

THE SHIELD
OF ACHILLES

WAR, PEACE, AND THE
COURSE OF HISTORY

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Prologue

We are at a moment in world affairs when the essential ideas that govern statecraft must change. For five centuries it has taken the resources of a state to destroy another state: only states could muster the huge revenues, conscript the vast armies, and equip the divisions required to threaten the survival of other states. Indeed posing such threats, and meeting them, created the modern state. In such a world, every state knew that its enemy would be drawn from a small class of potential adversaries. This is no longer true, owing to advances in international telecommunications, rapid computation, and weapons of mass destruction. The change in statecraft that will accompany these developments will be as profound as any that the State has thus far undergone.

THE END OF THE LONG WAR AND THE TRANSFORMATION OF THE MODERN STATE

This book is about the modern state—how it came into being, how it has developed, and in what directions we can expect it to change. Epochal wars, those great coalitional conflicts that often extend over decades, have been critical to the birth and development of the State, and therefore much of this book is concerned with the history of warfare. Equally determinative of the State has been its legal order, and so this is a book about law, especially constitutional and international law as these subjects relate to statecraft. This book, however, is neither a history of war nor a work of jurisprudence. Rather it is principally concerned with the *relationship* between strategy and the legal order as this relationship has shaped and transformed the modern state and the society composed of these states. A new form of the State—the market-state—is emerging from this relationship in much the same way that earlier forms since the fifteenth century have emerged, as a consequence of war. This war, the fifth great epochal war in modern history, began in 1914 and only ended in 1990. The Long

War, like previous epochal wars, brought into being a new form of the State—the market-state. The previous form—the constitutional order of the nation-state—is now everywhere under siege.

As a result of the Long War, the State is being transformed, and this transformation is constitutional in nature, by which I mean we will change our views as to the basic *raison d'être* of the State, the legitimating purpose that animates the State and sets the terms of the State's strategic endeavors.

The nation-state's model of statecraft links the sovereignty of a state to its territorial borders. Within these borders a state is supreme with respect to its law, and beyond its borders a state earns the right of recognition and intercourse to the extent that it can defend its borders. Today this model confronts several deep challenges. Because the international order of nation-states is constructed on the foundation of this model of state sovereignty, developments that cast doubt on that sovereignty call the entire system into question.

Five such developments do so: (1) the recognition of human rights as norms that require adherence within all states, regardless of their internal laws; (2) the widespread deployment of nuclear weapons and other weapons of mass destruction that render the defense of state borders ineffectual for the protection of the society within; (3) the proliferation of global and transnational threats that transcend state borders, such as those that damage the environment, or threaten states through migration, population expansion, disease, or famine; (4) the growth of a world economic regime that ignores borders in the movement of capital investment to a degree that effectively curtails states in the management of their economic affairs; and (5) the creation of a global communications network that penetrates borders electronically and threatens national languages, customs, and cultures. As a consequence, a constitutional order will arise that reflects these five developments and indeed exalts them as requirements that only this new order can meet. The emergence of a new basis for the State will also change the constitutional assumptions of the international society of states, for that framework too derives from the domestic constitutional rationale of its constituent members.

THE RELATIONSHIP BETWEEN MILITARY INNOVATION AND CHANGE IN THE CONSTITUTIONAL ORDER

Ever since Max Weber,¹ scholars have argued that a revolution in military affairs brought forth the modern state by requiring an organized system of finance and administration in order for societies to defend themselves. Accepting this premise, however, it is unclear precisely which revolution

in military affairs actually brought the modern state into being. Was it the use of mobile artillery in the sixteenth century that abruptly rendered the castles and moats of the Middle Ages useless? Or was it the Gunpowder Revolution of the seventeenth century that replaced the shock tactics of pikemen with musket fire? Or the rise in professionalism within the military in the eighteenth century and the cabinet wars this made possible (or was it the change in tactics that accompanied mass conscription in the nineteenth century)? One important consequence of asking this question in this way is that it assumes that there has been only one form of the modern state: the nation-state. If, as many believe, the nation-state is dying owing to the five developments mentioned above, then this scholarly debate about the birth of the state has consequences for its death.

But if we see, on the contrary, that *each* of the important revolutions in military affairs enabled a political revolution in the fundamental constitutional order of the State, then we will be able not only to better frame the scholarly debate but also to appreciate that the death of the nation-state by no means presages the end of the State. Moreover, we will then be able to see aright the many current political conflicts that arise from the friction between the decaying nation-state and the emerging market-state, conflicts that have parallels in the past when one constitutional order was replaced by another and led to civil strife within the State and spurred novel and deadly conflict abroad. Finally, we will be better prepared to craft new strategies for the use of force that are appropriate to this new constitutional order—and vice versa.

THE RELATIONSHIP BETWEEN THE CONSTITUTIONAL ORDER AND THE INTERNATIONAL ORDER

Every society has a constitution. Of course not all of these are written constitutions—the British constitution, for example, is unwritten. Nor does every society happen to require a state. But every society—the Vineyard Haven Yacht Club no less than the Group of Eight—has a constitution because to be a society is to be constituted in some particular way. If a revolution in military affairs enables the triumph of certain constitutional order in war, then the peace conferences that ratify such triumphs set the terms for admission to the society of legitimate states, a society that is reconstituted after each great epochal war on the basis of a consensus among states. Each great peace conference that ended an epochal war wrote a constitution for the society of states.

Yet all constitutions also carry within themselves the seeds of future conflict. The 1789 U.S. constitution was pregnant with the 1861 civil war

because it contained, in addition to a bill of rights, provisions for slavery and provincial autonomy. Similarly the international constitution created at Westphalia in 1648, no less than those created at Vienna in 1815 or Utrecht in 1713, set the terms for the conflict to come even while it settled the conflict just ended. The importance of this idea in our present period of transition is that we can shape the next epochal war if we appreciate its inevitability and also the different forms it may take. I believe that we face the task of developing cooperative practices that will enable us to undertake a series of low-intensity conflicts. Failing this, we will face an international environment of increasingly violent anarchy and, possibly, a cataclysmic war in the early decades of the twenty-first century.

While it is commonly assumed that the nuclear great powers would not (because they need not) use nuclear weapons in an era in which they do not threaten each other, in fact the new era that we are entering makes their use by a great power more likely than in the last half century. Deterrence and assured retaliation, as well as overwhelming conventional force, which together laid the basis for the victory of the coalition of parliamentary nation-states in the Cold War era, cannot provide a similar stability in the era of the market-state to come because the source of the threats to a state are now at once too ubiquitous and too easy to disguise. We cannot deter an attacker whose identity is unknown to us, and the very massiveness of our conventional forces makes it unlikely we will be challenged openly. As a consequence, we are just beginning to appreciate the need for a shift from target, threat-based assessments to vulnerability analyses.* What is less appreciated is the consequent loss of intrawar deterrence† and the implications of this loss with respect to the actual use of nuclear weapons. To illustrate this paradox consider this example: Nuclear weapons do not deter biological warfare (because its true perpetrators can be easily disguised), and yet a nuclear strike is probably the only feasible means of destroying a biological stockpile that is easy to hide and fortify in a subterranean vault. As we shall see, the possibilities of nuclear pre-emptive strikes, draconian internal repression, and fitful retaliation all accompany the scenarios of weakened deterrence and disguised attacks, and all can lead to cataclysmic wars between states that would otherwise studiously avoid such confrontations. Even though the possibility of cataclysmic war threatens the twenty-first century, however, defensive systems can play a far more useful role than they could in the previous period, when they tended to weaken deterrence.

*A target or threat-based strategy depends upon retaliating against enemy assets. The threat of retaliation against known targets keeps the peace. A vulnerability-centered strategy employs various defenses to keep the peace when the targets for retaliation are unknown.

†Intrawar deterrence can dampen escalation, as parties already at war nevertheless refrain from aggressive acts that would lower the costs of retaliation for those acts to the retaliator.

At the same time that we have experienced these quiet yet disturbing changes in the strategic environment, there have been ongoing low-intensity conflicts of the kind we have seen in Bosnia, Rwanda, Northern Ireland, Palestine, and elsewhere, which are being transformed by the information revolution. Remote, once local tribal wars have engaged the values and interests of all the great powers because these conflicts have been exported into the domestic populations of those powers through immigration, empathy, and terrorism.

What is rarely noted is the relation between cataclysmic and low-intensity wars and the constitution of the society of market-states that will have to fight them. There can be no peace settlement without war, but there *can* be peace making. If we can successfully manage the consensus interventions of the great powers in low-intensity conflicts—as we have done, finally, in the former state of Yugoslavia—we will have constructed a new constitution for the society of market-states, thereby avoiding the systemic breakdown that provokes more generally catastrophic war. It may be that the very vulnerability of the critical infrastructures of the developed world, which invites, even necessitates, great-power cooperation, will then provide a basis for strengthening the society of states through information sharing and market cooperation.

HOW TO UNDERSTAND THE EMERGING WORLD ORDER OF MARKET-STATES

There is a widespread sense that we are at a pivotal point in history—but why is it pivotal? This book offers an answer: that we are at one of a half dozen turning points that have fundamentally changed the way societies are organized for governance. It identifies this change and shows how it is related to five previous such pivotal moments that began with the emergence of the modern state at the time of the Renaissance. It lays bare the neglected relationship between the strategic and the constitutional—the outer and inner faces of the State. Yet, this book is just as concerned with the future as it is with the past, laying out alternative possible worlds of the twenty-first century.

The modern state came into existence when it proved necessary to organize a constitutional order that could wage war more effectively than the feudal and mercantile orders it replaced. The emergence of a new form of the State and the decay of an old one is part of a process that goes back to the very beginning of the modern state, perhaps to the beginning of civil society itself. That process takes place in the fusing of the inner and outer dominions of authority: law and strategy.

Whether war or law is the initial object of innovation, constitutional and strategic change inevitably ensue, and new forms of the State are the result of the interaction. Each new form of the State is distinguished by its unique basis for legitimacy—the historical claim it makes that entitles the State to power.

A great epochal war has just ended. The various competing systems of the contemporary nation-state (fascism, communism, parliamentarianism) that fought that war all took their legitimacy from the promise to better the material welfare of their citizens. The market-state offers a different covenant: it will maximize the opportunity of its people. Not only the world in which we live but also the world that is now emerging is more comprehensible and more insistent once this historical development is appreciated and explored for the implications it holds for the fate of civilization itself.

The emergence of the market-state will produce conflict in every society as the old ways of the superseded nation-state (its use of law to bring about certain desired moral outcomes, for example) fall away. This emergence will also produce alternative systems that follow different versions of the market-state in London, Singapore, or Paris, and this development could also lead to conflict. Most important, however, the global society of market-states will face lethal security challenges in an era of weakened governments and impotent formal international institutions. And these challenges will pose difficult internal problems as well, as every developed, postindustrial state struggles to maintain democracy and civil liberties in the face of new technological threats to its well-being.

A society of market-states, however, will be good at setting up markets. This facility could bring about an international system that rewards peaceful states and stimulates opportunity in education, productivity, investment, environmental protection, and public health by sharing the technologies that are crucial to advancement in these areas. And these habits of collaboration can provide precedents for security cooperation; for example, the United States can develop ballistic missile defense technology or fissile material sensors that can be licensed to threatened countries. The technology for safer nuclear energy can be provided as a way, perhaps the only way, of halting global warming while assisting Third World economic development. A state's internal difficulties can be dealt with—perhaps can only be dealt with—through international information sharing that the market makes feasible. Markets, on the other hand, are not very good at assuring political representation or giving equal voice to every group. Unaided by the assurance that the political process will not be subordinated to the most powerful market actors, markets can become targets of the alienated and of those who are disenfranchised by any shift away from national or ethnic institutions.

The decisions that arise from the emergence of the market-state are already, or will soon be, upon us, but they are often disguised if they are not seen in the context of this new form of the State.

THE FUTURE OF THE STATE

The pattern of epochal wars and state formation, of peace congresses and international constitutions, has played out for five centuries to the end of the millennium just past. A new constitutional order—the market-state—is about to emerge. But if the pattern of earlier eras is to be repeated, then we await a new, epochal war with state-shattering consequences. Many persons see war as an illness of states, a pathology that no healthy state need suffer. This way of looking at things more or less disables us from shaping future wars, as we search, fruitlessly, for the wonder serum that will banish war once and for all (or as we plan to fight wars we know—or believe—we can win). Yet we can shape future wars, even if we cannot avoid them. We can take decisions that will determine whether the next epochal war risks a general cataclysm.

Whatever course is decided upon will be both constitutional and strategic in nature because these are the two faces of the modern state—the face the state turns toward its own citizens, and the face it turns toward the outside world of its competitors and collaborators. Each state develops its own constitutional order (its inward-facing profile) as well as its strategic paradigm (its outward-turned silhouette), and these two forms are logically and topologically inseparable. A state that privatizes most of its functions by law will inevitably defend itself by employing its own people as mercenaries—with profound strategic consequences. A state threatened with cyberattacks on its interdependent infrastructures can protect itself by virtually abolishing civil privacy or by increasing official surveillance and intelligence gathering or by expensively decentralizing. Each course has profound constitutional consequences.

THE STRUCTURE OF THIS BOOK

The Shield of Achilles treats the relationship between strategy and law. I had originally intended to publish this study in two volumes, corresponding to the different focus in each: whereas the first part of this work deals with the State, the second takes up the society of states; whereas the first is largely devoted to war and its interplay with the constitutional order of the State, the second concentrates on peace settlements and their structuring of the international order.

I have come to see, however, that there is so intimate a connection between the epochal rhythms of state formation and the abrupt shifts in international evolution that a single volume is truer to my subject. Nevertheless, for readers interested in the history and future of war, Book I, "State of War," can stand alone; for those interested in the history and future of international society, I believe Book II, "States of Peace," can be read with profit by itself.

At the beginning of each of the six Parts of this combined work, a general thesis is set forth as a kind of overture to the narrative argument that is then provided. Similarly, the poems that precede and follow each of the Parts reflect some of the motifs of the presentation.

"State of War," Book I of this work, focuses on the individual state; it is divided into three parts, which correspond to three general arguments.

Part I, "The Long War of the Nation-State," argues that the war that began in 1914 did not end until 1990. By looking at earlier epochal wars beginning with the Peloponnesian Wars, one can see how historians from Thucydides onward have determined whether a particular campaign is a completed war or only a part of a more extended conflict such as the Thirty Years' War. Epochal wars put the constitutional basis of the participants in play and do not truly end until the underlying constitutional questions are resolved. This is how it was with the Long War, which was fought to determine which of three alternatives—communism, fascism, or parliamentarism—would replace the imperial constitutional orders of the nineteenth century. The Long War embraces conflicts we at present call the First World War, the Bolshevik Revolution, the Spanish Civil War, the Second World War, the wars in Korea and Viet Nam, and the Cold War.

Part II provides "A Brief History of the Modern State and the Constitutional Order"* beginning with the origin of the State in Italy at the end of the fifteenth century and ending with the events that began the Long War. These chapters assert the thesis that epochal wars have brought about profound changes in the constitutional order of states through a process of innovation and mimicry as some states are compelled to innovate, strategically and constitutionally, in order to survive, and as other states copy these innovations when they prove decisive in resolving the epochal conflict of an era. Sometimes the impetus comes from the constitutional side, as when the political changes wrought by the French Revolution in the late eighteenth century demanded tactical and strategic change to cope with the loss of a highly trained officer corps; sometimes the impetus was the reverse, as when the use of mobile artillery against the rich walled city-states of Italy in the early sixteenth century required the creation of

*By *State* I mean a political community that bears international status, like Germany or India, not a subdomain or province like Hesse or Bengal (or Texas). By *nation* I mean an ethno-cultural group.

bureaucracies and efficient systems of taxation. Most often the causality was mutual: strategic innovations (like the use of mass conscription) brought about changes in the constitutional order of the State—such as a broadened franchise and mass public education—and these constitutional changes in turn brought forth new tactical and strategic approaches that sought to exploit the possibilities created by the new domestic political environment, opportunities for innovations as different as terror bombing and the Officer Candidate School.

Part III of Book I, "The Historic Consequences of the Long War," argues that the Long War of the twentieth century was another such epochal war, and that it has brought about the emergence of a new form of the State, the market-state. These chapters address the situation of the United States, one of the first market-states, and suggest how this state will change both constitutionally and strategically as this new constitutional order comes to maturity.

Related theses can be found elsewhere. The notion that state formation in Europe occurred as a result of a revolution in military tactics (a claim made by Michael Roberts and others), the "short century" thesis (the notion that the century began in 1914 and ended with the end of the Cold War) associated with Eric Hobsbawm, and even the notion that a new form of society is coming into being (proposed by Peter Drucker, among others) are well-known. My thesis, however, implies, but also depends upon, the constitutional/strategic dynamic of five centuries, and it is this dynamic that shapes the expectations I put forward about the future structure and purpose of the market-state.

While Book I treats the individual state, Book II, "States of Peace," deals with the subject of the society of states. The society of states, as described notably by the late Hedley Bull, is to be distinguished from the state system. The state system is a formal entity that is composed of states alone and defined by their formal treaties and agreements. The society of states, on the other hand, is composed of the formal and informal customs, rules, practices, and habits of states and encompasses many entities—like the Red Cross and CNN—that are not states at all. International law is usually defined in terms of the state system. There are, of course, exceptions to this way of looking at international law, particularly in the work of Myres McDougal and his followers. In Book II, I treat international law as the practices of the society of states rather than as an artifact of the state system. I argue that international law is a symptom of the triumph of a particular constitutional order within the individual states of which that society consists (and is not therefore a consequence solely of the international acts of states). International law arises from constitutional law, not the other way around.

Part I of Book II, "The Society of Nation-States," deals with the society

of states in which we currently live. It traces the origins of this society to the abortive peace that followed World War I and the American program that attempted to superimpose the U.S. constitutional model on the society of states. Part I then brings this plan forward to its collapse in Bosnia in the 1990s, and concludes with the claim that the society of nation-states is rapidly decaying. Although it is not novel to encounter a claim that the nation-state is dying, my thesis is markedly different from others because it derives from my general conclusion that the dying and regeneration of its constitutional orders are a periodic part of the history of the modern state. Those who write that the nation-state is finished are usually also of the view that the nation-state is synonymous with the modern state itself. Thus they are committed to maintaining that the State is withering away, a highly implausible view in my judgment. Once one sees, however, that there have been many forms of the modern state, one can appreciate that though the nation-state is in fact dying, the modern state is only undergoing one of its periodic transformations.

Part II of Book II, "A Brief History of the Society of States and the International Order," revisits the historic conflicts that have given the modern state its shape and which were the subject of Part II of Book I. In Book II, however, the perspective has changed. Here I am less concerned with epochal wars than I am with the peace agreements that ended those wars. Part II makes the claim that the society of modern states has had a series of constitutions, and that these constitutions were the outcome of the great peace congresses that ended epochal wars. The state conflicts discussed in Book I are taken up in Book II in terms of their peace conferences, culminating in the twentieth century with the Peace of Paris that ended the Long War in 1990. In these chapters, the emphasis is on international law rather than strategic conflict, though of course, consistent with my general thesis, the two subjects are treated as inextricably intertwined.

Part III, "The Society of Market-States," depicts the future of the society of states. Its chapters hypothesize various possible worlds that depend on different choices we are even now in the process of making. Most of this Part is devoted to a series of scenarios about the future, adapting methods pioneered by the Royal Dutch Shell Corporation. Book II ends with the conclusion that, by varying the degree of sovereignty retained by the People, different societies will develop different forms of the market-state. The task ahead will be to develop rules for cooperation when these different approaches frustrate consensus or even invite conflict—a conflict that could threaten the very survival of some states.

Finally, I should like to provide some background regarding the title of this work. "The Shield of Achilles" is the name of a poem by W. H. Auden. At the end of this book I have reprinted that poem in full. It provides, in alternating stanzas, a juxtaposition of the epic description of classical

heroic warrior society with a gritty, twentieth century depiction of warfare and civilian suffering. It is important to remember, in the discussions on which we are about to embark, that they ultimately concern violence, and that our moral and practical decisions have real consequences in the use of force, and all that the use of force entails for suffering and death. This is the first point to be suggested by the title.

The shield for which Auden named his poem and to whose description much of the poem is devoted is described by Homer in Book XVIII of the *Iliad*, lines 558–720 (see pp. ix–xiii). Many readers will be familiar with this famous passage, which has inspired paintings by Rubens, Van Dyck, West, and others as well as countless classical Greek depictions. It will be recalled that the Trojan hero Hector had claimed the armor worn by Patroclus when he slew Patroclus in battle; this armor had belonged to Achilles. Patroclus had borne Achilles' armor into battle in an effort to inspire the Greeks by making them believe that Achilles himself had taken the field. Achilles then asked his mother, the sea goddess Thetis, to procure for him another set of armor from Hephaestus, the armorer of the gods, whose forge was beneath the volcano at Mount Etna.

Hephaestus's mirror, which showed the past, present, and future, might also come to the minds of some persons. It is my aim not only to support certain theses about strategy, law, and history with arguments drawing on the past, but to illuminate our present predicament and speculate about the choices the future will present us. This is another resonance of this title to which I wish to call attention.

Hephaestus created an elaborate shield on which he depicted a wedding and feasts, a marketplace, dancing and athletics, a law court, and a battle, along with other arts of culture, the cultivation of fields, and the making of wine. This is the main point that I wish my readers to bear in mind: war is a product as well as a shaper of culture. Animals do not make war, even though they fight. No less than the market and the law courts, with which it is inextricably intertwined, war is a creative act of civilized man with important consequences for the rest of human culture, which include the festivals of peace.

CONCLUSION

Many things ought to look different after one has finished reading this book: former U.S. President Bill Clinton, British Prime Minister Tony Blair, and German Chancellor Gerhard Schroeder, who have been widely criticized in their respective parties, will be seen as architects attempting a profound change in the constitutional order of a magnitude no less than Bismarck's. As of this writing, U.S. President George W. Bush appears to

be pursuing a similar course on many fronts. Foreign policy concerns, like the protection of the critical infrastructure of the developed world or the creation of intervention forces (such as those so discredited in Viet Nam and Somalia), which may now seem marginal, will be seen as centerpieces in the struggle to change, or at least manage, the shape of wars to come. The law-oriented methods of the nation-state will be seen as being replaced by the market-oriented methods of the market-state, setting controversies as different as abortion rights and affirmative action in a new context. For example, nation-states typically endorsed—or banned—prayers in public schools because such states used legal regulations on behalf of particular moral commitments. The market-state is more likely to provide an open forum for prayers from many competing sects, maximizing the opportunity for expression without endorsing any particular moral view. This is but one example of countless such contrasts.

Above all, the reader should get from this book a sense of the importance of certain choices that otherwise might be made in isolation but that will structure our future as thoroughly as similar choices in the last half millennium structured our past.

