Shanghai Organization of Cooperation or ASEAN Plus 3 etc. seem to be more like those "coalitions of the willing" rather than organizations which China may permit to curtail its sovereignty. Curtail sovereignty, however, is what today international organizations and institutions must do if they want to create a new world order serving all. I observe that this choice becomes clearer to policy makers, academics and think tankers in China by the day. How the choices are made, however, is not yet clear. But both for China with its special global responsibility as a permanent member of the Security Council of the United Nations as well as for Germany as part of an integrating Europe, the question vis-à-vis the challenges of a crumbling world order is: can we afford to live from hand to mouth conceptually, or do we need a greater vision, and maybe the same one in China, Germany and other countries in Europe and also the U.S.A.?

Let us look from a different angle at what is at stake and, possibly, what a medium size power in Europe and the continental super-power in Asia may achieve together.

4.

It is not just China, where we see new dynamics at work in Asia. Actually it is Asia as a whole, and that may be a positive factor in facing the problems I described. The new diplomatic posture of China, the re-emergence of ASEAN, the growing supra-regional policies of India, the resurgence of the Japanese economy, all of these factors have brought about a new cohesion throughout the East-Southeast Asian crescent. And it is not just the economic successes that lend it a new stability. Like a common thread we observe in all the new structures and organizations the will of the region to determine its own agenda. Simply said, the region between Japan and Australia is about to become another new centre of gravity in the world's economy as well as in global politics. That is new, it is important, and it is welcome.

Why is it of so great importance to us in Europe? What constitutes such a centre of gravity, economically and politically? First, it derives its importance from the interdependence in economic, political and cultural terms in ways that transcend anything Karl Marx analysed as the phenomenon of globalization. Without consumers and producers in Europe, the policy of reform and opening in China would be without success. Without the consumers in the United States and without the investors from the US we would not see a shadow of today's dynamic economic growth of China and the whole region. Without the multitude of resources coming from the countries of the South, the factories in the Special Economic Zones or the rich coastal provinces of China would stand still; nobody would dare to dream of an average per capita income of 3.000 dollars or more. Finally: without the close network of production and demand between the economies of Southeast Asia, Japan, South Korea and China, there would be nothing of the solid and stable common economic development of the region, nobody would speak of the Free Trade Areas that we see being created today. On the other hand, the suppliers of China, Southeast Asia, Japan and all the

world profit from China's and the whole region's economic progress. Europe's affluence and that of the United States, the fact that consumers can shop cheaply owe much to the cheap imports from the region. In short: The new dynamic of this region is part and parcel of the region's integration into the world.

Mr. Grove, the chairman of Intel, has spoken of the "end of vertically integrated production" and its replacement by world-wide horizontally integrated production. Which in the case of an intense conflict would mean a new kind of "mutually assured destruction" as compared to the nuclear one that we have been only used to fear so far. Thus, the world is approaching a situation where you are going to three large centers of gravity – North America, Europe and the East-South East Asian crescent – with various sub-centers elsewhere whose relationship with each other is economic-based and driven by competition and knowledge advance.

Obviously, this world is also a world of negative competition and negative influences. Terrorists, even if they want to bomb to world back to the middle ages, use the most modern means and technologies of communication. Pandemias may spread across continents today because they are carried by modern means of traffic. A drug-dealer from Afghanistan may "launder" his illegal millions on an island state in the Pacific Ocean. None of us, neither Asians nor Europeans nor anyone are immune against those new threats.

I see two consequences. Those countries that profit most from globalization, in dealing with the new challenges have to use all the means available to them through precisely that globalization. Global challenges need global answers. Transnational problems need transnational solutions. We as Germans in the centre of Europe, you as the Chinese in the

centre of the East-Asian crescent must work together strategically. “Strategic”. It means that common problems have to be identified together and solutions have to be envisioned and implemented together. Such a true strategic partnership is possible only if all involved work from the same basis. Anachronistic ideas of traditional statehood or sovereignty or traditional solutions will not bring us very far. I’ll name some concrete examples: China’s successes in exporting textiles are a problem not only for Cambodia or Bangladesh. They have to be recognized as a problem for China as well . The value of the RMB can only be defined together with China’s partners. North Korea is a problem of the whole of the international community, it is not a matter for traditional balance of power politics.

It is not enough any more to regard, as Ms. Fu Ying, China’s ambassador to Australia, recently did, as “the most important thing for China” the promotion of “a more stable environment for cooperation so that we can grow”. “Stability” is not the basis for cooperation. We need to cooperate in order to bring about norms of future stability, or “harmony”. A new world order of freedom and peace needs rules of the road which provide the frame for competition as well as for cooperation.

5.

Of course we are not there yet. Far from it. Both Asian and European foreign policy needs abilities and analyses and strategic thinking that will be adequate to what our accustomed categories of thought prove not to be able to: recognize the true nature of the new demands. Our societies have to recognize the problems and possibilities of those new geo-political tasks for Germany and China – and all others. We need new paradigms in order to comprehend that seemingly quaint developments on far-away continents may threaten us more than the armament of a close neighbor by, that non-military influences make less headlines and CNN news than bombs but may change more in the world than

our traditional military and security-oriented approach, and I mean both positively and negatively. This is what our minds need first of all as a basis for both Asian and European foreign policy.

To then make progress on the way to finding our global answers to the global challenges, two things are necessary.

First we have to accept that without the United Nations, and I mean reformed United Nations, there will be no cooperative world order. The U.N. do not possess truly democratic legitimacy, their legitimacy is a derived one. But even now there is no other organisation with a comparable degree of legitimacy to set international norms and those “rules of the road”. Deep-cutting reforms are necessary such as Kofi Annan has envisaged them. The U.N. can not continue to reflect the world of 1949. This concerns the Security Council and who is represented there. This concerns the other proposals of the General Secretary in his report “In Larger Freedom”. We have to at least minimize the democratic deficits of the U.N. and maximize the areas of democratic participation. In this task the P5 have a special responsibility to bring reforms forward.

Certainly, even a reformed U.N. will not be the “super hero” of the 21st century, carrying all of mankind’s burdens. That is why we have to approach the task from a very different angle, too.

Secondly, we need the employment of additional “human resources” transcending those circles traditionally occupied with foreign policy. In the past, foreign policy very much meant security policy. In an age of a crumbling world order we need to cooperate among those global centres of gravity and we therefore need a very different kind of expertise. To

deal with pandemic threats we need to make the work of doctors, experts of communication, traffic, tourism an element of “modern” foreign policy. To deal with the problems of migration means that experts of development and social scientists in different continents have to be involved in “foreign policy”. In effect, the task to create a new international order is a task for civil society as much as it is a task for foreign policy specialists. As globalization involves all individuals it affects, those individuals also need to be involved in solving the problems created by globalization. Foreign policy in disregard of civil society and the participatory needs of a modern society will lead into a dead end. It will always mean that we stumble after events, but we spend our energy driven by daily demands, confine ourselves to a foreign policy of muddling through instead of actively pursuing opportunities together and solving the urgent problems on our hands. We in Germany and you in China have to cooperate with actors who contribute to dealing both with the opportunities as much as with the negative consequences of globalization. This is very different from what we are used to regarding as traditional foreign policy. Of course we may confine ourselves to those traditional policies. In order to find global answers to global challenges, the task for Germany as much as the task for China is to develop the kind of “modern” foreign policy I have tried to describe.