There are times when the present breaks the shackles of the past to create the future—the Long War of the twentieth century, now past, was one of those. But there are also times, such as the Renaissance—when the first modern states emerged—and our own coming twenty-first century, when it is the past that creates the future, by breaking the shackles of the present.²

Preparation

*Still one more year of preparation.
Tomorrow at the latest I'll start working on a great book
In which my century will appear as it really was.
The sun will rise over the righteous and the wicked.
Springs and autumns will unerringly return,
In a wet thicket a thrush will build his nest lined with clay
And foxes will learn their foxy natures.*

*And that will be the subject, with addenda. Thus: armies
Running across frozen plains, shouting a curse
In a many-voiced chorus; the cannon of a tank
Growing immense at the corner of a street; the ride at dusk
Into a camp with watchtowers and barbed wire.*

*No, it won't happen tomorrow. In five or ten years.
I still think too much about the mothers
And ask what is man born of woman.
He curls himself up and protects his head
While he is kicked by heavy boots; on fire and running.
He burns with bright flame; a bulldozer sweeps him into a clay pit.
Her child. Embracing a teddy bear. Conceived in ecstasy.*

*I haven't learned yet to speak as I should, calmly.
With not-quite truth
and not-quite art
and not-quite law
and not-quite science*

*Under not-quite heaven
on the not-quite earth
the not-quite guiltless
and the not-quite degraded*

—Czesław Miłosz

Homage to a Government

*Next year we are to bring the soldiers home
For lack of money, and it is all right.
Places they guarded, or kept orderly,
Must guard themselves, and keep themselves orderly.
We want the money for ourselves at home
Instead of working. And this is all right.*

*It's hard to say who wanted it to happen,
But now it's been decided nobody minds.
The places are a long way off, not here,
Which is all right, and from what we hear
The soldiers there only made trouble happen.
Next year we shall be easier in our minds.*

*Next year we shall be living in a country
That brought its soldiers home for lack of money.
The statues will be standing in the same
Tree-muffled squares, and look nearly the same.
Our children will not know it's a different country.
All we can hope to leave them now is money.*

—Philip Larkin

The Market-State

*One has already to know (or be able to do) something in order to be
capable of asking a thing's name.*

—Ludwig Wittgenstein*

DIFFERENT CONSTITUTIONAL orders are responsive to different demands for legitimacy. Legitimizing characteristics, such as dynastic rights, that are sufficient for one constitutional order are inadequate for another. The reason that the constitutional order of the nation-state is undergoing a transformation is that it faces a crisis of legitimation. When the American state changes to reflect a new constitutional archetype,[†] it will do so in response to demands for new bases for legitimacy, demands that arise in part as a consequence of the strategic innovations that won the Long War. In light of this new constitutional form of the State, the Americans will desire an appropriate national security paradigm. The reason the United States needs a new national security paradigm is that the Wilsonian internationalism[‡] that guided us throughout the Long War was derived from the constitutional order of the nation-state. Obviously, Wilsonian

*[20, *Philosophical Investigations*, 2nd ed. (Macmillan, 1958).

[†]I should emphasize that such a transformation does not mean that the present U.S. constitution will be replaced. It has already weathered one such transformation in the constitutional order, that from state-nation to nation-state, and its underlying theory of popular sovereignty, personal liberty, and individual equality is perfectly compatible with the multicultural market-state. On some issues, though, such as federalism and the regulatory powers of Congress, it may be interpreted in the new archetypal context in ways that are more restrictive of government; while in others, notably national security, the power of the executive may gain. But none of these developments require a departure from the available constitutional arguments that currently make up American constitutional law, even if the outcomes of constitutional decision making were to undergo some considerable change.

[‡]In a sense, the same world view that ultimately drove a reluctant President Woodrow Wilson to intervene in World War I was also the logic of intervention in Viet Nam." Kai Bird, *The Color of Truth: McGeorge Bundy and William Bundy, Brothers in Arms* (Simon and Schuster, 1998); see Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton University Press, 1994).

internationalism was not the only option available to nation-states as diverse as Fascist Italy and Communist China; perhaps less obviously, determining the rough shape of the new constitutional form the United States is in the process of adopting will not by itself determine how and when the U.S. should use force in international affairs. That determination will require an examination of the special situation of the United States, a unique state with unique advantages and burdens.

These three subjects—the source of the constitutional crisis of legitimation and the nature of the new constitutional order; the practical choices a State faces in defining a national security paradigm; and the crafting of such a paradigm that is compatible with that order and responsive to our particular position—are the subjects of the three final chapters of Book I.

THE CRISIS OF THE NATION-STATE

As we saw in the historical narratives of Part II, the nation-state is a relatively recent structure. Indeed, the modern State itself is of fairly recent vintage in the life of civilized mankind, dating as it does from roughly the end of the fifteenth century.¹ Before that period European governance divided jurisdiction among ecclesiastical authorities, independent cities, feudal rulers (whose own relationships were far from simple), and various oligarchies. Only when a strategic threat to the wealthy and sophisticated cities of Italy provoked a crisis of survival did these societies turn to the institutional bureaucratization of governing authority that became the modern state. The reification of the State that resulted conveyed to a state structure the two characteristics of sovereignty that had hitherto exclusively been possessed by the person of the prince—a monopoly on the legitimate use of violence domestically (the role of lawgiver) and the independence of will in foreign affairs (the right of sovereignty).

We then saw a series of changes in the structure of states, a morphology of constitutional orders or archetypes. These changes culminated in the form of the nation-state late in the nineteenth century. It was only then that the idea took hold that a State is properly—that is to say, legitimately—formed by the boundaries of its national people and not simply by the conquered or inherited territory of rulers. At each stage in this morphology, constitutional change was accompanied by strategic innovation, as those states that were able to consolidate power within a unitary jurisdiction of taxation, regulation, and administration developed new strategies or copied the strategic breakthroughs of their competitors. It was the strategic successes of the European state that made its archetypal constitutional structures the models for the world until finally the most recent form—that

of the nation-state—was turned against a receding form, the colonial state-nation, and the European model became global and virtually universal.*

Why should it be that now, at the moment of its most widespread adoption, this model should be superseded? We have seen how the constitutional archetype of the nation-state presented states with three competing options: fascism, liberal parliamentarianism, and communism. The unresolved issue as to which of these options would best assure the legitimacy of the nation-state caused the Long War to persist for most of this century; now, at the moment of resolution, why would a new constitutional question be put to the conflict-weary states of the world?

It was only in 1989 that Francis Fukuyama wrote:

What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of postwar history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government.[†]

How can it be that, so soon after this historic success, the fundamental form of the nation-state, of which the liberal democracies are a triumphant exemplar, would metamorphose into a new archetypal model? The reason lies in the Long War itself and the strategic innovations by which that war was won by the liberal democracies.

The nation-state has accumulated various responsibilities. The legitimating promises of earlier, preceding constitutional forms are often inherited by successive archetypes as entrenched expectations and entitlements. The princely state promised external security, the freedom from domination and interference by foreign powers. The kingly state inherited this responsibility and added the promise of internal stability. The territorial state added the promise of expanding material wealth, to which the state-nation further added the civil and political rights of popular sovereignty. To all these responsibilities the nation-state added the promise of providing economic security and public goods to its people. The failure of the Soviet Union to live up to this expectation, as much as any other cause, contributed to its delegitimation in the eyes of its nation. Very simply, the strategic innovations of the Long War will make it increasingly difficult for the nation-state to fulfill its responsibilities. That will account for its delegitimation. The new constitutional order that will supersede the

*For this reason Part II was, until its final chapter, so "Eurocentric."

[†]Francis Fukuyama, "The End of History?" *The National Interest* (Summer 1989): 3. It is instructive to note that Hegel, from whom Fukuyama takes the electrifying phrase "the End of History" thought much the same thing when the state-nation triumphed at the battle of Jena.

nation-state will be one that copes better with these new demands of legitimation, by redefining the fundamental compact on which the assumption of legitimate power is based.

Three strategic innovations won the Long War: nuclear weapons, international communications, and the technology of rapid mathematical computation. Each has wrought a dramatic change in the military, cultural, and economic challenges that face the nation-state. In each of these spheres, the nation-state faces ever increasing difficulty in maintaining the credibility of its claim to provide public goods for the nation.

SECURITY

The State exists to master violence: it came into being in order to establish a monopoly on domestic violence, which is a necessary condition for law, and to protect its jurisdiction from foreign violence, which is the basis for strategy. If the State is unable to deliver on these promises, it will be changed; if the reason it cannot deliver is rooted in its constitutional form, then that form will change. A State that could neither protect its citizens from crime nor protect its homeland from attack by other states would have ceased to fulfill its most basic reason for being.

The Long War was characterized by many strategic innovations, two of which are especially pertinent to the problem of maintaining external and internal security. First, the Long War was a total war, that is, a struggle in which war was waged directly on the civilian societies supporting the states at war. Without the "total participation [of the belligerent populations] in field and factory as well as in the armed forces, the struggle could not be carried on at all."²

The strategy of total war is, as has been noted, characteristic of the nation-state. Indeed in the constitutional transition that accompanied the American Civil War, we can observe one state (the Confederacy) that represented an earlier order (the state-nation, whose strategies are indistinguishable from those of Napoleon) fighting another state (the Union) that came to stand for a new insurgent order, the nation-state, whose strategies (such as Sherman's March to the Sea) prefigure those of the Long War. The nation-state mobilizes the total resources of the society in pursuit of its political goals, and it is the *nation* of its adversary that it attacks in order to achieve victory.

In November 1917 Georges Clemenceau was summoned, at age seventy-six, to be prime minister of France in the midst of World War I. His speech to the Chamber of Deputies was composed the night before he assumed office. He wrote with a quill, at his bedside table, wearing a small silk cap. He began, "*Nous nous présentons devant vous dans l'insigne pensée d'une défense intégrale . . .*" for he had long been a critic of the previous administration's divided command arrangements, in which the Allies

were responsible for their own sectors. But then he scratched out "*dé-fense*" and replaced it with "*guerre*." Not "total defense" but "total war."

This famous address to the chamber reflected the new perspective and responsibility of the nation-state (of which Clemenceau, in opposition to the French imperialists of his day, was a passionate advocate). To a packed chamber (Winston Churchill was in the gallery) Clemenceau said,

We present ourselves before you with the unique thought of total war . . . These Frenchmen whom we are forced to throw into battle, they have rights over us. They want none of our thoughts to be diverted from them, they want none of our acts to be foreign to them. We owe them everything, with no reservation. All for France bleeding on its glory, all for the apotheosis of law triumphant.³

Similarly, in October 1941, President Franklin Roosevelt decided to produce an atomic bomb. Hitler⁴ and Stalin⁵ and the Japanese cabinet⁶ made similar decisions. Of these decisions there was little public knowledge at the time. But such decisions are entirely consistent with the entire strategic pattern of the nation-state.

Certainly since Grant and Sherman, American commanders had accepted that modern wars—which is to say wars between modern societies capable of fielding and supporting vast modern armies—would not be won by the elegant Napoleonic maneuvers of a Lee or Jackson, isolating, distracting and dividing armies in the field, but by the relentless destruction of a society's ability to carry on. The theory of strategic bombing holds that air power will accelerate this process by leapfrogging the lines of defense and directly attacking the supporting society . . . The atomic bomb was developed [by the United States and the United Kingdom] as a weapon that, like other counter-city incendiary bombs, could be used to compel the Axis political structure to collapse.*

Even though the development of nuclear weapons brought the strategy of the nation-state to its apogee of effectiveness—"the apotheosis of law triumphant"—and ended the Long War by stalemating the superpower

*Philip Bobbitt, *Democracy and Deterrence*, 20. The fiftieth anniversary of Hiroshima was accompanied by an intense debate over the rightness of the decisions to use atomic weapons against Japan. Utterly absent in that debate was the fact that there was no decision as such; that is, the use of these weapons was only the orderly continuation of a campaign of terror bombing that itself was only the continuation of the strategy of total war, the strategy of the nation-state. It is characteristic of the successor to that constitutional and cultural form that commentators should be asking whether or not the Japanese couldn't have been bargained into peace without the use of nuclear weapons. This sort of question is almost unintelligible in light of the struggle of the nation-state and its role in the Long War, but fits nicely within the assumptions and strategies of the market-state.

military conflict, these weapons will progressively undermine the nation-state's ability to protect the nation from foreign attack. Even if most states cannot expect to match the American arsenal, an increasing number will have access to a variety of low-cost launchers, nuclear warheads, and other weapons of mass destruction. Of course such states would not be able to win an all-out war with the United States, Britain, Russia, France, or China (the largest members of the nuclear club), but by threatening to use such weapons against U.S. forces abroad, or her regional allies, or even against American continental territory, such states can paralyze American policy.

As one commentator has observed, "Certainly had Saddam Hussein been possessed of a working nuclear arsenal, the United States would have been far less willing to station half a million troops, a sizable fraction of its air forces, and a large naval armada within easy reach of Iraq's borders,"⁷ an observation that will not be lost on most world leaders. The consequence of this development for the projection of conventional forces is profound. It's not so much that nuclear weapons render the promise of security to the citizens of the nation-state unbelievable per se; rather it is that *only* the possession of weapons of mass destruction can hope to validate that promise, with the unavoidable result that no nation-state can afford to be without the protection of such weapons, because their conventional forces are utterly vulnerable to threats from the states that do possess these weapons. With the Long War ended, once the nuclear umbrella of the United States ceases to be extended to cover Japan, Germany, and other states against attack, the drive to acquire weapons of mass destruction will become irresistible. Widespread nuclear proliferation may take time, and there are enormous domestic barriers in the developed world to proliferation to major states such as Germany and Japan. But the arrival of nuclear weapons to regional powers—Israel and Iraq, North and South Korea, India and Pakistan, the Central Asian former Soviet states and the non-Russian Slavic ones, Iran and others—will inevitably engage all the major states. In such a world, over whom is the United States supposed to extend its nuclear protection? For without this guarantee, the nation-states once protected will seek their own nuclear weapons. When this happens, the citizens of every nation-state that possesses such weapons become a target for nuclear attacks against which there is no defense, precisely because there is no other way to use force successfully against such states. This is an historical experience with which Americans have long lived, and one that has so greatly contributed to the demise of the nation-state here. Then the nation-state faces an impossible dilemma: if it does not have nuclear weapons, it cannot guarantee the security of its citizens from foreign attack; if it acquires such weapons, its civilian population will be specifically targeted for annihilation. Finally, it must also be noted that the presence of nuclear weapons in the arsenals of states motivates the devel-

opment of other weapons of mass destruction—such as chemical, biological, and cyber weapons—as options that are less costly to obtain and the origin of whose use is easier to disguise. Here too it is the decisive impact of nuclear weapons in the Long War that now drives this development.

I will write in a subsequent section about the failure of the nation-state to provide internal security against crime and terrorism. For now, let me suggest that this is a consequence of the *national* character of nation-states, which isolates and alienates substantial minorities of their citizens even to the point of defining some criminal behavior in essentially ethnic ways. For example, why in the West is marijuana criminalized but martinis are not? Why is polygamy criminalized but not divorce? The ethnic focus of the nation-state, its pervasive analogy to the family, creates a role for antisocial elements, "misfits," that is connected to violence because violence is the currency of the state. In every society there are such people, and such groups; in the nation-state they become the enemy of the State (and vice versa), because the State itself is fused to a national conception of the culture. Nevertheless, without the Long War and the strategic concept of total war the horrors of present urban life might not have come into being, for much of contemporary crime is a kind of protowar against the State, waged against civilians. Groups of bored and armed young men, quasi-mercenaries (as in Colombia) or quasi-soldiers (as in Somalia), are not so different in kind from the small bands that fought the wars of the Middle Ages, except that in the Middle Ages chivalry to some degree tempered the impact on noncombatants, whereas today "terrorists"—as the nation-state calls them—specifically target civilians.⁸ Bandits, robbers, guerrillas, gangs have always been part of the domestic security environment. What is new is their access to mechanized weapons, another product of the technological environment of the Long War, and the unique political role of such groups, which pits them against noncombatants as a means of war against the State itself.⁹ Against these threats, the nation-state is too muscle-bound and too much observed to be of much use. The mobilization of the industrial capacity of a nation is irrelevant to such threats; the fielding of vast tank armies and fleets of airplanes is as clumsy as a bear trying to fend off bees.

WELFARE

The revolution in modern communications that began with the telegraph changed warfare and virtually ensured the emergence of the nation-state.* Ultimately, developments in communications technology also were decisive in the Long War. It has been argued, by Mary Fulbrook among others,

*This point is well documented in Daniel Headrick's *The Invisible Weapon: Telecommunications and International Politics, 1851-1945*¹⁰ and other recent scholarship.¹¹

that it was the manifest incompetence of the East European regimes, as reflected in the implicit contrasts made available by West European television to the publics of those regimes, that ultimately delegitimated the governments of the Warsaw Pact.¹² Eric Helleiner's book, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s*,¹³ convincingly argues that the government policies of nation-states have played a decisive role in the stunning globalization of commodity pricing, interest rates, and the availability and pricing of credit.¹⁴ I should like to connect these works of scholarship by suggesting that it was the change in the nature of the states fighting the Long War, a change brought about in part by communications technology, that moved those states gradually and then rapidly to shift away from controls on the private movement of capital and ultimately to permit the virtually uninhibited flow of capital among developed states. Very simply, the victorious Western nation-states of the Long War, plus West Germany and Japan, by relying on the market to allocate resources efficiently within their domestic economies effectively extrapolated this approach to all the states of their alliance. What had been true within a single state proved true among states. The attempt to control currencies and investment in the socialist states turned out to be a crippling mistake, draining away investment that might have been indifferent to the human rights shortcomings of such regimes, and walling those states off from international trade that required convertible currency. The nation-state, which had established its reputation as a provider of welfare to the nation by guaranteeing a unified national market and providing protection against foreign competition and access to foreign markets, was supercharged when the liberal democracies applied the same principles to their interstate trade and finance. The effect of the reduction on direct controls and taxes on capital movements, the liberalization of long-standing regulatory constraints on financial services, the expansion of relationships with offshore financial harbors, and the disintermediation that accompanied these steps made states much wealthier. At a price.*

The price these states were compelled to pay is a world market that is no longer structured along national lines but rather in a way that is transnational and thus in many ways operates independently of states. At the

*Louis Pauly, "Capital Mobility, State Autonomy and Political Legitimacy: Transcending National Boundaries," *Journal of International Affairs* 48 (1995): 369. Karl Marx anticipated this when he wrote, "The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap price of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image." Karl Marx and Friedrich Engels, "Manifesto of the Communist Party," in *The Marx-Engels Reader*, 2nd ed., ed. Robert C. Tucker (W.W. Norton, 1978), 477.

micro level, this is true of the multinational firm, which moves its location to optimize conditions for its operation, taking into account the nation-state only as a source of tax breaks and incentives to be sought, or as a nettle of regulations to be avoided. Far from being dependent on the local government, these corporations are seen as providing desperately needed jobs and economic activity, so that the state is evaluated on whether *its* workforce has the necessary skills, and whether *its* infrastructure has been suitably configured to attract the corporation. At the macro level, this development applies to capital flows, in the face of which every country appears powerless to manage its monetary policy. Walter Wriston, the former chairman of Citibank, described and defended the process of capital decontrol as follows:

The gold standard [of the nineteenth century], replaced by the gold exchange standard, which was replaced by the Bretton Woods arrangements, has now been replaced by the information standard. Unlike the other standards, the information standard is in place, operating, will never go away and has substantially changed the world. What it means, very simply, is that bad monetary and fiscal policies anywhere in the world are reflected within minutes on the Reuters screens in the trading rooms of the world. Money only goes where it's wanted, and only stays where it's well treated, and once you tie the world together with telecommunications and information, the ball game is over. It's a new world, and the fact is, the information standard is more draconian than any gold standard . . . For the first time in history the politicians of the world can't stop it.¹⁵

Approximately four trillion dollars—a figure greater than the entire annual GDP of the United States—is traded every day in currency markets. The consequences of these trades for the economic well-being of any particular nation-state can be decisive. There is a grotesque disparity between the rapid movement of international capital and the ponderous and territorially circumscribed responses of the nation-state, as clumsy as a bear chained to a stake, trying to chase a shifting beam of light.

Finally, communications—in the broadest sense of that term, encompassing all human logistics—have increased the dangers posed by transnational threats (like those of new diseases once confined to remote incubators, or wounds to the global environment that once took centuries to materialize, or abrupt population shifts and migrations that were once locally confined, to take but three examples). Moreover, the global communications network itself presents a new and fraught fragility as to which merely national protection is pathetically inadequate.

The most important consequence of these developments is that the State seems less and less credible as the means by which a continuous improvement in the welfare of its people can be achieved. Many states, including most notably the United States, have experienced considerable difficulty in achieving stability even regarding their own budgets. Their difficulties with chronic deficits and ever-mounting debt are instructive. Of course there is nothing wrong with a state taking on debt. Every corporation does this. If taxes can be analogized to equity contributions, then it can properly be said that a state should maintain the balance of debt and equity it thinks appropriate at any given time. During the development of the American West, and during the Second World War, the U.S. government acquired debt as an even greater proportion of its national wealth than today. What marks the current period as different is the way in which the funds thus acquired have been used: the proceeds of this borrowing have been returned as consumption—that is, to improve the immediate welfare of the people—rather than to fund investment in infrastructure; and much of that consumption has been expatriated as earnings to foreign firms. A nation-state government simply finds itself unable to either balance its budget (because it cannot reduce welfare outlays to all sectors) or redirect the proceeds of its borrowing, because only by borrowing money can it continue plausibly to claim that it is bettering the welfare of its people, much as the manager of a Ponzi scheme, by distributing to investors the proceeds of fresh participants, can continue to claim that his stock portfolio is thriving. Such policies have an inevitable end, as everyone recognizes. There is no reason why a state cannot grow out of its deficit, but to do so, however, it will have to increasingly abandon the objective of the government's maintaining the ever-improving welfare of its citizens.* That is, it will have to change the crucial element of the basis for its legitimacy as a nation-state. As we will see in a later discussion, this is precisely what the Bush administration in the United States and the Blair government in Great Britain were in the midst of doing at the beginning of the twenty-first century.¹⁶ From this perspective President Reagan and Prime Minister Thatcher were among the last nation-state leaders. Although they offered radically new policies, they appealed to the same basis on which to judge those policies—whether they improved the welfare of the people—as did their great welfare-state predecessors. Bush and Blair, however, are among the first market-state political leaders. They appeal to a new standard—whether their policies improve and expand the opportunities offered to the public—because this new standard reflects the basis for a new form of the State.

Although it may surprise many readers, the corporation was a nation-

*U.S. projected revenue surpluses, for example, cannot survive projected Social Security expenditures unless that program is scaled back.

state vehicle to improve the welfare of its citizens. Replacing the great trusts and partnerships of the state-nation, the corporation bureaucratized the management of business, making it feasible for the State, through regulation, to temper the profit motive with concern for the public welfare, replacing the enterprising if ruthless entrepreneur with the modern manager. This varied in degree from nation-state to nation-state, but throughout the First World the corporation was the legal structure by which the political objective of improving welfare was grafted onto the market.

The revolution in debt financing of the 1980s dramatically changed this. By mobilizing hitherto uninvolved shareholders and drawing on capital raised by high-yield (junk) bonds that promised—and delivered—excellent rates of return, wave after wave of mergers and takeovers transformed the management of large corporations. The “fat” that new managers were able to squeeze out of the companies they took over in order to pay the interest on the debt by means of which they had bought a controlling percentage of shares, in some measure came from the nonprofit, public welfare role of the corporation. Huge savings did not accrue through shutting down private dining rooms, whatever the corporate raiders said. Savings on this scale came from downsizing and layoffs. The productivity gains made possible by the computer chip and the immediacy of information brought about by the revolution in communications combined to replace corporate managerial control (which tended to favor stability over enhanced competitiveness) with control by the capital markets. The corporation had failed to maximize the opportunities of its shareholders because it insulated business decisions from competition. Indeed there was really no way that even the most enlightened managers could both protect the welfare of the community and create the lean, nimble enterprises capable of prevailing in the global marketplace.

CULTURE

The third promise of the nation-state was that it would protect the cultural integrity of the nation. Whether this applied to national liberation movements in Third World colonies whose cultures had been suppressed or to ethnic groups like the Czechs or Poles, who found themselves submerged within a larger national culture, or to the Germans, whose culture was fragmented among many states, or to the Italians, to whom all of these disabilities at one time applied, the nation-state promised a wholeness. One nation, one state.

Here too the strategic innovations of the Long War played a transformative role. Mass electronic communications made possible mass ideological propaganda on a scale and of an immediacy hitherto impossible. Of course propaganda has long been a military tool: Napoleon's battle dispatches no less than his calls for liberty and equality were studiously drafted to move

public opinion. Romanticizing war-making served his political goals. Napoleon did not believe that public opinion would decide the issue at Waterloo or Austerlitz or Borodino, however. By contrast, the morale of the entire nation is crucial to the prosecution of twentieth century warfare. That is why the morale of any enemy public—as opposed to the morale of the army and its ruling elites for Clausewitz and Napoleon—must be crushed by the nation-state at war. For the same reason the morale of one's own nation must be inspired and reassured.¹⁷ The globalization of communications, however, wrests control of this morale from the instrumentalities of the nation-state. Foreign broadcasts, for example, are the primary news source for 60 percent of educated Chinese, despite the efforts of the People's Republic of China to control the content of information going to its public. Access to the Internet will inevitably increase this figure.

On behalf of the victorious nation-states of the Long War, propaganda has been chiefly directed at advertising the ideology of democracy, equality, and personal freedom. With respect to democracy, it may be that, in the words of one analyst, such advertising has persuaded “too much,”¹⁸ for few nation-states can provide examples of the kind of democracy that is propagandized. In any case, it is well-documented that the publics of the Western democracies do not generally believe in many of the practical constitutional underpinnings of the parliamentary states. For example, the publics in the United States and the United Kingdom do not believe in an adversarial political system (“Why can't the politicians put partisan differences aside and do what's best for the country?”); they do not believe in the protection of criminal rights (“If he's not guilty, why do you think he was arrested and indicted? A criminal should not go free on ‘technical’ grounds”); they do not believe in the adversarial role of lawyers (“If we could just sit down without the lawyers, we could sort out our differences. A lawyer only wants you to hear his side of the story”) and cannot bring themselves to believe that an ethical attorney would defend a client he believed to be guilty or take a position on a legal question solely because it was in his client's interest to do so.* Americans, by significant majorities, believe there should be prayers in the public schools, that news reporters should be forced to reveal their sources when presented with a subpoena, that a refusal to testify on one's own behalf is tantamount to a confession of guilt, and that politicians generally—though not, it should be noted, one's own congressman—are professional liars and that federal judges

*See Matthew Parris, a former MP, “Ministers pander to a misguided populace,” *The Times* (London), August 4, 2001. This shortfall in public opinion is by no means confined to the nation-state. The market-state too will have to contend with the fact that their publics also do not believe that the market should determine prices or wages or that anyone should profit from scarcity. Publics are often reported to think that increased productivity will increase unemployment. And there seems to be a consensus among the publics of many states that an immigrant should not take a job for which there is already a willing indigenous worker. See Parris, *ibid*.

should not have life tenure—all attitudes that are considerably at variance with the constitutional operation of the system that, taken as a whole, Americans revere.

Nor can the nation-state assure equality, if by that is meant the equal treatment of different cultural communities. The boundaries of the states of the world do not, and could not, coincide with the various cultural communities that make up their populations, communities that are bound by common religion, language, or ethnicity, because these communities themselves are often overlapping and multiple but seldom coextensive. Moreover, the nation-state is, oddly, the enemy of “nations” as such, or ethnicity, because, at least in its most popular form, it must ally one, and only one, ethnic group with the State, which also must be unitary, with one and only one sovereign. Bismarck's nation-state, not Lincoln's, has generally been the model for the world.

Or to put it another way, we will inevitably get a multicultural state when the nation-state loses its legitimacy as the provider and guarantor of equality. And this legitimacy it must lose if equality is understood as an equality among ethnic groups. This is apparent in such appalling but doubtless well-intended experiments as the Australian adoption and relocation of Aboriginal children, as well as the useful but regrettable American practice of affirmative action. In both cases, a dominant national group is setting the terms of assimilation on the basis of which the State will assure equality to individuals and, by setting those terms, implicitly denying equal status to the group that is thought to be in need of assistance. Without affirmative action, the presence of some ethnic groups will be diminished in some meritocratic professions and institutions; with affirmative action, many will be confined to a second-class status that is reinforced by the hostility of those who are displaced. Either way, it is the cultural standards of “merit” that set the terms of the debate, that is, that require “affirmative” action in the first place, or that seek to block that action on grounds that it is unjust.

These two opposing but interacting phenomena—the oppression of minority groups by the nation (that is, by the dominant ethnic group with whom the State is identified) and the resistance to an assimilation that might overcome oppression—are damaging to the legitimacy of those nation-states that are based on the promise of assuring equality among all national members.* As a result, it is increasingly difficult in multicultural, multiethnic states to get consensus on public-order problems and the maintenance of rule-based legal action, which are core tasks of the State.

Finally, the techniques of mass propaganda also threaten the claim of the State to ensure the conditions of freedom.¹⁹ This is most easily seen in

*Fascist nation-states, of course, made no such promise.

the immense power of the modern electronic media and the press. More than any other development it is the increased influence of the news media that has delegitimated the State, largely through its ability to disrupt the history of the State, that process of self-portrayal that unites strategy and law and forms the basis for legitimacy. This perhaps is most egregiously evident in phenomena like the digitized re-creation of President Kennedy's assassination in a movie "showing" a government plot to kill the president, but it is also evident in the nightly news broadcasts, where confident and placid presenters portray the political events of the day as repetitive, formulaic entertainments. Journalists themselves soon become the important characters in the historical narrative portrayed by journalism; politicians and officials merely provide the props. The story of government becomes the story of personalities in conflict with the media itself, and the story of official evasion and incompetence unmasked by the investigative entrepreneurs of the news business.

The press and electronic media, far more than the drab press releases of any government, are the engines of mass propaganda today, and it should be borne in mind that the press, when it is not controlled by the State, is driven by the need to deliver consumers to advertisers,²⁰ and whether State-owned or not, is animated by the conditions of competition among all news media. Whatever the individual aspirations of its reporters and editors, the ideology of media journalism is the ideology of consumerism, presentism, competition, hyperbole (characteristics evoked in its readers and watchers)—as well as skepticism, envy, and contempt (the reactions it rains on government officials). No State that bases its legitimacy on claims of continuity with tradition, that requires citizen self-sacrifice, that depends on a consensus of respect, can prosper for very long in such an environment. It must either change so as to become less vulnerable to such assaults, or resort to repression. Some nation-states do the latter; the liberal democracies, whose claims to ensure civil liberties are as much a part of their reason for being as any other functions, cannot do this. At best they can manipulate information and resort to deception, thus poisoning the history on which they themselves must ultimately depend. This is the province of the "spin doctor" whose role in government has become correspondingly more important.

International telecommunications are also responsible for the exposure of human rights abuses and the resulting demands on the nation-state that it obey laws not solely of its own choosing. In the war in Kosovo, to take a single example, NATO entirely bypassed both the U.N. Charter and the laws of Yugoslavia in order to stop ethnic cleansing by Serb officials who could claim, doubtless correctly, that they were only obeying the orders of a lawfully elected government in Belgrade. It now appears that even reconciliation commissions cannot confer effective amnesties for acts by offi-

cials within their own countries. They may, it seems, be prosecuted after all by courts in other countries as happened to General Pinochet when he ventured abroad for medical treatment. These developments show no sign of abating.

There are other strategic innovations that arose during the course of the Long War that will have an important effect on shaping the new constitutional archetype that will succeed the nation-state. Foremost among these innovations was the introduction of the computer. It was an early computing device and a team of mathematicians, for example, that allowed the British and later the Americans to read the classified communications of the Nazis and the Japanese during World War II.²¹ This permitted the strategic deceptions at Normandy and at Midway without which the war certainly could not have been won at the time and in the dramatic way that it was won by the Allies. The Long War did not merely co-opt but actually caused this technology to be developed. The Internet, for example, a system of linked computer networks, was the outgrowth of an American defense agency effort to create a communications system that would survive a nuclear attack.

Computer technology has decentralized the availability of information and at the same time opened up new channels of information to the nation-state. More information now flows to every public official than he or she can possibly assimilate. Computer accessibility to government and government information has had the ironic effect of so overloading officials that they must ignore more pleas for audiences and reply perfunctorily to more appeals than any despot making his progress through a crowd of peasants.

Moreover, insofar as computer technology has breached the security of the State and ever more widely distributed the information government once claimed to possess solely, it has contributed to the decline in prestige of the State. The Xerox copier not only threatens national currencies; it threatens the currency of the bureaucracy, which is the control of the flow of information. What national leader can be confident, as he faces a live interview, that the confidential memo he saw yesterday will not be thrust in his face if he denies its contents today? This may be an important contribution to openness and honesty in government, but it cannot be a step that strengthens the nation-state, a structure that must often maintain itself by taking decisions and then, and only then, persuading its public. Most dramatically, the Internet will frustrate government attempts to use law to enforce moral rules—the very raison d'être of the nation-state. Canada, for example, was unable to enforce its strict blackout rules on the news coverage of sensational criminal trials; Singapore, despite searches of tens of thousands of files, has not been able to stem the receipt of pornography.²² Espionage using electronic file transfers—that is, replacing the "dead

drops" of spies that were concealed in hollowed-out trees with the parking of computer files on nonsecure e-mail sites—allows a single agent to turn over more information to his control in an instant than could be analyzed in a decade. The nation-state is maddened by such developments and, like the bear with painful dental caries in Milosz's memoir, becomes dangerous to itself and others in its frustration.

These various developments, and others, have led to a disintegration of the legitimacy of the nation-state. In summary, no nation-state can assure its citizens safety from weapons of mass destruction; no nation-state can, by obeying its own national laws (including its international treaties) be assured that its leaders will not be arraigned as criminals or its behavior be used as a legal justification for international coercion; no nation-state can effectively control its own economic life or its own currency; no nation-state can protect its culture and way of life from the depiction and presentation of images and ideas, however foreign or offensive; no nation-state can protect its society from transnational perils, such as ozone depletion, global warming, and infectious epidemics. And yet guaranteeing national security, civil peace through law, economic development and stability, international tranquility and equality, were the principal tasks of the nation-state. Developments born in strategic conflict can, however, as they have done before, also lead to a regeneration of the State. What would a new constitutional order look like?

THE EMERGENCE OF THE MARKET-STATE

The State has proved itself to be a remarkably resilient institution, periodically transforming its structure. When faced with mortal threats, states have resorted to the expedient of constitutional change, remaking themselves when strategic innovations by their competitors threatened to overwhelm them or when internal stresses enlivened by these strategic developments threatened disintegration from within. In our own era we are witnessing the emergence of the *market-state* and the shift to that form from the constitutional order of the nation-state that has dominated the twentieth century. The strategic innovations by which the Long War was won have forced each of the great northern-tier powers to adapt. Some—like the states of former Nazi Germany and the former Soviet Union—have adapted so profoundly that we might say that constitutionally they were obliterated, to be replaced by different kinds of states.

The market-state is a constitutional adaptation to the end of the Long War and to the revolutions in computation, communications, and weapons of mass destruction that brought about that end. As the Long War made abundantly clear, the conception and production of the most qualitatively

superior forces required not merely an industrial society but a creative society, with the capital to exploit that creativity. Now that creativity and capital has been turned against the nation-state itself.

What are the characteristics of the market-state? Such a state depends on the international capital markets and, to a lesser degree, on the modern multinational business network to create stability in the world economy, in preference to management by national or transnational political bodies. Its political institutions are less representative (though in some ways more democratic) than those of the nation-state. The Open Markets Committee of the Federal Reserve and the electronic referendum (to take two extremes) are more characteristic of the market-state than the elegant electoral representative institutions envisioned by Hamilton and Madison or the mass election campaigns of Roosevelt and Johnson. Like the nation-state, the market-state assesses its economic success or failure by its society's ability to secure more and better goods and services, but in contrast to the nation-state it does not see the State as more than a minimal provider or redistributor. Whereas the nation-state justified itself as an instrument to serve the welfare of the people (the nation), the market-state exists to maximize the opportunities enjoyed by all members of society. For the nation-state, a national currency is a medium of exchange; for the market-state it is only one more commodity. Much the same may be said of jobs: for the nation-state, full employment is an important and often paramount goal,²³ whereas for the market-state, the actual number of persons employed is but one more variable in the production of economic opportunity and has no overriding intrinsic significance. If it is more efficient to have large bodies of persons unemployed, because it would cost more to the society to train them and put them to work at tasks for which the market has little demand, then the society will simply have to accept large unemployment figures. Mark Tushnet has noted this development:

Small-scale programs with modest aims characterize the new constitutional order: any deficiencies in the provision of health care or in income security after retirement are to be dealt with by market-based adjustments rather than ambitious redistributive initiatives. Similarly, poverty is to be alleviated by ensuring that the poor obtain education and training to allow them to participate actively in the labor market, rather than by providing generous public assistance payments.²⁴

If the function of law in the nation-state is process-oriented, churning out impartial rules and regulations to promote desired behavior, the market-state pursues its objectives by incentive structures and sometimes draconian penalties, not so much to assure that the right thing is done as to prevent the social instability that threatens material well-being. The

market-state is classless and indifferent to race and ethnicity and gender; its yardstick for evaluation is the quantifiable. Indeed, to a far greater extent than the nation-state, the market-state is culturally accessible to all societies: the statistics and media images that carry its messages do not require proficiency in any particular natural language.

If the nation-state was characterized by the rule of law—and as we shall see in Book II, the society of nation-states attempted to impose something like the rule of law on international behavior—the market-state is largely indifferent to the norms of justice, or for that matter to any particular set of moral values so long as law does not act as an impediment to economic competition. The cliché “level playing field” captures this concern. Does this agnosticism make the market-state an ideal form for the varying states of the world, including the diverse Third World, where values differ greatly from those of the developed world and from each other, or is it ill-suited to states, like Iran or Saudi Arabia, that wish the State to embody the cultural values of the people (that do not want a “level playing field” for all competitors)? In either case, the market-state’s essential indifference to culture poses some difficulties for the operation of the State. Foremost among these is the fact that it will be much harder to get the publics of such states to risk their lives and fortunes on behalf of a state that is no longer the champion of their cultural values. The sense of a single polity, held together by adherence to fundamental values, is not a sense that is cultivated by the market-state. This cultural indifference does, however, make the market-state an ideal environment for multiculturalism.

Operating through the state-nation, the State sought to enhance the nation as a whole. In the era of the nation-state, the State took responsibility for the well-being of groups. In the market-state, the State is responsible for maximizing the choices available to individuals. This means lowering the transaction costs of choosing by individuals and that often means restraining rather than empowering governments. Thus we see measures like the proposal to limit the percentage of GDP taken by government, and other forms of capping the tax rate, and actions by courts that have struck down affirmative action plans²⁵ or limited the federal power to regulate commerce and disallowed certain criminal sanctions (like those against contraception or abortion).²⁶

In the market-state, the marketplace becomes the economic arena, replacing the factory. In the marketplace, men and women are consumers, not producers (who are probably offshore anyway).

What can a hospital attendant, or a schoolteacher or a marriage counselor or a social worker or a television repairman or a government official be said to make? . . . More important than the producers . . . are the entrepreneurs—heroes of autonomy, consumers of opportunity—who

compete to supply whatever all the other consumers want or might be persuaded to want . . . competing with one another to *maximize every-one else’s options*.²⁷

Some entrepreneurs will fail; all consumers will find their options limited, to varying degrees, by their resources. But both failure and limitation are necessary to choosing; there can be no real choices without the possibility of getting it wrong, and indeed choice itself is a consequence of scarcity.

Is governance easier in the market-state, because so much less is demanded of it, or more difficult because the habits of the good citizen are lost? Perhaps both. As is frequently pointed out, contemporary political reporting is not presented against an historical background of complex competing values, but increasingly in terms of the power relationships of the personalities involved, as if politics were like a simple sporting event—who’s winning and who’s losing, or, as shown by the little arrows in a popular news magazine, who’s up and who’s down. This is characteristic of the market-state, with its de-emphasis on the programmatic and legalistic aspects of governance.

And is this not what politics is—not simply how it is reported—in the market-state? When the publics of nation-states, to say nothing of their leading individuals, believed wholeheartedly in the mere materiality of their history—that they were in the grip of vast causal forces, economic, psychological, sociological, over which they had no control—then politics for the public, like ethics for the individual, became mainly a matter of protecting the interest of the group within which one found oneself. When the publics of market-states come to believe that their histories are chosen, a matter of interpretation, deconstruction, and sometimes cosmetic reconstruction, then politics, again like ethics, becomes a matter of insurance—quantifiable and probabilistic. On the other hand, a meritocracy where no one can remember what the moral bases for merit were, but where it can be measured and ruthlessly assessed nonetheless, promises a competitive dynamism that few nation-states could match today.

Recent movements in American jurisprudence—law and economics, feminism, critical legal studies—all agree on this first principle: power is the basis for legal decisions. Whatever the intellectual merits of such movements, a society that is strongly influenced by them is going to have a hard time finding nurses or teachers or soldiers without devoting vastly more financial resources to their recruitment and retention. And yet the diversion of more resources to the human services sector by the State is far less likely in a society that values entrepreneurial, material success above all. “The market is not a good setting for mutual assistance, for I cannot help someone else without reducing (for the short term at least) my own

options."²⁸ On the other hand, teamwork and harmony are far better indicators of an organization's long-term prospects for success than many other indices, and so such a society may well excel at encouraging those institutions that are best able to motivate persons to cooperate.

Long before the time of princes, long before there were states, "everywhere was an America," John Locke wrote. By this he meant a world entirely free of any civilized institutions, as he believed America to have been when Columbus discovered it for European society, a world, that is, of opportunity, a world to be made. Perhaps we now stand at a similar moment of discovery.

The market-state is, above all, a mechanism for enhancing opportunity, for creating something—*possibilities*²⁹—commensurate with our imaginations. The rocket technology developed to deliver weapons in the Long War has propelled man into a perspective from space; his communications technology, also developed for strategic reasons, has sent back an image from that perspective.³⁰ I am inclined to think that something of the market-state's indifference to fate and sensitivity to risk is related to this reorientation, where the illusion of limitless opportunity meets the reality of choice.

Similarly, the decoding of human genetic material will change the way we look at excellence and achievement. We are inclined to forget that the doctrine of the divine right of kings rested on an admiration amounting to awe for the fatalistic assumption of chance; it was discredited when Enlightenment thinkers shifted the basis for the evaluation of that doctrine from one of the grateful acceptance of divine providence (for who could know better than God who should rule), which is actually confirmed by the apparent randomness of inherited merit, to a more self-confident, humanistically centered basis in the rational assessment of ability. We are at present undergoing a similar shift as the basis for human assessment in the various competitions of the meritocracy shifts from a passive acceptance of inherited abilities to a quest for the enhanced, or engineered, faculties made possible by molecular biology. Here, too, the market-state's apparent indifference to the state's role in ensuring justice fits the new, wide open landscape of apparent opportunity. A State that tried to sort out who should be allowed to grow taller or be endowed with perfect pitch would soon find itself hopelessly overcommitted financially or the center of group warfare; in other words, it would find itself in the situation of the nation-state at present. The market-state, with its sublime indifference to such questions and its refusal to guarantee outcomes, is more survivable in the new world of genetic technologies. These technologies have the power to enhance autonomy as never before, freeing men and women from their own genes, and providing choices only dreamt of until now.

In each of the phase transitions that we observed in the history of the modern state, a new form of strategic vision emerged to accompany the new constitutional order. As the State moved to state-nation from territorial state, for example, arguments derived from the premises of collective security arose to accompany those arguments that derived from the balance of power that, in a previous transition, had emerged to dominate other, earlier strategic arrangements. In this way, states added to the array of available strategic programs, as earlier strategic visions were replaced and decayed into mere policies.

What strategic motto will dominate this transition from nation-state to market-state? If the slogan that animated the liberal, parliamentary nation-states was to "make the world safe for democracy" (the security paradigm that decayed into the policy of democratic enlargement, among others), what will the forthcoming motto be? Perhaps "making the world available," which is to say creating new worlds of choice and protecting the autonomy of persons to choose.

Universalizing opportunity, however, does not mean making every state rich; nor does it even mean making sure no state becomes poorer. Rather, it means the opening up of opportunities on the largest scale possible in the expectation that this will maximize the growth of wealth generally. It may require that every state refrain from steps that would make any other state poorer to a degree greater than the gain in enrichment taken as a whole, but this is not as onerous as it may at first appear. For example, the state that develops a substitute for oil may well make another state, one that produces oil, poorer. But the gain in the total enrichment of the global environment is greater than the loss, because there are now two sources of energy supplies where before there was only one. A state need not be required to subsidize the growth of other states—as perhaps the oil-producing states once did when oil prices were artificially low—even if a rise in prices may harm some states while benefiting others, and even if the total balance sheet of world wealth is static, i.e., only a transfer of wealth is accomplished, one without net growth to the world taken as a whole. For in this case, the state that became poorer is not poorer than it would have been had the subsidy never occurred. Some states are going to be poorer in a world of market-states, but they need not be poorer than they would have been absent the emergence of the market-state; indeed, within the world of nation-states, the poorest states are already getting poorer.

The transition to the market-state is bound to last over a long period and put into conflict the ideals of the old and new orders. It should be emphasized that just what particular form of the State ultimately emerges from this process cannot confidently be predicted. It is a failure of imagination, however, to assume that the only thing that will replace the nation-state is

another structure with nation-state-like characteristics, only larger. It is in some ways rather pathetic that the visionaries in Brussels can imagine nothing more forward-looking than equipping the E.U. with the trappings of the nation-state. Just now, it seems to be the Euro, a currency that, like all currencies, will be reduced to an accounting mechanism in the face of the ubiquitous Visa card. The key idea of the modern state is the exclusiveness of its jurisdiction. It is natural that commentators then should infer from the exclusivity of membership in the E.U. that jurisdictional exclusiveness must follow, but this rather misses the point of the modern state's development in the first place, its ability to deliver legitimacy. Facing the pressures described in this chapter, the State is likelier to resort to the pattern of accommodation and change we have seen in earlier periods than to self-destruct by dissolution into a larger mass. If the E.U. were to persist in its current course, it would be attempting to thwart the emergence of a market-state. Instead, it may be that the Union itself will adapt, enabling rather than attempting to suppress this new constitutional order.

It should also be emphasized that I have not argued, and do not wish to argue, that the State has changed in the precise ways it has *because* of strategic challenges to itself. Many elements in the development of the State account for the fact that it has changed in exactly the ways it has; moreover, the State might have innovated in other ways; the innovations that did occur might have occurred anyway. I claim only that a coherent and helpful account can be given of the constitutional changes the State has undergone in periods of strategic threat, and of the strategic innovations that accompanied the new constitutional orders that have emerged. That said, what guesses can we make about how states will adapt to this new form?

The market-state will live within three paradoxes: (1) it will require more centralized authority for government, but all governments will be weaker, having greatly contracted the scope of their undertakings, having devolved or lost authority to so many other institutions, including deregulated corporations, which are in but not of the State, NGOs (nongovernmental organizations such as the Red Cross, the MacArthur Foundation, the Natural Resources Defense Council), which are in but not of the market, and clandestine military networks and terrorist groups, which set up proto-markets in security and function as proto-states at war; (2) there will be more public participation in government, but it will count for less, and thus the role of the citizen *qua* citizen will greatly diminish and the role of citizen as spectator will increase; (3) the welfare state will have greatly retrenched, but infrastructure security, epidemiological surveillance, and environmental protection—all of which are matters of general welfare—will be promoted by the State as never before. These three paradoxes derive from the shift in the basis of legitimacy from that of the nation-state

to that of the market-state. Let me speculate about possible policies for one state, the United States, within this new constitutional order.

SECURITY

Some consequences of the strategic innovations that won the Long War require a stronger and more centralized government than before. For example, nuclear weapons strategy, clandestine intelligence collection, and covert action sometimes require a level of secrecy that is incompatible with open government or even the relation between parliamentary oversight and the citizenry that links government to the people. Unless the president has the authority to launch nuclear weapons, the system of assured annihilation is changed into a very different scheme of risk taking that might well tempt an adversary into making threats—or executing them—in the hope of paralyzing the United States. It is simply absurd to think that a system of nuclear deterrence could be maintained if the president had to go to Congress for a declaration of war before launching a retaliatory or pre-emptive strike. But how can the difficult problem of nuclear command and control be reconciled with the new constitutional demands of the market-state for transparency and citizen participation? The answer may lie in changing our expectations about what legitimate delegation consists in and accepting very broad predelegations of authority, as it were, that can be withdrawn by the normal statutory process but that otherwise remain in place. This changes the burden between the branches of government, admittedly; after such a predelegation, the Congress would have to muster a two-thirds majority to remove power from the president by overriding his veto of legislation repealing the delegation, should he choose to resist. We are already moving from a system in which the State is the principal actor on behalf of the nation to one in which the State is the facilitator of practical affairs. The market-state seeks a role as enabler and umpire, and shuns the role of provider and judge. Broad legislative delegations—such as “fast track” trade authorizations and the consolidated budget—are above all simply practical and efficient. Increasingly, the justification for state action will turn on its relation to minimizing transaction costs. Redistributive and meliorist policies will come under intense attack on these grounds.

This decoupling of state *apparatus* and national community is consistent with developments in war itself. If war becomes again, as it once was, an affair of states rather than of peoples—if it becomes, in Michael Howard's words, “denationalized”—this may not be such a bad thing. It is true that this move tends to isolate the executive from the body politic, making it “a severed head conducting its intercourse with other severed heads according to its own laws.”³¹ There will be little sense of the mass participation that characterized the Long War and that united nationalism and militarism

in the creation of the nation-state. But if this is no longer a military necessity, should our constitutional forms continue to demand it? Can participation be supplanted by mere observation, coupled with Internet opinion polling, rather than voting and serving? What seems likeliest is that expectations will change, ultimately corresponding to the change in strategic requirements that no longer require vast armies of conscripts—though again I note that the precise way in which this accommodation will play out is not predestined.

Other responsibilities of the market-state may also lead to a similar delegation of power, e.g., the monitoring of epidemics and diseases, of international migration, of terrorism, of espionage, and of threats to the environment. All of these spheres of governmental activity are ill-suited to effective oversight by the market. Some depend on maintaining the secrecy of crucial information, while others require a single governmental voice in a dialogue with other governments. In both cases, transparency and public knowledge are sacrificed.

The successful discharge of the responsibilities just discussed is only possible in a constitutional system with a powerful, centralized, and, above all, *trusted* executive. Innovations of the 1970s, like the independent counsel, or detractors from the unitary executive generally, as well as the contempt with which claims of executive privilege are customarily greeted, are hardly compatible with the kind of decisive executive demanded by the market-state. It's not that the president must be above that law: that would be utterly and obviously contradictory of the principles of the American constitution. Nor should the presidency be inferior to the judiciary, the Congress, or the press, the executive's principal competitors. It's rather that our expectations about what the law should be have been shaped by the endgame of the nation-state and its close identification of the State with the nation. When these expectations change, the glamour and prestige of the presidency will suffer. As an institution, it will find itself in competition with the media to a greater degree even than with its traditional competitors in the other two branches. It will be important to ensure that the president's ability to govern, in the limited areas of responsibility given to the market-state, be enhanced. Fragmenting the constitutionally unitary executive branch can scarcely be a positive step in the direction of enhanced presidential authority.

Some areas of responsibility are amenable neither to complete determination by market processes nor to handling by the federal government. These might devolve to the states and localities with the expectation that they will be delegated to associations, NGOs, nonprofit foundations, charities, and the like that operate with the greatest legitimacy at the local level because participation seems more available to local citizens.

The important difference between the devolving federal state and the local state is that the latter can experiment in the market. In some local states genetic research, abortion, and sexual orientation will be largely unregulated; in others, regulations governing these activities will be enforced by market actors licensed by the local state; and in some states the regulations will be enforced by police sanction. What is all too clear, however, is that a federal police presence is far too unwieldy, too nonlocal to handle the single issue most American citizens fault their government over, the issue of crime. If there was any doubt about this, it was settled in the public's mind by the U.S. government's handling of the Branch Davidian case in Waco, Texas, where eighty-one persons, thirteen of them children, died as a consequence of the government's efforts to serve a warrant.³² Nor has the continuing futility of the government's "war" on drug use redeemed its prestige.

The devolution and the licensing of private firms to enforce regulations are troubling in a society that has steadily moved to make its criminal laws nationally uniform and to restrict the legitimate use of force to trained men and women acting under strict official discipline. In this, however, as in much else the United States can more easily adapt to such devolution than other states. Its system of federalism provides a ready structure for devolving power out of Washington; virtually all law enforcement is already a matter of state jurisdiction. Moreover, the Second Amendment to the U.S. Constitution—aptly termed by one distinguished constitutional scholar "the embarrassing second amendment"³³ for the discomfort it causes persons who are accustomed to supporting both gun control and civil liberties—reflects a fundamental, residual locus of armed force in the people themselves.³⁴ If, as Martin van Creveld speculates, "the day-to-day burden of defending society from low-intensity conflict will be transferred to the booming security business,"³⁵ this mixture of devolution and privatization will become commonplace in the market-state. This is a harrowing prospect, but one with which we may have to learn to cope.

We will also have to cope with the increasing willingness of corporations to sell sensitive military technology to potentially dangerous foreign states. American, French, German, and British companies have all done so and, despite the fact that some of them have been exposed and their officers even indicted, these practices are likely to continue. Indeed many companies vigorously lobby their governments to permit these sales, lifting restrictions against technology transfers as a mere concomitant to deregulation and the drive for market share. Nor can the international banking system's critical support for the operations of denationalized terror networks be ignored. The nation-state was poorly situated to cope with this informal, virtual treasury as receipts and disbursements leapfrogged

national regulation. It remains to be seen whether the market-state, with its sensitivity to any costs imposed on transactions by regulation, will do any better.

POLITICS AND REPRESENTATION

The emotional fusion between the People and the State begun by the state-nation and reconceptualized in the nation-state was intensified by the Long War. Governments undertook responsibilities in entirely new areas of the social and economic activities of their citizens, and the nation endorsed the actions of the State through a variety of means, including a vastly expanded voting franchise, an institutionalized role for labor unions, and greatly increased taxation. In the market-state, both sides of this reciprocal equation will change: there will be fewer formal mechanisms for endorsement by the public and the State will undertake to do less.³⁶

Though I shudder to think so, I believe we can expect more reliance on the plebiscite, the initiative, and the referendum, especially as these become so easy and cheap to undertake once interactive cable television becomes universal in the United States. To some extent, we are already living under such a regime. What I have in mind is not the extensive use of referenda at the state level³⁷ but rather the heavy reliance on frequent polling by American office holders. These are a kind of virtual-reality referenda, allowing the politician to test the results of a proposal. Like aircraft landing simulators, these polls give guidance to the politician without his actually putting himself at risk by calling for a referendum that he would have to support (or oppose),³⁸ and with the results of which he would then have to live.

At the same time, the market-state does not suffer from the acute shame experienced by the nation-state when the subject of campaign finance is discussed. When Chief Justice Earl Warren wrote that "Congressmen do not represent interests or trees, they represent people,"³⁹ he was expressing an axiom of the nation-state. Doubtless he believed it, but it would be hard to maintain this view in light of today's functional patronage of candidates by contributors. If there are any readers innocent of this process, it goes like this: campaigns are funded by contributions from persons and groups with interests in the behavior of the candidate if she (or he) is successful. These campaigns are far too expensive to be funded by any candidate personally save the wealthiest individuals, and even these, if they are successful, lose no time in paying themselves back through postcampaign fund-raisers. Politicians of unquestioned rectitude, who would not dream of accepting a bribe—a payment for their personal benefit in exchange for a vote or action on behalf of the payor—have long now accustomed themselves to promising assistance (and sometimes votes) to persons and groups who give them money in the full expectation that the word of the

politician is good. Their very rectitude is, ironically, the door opener to the contributor, because it guarantees the payee will deliver as promised. Whether there is anything wrong with this I am hesitant to say. Shouldn't the right-to-life candidate's campaign be the beneficiary of the funds collected to promote a right-to-life policy? Shouldn't the congressman anxious to alleviate unemployment in his district vote for a public works project there, and isn't such a man a suitable person for local business interests to support? But there persists a disquiet among those who believe the civics lessons of the nation-state, which hold that the votes of the public ought to be the only coin of the political realm. I believe a time will come in the transition from nation-state to market-state in which we will reflect on our current fund-raising practices with revulsion and an amazement that we tolerated them for so long.

But that does not mean that we will replace these practices, which seem so violative of the ethos of the nation-state; it is likelier that we will keep the practices and change the ethos. The market-state is not so squeamish. Indeed, *its* civics lessons hold that there should be no limits on campaign spending from any source so that the true opportunity costs of a candidate's defeat are reflected in the probability of his victory. The market-state merely tries to get the "best" person for the job in the way that universities try to get the "best" students: they set up a market that selects persons on the basis of predictions about their subsequent success. Fund-raising is to governing what SATs and high school grades are to college grades, accurate (if circular) predictors of a later performance that is, in the era of the "permanent campaign," a repetition of the test itself. Governance becomes a matter of maintaining popularity, which requires further advertising, which requires further fund-raising. The candidate who is tied to important interests by virtue of his fund-raising is precisely the person whose vote will most closely reflect those interests. The more money he raises, the more attractive the candidacy, because successful fund-raising reflects the relationship between the importance of the interests he represents and his ability to represent them (as those interests judge it—and who are better placed to do so than they?). And this is just as well, because initiatives, plebiscites, and referenda are, like all elections, very expensive. The more frequently they come, the greater the match between economic interests and public policy; indeed, this is one of the attractions of the market-state. That this places enormous power in the hands of the media only underscores the change in its constitutional role with the emergence of the market-state.

We can expect an improvement in the quality of the civil service as taxpayers come to demand better performance from government and to appreciate the need for better compensation in order to secure that performance. Like the rise in tuition costs—which is mainly a matter of

responding to the increased expectations of students in the context of fixed faculty productivity—a rise in government costs is almost unavoidable. Government bodies do not make decisions more efficiently, for example, because they have computers any more than professors give better comments on essays because these comments are composed on a word processor. This rise in costs will perhaps be counterbalanced by a narrowing domain of the matters we allocate to government. With respect to those responsibilities that governments of market-states retain, we shall expect better performance.

WELFARE

The nation-state undertook to be responsible for economic planning for the society, income redistribution, and democratic accountability, and it promised to underwrite (in varying degrees) employment, health care, education, and old-age security. The nation-state is rightly thought of as a new constitutional order, for not only are these responsibilities a significant departure from those of the state-nation, they also reflect the unique source of the nation-state's legitimacy, its promise to provide for the material well-being of the nation. This promise was made by parliamentary, communist, and fascist governments alike. The market-state need make no such commitments because its relationship to its society is formed on a different basis.

It is obviously true, however, that single-parent families, declining literacy, teenage pregnancy, and drug, alcohol, and tobacco abuse, represent significant *economic* costs to a society. Apart from the lost productivity of workers who put themselves in, or find themselves in, such difficult situations, there is the tremendous cost involved in providing family subsistence (or day care), unemployment compensation, medical insurance, remedial education, and so forth. Ought not the market-state to be concerned with these problems, even if the reason for its concern is different from that of the nation-state? It depends on how effective you think the state—any sort of state—is in addressing such issues.

The nation-state, it is implied by some critics, created its budget problems because in undertaking to improve the welfare of all of its citizens, it both hobbled the opportunities for its most productive workers (through regulatory and redistributive legislation) and inadvertently crippled its neediest and least productive workers by tying them to programs that locked them into a cycle of dependency. Thus, it is alleged, the state became progressively less able to pay a bill that wasn't worth paying in any case. If there appears to be a consensus today that none of the problems listed in the paragraphs above—teenage pregnancy, drug abuse, etc.—could actually be cured by massive government programs, let alone

by those that are likely actually to be initiated,⁴⁰ this reflects a profound shift in the expectations we believe can be imposed on the State.

The first casualty of this shift in opinion is the legitimacy of the nation-state. The State cannot covenant to improve the welfare of all of its citizens if it is generally believed that there are a great many persons in desperate straits whom government cannot—and, for various reasons, perhaps should not—attempt to assist. In the face of such a consensus of delegitimation, the acceptance of a new constitutional order becomes virtually an imperative and the shape of that order must be one that is compatible with that consensus. Thus the second casualty of this shift in view of the basis of the State is any large-scale effort by government to address social dysfunction (though it is assumed by market-state ideology that increased opportunity means increased wealth, and that this will ameliorate many social ills).

It may be that we can expect in the United States (and elsewhere) the sharp and permanent diminishment of the welfare state, with its safety net of public housing, free medical care, aid to dependent children, and unemployment allowances. Whether or not these programs are cut back, a simple refusal to maintain their ever-increasing costs with ever-increasing funding will in the not-too-distant future reduce their ameliorative impact significantly. At the same time, regulatory reform will proceed at a quickened pace. Regulation can be viewed, from an economic perspective, as a tax⁴¹ no less than direct taxes. Either a business can be taxed to pay for garbage removal or it can be required to remove its own garbage: either way, it pays. In a situation of perfect information there is no difference in the effect on the ultimate allocation of resources whether the tool of regulation or taxation is used. The difference occurs when deregulation is accompanied by tax cutting. Thus regulatory reform is not merely an effort to unchain innovative entrepreneurs and to remove noisome and idiotic rules from the workplace; when coupled with tax-lowering politics, it is also part of a larger effort to reduce the percentage of GDP taken by government (directly or indirectly).

For that portion of the nation-state's agenda that cannot be offloaded by the market-state, there is the alternative of privatization. In the American context, this term does not mean auctioning off state-run commercial enterprises (like British Rail) to private investors, but rather contracting out traditional government duties. In some cases, such as operating prisons and hospitals, this is simply a roundabout way of introducing more careful financial accountability and more efficient practices into public enterprises. But in other cases—notably education—it amounts to a more profound change. The nation-state was inevitably hostile to private education (many nation-states banned or attempted to ban private schooling) because

it tends to remove such an important cultural experience from the inclusive objectives of the national agenda. In the market-state, however, with its skepticism about government and its compact with individual choice, the prospect of turning over education to parents is welcomed enthusiastically. Voucher systems—which effectively use the state as a tuition collector, rebating the collected fees to private and public schools that are chosen by parents—are likely to become the standard, not the exceptional, means of school selection. The default rule will perhaps always provide some publicly managed schools—though federalism makes possible the option of doing away with public schools entirely—but the days of virtually universal mass public education, like the similar experience of universal military conscription, are probably unlikely to continue. The voucher scheme is precisely the sort of expansion of opportunity the market-state undertakes to provide: more options, less coercion by law.

These speculations about how the market-state will play out in the United States must not be taken to obscure the point that different cultures will adapt the market-state in different ways. The Soviet Union, Great Britain, and Fascist Japan were all nation-states, after all, no matter how greatly their policies and politics differed. Different cultures will adapt the market-state in distinct ways. The American emphasis on individual rights, a laissez-faire business and trading system, and restless personal freedom will take the market-state in one direction; other societies will find the market-state just as adaptable to preferences for group responsibility, a state-inflected market, and long-term social stability.

The United States is remarkably well situated to become a market-state. Its multiculturalism, its free market, and its diverse religious makeup—all of which resisted the centralizing efforts of the nation-state—and, above all, its habit of tolerance for diversity give it an advantage over other countries in adapting its state to this new constitutional order. Insofar as the American people are able to resist calls to take back the state in order to unify the culture and reform dissenters, the agnosticism of the market-state will be well accepted. Nostalgia aside—which I feel more than most—it is important to identify which cultural and political struggles are simply hangovers from the dying nation-state and its resistance to the form of the new market-state and which are genuine choices that the market-state brings to life.*

*One way to chart the changes in the State is to note the way that the language of strategy has infiltrated nonmilitary organs of society. The use of terms like “campaign” in a political context dates from the era of the state-nation in which the nation was enlisted in the politics of the State. Now, with the emergence of the market-state, one can read books with titles like *The Business Principles of Sun Tzu* or *The Leadership Secrets of Attila the Hun* and even *Elizabeth I CEO*. A distinguished American judge and former law professor has gone so far as to describe Jesus Christ as a “moral entrepreneur.” Richard A. Posner, *The Problematic of Moral and Legal Theory* (Harvard, 1998), 42.

CHAPTER ELEVEN

Strategic Choices

One also expects “elegance” in its “architectural,” structural make-up. Ease in stating the problem, great difficulty in getting hold of it and in all attempts at approaching it, then again some very surprising twist by which the approach, or some part of the approach becomes easy, etc. Also, if the deductions are lengthy or complicated, there should be some simple general principle involved, which “explains” the complications and detours, reduces the apparent arbitrariness to a few simple guiding motivations, etc. These criteria are clearly those of any creative art and the existence of some underlying empirical, worldly motif in the background—overgrown by aestheticizing developments and followed to a multitude of labyrinthine variants—all this is much more akin to the atmosphere of art pure and simple than to that of the empirical sciences.

—Von Neumann on the qualities of a good mathematical proof*

THE END OF the Long War has also brought an end to the usefulness of the strategic paradigm that structured so much of American policy during the more than three score and ten years of U.S. involvement in the larger world, from the reversal of his own isolationist policies by President Woodrow Wilson in 1917, to the proclamation of a Wilsonian “New World Order” by President George Bush in 1990. That paradigm was formed by the cluster of understandings about the American purpose in the world, the threats the United States faced in that world, and the strategies to be employed to achieve those purposes and respond to those threats. These understandings continue today to provide the partly conscious model by which Americans grasp world events. This model has roots in American continental expansion westward, in the idealistic imperialism of Theodore

*Quoted in William Poundstone, *Prisoner's Dilemma* (Doubleday, 1992), 28.

challenges facing the nation-state are supranational in character—environmental threats, mass migration, capital speculation, terrorism, and cyber interference, to name just five—and because supranational solutions will be required, many assume that delegations of sovereignty must and will occur. This is a profound misreading of how such integration as has occurred in Europe came about. It is American involvement in Europe, through NATO and the Marshall Plan, that has, paradoxically, provided Western Europe with such capacity as it currently possesses to act as a unified political entity. It is difficult to imagine Britain ever delegating such a role to the bureaucratic machinery of Brussels or to the one state capable of dominating that machinery by virtue of its military and economic potential, Germany. The unification of the German state has, for the foreseeable future, put an end to the unification of Western Europe by creating a power that is actually capable of managing an integrated E.U.

What critics writing in the security area have not contemplated is a change in the constitutional structures of the European (and other) states that does not surrender sovereignty to yet another state, but returns it even more radically to the people themselves.

CHAPTER TWELVE

Strategy and the Market-State

If we are to create historical art, it is not enough to look back on history; we must be able to live history, to take part in public life.

—Jacob Burckhardt, “Bericht über die Kunstaussstellung zu Berlin im Herbst 1842.”

MARKET-STATES: MERCANTILE, ENTREPRENEURIAL, MANAGERIAL

The fundamental choice for every market-state is whether to be (1) a mercantile state—i.e., one that endeavors to improve its *relative* position vis-à-vis all other states by competitive means, or (2) an entrepreneurial state, one that attempts to improve its *absolute* position while mitigating the competitive values of the market through cooperative means, or (3) a managerial market-state, one that tries to maximize its position *both absolutely and relatively* by regional, formal means (trading blocs, etc.). This choice will have both constitutional and strategic implications.

The mercantile state seeks market share above all else, in order to gain relative dominance in the international market; the entrepreneurial state seeks leadership through the production of collective goods that the world's states want; the managerial state seeks power through its hegemony within a regional economic zone. One is not more moral or necessarily more benign than another. There are pitfalls in each position: the entrepreneurial state may be tempted to abdicate its leadership and initiative out of mingled pique and national self-absorption, as the American nation-state did after World War I; the managerial state always risks the dilution of responsibility that goes with cooperative systems—by just such means did the society of nation-states watch as genocidal campaigns proceeded in Libya, in Rwanda, in Cambodia, in Bosnia, in the Sudan; the mercantile state risks retributive reactions of the kind practiced by

nation-states that so greatly worsened the depression of the 1930s. The entrepreneurial state may become so intoxicated with its own absolute position that it fails to prepare itself—by not deferring consumption in order to invest in infrastructure—for relative challenges from states whose competitive drive is masked by the improved wealth positions of all major players; by just such developments have great states routinely been displaced by hungrier antagonists. The mercantile state is subject to an analogous fate, however; Paul Kennedy's *The Rise and Fall of the Great Powers* is largely devoted to documenting the fall of mercantile states whose balance sheets between economic reinvestment and military expenditure tipped them into relative, and eventually absolute, decline. The mercantile state may also forgo the benefits of cultural and political cooperation that eras of peace can bring. Like the famous, faceless player in the Prisoner's Dilemma,¹ the mercantile state will routinely make suboptimal competitive choices out of the fear and suspicion that is conditioned in a society that has accustomed itself to long periods of conflict and is inept at collaboration. The managerial state will inevitably resort to re-regulation as a means of dampening conflict within its regional institutional group, and this is likely to lead to suboptimal economic performance.

One market-state already appears to have opted for the role of mercantile state: Japan. With its literate and educated people, largely devoid of ethnic conflict and possessing the most restrictive immigration laws of any major state, Japan is well placed to conduct a campaign of relative increase in enrichment at the expense of its trading partners. With a history of high savings rates, Japan can avoid some of the intergenerational conflict that otherwise accompanies state borrowing. Japan can also avoid the public order problems that seem to dog every multiethnic society, including the problems associated with immigration that are tolerated by societies that depend on a fresh source of cheap labor that Japan does not yet need owing to its practice of rigorous self-denial in personal consumption.* A mercantile trading policy depends on control of one's currency, which is supported by strictly enforced limits on public spending, and the presence of value-added industries that dominate the terms of trade. Japan has to a large degree been able to pursue such a policy. The difficulty with this course, as Japan's experience shows, is the rigidity and self-dealing that infest a mercantile state, transforming its markets by secretive, deceptive, and even corrupt practices. An entire banking sector run on the model of the military-industrial complex, for example, is unlikely to be the most efficient agent of domestic growth.

*Japan will, however, need more than 600,000 working-age immigrants annually to maintain its working-age population at year 2000 levels, and some 3.2 million annually to maintain its old-age-dependence ratio at 2000 levels. National Intelligence Council, *Growing Global Migration and Its Implications for the United States* (March 2001) NIE 2001-02D.

Is the mercantile role an appropriate choice for the United States? There is some doubt, in any case, whether the United States will be able to maintain a workforce capable of successfully operating in the high-technology industries that give a state favorable terms of trade. With the most relaxed immigration laws of any major state, the United States both adds to its welfare expenses and fragments its cultural unity.* Because of its decentralized social and political structures, the United States is unable to curtail individual consumption, leaving it with a high trade deficit (which results from lowering the costs of goods to the consumer through imports), a decade of high budget deficits (which results from lowering the costs of government to the taxpayer through borrowing), and a high national debt³ that will have to be repaid even if, as some predict, the budget deficits might cease (the result of the interaction of the first two phenomena as money from imported capital and tax rebates fueled a period of rapid growth). There is little prospect for a change in course: indeed, if the market-state is constituted to enrich the opportunities of individuals (and not simply to enrich the people as a whole) why should a multicultural, multiethnic state like the United States impose austerity measures that address these problems? Most individuals, including especially the children of the poor, are far better off under current U.S. policies than they would be under taxes and monetary rules that penalized borrowing and importing. Only the children of the future are penalized, and multicultural market-states appear to feel somewhat less responsibility toward the unborn. In this way the market-state plays to American weaknesses as well as to our strengths.

In one respect, however, those particular weaknesses tend to undermine the maneuverability so crucial to the market-state. That weakness has to do with the "followership" traits of the American people at this time, traits that are indispensable to a successful mercantile state. An August 1995 poll of Americans revealed that 59 percent said that there was not a single elected official that they admired. Of the 36 percent who said they could think of one, the president was named by 6 percent, his then opponent the majority leader was named by 5 percent, and the new Speaker of the House by 4 percent.⁴ Such coolness toward authority does not evidence the sort of social adhesion to the State that wins multistate conflicts.

But to say that the United States is not well situated, considered in the abstract, to be a mercantile state in the era of market-states, is not to say it

*"[In 1996] 21% of immigrants [were] receiving welfare payments, compared to 14% of citizens. Not only [was] there a higher percentage of immigrants on the welfare rolls, but they [received] more welfare dollars per person than citizens."² Immigrants currently account for about 65 percent of the growth in population in most developed countries, up from 45 percent during the 1990-95 period. The numbers for the United States are especially dramatic. Foreign-born persons—about 30 million—now account for nearly 11 percent of the U.S. population; this represents a doubling of the foreign-born population in the last twenty years.

could not prevail in this role. It need only be *relatively* well situated, vis-à-vis its competitors, and here the size of the American market, its role as currency provider for the developed world, and its abundant natural resources still ensure that, should it choose, it could dominate Japan or the E.U. or any other such competitor in a mercantile competition (so long as it could prevent the formation of an anti-American cartel, such as might occur between the E.U. and Japan). Precisely because we were so unsuccessful at developing exports—which account for less than 25 percent⁵ of GNP—the United States has far less to suffer, in relative terms, from a decline in world trade and retaliation against American mercantile practices. We could be a successful mercantile state, as a market-state, as we were, despite our many shortcomings, a successful mercantile state as a state-nation.

That does not, however, decide the matter. Should the United States choose this option? What are the costs and benefits (for that is how the market-state will measure things) of being an entrepreneurial state? The entrepreneurial state would pursue the enhancement of universal opportunity through a nonmercantile, free-trade policy. An entrepreneurial state would allow for relatively free immigration so long as the costs imposed by immigrants did not significantly affect the wealth and wealth creation of those taxpayers already present. It would seek environmental protection and nuclear nonproliferation through any effective means, collective or unilateral—by force if necessary in extreme cases—because the general enrichment of mankind is a consequence of success, even if a single hostile state loses as a result. It would employ multilateral alliance systems, of which NATO is an example,⁶ to expand collective security but be prepared to join ad hoc “coalitions of the willing”⁷ when collective security institutions are stymied. Paradoxically, such a state would be more prone to intervention—in cases of ethnic cleansing, humanitarian relief, support for the peoples of hijacked democracies, the destruction of terror networks—than the mercantile state, which husbands its violence to pursue more directly mercantile goals. If being an entrepreneurial state leads to more absolute wealth, does it actually encourage reinvestment of that wealth, or is this wealth frittered away in various adventures? Even more important, can the entrepreneurial state avoid cataclysmic war more successfully because it can remain armed without the constant friction of strategic competition inherent in a system of mercantile states? Is the aggressive mercantile state in fact *more* likely to be weak militarily because it is so desperate to throw its resources into economic competition, while at the same time it fails to develop the cooperative practices that can ameliorate crises and conflicts? And if it is, and the choice of the mercantile option by other competitive states actually becomes a source of comparative advan-

tage to the United States, should we continue to produce collective security goods, like the creation of the coalition that fought the Gulf War?

And what about the option of the managerial market-state? The United States is poorly situated geographically to lead a regional trading bloc. Canada represents a small market, Latin America an uncertain one, separated by language and culture from the United States. It is true that there is a large and rapidly growing Hispanic minority in the United States, but this pool of talented persons is not necessarily making the United States more congruent with the places they left. The day is far off when North Americans will grow up as bilingual as, say, people in Belgium or Denmark, where more than one ethnic community coexist.

And why, in the age of the Internet, should physical proximity dictate the boundaries of regional trading blocs whose trade will be mainly in nonphysical items? Suppose the United States were part of a “virtual” region, composed of the United Kingdom, Singapore, India, the Philippines, and Canada. This might make the managerial model more palatable. The real question then becomes: Should the United States take the fateful step of creating a second E.U.—an “Economic Union” like the European Union—knowing that by so doing it hardens the lines of world competition and forfeits its unique, even transcendent role? If, as appears likely, the world will have an E.U. for the indefinite future, having two seems to be a step in the wrong direction that we should only take if we are compelled to do so.

One proto-market-state that appears to be heading toward the role of managerial market-state is the new state of Germany. Although more truly multicultural than before, owing to the amalgamation of capitalist and socialist societies and the most open immigration policy of any E.U. member, Germany possesses a common language and a highly educated workforce. Germany’s crucial roles in the E.U. and in NATO—linking economic and security interests, Atlantic and continental—give her the collaborative position that might have been Britain’s (and under Tony Blair may still be). Unlike the United States, Germany has managed to maintain a strong currency and strong exports. Germany’s venture into high debt is a model of imaginative investment in infrastructure because the proceeds of the borrowing went into the acquisition of East Germany and not into mere consumption. A collaborative foreign policy depends on refusing to tolerate or to become a free rider (that is, a mercantile state within a free trading system) *and* the willingness to use force to maintain world order and the ability to do so without exciting fear in other states. Germany has the self-discipline and the wealth to do both. Although Germany has been made the diplomatic scapegoat by her allies over Yugoslavia for her early recognition of Slovenia and Croatia, and although she

has hitherto refused to take up security responsibilities outside the NATO area (as in Kuwait), it is noteworthy that she has since modified this policy and offered air force assets to protect the "safe areas" of Bosnia at a time when other NATO states were dithering. More recently, Germany offered military assistance to the coalition effort in Afghanistan. It remains to be seen whether Germany's wretched twentieth century history will be redeemed by her commitment to human rights in the twenty-first century or will cripple her altogether, making France's enforcer in Germany's more submissive periods and Eastern Europe's neocolonialist when German self-confidence asserts itself. NATO enlargement is one way the United States has encouraged the healthy development of the new German state.

Absent an acute threat to American survival, the United States may simply lack the sense of purpose to be an effective entrepreneurial state. Perhaps more than at any time since the civil rights revolution, the United States needs political leadership to re-establish a national history that reflects our strengths of character, our inventiveness, our talents for cooperation and our benign ambition, and above all, our confidence in a common enterprise.⁸ President Clinton moved the United States far toward the market-state. President George W. Bush has entered office at a crucial time, and appears to be equally committed to this new constitutional order.

The very nature of the entrepreneurial state, however, with its decentralization, its economic evaluation of all policy, its meritocratic competitiveness, and, above all, its taste for irony and amusement, will not make either leading or following easy. It is, however, a sense of purpose that is most required by the entrepreneurial state, because only such a sense—cultural, intellectual, artistic, as well as political—can endow a national history sufficient to move our distracted people to take up the distant and abstract burdens of such a state. We usually imagine leadership to be concerned with the future, but in fact it is the shaping of the past in the crucible of the present that empowers leadership because it gives an identity and a common perspective to those who would follow. We must feel that we are the heirs to the responsibilities the entrepreneurial state would impose on us, that they are our natural inheritance. Only history can do this, for it unites strategy and law by telling a story that provides us with a basis for legitimacy, that is, with some other self-image than the one in the narcissistic mirror of the present.

Finally, we must determine which of these three choices, managerial, entrepreneurial, or mercantile, better reflects our role in the world, as it is and as we wish it to be. Which method of pursuing the goals we have embraced will evoke from our people those resources of will and unity and common enterprise that enabled us to prevail in the Long War? A mercantile state can unite us against a common foe and give us a central purpose, but it turns our people into an instrument. Education is undertaken for the

enrichment of the business enterprise, not the intellect. Defense is belabored because it cannot show a bottom line, while our streets and our cities become more precarious than many theatres of war, and security itself becomes privatized by house alarms and psychiatrists. A movement toward a mercantile market-state by the United States will effect a decline in interstate cooperation at the very time when successfully opposing terrorism, international crime cartels, and the spread of weapons of mass destruction requires international collaboration.

On the other hand, an entrepreneurial state is not without its risks. Constitutionally, such an American state would reverse two of the important developments of late twentieth century American jurisprudence: the weakening of the executive and the decline of state and local government. An entrepreneurial state must have the executive authority to use force expeditiously and to keep its security secrets, two things an American president is hard-pressed to do today. The transparency in governmental affairs that is demanded by the citizens and the media of the market-state make its entrepreneurial form especially difficult to achieve. Yet such capabilities for secrecy are crucial for the entrepreneurial state because it is committed to enhancing world stability and thus even relatively abstract challenges—nuclear proliferation, ethnic cleansing in remote regions, international terrorism, environmental depredation—must nevertheless be dealt with decisively, which often means without previous public exposure of operations and plans.

At the same time, the experimentation and innovation so dear to the market-state may thrive more abundantly under the federalism of the entrepreneurial state than under an omnicompetent government characteristic of managerial market-states. An entrepreneurial state might encourage the locality as a laboratory and even tolerate wide variations in, for example, welfare benefits and criminal sanctions that would be inimical to the managerial state. But simply increasing the authority of local governments, which will be whipsawed by corporations demanding tax and environmental concessions, on the one hand, and special-interest groups attempting to heighten regulation, on the other, is no answer. The smaller the jurisdiction, the greater its vulnerability. Perhaps only a managerial, continent-sized state like the United States can withstand the alternating threats to relocate (by the corporation) or frustrate (by the special-interest groups). In an entrepreneurial state, invariably there will be wide differences in local laws. In a country as tormented by race as ours, such variations are bound to produce invidious inequalities and discrimination. Can we afford to sacrifice the unity that a managerial state provides, even in peacetime? An entrepreneurial state, which we have so richly earned, could be an era of renewal for the United States in which enrichment means more than positive trade flows. But it could also lead to the disintegration

of the State into regional, quasi-racial, and religious enclaves, devoid of any sense of overarching identity.

Of course no state in the real world will embody 100 percent of any of these caricatures. Some states seem historically tilted toward one model: France, for example, appears to want to lead the E.U. into becoming a managerial superstate. Others, Britain and the United States for example, incline toward the entrepreneurial model. Still others, notably Japan and China, seem to have thrown their futures in with a more mercantile approach. Whatever choice we make, we will have to find a way to compensate for the market-state's inherent weaknesses—its lack of community, its extreme meritocracy, its essential materialism and indifference to heroism, spirituality, and tradition. The entrepreneurial state attempts to ameliorate the effects of the market through ad hoc institutions of maximum flexibility; the mercantile state compensates for the market by calling on national elements of competitiveness and achievement. The managerial state falls back on regulation to achieve stability and the ever-elusive "level playing field" so beloved of lobbyists who seek advantage, not neutrality, for their clients. All three models must cope with citizenries that are increasingly alienated from the State itself, indeed from the very societies that share the scope of the modern state—too large to comport with postmodern identities, too small to be viable on their own. There is a direct, although often obscured, line between the ever-presence of the threat of weapons of mass destruction (WMD), the immediacy of television images everywhere on the globe, and the very immanence of economic vulnerability, on the one hand, and the constitutional evolution of the State from a state focused on the people as a whole to one focused on persons, on the other.

This need not be a cause for despair. American society has much less invested in its identity as an ethnic group,* if indeed it has had such an identity since the Civil War; it has less to lose by shedding this constitutional form.† It is well placed to make the transition from nation-state to market-state. In the passage to a legitimacy conveyed by assuring opportunity—with its need for transparency in government operations, its enhanced possibilities for enrichment, its meritocratic egalitarianism—the

*In the United States, immigration by the year 2000 was at its highest absolute level ever—about 1.1 million. The neglect of the Jordan Commission Report that called for modest decreases in immigration must in part be attributed to the market-state's eagerness to recruit new workers. The Jordan Report was the product of a presidential commission chaired by the late Barbara Jordan, one of the United States's most distinguished public figures. The report called for long-term adjustments in U.S. immigration policy—including a greater focus on skills-based immigration and a narrower definition of "family" for the purposes of family unification—in order to create a more sustainable policy. Jordan's untimely death probably removed the one figure with the moral status to address this problem. The final 1997 report of the Commission on Immigration Reform can be found at www.utexas.edu/lbj/uscir/reports.html.

†For a contrary view, see the excellent essay by James Kurth discussing Samuel P. Huntington, "Clash of Civilizations: The Real Clash," *The National Interest*, 37 (1994): 3.

United States could develop a more responsive government, acting in fewer areas with greater confidence.

STRATEGY AND THE ENTREPRENEURIAL MARKET-STATE: A SECURITY PARADIGM FOR THE UNITED STATES

Many conflicts may lead states to war, but when these disputes implicate the basic legitimacy of states, we are led into the strategic whirlwinds that finally change the state system and its constituent constitutional archetypal orders. There are present in the current context three possibilities for this sort of conflict: wars between nation-states and market-states in which an exemplar of one of these forms challenges the other's assumptions about sovereignty, because these assumptions are not shared by the two orders; wars between one market-state and another, because the various forms of the market also differ with respect to fundamental ideas of sovereignty;* and war that spreads to the society of states from a civil war in one state where the partisans of the nation-state confront the partisans of the new market-state.

As an example of the first contingency, consider the possibility that a nation-state's nuclear testing program so endangered the global atmosphere that another state, a market-state or proto-market-state, assumed it had the right forcibly to halt the testing program, even though the tests were conducted solely on national territory. What is appropriate for the market-state—with its porous territorial concepts and its responsibility to preserve the opportunities for personal development, including, of course, access to a safe environment—seems to clash with the absolute sovereignty of a nation-state taking steps it alone can determine are necessary, within its territory, to protect the nation. Similarly, a war between the United States and China over Taiwan would present classic nation-state claims to territorial integrity and antiseccession versus internationalist market-state claims that no state can be absorbed without its consent, and that its "national" ethnic basis is not conclusive as to statehood.

As an example of wars that might arise among or within market-states, consider three different sorts of such states—roughly characterized earlier as one working within traditions of individual rights, laissez-faire trading, and personal freedom, *versus* one coming from a tradition of group responsibility, state-managed trading, and rigid social stability, *versus* one within a communitarian tradition oriented to interest groups and social justice. Suppose these traditions came into conflict within a single great

*See Chapter 26.

market-state, precipitating a revolutionary situation? Analogously this happened to some degree in all the great nation-states, but especially of course in Russia and Germany. Or suppose great powers, representing these three different approaches to the market-state, found themselves in conflict over an as-yet-undecided great power's constitutional valence, that is, the sort of market-state to emerge there? This also happened to the great nation-states; indeed I argued earlier that the Cold War, the last phase of the Long War, was fought by great powers representing different ideological approaches to the nation-state, over the constitutional destiny of the divided states of World War II—Korea, Viet Nam, and supremely, Germany. Political ideology determined the valence of the nation-state; with the market state, the valence is determined by differing views of retained* sovereignty—that sovereignty reserved to the People that is not delegated to government. An analogous sort of conflict might occur in the twenty-first century between different forms of market-states over the future of a divided state—China or Russia, for example—whose orientation toward these forms was undecided.

One object of a security paradigm to accompany the constitutional archetype that will take us into the twenty-first century is to avoid such a cataclysm. If we are to avoid another world-rending war, then my hopes lie with the entrepreneurial state. Only it offers the chance, through constant and costly vigilance, steadily to release the pressures attendant in the shifting distributions of global power among competitive states. Such a model increases the likelihood that the United States will share its technology and information resources, and it is by sharing rather than hoarding that we stave off competition. On the other hand, it must be noted that a mercantile market-state offers a better chance of enduring such an apocalypse should it come, because such states cultivate self-sufficiency. And the managerial state promises the greatest likelihood of recovering from such a conflict, because it strengthens the institutional basis necessary for reconstitution.

Most important, however, the entrepreneurial model offers the United States the best chance of developing, marketing, and "selling" the collective goods that will maintain American influence in the world. We have been powerful and wealthy in eras past and have had little influence on world events; this might well be the case again should we decide for a mercantile market-state. I believe an entrepreneurial state can provide the structure and the new point of view we will need in order to prevent super-power nuclear proliferation (to states like Germany and Japan) and protect

*In contrast to the nation-state whose principal alternative archetypes differed radically as to delegated sovereignty, that is, the powers and responsibilities assigned to the State (to control the market, social relations, etc.).

the global environment (from states like Russia and China) and to avoid a coming cataclysm. If this is wishful thinking, let me put my conclusion another way: should the entrepreneurial state be unable to avoid such a cataclysm, the United States would have to shift its purposes entirely and concentrate on how to survive and prevail in such a terrible conflict. Mercantilism might offer a better chance of buying off conflict, at the expense of allies, than would cooperative, collective defense systems. Unlike the members of the great alliances forged by nation-states to win the Long War, market-states can act with greater tactical flexibility and the most (not the least) successful of them will do so, changing partners, bluffing, using nonstate actors as agents of compromise and deception, much as a contemporary corporation sometimes behaves. But for that reason, mercantile market-states will be vulnerable to the same sort of tactics that Napoleon trained on the coalitions of territorial states, picking each one off from the group and either coopting or destroying it. For most of us, except the most pessimistic, a safer ground surely lies in trying to avoid such a conflict, rather than in contorting our natural traditions in anticipation of such a catastrophe should it come.

If the United States, in the new context in which it finds itself, is to maintain its leadership in order to thrive as an entrepreneurial state, it will endeavor to do two things: to preserve its freedom of action abroad by limiting, to the greatest degree possible, the coercive harm other states can do to it; and to act consistently with its traditional moral aspirations but prudently within its means to "make the world available," that is, to maximize the degree to which the persons of the world are able to choose their own destinies. If the security paradigm for the American nation-state was to make the world safe for democracy, then the paradigm of the American market-state must be to make a world that is hospitable to the individual conscience, that is, *available*. Individual goods, like economic opportunity and freedom of religion, do not exist in the world without nurturing practices. They are linked to "collective goods," that is, things of benefit to the world as a whole.

STRATEGY AND THE ENTREPRENEURIAL MARKET-STATE: PROBLEMS

What security policies flow from this paradigm, in the way that intervention in World War I and containment in the Cold War flowed from Wilsonianism? This question can be broken down into four: (1) what technology should the U.S. exploit; (2) what force structure should we deploy; (3) what criteria do we apply to potential cases for intervention; and (4) to what threats do we give priority?

(1)

The superior U.S. technology that won the Gulf War and defeated the Serbian army and the Taliban is the fruit of a revolution in military affairs that has been underway for twenty years, and which was presciently anticipated by Marshal Ogarkov and played a decisive role in the Soviet military's support for Gorbachev's reforms. The U.S. military is currently pursuing what is sometimes termed "a military-technical revolution,"⁹ an extrapolation of the computational, communications, and weapons innovations that won the Long War and brought us the market-state. These extrapolations would utilize various advanced technologies to enable the U.S. armed forces to see the entire battlefield¹⁰ and transmit information quickly to commanders in order to guide attacks more precisely as well as to detect and respond quickly to attacks by an enemy.

Further progress in the microminiaturization of electronics promise ever "smarter," meaning more autonomous and precise, weapons. . . . Exploited in combination, these technological advances hold the promise of replacing many of the functions that heretofore required the presence of human beings.¹¹

The driver of change behind radically new military capabilities is the rapid advance in computers operating in coordination with communications technology and the equally rapid declining cost of their synergy.¹² The military-technical revolution promises a transparent battlefield, where commanders view operations on television screens and direct individual units (or nonmanned weapons) from remote locations and where helicopters launch missiles at tanks twenty miles away based on information from preplanted acoustic devices and airborne radar and satellite imagery, all operating in coordination.¹³ Intelligent weapons would take real-time information and guide themselves to their targets. Miniaturized aerial weapons would replace fighter planes and tanks.

As previously noted, Marshal Nikolai Ogarkov anticipated much of this discussion when, as chief of the Soviet general staff, he warned of an imminent technology-driven revolution that would give conventional weapons a level of lethality comparable to that of tactical nuclear weapons. "Armor on the march might find itself detected and attacked by conventional missiles showering self-guided anti-tank weapons, in an operation conducted from a distance of several hundred miles and with as little as 30 minutes between detection and assault."¹⁴ This was profoundly disquieting to the Soviets, as their strategic plans depended upon massed tank assaults across the central front in Germany. The arrival of parity between the superpowers in some central nuclear systems (long-range ballistic missiles) and the collapse of escalation dominance by NATO at the subcentral

level had for the first time in three decades made a Soviet assault across the central front of Europe a plausible scenario in some circumstances.¹⁵ There was always a significant chance that, no matter what the American rhetoric, Washington (and Bonn) would decline to "go nuclear" in a conventional war when doing so invited Soviet retaliation in kind. In the early 1980s this doubt may have crested; by the 1990s the rapid yet inexorable developments of high technology had brought about a nonnuclear stalemate in the field, and thus many years of Russian planning and expense were rendered pointless. Moreover, some Soviet leaders were well aware of the large gap between American and Russian computer development and the increasing speed with which developments were occurring in the West. In part because these developments were stimulated by research in the private sector, the Soviet Union was poorly placed to compete.

Reviewing this history, we now ask: What technology ought we to adopt presently to ensure victory twenty or thirty years hence? Another way of asking this: which revolution in military affairs (RMA) ought we to pursue, because there are several different possibilities.

One such option is basically the extension of current capabilities—stealth, precision guidance, advanced sensors, and reliance upon satellite systems. Extending this approach would rely on the information aspects of the RMA to inform long-range fire with more advanced target acquisition and more controlled execution. This option pursues the integration of advanced sensors, brilliant weapons, robotic craft, and simulation. This would allow the United States to destroy virtually any battlefield targets that possess a perceptible signature. Proponents of this approach hold that the pursuit and enhancement of these technical advantages will allow the United States to win large-scale, high-intensity conventional conflicts that are fought with large armored and mechanized forces.

If, however, one believes that the least likely eventuality in twenty years is that the United States will be forced to confront heavily armored and mechanized regional powers—like North Korea, Iraq, Iran—then one is compelled to rethink the RMA question. Jeffrey Cooper captures this well:

New opponents may decide . . . to pose . . . challenges that an RMA narrowly focused on the DESERT STORM scenario and based on technologies demonstrated in that conflict may be less capable of addressing. [O]ur next opponent [might try to prevent our force deployment—as Saddam Hussein did not—and] possess nuclear or other WMD and long range delivery systems capable of threatening not only U.S. forces but allies and third countries who control essential transit and staging facilities. . . . Alternatively, an enemy may also decide to pursue a different set of strategic objectives—damage, disruption to civil society, or interference with key global links and use different

strategic concepts—long range attack, clandestine forces, urban warfare . . . terrorism, or subornation and blackmail of civilian populations, using modern communications to bypass government itself.¹⁶

Current U.S. strategic planning largely ignores these possibilities in exploiting the RMA, in part because U.S. intervention doctrine is in such disarray. One question with which this book began—what are the appropriate criteria for the use of force—like the question “Which RMA?” cannot be answered in the absence of general strategic plan. The plan we currently employ is the product of a classic nation-state confrontation, the Gulf War that occurred just as the market-state was beginning to stir.

(2)

Since 1991, the United States has undertaken three major defense policy reviews: the Bush Base Force Review (1991), the Clinton administration’s Bottom-Up Review (1993), and the congressionally mandated Quadrennial Defense Review (1997). Despite their advertising, these reviews were little more than budget drills, rationalizing an ever smaller force structure to the same roles and missions. The Bottom-Up Review, for example, postulated that the United States should focus on combat readiness to face threats of major regional conflicts such as those that might occur in Korea or the Persian Gulf. The Quadrennial Defense Review retained the two-major-regional-conflicts scenario, though adding the need to prepare for smaller scale contingencies (while cutting the total force by 115,000 uniformed personnel).¹⁷ There was little in either report addressing the future absence of access to forward bases (or their vulnerability), critical infrastructure and computer attacks, attacks to space-based systems, urban operations, deep inland operations, or new forms of attack against the U.S. homeland.*

During the same period U.S. strategic planning for intervention moved from the well-defined but limited strictures of the Weinberger Doctrine to the somewhat muddier—but therefore less limiting—policies of the Clinton administration. If the Weinberger Doctrine can be said to have taken concrete shape with the U.S. experience in the Gulf War, then it is easy to see why it is harmoniously consistent with the two-major-regional-war strategy that governs U.S. force structure. On the other hand, because U.S. forces have been frequently deployed since the Gulf War in numerous non-traditional, interventionist roles, it is harder to explain why the Clinton administration neither changed its general concepts for the force structure nor articulated a new doctrine for intervention. Harder to explain, but not

*The Rumsfeld Top-Down Review in 2001 promised to redress these omissions and offer a broad reassessment. It quickly ran into formidable opposition from the services and from Congress.

impossible. The administration did make, as we shall see, several early efforts to redefine a doctrine for intervention that was better suited to the realities of 1990s conflicts; in the end, it was determined to maximize flexibility by simply not committing the United States to any particular doctrine. For much the same sort of reasons, the Clinton administration clung to the two-regional-war scenario because it believed it could perform smaller operations (like Bosnia and Kosovo) out of a force structure configured for but not limited to major operations.

(3)

Although Weinberger proposed his criteria for U.S. intervention following the debacle in Lebanon in 1982–1983, the six requirements of which it is composed more obviously reflect conventional criticism of the U.S. intervention in Viet Nam. Weinberger’s requirements for intervention were (1) vital American interests were at stake; (2) there was a clear intention to seek military victory; (3) the intervention was in pursuit of precisely defined political and military objectives; (4) there was a reasonable assurance of support by Congress and the American people; (5) there was a continual reassessment of the relationship between objectives and the size, composition, and disposition of U.S. forces; and (6) force was only undertaken as a last resort. By the time the Congress pushed President Ford to abandon Viet Nam, the intervention there had indeed failed each of these criteria, as the Nixon and Ford administrations flailed about in their search for a mission statement that could be said to have been fulfilled and as the members of both parties in Congress coalesced around an account of the initial U.S. intervention that would justify their withdrawal of support. According to this agreed-upon account, the United States failed to consider other, nonmilitary alternatives to intervention in Viet Nam or (its twin criticism) did not truly seek military victory; nor was there a discernible national interest at stake; nor did the public and the Congress overwhelmingly perceive and verify that interest. Frankly, I do not believe the facts will sustain this characterization of our experience in Viet Nam, however frequently or tenaciously it is asserted.

Therefore, whether the Weinberger criteria would have prevented American intervention in Viet Nam is a debatable question. What is indisputable is that the Gulf War gave the doctrine a firm foundation because to many it showed that there were in fact some interventions that did fit the doctrine, and that success would rapidly follow if the criteria were met. General Colin Powell, who had been a young infantry officer in Viet Nam, endorsed the Weinberger Doctrine while serving as chairman of the Joint Chiefs of Staff. Indeed Powell gave an Army spin to the criteria Weinberger had offered, emphasizing that the clear intention of winning should

be manifested by the use of overwhelming force and that Weinberger's precisely defined political and military objectives should be clearly linked.

The Clinton administration's first secretary of defense, Les Aspin, had been critical of the Weinberger Doctrine as a congressman. He and others complained that the criteria left the president with only two options: total force or nothing. And he argued that a more flexible doctrine, with more options, was required.¹⁸ The new administration, however, was initially attracted to "assertive multilateralism" as a way of finessing the issue: acting through the United Nations and other formal institutions, the United States would avoid confronting the problem of unilateral intervention that must be justified on the basis of unilaterally determined interests. The widespread perception that the U.N. mission to Somalia was a failure, however, resulted in Presidential Decision Directive 25 in May 1994, which simply grafted the key criteria of the Weinberger Doctrine on to the decision of whether to support multilateral action.*

Nevertheless, PDD-25 has had little discernible impact on U.S. policy and its criteria have never been included in the National Security Strategy, nor did they appear to have been applied regarding U.S. missions to Haiti, Bosnia, or Kosovo. Aspin's successor, William Perry, was more influential when, also in 1994, he provided various criteria that have since rationalized U.S. action (and have been incorporated in every subsequent edition of the National Security Strategy).¹⁹ Perry distinguished between three sorts of American interests—vital, important, and humanitarian—and argued that different uses of limited, not necessarily overwhelming, force were appropriate to protect those interests. The selective use of force was to be commensurate with limited objectives. This description was further elaborated by national security advisor Anthony Lake in a speech at George Washington University in 1996 in which he described seven broad circumstances that "may call for the use of our military forces."²¹

These general descriptions were intended to modify the exclusivity—amounting almost to a doctrine of massive retaliation in the intervention sphere—of the Weinberger ideas, but they did not accomplish the objective of actually telling anyone what criteria had to be met before American troops would be sent abroad. General Powell himself recognized both the feint in this direction as well as its vagueness when he stated just before retiring:

*Resulting in eight criteria for the United States to consider in deciding whether to support an intervention, an additional six restrictions for U.S. participation should American troops be involved, and a final three Weinberger criteria if there were a likelihood of combat.

¹(1) Defend against direct attacks on the U.S., citizens and allies; (2) counter aggression; (3) defend key economic interests; (4) preserve, promote, and defend democracy; (5) prevent the spread of weapons of mass destruction, terrorism, international crime, and drug trafficking; (6) maintain our reliability as an ally; (7) humanitarian purposes. Anthony Lake, "Defining Missions, Setting Deadlines: Meeting New Security Challenges in the Post-Cold War World." Speech at George Washington University, March 6, 1996.

We can modify our doctrine, we can modify our strategy, we can modify our structure, our equipment, our training, our leadership techniques, everything else we do these other missions, but we never want to do it in such a way that we lose sight of the focus of why have armed forces—to fight and win the nation's wars.²⁰

To some, Powell's words appear to assume a certain contingency for which we must prepare—the two-major-regional-war scenario—for if our strategic objectives were otherwise, fighting to achieve those objectives would compel, not guardedly permit, some important modifications. Conversely, we cannot bring about any effective modifications unless we have a clear idea of what sort of wars we expect to undertake.

(4)

In other words, we cannot decide which RMA to pursue, what force structure to provide, or what criteria to set for intervention until we have a clear idea of the threats we will face. Trying to answer these questions separately leads either to unstated assumptions that are not examined and debated or to ad hocery, where the decisions in each arena are taken as a matter of temporary expediency and a comprehensive strategy is replaced by rules sufficiently flexible always to permit citation but never to enable guidance. What is required is some explicit confrontation of what might be called the "ABC" problem.

"ABC" refers to the classification of potential competitors of the United States by a scheme that would be familiar to any society hostess. States belong to either an "A" list of peers such as Germany, Japan, France, or Russia, a "B" list that includes mid-level developing states with modernized conventional forces and primitive weapons of mass destruction such as Iraq, Iran, India, Pakistan, or North Korea, or a "C" list composed of militarily modest states—such as Libya, Serbia, Cuba—and nonstate actors, such as various terrorist, criminal, or insurgent groups that often pose threats to American national interests.²¹ The ABC problem may be stated as follows: should the United States focus on outdistancing potential peer competitors to such a degree that the position we now enjoy—of having no hostile peers—can be indefinitely extended; or should we instead focus on those states and conflicts that might threaten our vital interests in theatres of traditional importance to us such as Europe, Pacific Asia, and the Persian Gulf; or realign our thinking to focus less on conflicts like the Gulf War and more on conflicts like that in Yugoslavia, as well as economic, developmental, and nontraditional threats including terrorism and disease. (That is, which threats should drive U.S. policies—A, B, or C?)

The choices appear rather stark, so much so that thinking about U.S.

policy in this way has inevitably tended to coalesce behind the "B" option on the theory that the forces required to defeat "B" list adversaries are so substantial that they can always be made available for "C" type expeditions while, through constant modernization, presenting an imposing threat to any ambitious peers. The B choice seems less a total commitment than the others, which almost seem reckless if their bets about the future turn out to be wrong.

For example, an "A" threat strategy seeks an innovative, high-tech military using all the potential of the RMA's systems of space-, sea-, air-, and ground-based networks of sensors. These sensors would identify, track, target, and destroy enemy forces, putting the United States so far in advance of other states technologically that cooperation from our peers is almost their only rational strategy. The money for all this comes from a downsized force structure and a degree of specialization that may make the military almost irrelevant to low-intensity conflicts, however.

But what if this implicit guess about the future—that current threats like those posed by North Korea or Iraq are diminishing—is wrong? Are we really prepared to scrap the reliance on battle platforms (aircraft carriers, fighter jets) and combat manpower that has thus far been supremely successful? Can we afford to decommission whole armies, collapse traditional service distinctions, and give up forward bases on an assumption about future technologies? And what if allies and multilateral institutions will not take up the slack in handling humanitarian and peace-keeping operations? Then the "A" list strategy begins to look exceedingly narrow, even disabling. As the historian T. R. Fehrenbach remarks, "You may fly over a land forever; you may bomb it, atomize it, pulverize it and wipe it clean of life—but if you desire to defend it, protect it, and keep it for civilization, you must do this on the ground, the way the Roman legions did, by putting your young men into the mud."²²

To an even greater degree, a strategy that focuses primarily on "C" type threats is highly limiting. At the moment, none of the world's international institutions is capable of taking responsibility for world order, yet the threats to world order—as in Yugoslavia and Rwanda—typically arise within states, in contexts where the United States is loath to act alone. Moreover, "C" type threats are, by definition, those that least engage our national interest. To build an entire defense posture around them seems foolhardy.

So we muddle on, having settled on a strategy built around outdated concepts of conflict between nation-states, maintaining highly expensive conventional forces that are nevertheless not really capable of handling two major regional contingencies simultaneously, putting our resources into incremental modernization that increases readiness but does not really

exploit the potential of the RMA, repeatedly stripping forces configured for major conventional conflicts in order to use them—very expensively—in low-intensity conflicts for which they are not trained or equipped, refusing to look ahead to the day when a peer competitor leapfrogs our current technological advantage while we sink more and more funds into refurbishing plant and equipment that soon will be obsolete.

Although one could say with much justification that our current strategy owes more to General Ulysses S. Grant than to General Colin Powell, let's go back and look at the Viet Nam and Gulf War conflicts that were so fruitful for current doctrine. I propose that the "lesson" of Viet Nam was not that the war effort was insufficiently supported, used too modest means, etc., but that the United States had difficulty fighting an opponent who was hard to isolate from the civilian population and therefore difficult to target and track, whose shoestring logistics were hard to interdict, and whose political elites were far more disciplined than our own (perhaps owing to the greater centrality of the conflict for them than for us). Suppose that is the lesson of Viet Nam.

And imagine, too, that there is a lesson from the Gulf War, but not one for us so much as for our adversaries. The lesson is this: On behalf of nakedly aggressive territorial seizure, do not attack the United States with conventional armies, invitingly massed for an assault from a force you have permitted to project itself many thousands of miles to your frontier. Do not fight the United States, in other words, without weapons of mass destruction, without plausible political pretexts, without disguised forces, and without maintaining the initiative.

If these are appropriate lessons from the Gulf and from Southeast Asia, then the strategic doctrines we have derived from our experiences there are almost precisely wrong. Not only are we untrained for low-intensity conflicts, and heedless of the necessity to maintain our current military dominance over potential peer competitors, we are not even well configured to fight the "B" list adversaries who will adopt tactics we are unprepared for and shun the tactics against which we train. On the other hand, if we drastically reduce our forces in pursuit of either "A" list or "C" list objectives, doesn't that send an inviting message to those states like North Korea and Iraq, which continue to put enormous funds into the maintenance of large conventional forces, that perhaps this time a conventional confrontation with the United States can be won?

Book I has argued that periodic revolutions in military affairs bring about changes in the constitutional order and that this relationship is mutually affecting, that is, innovations in the constitutional order can also bring changes in strategy. Perhaps if we focus on the nature of the market-state, we may find some guidance as to which strategy to pursue.

The characteristics of a market-state may make it possible for the United States to devise a strategy of long-term dominance over peer competitors that will enable it to prevail in conventional confrontations as well as to field expeditionary forces. In 1992 a U.S. Defense Planning Guidance was leaked²³ that called for the United States to prevent any military superpower from emerging anywhere in Eurasia. This objective—an “A” list strategy—was to be achieved through U.S.-led alliances and coalitions. Interestingly, the Guidance proposed that this could be accomplished with a Gulf War military, a highly dubious proposition.²⁴ But the Guidance also suggested that the United States should aggressively pursue the enabling technologies of the RMA as a political deterrent to the emergence of a peer challenger in the next two decades.

Within this time frame, the United States may well face a challenger of significant economic, industrial, and technological potential, one that can also exploit the advantages of the information age for military purposes. A number of states are currently working in this direction, pursuing their own [military] revolutions based on, among other things, the acquisition and integration into their military establishments of long-range strike systems; weapons of mass destruction; space-based surveillance, targeting, and communications; and precision-strike munitions.²⁵

The unique strategic demands of the market-state—especially its requirement to project overwhelming force without risking lives, and to exit dangerous involvements quickly—put a premium on the development of high technology as an arbitrageur of, and even a substitute for, human risk. This was clearly evident in NATO’s air campaign in Kosovo, which could not have been executed successfully even a decade ago.* The pursuit of these enabling technologies will face two hurdles: the reluctance to put money into research and development while downsizing the force structure; and the inertial tendency to invest in technical fixes for the tactics and organization of the present.[†]

Instead, the United States should use the RMA as a basis for changing its forces’ roles and missions, leveraging from the promise of technology a rational basis for reorganizing the services. The RMA should not be treated as merely a happy event that is useful to our current strategic plan-

*And evident also in the campaign against the Taliban.

†Fred Iklé, “The Next Lenin: On the Cusp of Truly Revolutionary Warfare,” *The National Interest* 47 (1997): 9, 11. “Read any of the hundreds of Pentagon reports and scholarly articles on the coming Revolution in Military Affairs and you will find scarcely a thought about nuclear or other mass destruction weapons, save for a shy aside. To be sure, these writings contain fascinating points . . . about instrumented battlefields, where the commander can view on a television screen every piece of equipment belonging to friend or foe and give orders to every tank and foot soldier . . . Encouraged by the victory in the Gulf War, American strategists are now eagerly looking forward to the RMA—that is to say, their chosen RMA.”

ning but rather as both a driver and a reflection of the broad period of change in strategy and the international order that we are now entering. As Jeffrey Cooper has written:

The “Information Revolution” and the change to postindustrial economies . . . presage significant changes not only for the means of warfare, but also for the objectives of war. Increasing near-real-time global telecommunications, the rise of centrifugal forces within the [State], all raise questions as to the future objectives of interstate conflict, the appropriate strategies for pursuing national objectives under these conditions, and the operational means for conducting war.²⁶

The nation-state’s strategic objectives of total war against the opposing nation, destroying its mass armies and its industrial base, terrorizing its civilian population, and forcing capitulation should give way to more precise and limited objectives. With the decreasing importance of territory and raw materials, and the increasing role of knowledge and computation/communications infrastructure, attacks will require more sophisticated weapons and forces and will aim at critical nodes—including leadership cadres—rather than the seizure and holding of territory. Indigenous mercenary forces can be used where ground action is necessary. At the same time, new peer competitors will be able to leapfrog the former superpowers tethered to vast, fixed, capital investments that require long periods of amortization, and instead more quickly acquire the power to strike with means that are more nimble and versatile.

This menacing fact also holds the most promise for an American RMA because it points the way to a solution to the underlying strategic dilemma. A forward-looking RMA can create the ability to strike at “C” list targets (as in the precision-bombing campaigns against terrorists like Osama bin Laden and states like Serbia) as well as “B” list forces because the “B” list competitors do not actually threaten the American homeland and therefore can be ceded the temporary territorial victories their large forces can seize while these forces are punished into political submission.

Some of the funds for this change can come from force downsizing. Once the two-major-regional-conflicts scenario is abandoned, it ought to be possible to maintain substantial forces abroad—100,000 in Europe, 100,000 in Asia, 20,000 in the Gulf—far more cheaply, while reducing the overall number of troops. Nevertheless, an RMA initiative (for these purposes) would probably augment the Pentagon’s research and development funding by about 20 percent.²⁷

The emergence of the market-state and the technology it has spawned can provide new incentives in international security affairs. These new incentives will, however, depend upon developing more effective means of

power projection (in the absence of secure foreign bases, for example) and framework intervention forces.

STRATEGY AND THE ENTREPRENEURIAL MARKET-STATE: POLICIES

Just as the “revolution” in the constitutional order of the State will have an impact on national security policy, the RMA will bring changes in the operations and structure of states, in the mutual, two-way process we have observed in Part II.

The universal trend in market-states away from conscription toward a professionalized army (even if it sometimes exists side-by-side with a conscripted reserve force) is another feature of what is, in this case, misleadingly called “privatization” by the market-state.* The “short-service conscripts . . . equipped with the products of a high-volume military [industrial] manufacturing”²⁸ that were a notable innovation of the state-nation and whose use was intensified by the nation-state in the Long War are passing from the scene to be replaced with more educated, more highly trained professionals.

The market-state does not so clearly demark the military from the commercial as did the nation-state. In market-states around the world, government-owned defense industries are being sold, and tasks that were once the exclusive prerogative of military institutions are being privatized. Private contractors handled much of the logistical support for the U.S. interventions in Haiti and Somalia. Privately owned satellites are leased out for military and intelligence functions, to say nothing of the reliance of government on CNN and other news-gathering organizations. Today, almost all of U.S. Department of Defense communications go across the public switched network. The other side of this blurring of lines between the commercial and the governmental is that governments now can purchase weapons—perhaps fissile material, military expertise, and strategic planning—from a wide range of private sources, some of which, in a further blurring, are linked to corruption within governments. Thus the possibility exists that market-states that had been relegated to the second rank strategically by events in the Long War will be able to catapult into competition with the United States if they can generate the wealth to do so. Those market-states whose economies are technologically sophisticated will be able to quickly convert that sophistication into military power.²⁹

The new market-states are transforming themselves by replacing

*I say misleadingly because the government retains the power of determining the use of such forces, as opposed to a true privatization, in which shareholders replace the government in the directing role.

economies and cultures that were formed by the Industrial Revolution with new forms arising from the Information Revolution. The latter promotes the creation and use of knowledge, just as industrial machines enhanced the use of physical power and production. Market-states provide ideas and services—ideas about society and the development and use of technology, and services like education, medical care, and investment allocation—to each other and to the rest of the world. The United States has already found itself, in the Gulf War, in the position of providing intelligence and information to other states and selling its services as a war-making state. If it can maintain its legitimacy as a provider of collective goods to the community of market-states; maintain its lead in the development of new strategic technologies and learn to apply these new techniques to the problems of international security; and, most important, enhance its reputation as a legitimate and benign broker of those services, it will provide the model that other states, in the mimetic way we have studied thus far in this volume, will copy or, if they cannot copy, will react against with innovations of their own. Such a state sets the terms of competition.

Innovative leadership, like that which brought us the Nunn-Lugar legislation in 1992, can deploy the techniques of the market-state in a strategically significant way. As of mid-1998, Nunn-Lugar funds had provided \$2.4 billion to destroy or convert Soviet weaponry. More than 4,800 nuclear weapons have been eliminated; more than forty large engineering projects have been undertaken to safeguard or dismantle Soviet weapons.³⁰ Funds were provided to find new jobs for former Soviet nuclear scientists and engineers. Housing for former Soviet military personnel was subsidized so that they could oversee this effort. But while Nunn-Lugar is a shining example of what can be done, it is pathetically insufficient. Russia still possesses enough plutonium for 25,000 to 50,000 weapons and enough highly enriched uranium for 40,000 to 80,000 weapons,³¹ to say nothing of its immense biological weapons stocks. What is needed is a vastly enlarged program that pays Russian officials to quarantine weapons under U.S.-Russian supervisory auspices. Congressional efforts to impose careful auditing procedures, to prevent graft or unlawful diversions, should not distract us from the main objective. The market-state can—relatively cheaply—have far more impact, far more quickly than arms control agreements. On the other hand, if the United States doesn’t buy these goods, some other state may.

The American military structure, however, is at present poorly organized to fully innovate in the direction of the change in constitutional order experienced by the State. As Eliot Cohen observed:

The United States may drive the revolution in military affairs, but only if it has a clear conception of what it wants military power for—which

it does not now have. Indeed when the Clinton administration formulated its defense policy in 1993 it came up with the Bottom-Up Review, which provided for a force capable of fighting simultaneously two regional wars assumed to resemble the Gulf War of 1991. By structuring this analysis around enemy forces similar to those of Iraq in that year—armor-heavy, with a relatively large conventional but third-rate air force—it guaranteed a conservatism in military thought . . .³²

The current unwillingness of the United States to consider real challenges to its primacy from advanced market-states that may employ these strategic innovations is of course troubling. Current American deployments overseas are ludicrously low and in any case will be increasingly vulnerable to missile attack. They could not possibly serve any military function in a large conflict other than as a nuclear tripwire whose activation would immediately drive states within its theatre into major-state proliferation—that is, the proliferation of nuclear weapons to states such as Germany or Japan. The real function of such forces ought to be as expeditionary units configured for small scale, rapid interventions.

Should the United States direct the technological promise of an RMA to “A” list objectives? First, these new technologies may make possible the preemption of nascent programs of nuclear or other weapons of mass destruction. Precisely because the U.S. nuclear arsenal is effectively out of bounds for use, only very precise integration of intelligence and precision destruction could enable American conventional forces to destroy a hostile power’s potential industrial development of chemical, biological, or nuclear weapons. Second, although we mustn’t minimize the single terrorist attack sponsored by a state that disguises its role—imagine if the World Trade Center bombing had occurred with a nuclear device*—the threat to a benign world order or to U.S. primacy within it is unlikely to come from the “rogue” nations of the Third World, but from stiff competitors who have the technology, technocracy, wealth, and world-dominating ambitions of the most (not the least) successful states. Several states are at work on applying the technologies of the information revolution to military affairs, just as earlier generations applied the machines of the Industrial Revolution to the making of war. Third, the RMA can lead to a complete recasting of the force structure,[†] reshaping old forms of organization,

*On the threat of “asymmetrical” warfare, see the discussion in Chapter 27.

[†]“Large and slow-moving aircraft carriers would give way to submarines and other stealthier ships that would deliver much more than a carrier’s worth of precision-guided munitions. F-22 aircraft meant for dogfights would give way to long-range bombers and to unmanned aircraft not limited by a human being in the cockpit. Large and cumbersome Army divisions full of tanks and artillery would give way to smaller, lighter, more lethal and more agile formations. All this force would be stitched together by real-time, space-based information systems and applied in new ways.” (John Hillen, “Selling a New Armed Forces,” August 24, 2001, *New York Times*, A21.)

using machines in place of men and women who currently perform strictly mechanical tasks (a holdover from conscription when commanders thought labor was cheap), and stimulating investment in research and development. Fourth, technology and tactics appropriate to “A” list objectives can be adapted, as was seen in Kosovo and Afghanistan, to “C” list wars, so long as the capability for the projection of a land force with close air support capabilities is not entirely scrapped.

The fruits of the information revolution, however, will not be automatically transferred from the private sector to the very different applications required by the security needs of the market-state. To realize their full potential, these technologies must be combined with new tactics executed by new organizational structures. A military establishment content to fine-tune existing operating strategies, enhancing them only with superaccurate weapons of somewhat greater range and making these weapons smaller, cheaper, and more manageable, will scarcely reap the benefits of the developments that are underway.³³

Not every application of the RMA is suitable to a market-state strategy for the United States. As Richard Betts has pointed out, the RMA runs the risk of reinforcing a high-tech, large-unit way of thinking in the armed services that was given such impressive validation in the Gulf War but which is less useful in unconventional conflicts saturated with civilians, and which invites asymmetrical attack. Most terrifyingly, because the United States is so well placed to exploit a high-tech RMA, conflict with a power such as Russia (over a dispute in Eastern Europe or one of the states of the former Soviet Union) or China (over Taiwan)—that is, with a great power whose vital interests are at stake in a territorial conflict—invites resort to nuclear weapons on the part of the American adversary, because almost no other option would be effective against a United States armed with advanced twenty-first-century technology. Considerations such as these prompted Eliot Cohen to observe, “the revolution in military affairs may bring a kind of tactical clarity to the battlefield, but at the price of strategic obscurity.”³⁴

In the present, post-Cold War period, the enhanced power of conventional weapons—that is, nonnuclear weapons—will be of paramount importance, and indeed it is striking how little discussion there is in the RMA debate about the role of nuclear weapons. I believe this aversion to nuclear warfare has to do with the nature of the market-state and its evolution in response to the strategic innovations, including the use and threat of use of nuclear weapons, that won the Long War. We can anticipate that

the post cold war era . . . is likely to put a political (and military) premium on such non-nuclear means. Only further progress in integrating

advanced technologies will provide the strategic reach, striking power, and maneuverability necessary to address the theater level of war without resort to nuclear weapons . . .³⁵

The market-state, with its emphasis on efficiency and economy, demands that the military act within tight budgets, accept fewer casualties (even among enemy civilians), and not involve itself in potentially reciprocal hostilities. Nuclear weapons haunt such a state because they are too devastating, and too imprecise; kill too many civilians; and, above all, because of their genetic and environmental consequences, make war into the state-destructive, revanchism-creating sort of conflict from which there is no return and, ironically in light of their lethality, no end. A state struck with nuclear weapons will never get over it, whereas the market-state wants to conduct a transaction and then to move on. The market-state depends upon bargaining, which an actual nuclear attack renders almost impossible. There is an apocalyptic savagery about a nuclear attack that calls forth all the atavistic bitterness that the cosmopolitan market-state wishes to be free of. These factors drive the market-state toward new technologies that promise an escape from the reliance on nuclear weapons.

Moreover, the market itself, from which much innovation derives, enhances the drive for technological advancement. While there is ample scope for U.S. defense expenditures on research, the market-state is nevertheless dependent on the private sector to create these technologies; this dependence will accelerate the pace of the RMA³⁶ because the marketplace will quickly make obsolete communications technologies for which the U.S. government is the only purchaser.

The arrival of the market-state has imposed severe budget restraints on defense expenditures. The result is that the United States is tempted to simply define away the problems of a large conflict (and of small interventions) in favor of conflicts with states that greatly resemble Iraq. One wonders how many defense intellectuals and planners are thinking about major-state competition and conflict.³⁷ If the United States is to sustain its competitive advantage, to put this in market-state terms, it will have to determine how best to reinvent a force structure that has hitherto been supremely successful—a difficult assignment. Yet this must be done in order to take advantage most efficiently of the options that new technology and the market are making available to that force structure and to its competitors. A radical restructuring of the armed forces may well prove to be our best means of sustaining its current primacy because the United States, as a culture, is relatively adaptable to change (even if the military subculture is less so). Doubtless it is also true that U.S.-led alliances and coalitions can prevent another military superpower from emerging in Europe or Asia, but it is unlikely that the United States will be called to such leader-

ship unless it is clear that we are fitted by a wide margin, militarily and in other ways, for the role. In an era in which our marginal economic advantage may be increasing but our share of world GDP is declining, this will require astute strategic planning. It is the very antithesis of this planning to assume that our main competitors in the world are Iraq, Iran, North Korea, and Libya.

Many states will strive for primacy in their regions or in the world at large in the coming period. Some will do so pursuing the strategy of nation-states, like France, whose policies sometimes appear driven by a mixture of hauteur and reactionary anti-Americanism. Some will pursue the strategies of market-states, which can vary greatly. I believe the successful market-state strategy for the United States will be one that studiously avoids both mercantile and managerial market approaches, which have the potential for alienating trading partners and heightening xenophobia, in favor of pursuing a goal of providing “collective goods” to the world. Joseph Joffe has prescribed this course with great insight:

The United States must produce three types of collective goods: First, act as regional protector by underwriting the security of those potential rivals—Japan, China, Western Europe—who would otherwise have to produce security on their own by converting their economic strength into military assets; [s]econd, act as a regional pacifier; [t]hird, universalize [security] architecture [by which the United States acts with various regional players in concert against regional threats].³⁸

As long as the U.S. provides precious collective goods the Europeans or Asians cannot or will not produce for themselves—building coalitions and acting universally through regional cooperation, implementing anti-missile, anti-proliferation, and pro-environmental regimes, organizing humanitarian intervention—there will remain an important demand for U.S. leadership.³⁹

Joffe contrasts this course favorably with a balance-of-power approach that I would be inclined to describe, in market terms, as a mixture of the managerial and the mercantile. These approaches are not well-suited to producing collective goods, such as mutual security, political unity within an alliance in the face of external threats, or stability in environmental and economic relations beyond the state or regional group. There is an intense debate within the United States, however, about whether the United States should become a more mercantile market-state and avoid some of the costs of producing collective goods. And there has always been a strong lobby in the United States for the beguiling prospects of burden sharing available to managerial market-states.

What would such a policy of producing collective goods look like? What programs serve that policy?

Consider the following seven possible programs to enhance the security of the United States in a world of market-states. These seven are analogous to the various programs that served the policy of containment (intervention in the Third World, nuclear deterrence at the central level, etc.) that applied the American paradigm in the context of the Soviet threat. They are examples of how, through the means of exercising leadership—for which the experience of the Long War has capitalized the United States with a reputation for relatively benign intent—the United States could be the principal provider of the most significant collective goods to the world community and in so doing, resolve its current intellectual stalemate over strategy.

(1)

The United States can take the lead in reforming NATO to give it a mission relevant to the twenty-first century. The North Atlantic Council, the decision-making body in NATO, would provide the framework within which intervention forces will be mustered. Former Secretary of Defense William Perry and Assistant Secretary Ashton Carter make this proposal:

NATO's principal strategic and military purpose in the post-cold war era is to provide a mechanism for the rapid formation of militarily potent "coalitions of the willing" able to project power beyond [Europe. These] "coalitions of the willing" . . . will include some—but not necessarily all—NATO members, and will generally include nonmembers drawn from the Partnership for Peace [former Warsaw Pact states].⁴⁰

This is not to suggest that NATO fundamentally change its national command protocols, but it does imply that member states would be able to organize peacekeeping forces without a unanimous vote in the North Atlantic Council. Perhaps the most promising objective of such a NATO-plus coalition is a low-intensity, high-intelligence war against international terrorism.

The United States should also take the lead in organizing G-8 activities that go beyond the mere conferencing of its members (e.g., providing aid to stricken countries, mustering coalition-supported U.S. forces to resist aggression and to halt campaigns of ethnic cleansing). In organizing "coalitions of the willing," the United States should place great emphasis on linking up with Russian forces. Joint professional activities with the Russian military should be given the highest priority. Russian units should be trained in NATO tactics, which include the use of nonlethal means for coping with contending local parties,⁴¹ how to secure a town with a minimum use of force, how to man a checkpoint as part of a multinational

force, even how to deal with the press.^{42*} Russia has the potential to be a uniquely valuable security partner and, moreover, the experience of military-to-military cooperation in joint peacemaking enterprises could pay dividends in a more cooperative political relationship.

(2)

The United States could manage the world community's efforts to keep weapons of mass destruction out of the hands of hostile powers—either by maintaining nonhostile relations with those powers (like China) that have nuclear weapons, or by preventing hostile states (like Iraq) from acquiring them, or by inducing friendly states (like Japan and Germany) to rely on the United States rather than set in motion regional competitions to acquire nuclear arms, or by bribing hostile states (like North Korea) that have nuclear weapons programs to give them up. This role implies that the United States should not constantly reassess its demands for internal liberalization in China, but at the same time should continue to protect Taiwan, which will otherwise go nuclear itself, setting off chain reactions in Australia and Indonesia; and that it should take especial care to maintain the security guarantees with Japan and South Korea—and not press its trade disputes with these states so aggressively as to arm anti-U.S. parties in those states; that it should use intensified covert means to sabotage the weapons programs of "rogue states" and insist on the continuing sanctions against Iraqi rearmament (even while setting up generous infrastructure funds from the controlled sale of Iraqi oil to pay off Russian and French creditors and revive the Iraqi middle class); that it should proceed with NATO expansion as a way of maintaining the importance of the security guarantee to Germany; and purchase outright intact nuclear weapons from Russia, a more effective market-state method than the legally negotiated, treaty-mandated handover of dangerous and negotiable fissile material favored by nation-states; and fully implement the North Korean reactor exchange (to take a few contemporary examples).

(3)

The United States could organize a North Asia Security Council, anchored in Tokyo and including Japan, Russia, China, and South Korea. This Council would provide a forum for regional discussions, joint military exercises, and information sharing. It would emphasize that the United States is a Pacific power and offer a framework for our nonproliferation efforts. No two states have as great an interest in preventing the proliferation of weapons of mass destruction as do Russia and China. If the Chechens, for

*The experience of working with Russia in Bosnia needs to be extended, deepened, and made part of the permanent security structure . . .⁴³

example, who have bloodied the Russian army with little more than small arms and antitank weapons, were to acquire such weapons, then surely the Tajiks and Azeris would not be far behind, with incalculable risks for the survival of the Russian state as it is now constituted. If Taiwan were to acquire nuclear weapons and thus force a stalemate, China would be hard pressed to maintain the threat that conventional force could mount a successful amphibious invasion. Yet without the incentive of this tacit threat, unification may be decades away. In these efforts the United States can find no more potentially helpful partner than China. China is a signatory of the Nuclear Nonproliferation Treaty (in 1992). It has signed the Comprehensive Test Ban Treaty (in 1996) and has affirmed (in 1992) and reaffirmed (in 1994) its commitment to abide by the Missile Technology Control Regime (MTCR). Yet there is ample evidence that China sold Pakistan ring magnets for use in a gas centrifuge to enrich uranium (for a nuclear weapon), and, despite the MTCR, transferred M-11 short-range missiles to Pakistan. There is further evidence that China has passed materials and equipment for uranium enrichment to Iran, as well as cruise missiles, ballistic missile technology, and chemical weapons precursors.⁴⁴ Why should we try to enlist such a partner?

China has more recently undertaken to halt this trade. More than any other state in the world, it has grounds for alarm at the proliferation of weapons of mass destruction. Only by enlisting U.S. cooperation in a nonproliferation regime can China ensure itself against this possibility. China is increasingly dependent on Middle East oil, and is at least partly responsible for provoking India's weaponizing its nuclear technology. Yet China ought to move to the forefront of enforcing a nonproliferation regime.

(4)

The United States might resist the regionalization of trade because it is a global power with global interests. No other power can speak for world trade cooperation with the legitimacy of the United States so long as the latter pursues free trade convincingly and exercises leadership in pursuit of international financial stability. This suggests that the United States should attempt to gain access to the markets of more than one regional trading pact; that it should resist efforts to have the euro replace or augment the dollar as the world's common currency; that it should tolerate wider swings in its currency than other states wish to permit; and, finally, that it should prefer virtual regional trading groups, which are united by cultural and business attitudes rather than by mere physical proximity. There is no reason why Sweden would not be a more appropriate partner in such a virtual union than, say, Guatemala. Proximity and contiguity should not be the decisive determinants of the perimeters of an economic union when the perimeters of economic life are unbounded on the World Wide Web. A

nonexclusive free-trade zone between the United States and the United Kingdom makes far better sense than an anti-competitive hemispheric fortress for either state.

(5)

The United States could provide warranties for the security of important regional states vis-à-vis each other by offering an open bargain to aid any state that is attacked—bearing in mind, of course, that American assistance can take the many forms discussed above that are appropriate to a market-state—and to mediate any significant dispute. Warranties could even be brokered or factored by various state guarantors. This implies that the ongoing and costly role of American diplomacy in brokering foreign disputes is a good investment of time and energy. (For such a course to succeed, Congress would have to resist adopting measures like the Pressler Amendment, which embargoed Pakistani arms purchases, and the Glenn Amendment, which requires economic sanctions against a nuclear India, with no provision for a national security waiver. Taken together such laws can paralyze U.S. action on the subcontinent, to take one example.)

(6)

The United States could develop an action program of lease-hire security insurance, licensing some forms of defense technology and emphasizing the U.S. role in providing information, missile defense, and even intervention for hire.

Consider, therefore, a vertical coalition in which the United States supplies intelligence and systems assistance to a beleaguered [state], which in turn, uses such help to organize its own sources of information, increase its battlespace illumination and support its own command-and-control, operational planning and rapid reaction . . . Vertical coalitions have several uses. In October 1994, Iraq massed its tanks looking southward to Kuwait, and the United States responded by shipping over 35,000 troops at a cost of nearly a billion dollars. What if Kuwait could have defended itself in the first crucial week with medium-range point-guided PGMs [precision-guided munitions] guided by the System (with in-place sensors) so that assault forces could be converted into real-time aimpoints? By revealing, for instance, precisely where opposing artillery is firing from, illumination could help one side (e.g., Bosnian Muslims) without risking American troops or impelling powerful countries to intervene on behalf of others (e.g., Bosnian Serbs). Border illumination could dissuade a U.S. ally from feeling the need to undertake problematic cross-border actions (e.g., Turkey's 1995 pursuit of Kurdish rebels into Iraq). Unlike a formal alliance, illumination could be offered

in finely graded doses depending on the degree of trust between the United States and others. Such applications could increase countries' confidence in their ability to see across their borders even without formal alliance commitments.⁴⁵

Again, it must be emphasized that by sharing technology and information, the United States enhances its power; a failure to develop modalities of sharing will induce competitors to develop and provide similar services and products.⁴⁶

(7)

Apart from these specific proposals, I will offer one suggestion that goes to the process of U.S. decision making. It is important that the United States, at the highest levels, create a strategic planning group analogous to the "vision teams" used by private industry. At this moment more than at any other time since Colonel E. M. House set up *The Inquiry* in 1918,* the United States needs to find the resources and commitment to engage in a strategic planning process.

As Keyes van der Heijden has recently observed,

[t]he need for efficient strategic thinking is most obvious in times of accelerated change when the reaction time of the organization becomes crucial to survival and growth. . . . The problem is that such periods of change alternate with periods of relative stability, when organizations often get stuck into established ways of doing things, making them ill-prepared for when the change comes.⁴⁷

This is precisely the situation I have described with respect to the proposed "paradigms" for U.S. policy currently in play. But not just any process will do. One important element of such a process in an age of uncertainty is scenario planning.

The traditional approach [to planning] tries to eliminate uncertainty from the strategic equation, by the assumption of the existence of "experts" who have privileged knowledge about the "most likely future," and who can assess the probabilities of specific outcomes. [By contrast] [s]cenario planning assumes that there is irreducible uncertainty and ambiguity in any situation faced by the strategist, and that successful strategy can only be developed in full view of this. . . . The most fundamental aspect of introducing uncertainty in the strategic equation is that

*For a description of the work of *The Inquiry*, see Chapter 14.

it turns planning for the future from a once-off episodic activity into an ongoing learning proposition.⁴⁸

Appropriate scenario planning can create an institutionalized learning system. I will have more to say about the scenario process in Chapter 26. For the time being, let me simply urge that a true strategic planning group be created linking the National Security Council, the National Intelligence Council, and the Policy Planning Staff and that a true "vision team" be simultaneously convened, in secret, encompassing a broad range of opinions, to aid that planning group. Such a team, in contrast to House's *Inquiry*—which was composed mainly of lawyers and academics—should include business executives, not necessarily only American, as well as scientists, technologists, and editors from the news media. In other words, this team ought to be different in composition from the think tanks that are a prominent source of ideas in Washington.

It would be absurd to make long-term forecasts about future security environments that would aim to offer guidance for force planning, force sizing, and force structure. No one scenario about the future is certain enough to justify this. Rather, what I am urging is more thought about how our present decisions are likely to play out in bringing about different worlds. As Paul Bracken has written:

It is not common to think about national security in such terms. Usually, policy goals are formulated and then force structure implications derived from them. History is not so clear in its causal relationships, however, and radically new improvements in military capacities can have their own impact on international relations.⁴⁹

Let me be clear about the purpose of the seven proposals thus far canvassed. I am not proposing that the main force of the United States be converted from a large conventional army into a boutique force, capable only of high-tech special operations and humanitarian interventions. I strongly believe the greatest threats to American security in the early twenty-first century will come from powerful, technologically sophisticated states—not from "rogues," whether they be small states or large groups of bandits. And I believe that large defense budgets will be required to deter or, if necessary, meet these threats without resort to nuclear weapons. I have stressed the innovations just discussed rather as a way of coping with the fact that the United States is often ill equipped to act within the confines of the market-state, with its aversion to casualties and its sensitivity to events in remote theaters that do not impinge upon U.S. vital interests. The current U.S. force posture tends to lock it into a two-major-war

contingency—the least likely of eventualities—and thus constrains the United States from using force appropriately in the battles it does fight.⁵⁰ And the U.S. emphasis on large platforms tends to lock in American budget commitments for decades at a time, precisely when new technological developments demand nimble, flexible procurement policies.

There are other proposals that would doubtless also serve this model—a robust debate within the parameters of the market-state will surely ensue. These seven are offered as exemplary only. What is important is that the United States adapt its leadership to the new society of market-states, and that it gradually abandon those attitudes and proposals (for a “new” Bretton Woods, or for a rapid reaction force for the U.N., or for enlarging the responsibilities of the World Trade Organization [WTO], to take three popular proposals) that arise from a mentality geared to the society of nation-states that is already decaying.

STRATEGY AND THE ENTREPRENEURIAL MARKET-STATE: PROGRAMS

Experienced diplomats and military leaders are creatures of the dominant strategic rules of the nation-state, but are soon to be called upon to make decisions in a world—and before the publics—of market-states. The demands upon these decision makers by their publics, who are sensitive to the sufferings of others and to those of their own armed forces in a way that is quite distinct from earlier generations, are met with a mixture of cynical deflection or perplexed frustration. The professionals knew, for example, that it would have taken at least 100,000 troops to pacify Bosnia, and they knew the public would never stand for such a massive deployment, but they were under great pressure from that public, and from politicians responsive to that public, to do something that would stop the ethnic cleansing in that region. So decisions oscillated between the public declaration of “safe areas” and private decisions to abandon their safety, between—to take another example—the highly publicized hunt for a Somali warlord and the humiliating scampering off when this hunt ended with the deaths of seventeen American soldiers. Two scholars writing in *International Security* summed up the Clinton administration’s performance at this time by saying this:

The accommodations that the Clinton administration strategy [of the first term] has made with the obstacles it has encountered have been incremental, rhetorical, disjointed, and incomplete. In theory, the inco-

herence of the current strategy could produce a series of new difficulties for the administration, and conceivably a disaster.⁵¹

And another writer asked, “What might explain this failure to define a grand strategy? . . . Is the failure due to Clinton, the person? Or to America, a society that is exceptional in its assets, aspirations and afflictions? Or to the post-bipolar setting?”⁵²

This author concludes that it is all of the above; I think it is none. Rather, the Clinton administration, like its predecessor, was attempting to apply the policy tools of a mentality that was inappropriate to the context within which it had to operate. The Somalia misadventure provides a good example of this.

The Somalia intervention came to a sudden end after the bloody failure of a daring helicopter raid in true commando style—a normal occupational hazard of high-risk, high-payoff commando operations. But given the context at hand—a highly discretionary intervention in a country of the most marginal significance for American interests—any high-risk methods at all were completely inappropriate in principle.⁵³

Many factors, including the immediacy and power of televised images, drastically lowered birth rates, the sense of heightened opportunities forgone by the wounded and killed, account for the public’s increased sensitivity to humanitarian issues—including, of course, its sensitivity to casualties in the armed forces. But whatever its cause, the effect has been a drastic shift in the appropriateness of military means, accompanied, paradoxically, by increasing demands for its use as an instrument of humane intervention.

It is true that we can avoid flip-flops like the Somali embarrassment by setting criteria so confining that force is only used in situations that threaten our vital interests, have overwhelming public support, can be exited quickly, and so on, as former Defense Secretary Caspar Weinberger has proposed. But this is simply to apply the strategic mentality of the nation-state so thoroughly that problems with which it cannot deal are no longer to be treated as susceptible to the use of force at all. The Weinberger Doctrine is not so much a remedy as it is a symptom of the military’s inability to deal with the shifted context.⁵⁴ There are casualties, however, attendant to this approach, too, among them the defense budget (for why should the public pay for a force structure that is so unresponsive to the public’s perceived needs?) and the moral leadership of the world community (for why should the world defer to the richest and most powerful state in history when that state demands to sit passively by and expects other states to run the risks and bear the costs of humanitarian intervention?).

There are other alternatives. In an essay in *Foreign Affairs*, Edward Luttwak argued that the concept of war that governed American action had much to learn from the cabinet warfare of the territorial state. Eighteenth century wars, Luttwak noted, were characterized by

[d]emonstrative maneuvers meant to induce enemy withdrawals without firing a shot [and were] readily called off if serious fighting ensued. Superior forces avoided battle if there was risk of heavy casualties even in victory. . . . [E]laborately prepared offensives had unambitious objectives, promising campaigns were interrupted by early retreats into winter quarters merely to avoid further losses, and offensive performance was routinely sacrificed to the overriding priority of avoiding casualties. . . .⁵⁵

Luttwak's essay is perhaps most helpful not as a recommendation that the strategic style of territorial states provides a model for use today, but rather as a reminder that that style was superseded when state-nations achieved ascendancy. Indeed Luttwak lamented that the current American military establishment is so thoroughly imbued with the nineteenth century Clausewitzian criticism of eighteenth century thought. It is the grip of such criticism—and its affirmative ideas about the overwhelming use of force, the necessity of great battles and decisive conflicts, etc.—that has made American power so helpless in the face of post-Long War crises both before and since the Gulf War.

Luttwak realizes that adapting to this new historical context will require not only a change in outlook as regards the means to be applied to military situations but also a greater modesty as to the objectives sought by these means. This insight is indispensable if we are not to dismiss some of the most useful of market-state military and nonmilitary strategic alternatives as merely ineffectual. By such alternatives, I have in mind economic sanctions, covert action, bribes and financial incentives, sustained campaigns of precision air strikes, novel military and political uses of intelligence products, information warfare, missile defense, simulation, the use of proxy forces, and the entire range of new technologies and tactics discussed earlier as the revolution in military affairs.

If economy in lives risked and efficiency in resources used to accomplish the goals of the public are the two guideposts of the market-state, then let us see how we might judge some of these seven programs.

(1)

Economic sanctions include a wide range of economic and financial measures—asset freezes, trade embargoes, expropriations, the withholding of credit, boycotts, and the like—that have become more difficult to maintain

as the market has become globalized. Economic sanctions were not unknown to the state-nation—Napoleon's "continental system" is one famous example—but the sharp distinction between the operations of the market and the operations of government often made such sanctions hard to enforce. It was not thought unseemly that throughout the Napoleonic Wars, British bankers continued to finance French enterprises. The nation-state has not been so detached: with the coming of total war there arose also an intensified economic warfare against the civilian society.

The collective organizations of the society of nation-states have had a mixed record with such sanctions, however. The League of Nations was first called upon to apply economic sanctions to Japan following her invasion of Manchuria and the creation of the puppet state of Manchukuo. The League condemned Japan's actions as unlawful, but drew back from invoking economic sanctions for fear of provoking a Japanese attack on colonies in the Far East belonging to the League's European members. When Italy attacked Ethiopia, the League called for an embargo on arms, bans on loans and credits, the boycott of Italian imports, and an embargo on the export of key raw materials to Italy. All this failed to stop the Italian conquest, and when Ethiopia sued for peace, the sanctions were withdrawn. When Germany invaded Poland three years later, the Western powers simply declared war; the League's elaborate peacekeeping machinery, with its emphasis on economic sanctions, was completely bypassed.

Nor has the United Nations's record, until recently, been much better. As with the League, collective economic sanctions were given a key role in international peacekeeping, but because action by the Security Council requires a unanimous vote of the permanent members, such sanctions could never be invoked against a great power or against a protégé of such a power. Even when a great power allows the Council to condemn the actions of a friendly state, it usually vetoes economic sanctions, as the United States has done for Israel and the Soviet Union did for Iran. From 1945 to 1990, economic sanctions were invoked only once, against the white government of Rhodesia, which was in revolt against a permanent member of the Security Council, the United Kingdom.

The coming together of the great powers at the time of the Gulf War, however, allowed the U.N. to impose economic sanctions on Iraq. Oil exports have been barred, with limited exceptions to pay for Iraqi imports of food and medicines. Since 1990 these sanctions have been the principal means by which the coalition states that fought the Gulf War have controlled what would otherwise have been the rapid recovery of Iraq's military forces. It is estimated that during the first seven years following the Gulf War, sanctions have kept \$110 billion out of the Iraqi treasury. Similarly, though less dramatically, the denial of Serbian imports and exports eroded the political base of the Serbian leader, Milosevic, and doubtless

played an important role in his extradition to the War Crimes Tribunal in The Hague.

As in other matters at the time, this represented an Americanization of the U.N., though one of uncertain duration. For the Americans have relied on the economic weapon to a greater degree than any other state: since World War II, we have invoked economic sanctions against China, Cuba, Viet Nam, Iran, the Soviet Union, Libya, India, Pakistan, and Poland, among others. Indeed there has hardly been a time in which the United States was not applying economic sanctions against at least one foreign state. Partly this is owed to the important economic position of the United States in the world, and our crucial assets, a vast and lucrative market coupled with a self-sufficient economy. States that are vulnerable to retorsion are seldom enthusiasts for sanctions. Partly also the use of this instrument is a function of the gradual emergence in the United States of a market-state, and that sort of state's emphasis on market tools and its aversion to risking lives.

Despite this reliance, however, there is a consensus that economic sanctions do not "work," and they are seldom studied by military strategists. This conclusion is the result of a profound misunderstanding about the role of such sanctions. Economic sanctions are used precisely because they are unlikely to result in the kind of change of constitutional regime sought by nation-states in war. If such sanctions really could drive another state to total collapse, they would just as surely lead to armed conflict, and it is the avoidance of armed conflict that gave sanctions their unique role in the post-World War II environment. If the grain embargo imposed on the Soviet Union by the United States at the time of the invasion of Afghanistan really had starved Russia into famine, it would not have driven that country into political submission but rather into a war for food.⁵⁶ Sanctions are useful when conventional war is against one's own interests and therefore the relative costs of going to war, which are usually very high, must be kept high. Sanctions so powerful that they gravely weaken the opposing state quickly—as a decisive battle or military campaign can—would just as greatly lower the relative costs of war. It may be that this is what happened to the Japanese as a result of the U.S. oil embargo in 1941; the surprise attack on Pearl Harbor moved from being a clever theoretical possibility to a daring course of action acceptable to Japanese political authorities when the relative costs of war plummeted owing to the threatened imposition of a stringent oil embargo.⁵⁷

Sanctions work by raising the cost of pursuing a particular political path—for both parties. (Thus they are especially useful to a rich power, like the United States, who can afford to play for "table stakes.") Sanctions can help to discredit a policy—again in both states, the applying and the applied-to—and are therefore most useful where there is an active oppo-

sition party in the state to which the sanctions are applied, and no powerful interest group that is forced to bear the cost in the applying state. Even against a dictatorial government, sanctions can have a useful effect because such regimes are no less rational for being authoritarian. The crucial points to bear in mind are that sanctions' true utility lies in the modesty of their impact, a useful thing for the market-state that tries to shun warfare where possible, and that only an internationally coordinated effort, as exemplified by the sanctions against Iraq and Serbia, can be effective in an era of globalized markets and transient capital.

(2)

The utility of the strategic alternative of *covert action* is also not widely appreciated. Even sophisticated commentators persist in thinking that covert action involves any clandestine action by a state's secret services. In fact, "covert action" is a term of art in intelligence operations, referring to those operations by a state that are intended to influence the politics and policies of a target state without the hand of the acting state being disclosed. Thus covert action includes the training provided by the United States to the Philippine anti-insurgency forces, requested by the Aquino government but denied by both the United States and the Philippines at the time; and the provision of radio transmitters to the mujahedin attempting to destabilize the Iranian regime; and the cash contributions to the Christian Democratic Party in Italy after World War II, and the subsidies to *Encounter* magazine at the same time. Covert action must therefore be distinguished from intelligence collection, counterespionage, and intelligence analysis and forecasting.

Of late, covert action has been generally held in low esteem in the United States. Writing in *Foreign Affairs*, former American official Roger Hilsman concluded that "covert political action is not only something the United States can do without in the post-cold war world, it was something the United States could well have done without during the cold war as well."⁵⁸ Such an observation, whatever its historical merits, is a revealing example of how disputes and positions taken during the Cold War tend to hang over into the new market-state context. In this new context, however, covert action is a far more viable and potentially useful tool. The most discrediting example of covert action—the Iran-Contra fiasco—was a fumbling attempt to privatize covert action, an objective consistent with the methods of the emerging market-state. A brief study of that affair provides an excellent object lesson in the home truth that all government acts must be consistent, however, with the constitutional law of the State, regardless of its constitutional order.

In the aftermath of the 1976 revelations of the Church Committee, which had convened to investigate whether the CIA had been involved in

the Watergate Affair, various statutory and regulatory rules were promulgated that sought to limit U.S. covert action. The Reagan administration came into office in 1981 believing that the Carter and Ford administrations had been far too restrictive of CIA operations, and it wished to use covert action programs in Central America to challenge the new Sandinista regime in Nicaragua. A skeptical Congress cut back financing for such operations, and in 1983 adopted a complete ban on CIA operations against the Nicaraguan government. Moreover, throughout this period it had become increasingly difficult to plan and execute covert operations without their exposure to the press—sometimes, it was said, by members of the oversight committees in Congress that the post-Watergate statutes had put in place.

Thus in the early 1980s CIA operations in Central America were imperiled by a statutory cutoff in funding, and the Reagan Administration believed that it risked exposure of these operations and others by compliance with the statutory requirements to fully inform Congressional committees, some of whose members were hostile to the very idea of covert action. This picture was made more troubling by a rise in anti-American terrorism and the apparent inability of U.S. agents to penetrate and neutralize the groups responsible. Throughout 1984, the United States was the target of a wave of bombings, assassinations, hijackings, and kidnappings in Lebanon. The stateless chaos that reigned in that country provided the perfect milieu for such crimes because the traditional methods of counterterrorism depend upon careful and experienced police work backed by firm legal authority.

In this situation, the director of the CIA proposed the development of a quasi-private covert action agency. This scheme offered several important advantages to the administration: (1) using private persons as liaisons, the new agency could manage the Contra insurgency against the Sandinista government, providing the tactical and operational guidance that had been coming from CIA before its funding and participation were cut off by Congress; (2) it would avoid the unwelcome scrutiny of Congress because it would not be a government operation, dependent on government funding, and thus would not come within the provisions of various statutes that imposed congressional oversight; (3) a private agency could act more daringly, avoiding the legal prohibitions contained in prior Executive Orders (against assassination, for example) that it would have been embarrassing to repeal, and in defiance of international norms against violent reprisals; thus it was hoped the United States might recapture the initiative that seemed to have been surrendered to the terrorist groups; (4) because of the agency's dissociation with official government, it would provide the president with the option of "plausible denial" should the private agency's

operations be exposed. Statutes adopted in the late 1970s had greatly increased the political costs of maintaining such presidential denials because these laws required that the chief executive actually sign a written verification of the necessity for each covert operation and report this "finding" to Congress; therefore there always hovered the possibility that such written authorization might be discovered by the press after an official denial had been made.

The plan of using a privately funded agency to provide, in the words of one of the conspirators, "a self-sustaining, stand-alone, off-the-shelf covert action capability" was a natural market response to the problem of overregulation. In many ways it resembles the legal schemes by which multinational corporations take their enterprises offshore to escape onerous regulations by the state in which their operations are resident. Major General Richard Secord, the chief operating officer of the new covert action entity, called it simply "the Enterprise," a very apt term. Although the public's understanding of this agency appears to be that it was created to manage the American arms-for-hostages deal with Iran, and then expanded its portfolio by diverting black-market profits from those arms deals to the Contras, in fact the chronology is the other way around. The agency was set up to manage the Contra account that Congress had taken away from the CIA; as the agency grew, it took up other accounts, conducting covert operations in the Caribbean, the Mediterranean, and the Near East. It was intended to be staffed and available for use for any covert operation that needed its special scope and freedom from legal restraints. Had "Enterprise" operations in Iran not been exposed by the Iranians themselves, its executives believed that it would have taken on further assignments, in Angola and elsewhere.

This agency ultimately collapsed because it was fundamentally incompatible with American constitutional law. The exposure of the "Enterprise," in a different political climate, could well have led to the impeachment of the U.S. president. Unlike other states—unlike even other representative democracies—the United States does not permit the private funding of federal operations because this would evade the legitimating check of representative government. Only when the persons for whom the electorate has voted require the taxpayers to pay money for government acts is there a direct link between voting and government operations. Otherwise, the framers thought, and our constitutional structure and practice reflect, the link between citizen responsibility and governmental authorization is broken. It is a very pleasing thing to have others pay for the operations of the State, but even gifts to the U.S. government cannot be accepted without statutory authorization. To do otherwise allows the government to undertake functions for which it has no authorization from the people.

But if the Iran-Contra Affair was a textbook case of how not to conduct a covert action, there is nevertheless an important role for such activity in the arsenal of the market-state. Usually such operations amount to the financial and technical support of local elements in foreign countries with whom the United States is in some sympathy, or at least with whom we are willing to cooperate for a common goal. Rarely, arms may be provided. Paramilitary forces may be supported by the provision of intelligence, logistical support, or financing. It is doubtful the Russian defeat in Afghanistan would have occurred absent U.S. support for the mujahedin. The key elements are strict accountability of funding; careful professionalism and planning; and setting achievable goals. With the multiplication of entities operating in the international environment, and the increasing sensitivity of most governments to public opinion, the potential usefulness of covert action increases with the emergence of the market state, as do the costs of exposure.

The Iran-Contra Affair was the result of a government that in some respects anticipated the new market-state and was eager to use its tools, but was insufficiently attentive to the rules of the American constitution into which the norms of the new constitutional order must be translated. Far from discrediting covert action, the affair should enable us to use this instrument with more care in the future by emphasizing the crucial role of the legal setting of the market-state. A deregulated state does not mean an unregulated state; indeed, the legal rules that remain after deregulation have an importance that is, if anything, more salient than under the ends-justify-the-means ideology of the nation-state. The Russian state has been imperiled by its involvement in black-market activities, precisely because it has been unable to heed this rule. Whether the United States can marshal the imagination and daring to execute significant covert actions in the new politically fraught context of the market-state remains to be seen.

(3)

Sustained precision bombing: In Operation Linebacker, conducted in Southeast Asia in 1972, some nine thousand laser-guided bombs were fruitlessly dropped near Hanoi and Haiphong over eleven days—roughly the same number as were dropped with far greater effect during the entire Gulf War. So-called surgical strikes are among the most desired, and most elusive, options in the military handbook. Three difficulties have thwarted their promise of low-risk, low-collateral damage and high destruction: (1) air crews are inevitably put at risk because precision bombing requires low-release altitudes, and the very technology that enables target acquisition and homing for the bombardier is also used by anti-aircraft missiles with integral radar systems; enhancing bombing accuracy also usually

means employing air crews more intensively—the “smartest” of smart weapons was, after all, the kamikaze; (2) precision-bombing campaigns require enormous quantities of real-time intelligence to locate targets and track them; this intelligence relies both on satellite tracking, which is only now becoming achievable, and on highly efficient collection methods; (3) such bombing campaigns require patience—which the publics of market-states, fed as they are by hyperbolic media and sensitized to the suffering of civilians who are harmed by the bombing, will seldom tolerate—and modest goals. Contradicting the promises of early strategic bombing theorists, like Douhet and Billy Mitchell, it is extremely difficult for strategic bombing alone to effect a constitutional change in a hostile regime.

All of these perceived shortcomings were in the minds of U.S. planners when they considered the problem of attempting to lift the Serbian siege of Sarajevo. Despite intense pressure from the public and Congress, senior military officials refused to carry out bombing raids against the Serbs in Bosnia on grounds that strikingly reflect the interplay between market-state constraints and nation-state military mentalities. These officials forcefully rejected any area-bombing campaign on the grounds that too many civilians would be killed, reports of which would horrify the American public, and they rejected precision bombing on the ground that the public would not tolerate a long-drawn-out campaign. Given the rugged terrain in Bosnia and the fact that Serbian mortars and even howitzers could be quickly moved and easily camouflaged, any air operation short of a long campaign or area carpet bombing would be ineffective. In any case, it was reasoned, air strikes alone could not resolve the political conflict in Bosnia, or even safeguard civilians from the campaign of massacres, rapes, and deportations. Indeed, any bombing by the United States risked retaliation by the Serbs, who might take hostages from locally deployed U.N. forces, which, if withdrawn, would only lead to a demand for American ground troops, something else the public would not support.⁵⁹

In the end, it was the insistence by military and diplomatic officials in many countries that bombing could not be decisive that was itself decisive. Military moves that could win the war and force the Serbs to surrender their goals required tactics that the public would reject; anything else was futile and risky. In these two demands—the insistence by the public on quickly terminated action, and by security personnel on achieving total objectives—we see the intersection between market-state and nation-state, between, that is, the new role of media-driven public sensitivities and the military demand for definitive state action.

In the event, an extremely modest bombing campaign conducted over a series of days without any obvious stopping point in fact lifted the

siege of Sarajevo—the longest siege of the century, longer than Verdun or Stalingrad. As the memoirs of the American negotiator Richard Holbrooke wholly demonstrate, it was in fact this open-ended bombing campaign—over the strenuous objections of the British and French—that brought the siege to an end and, with the Croatian ground campaign, brought the Serbs to the negotiating table.⁶⁰

By contrast the NATO campaign against Serbia to force acceptance of an international protectorate for Kosovo relied on aerial bombing from the outset.⁶¹ During the course of the campaign, nearly 40,000 sorties were flown with virtually no losses.⁶² When Slobodan Milosevic acceded to alliance demands, delivered by Russian envoy Viktor Chernomyrdin and Finnish president and E.U. special representative Martti Ahtisaari on June 3, not a single NATO ground troop had entered Serbia.⁶³ How was this possible and what lessons are there for the future use of this arm for the market-state? Each of the three vulnerabilities of precision-guided attacks that had been used to forestall NATO action in Bosnia had been blunted. First, stealth aircraft—aircraft whose radar profiles are so attenuated as to render them invisible to radar-guided attack—had taken out anti-aircraft missile sites that would otherwise have posed lethal risks to American pilots. Second, new technology had allowed for more accurate target acquisition, and the targets themselves were not confined to tactical strikes against Serb forces but included strategic strikes against Belgrade and the Serbian infrastructure. Third, NATO's political objectives were sufficiently modest and did not require a change of regime in Belgrade.

More important for our study, each of these three potential shortenings of precision-guided attack is likely to be even further ameliorated. In the past, precision-guided munitions depended upon some sort of homing technology—relying on either guidance from a command operator, or using emissions from the munition itself, or homing in on energy bounced off the target by an external transmitter or energy emitted by the target. Currently, however, the United States has the capability to use radar onboard the munition to generate midcourse corrections for an inertial guidance system or to fly to a precise set of coordinates using a guidance system updated by a Global Positioning Satellite system. Naval vessels lying offshore or aircraft distant from the target can launch these pilotless munitions with an accuracy that even the kamikaze would be hard-pressed to match. This, plus the introduction of Stealth technology, can greatly lower the risk to pilots and the likelihood of collateral damage to civilians.

Just as significantly, however, the United States set modest, achievable goals in the Yugoslav campaigns. NATO was willing to settle for something far less than victory; this did not prevent “ethnic cleansing,” but it did enforce an end to the Serbian armed presence in the provinces where Serbs had conducted their ethnic campaigns.

(4)

The term *information warfare* usually* refers to the capacity both to penetrate and degrade an adversary's electronic communications and to protect one's own communications from interference. Such warfare played an important role in the Gulf War and doubtless will play an even larger role in future conflicts as electronic monitoring and control becomes more extensive, and the links to commanders more numerous.

This use of information technologies is potentially a highly valuable strategic option for the market-state. More important, however, the United States can also use information as a diplomatic and strategic commodity with which to create incentives and deterrents affecting the political behavior of other states. Of course it has long been true that the United States has shared information with allies—using satellites to aid Britain in the Falklands War, or forwarding decrypts to Stalin that revealed the impending Nazi invasion of the Soviet Union—but this was undertaken as an adjunct to military activities and not something that was pursued as a strategic alternative in itself. Now, however, dramatic developments in information technologies—the increased capabilities of intelligence gathering combined with the enormous synthesizing powers of computers—have made possible for the first time a truly global system of near-real-time monitoring.⁶⁴

It is already the case that weather satellites, medium-resolution imaging systems, worldwide air traffic control networks, television links, and the like are being used by civilian corporations, while the U.S. military can rely on extensive photo reconnaissance abilities, infrared missile launch detectors, radar satellites, unmanned aerial sensors, remotely planted acoustic devices, and various military guidance tools. The United States could undertake to expand this technology in order to achieve a complete system of satellite sensors that would provide real-time monitoring on many wavelengths.⁶⁵ The architecture for such a space-based information system is new, but the necessary communications technology is already emerging from the private sector. The entire system, however, depends upon affordable space lift, and this is something the U.S. government must undertake.

Such a system would provide the United States with the ability to detect, identify, track, and engage far more targets with a higher degree of lethality and precision, over a global area, than ever before. Knowing which subset of targets to strike serves as an enormous force multiplier, greatly reducing the number of weapons and strikes necessary to prevail over an enemy force.⁶⁶ In addition, there are real benefits to the market-state to be

*Sometimes this term refers to the dissemination of propaganda; that is not how it is used here.

found in information sharing (and withholding) beyond what can be achieved by weapons strikes.

At Sandia National Laboratories, an experiment has been undertaken in which a cooperative monitoring center acted as a confidence-building measure in much the same way that negotiated troop positioning, missile constraints, and transparency were used during the Cold War between the United States and the Soviet Union. Mutual monitoring between two hostile states can reduce the chances of war by preventing successful pre-emption. Setting up such a center is an example of producing the collective goods that can maintain U.S. leadership. Indeed, as we shall see, the concept of collective goods is especially crucial to the market-state because the functions of that state do not replicate but supplement the market, which is astringently economical with public goods.

At present, the Global Positioning Satellite (GPS) network established by the United States is used by any country with the capability to access it. Foreign nations have previously utilized the GPS system to direct missile attacks against U.S. interests; indeed, GPS-guided weaponry could be used to destroy U.S. satellites in orbit.⁶⁷ Access to a truly global monitoring system, however, could be limited by the United States and bartered to licensee states either for fees or for political cooperation. In addition to its crucial contribution to warfare, such a system would be integral to weather control, asteroid defense, solar flare warnings, commodity planning, environmental monitoring, and the sustainable exploitation of natural resources, all *collective goods* for the society of states.

(5)

By providing licensed states with the protection of a *missile defense*⁶⁸ system, the United States could provide an effective and trustworthy strategic umbrella analogous to that it provided during the Cold War through extended nuclear deterrence. Moreover, without such defensive systems the vulnerability of U.S. forces to missile attack abroad will be an increasing deterrent to U.S. force projections in aid of allies or for humanitarian missions. Thus what positive effect still remains as a result of U.S. extended deterrence could be sharply eroded in the absence of a credible U.S. ballistic missile defense.

“Central deterrence” is a function of the threat to target a national homeland in order to protect the homeland of the threatening, deterring party.* For example, the U.S. central deterrent consisted of the threat to attack the Soviet homeland in order to protect the American homeland from attack. The term denotes a relationship between vital objectives whose very centrality to the State gives them the highest value to the deter-

*See the discussion of “central” versus “extended” deterrence in the Introduction.

rer and thus assures both the willingness to run the highest risks of retaliation or pre-emption and the will to inflict a level of harm commensurate with the necessity to protect “central” objectives. “Extended deterrence,” by contrast, projects nuclear deterrence beyond the absolutely central, into other geographical, nonhomeland theatres or for other, nonvital interests. Extended deterrence was the objective of the policy according to which the United States promised to retaliate with nuclear weapons if the states of Western Europe or Japan were attacked. Sometimes this threat of retaliation is called the nuclear “umbrella.” Extended deterrence is the single most effective instrument the United States has to prevent major-state proliferation because it permits these states to develop their economies without diverting vast resources to the nuclear arms competition, and yet remain relatively safe from nuclear attack.

It would be a grave mistake to assume that the threat of missile attack has receded worldwide as a result of the end of the Cold War. In the Gulf War, Iraq launched almost ninety missiles against targets in Israel and Saudi Arabia; 25 percent of all U.S. combat fatalities from that war were the result of a single Scud missile strike. Moreover, missile technology is quickly spreading to many states. North Korea, China, and other states have played major roles in this export trade. When North Korea, Iran, Iraq, and the North African countries ultimately possess the 1,300-kilometer-range No-Dong I missile, or something like it, the capitals of Japan, France, Turkey, Israel, Egypt, and Italy will all be within range of potentially hostile states.⁶⁹

Since the end of the Cold War, the American program for ballistic missile defense (BMD) has been redirected away from the effort to achieve a comprehensive shield against a massive Soviet attack and toward theatre nuclear defense systems. The Clinton administration endorsed a program that included an upgrade to the Patriot systems used in the Gulf War; a Theater High Altitude Area Defense system that would supplement short-range point-defense systems like Patriot; and a sea-based system using the AEGIS ships.⁷⁰ The enthusiasm with which these systems have been pursued, however, has been diminished by the intellectual residue of the Cold War: during the Soviet-American confrontation, many persons felt that BMD was essentially destabilizing to the deterrence relationship because it promised—a promise it could not possibly fulfill—to prevent the USSR from being able to destroy the United States in a retaliatory strike, thus potentially tempting both sides into pre-emptive moves.

It would reflect a considerable misunderstanding if these opinions, whatever their merits in context of the Long War, were to prevent the most rapid feasible deployment of BMD by the United States today. This deployment would enable the United States to protect many countries—perhaps for a fee—including states that would be hard-pressed to deploy

their own defensive systems and that therefore might otherwise be tempted to develop other, far cheaper, deterrent systems of mass destruction. Moreover, the deployment of a theater BMD system would cast doubt upon potentially preclusive moves by other states to prevent the United States from projecting power abroad through conventional forces. For example, the six-month buildup of coalition forces in the Saudi desert would have been far too risky for a market-state like the United States if Iraq had possessed adequate offensive missiles. Even for a nation-state acting to protect its survival, such a threat to an expeditionary force can be preclusive: with respect to the Normandy invasion, General Eisenhower wrote that "if the German had succeeded in perfecting and using [the V-1 and V-2 missiles] six months earlier than he did our invasion of Europe would have proved exceedingly difficult, perhaps impossible."⁷¹ A theatre BMD might be able to rehabilitate future regional military operations similar to the coalition offensive in the Gulf War despite hostile missile proliferation that it is evident is very difficult for market-states to prevent. As an aside, I should add that it is not necessarily a decisive argument against BMD to say that it would be ineffectual against nuclear threats delivered by other means—the so-called suitcase bomb, for example. These devices are extremely difficult to manufacture and, more important, are as much a threat as an asset to an authoritarian state because, unlike missile systems, they do not require elaborate control procedures and technologies and are thus potential tools for insurrection.

(6)

As noted above, computer-assisted design and manufacturing, training simulators, and virtual-reality environments will doubtless shape the military planning process of the twenty-first century. *Simulation* might, however, play an even more ambitious role in the hands of a market-state arbiter, such as the United States, or an ad hoc group of such states. With global monitoring, it ought to be possible in principle to simulate battles and then assess costs and damages afterwards. No lives need be lost in such conflicts. The role of individual heroism, of unit esprit, and sheer good luck will be less perhaps in future wars where combat is mainly fought by machines against machines—or against defenseless persons once their machines fail. In a transparent environment without tactical surprise, it may well be possible to arbitrate disputes not so much on the basis of international law as on a simulated competition run by computers. Recalcitrant losers would face coercive measures as penalties. The American legal practice of plea bargaining is an analogous example of such simulation in a different context. Based on the likely assessment of what would happen if the defendant went to trial, the prosecution and the

defense barter within a range of likely outcomes, each preferring to avoid the risks and costs of trial if possible.

(7)

Mercenary forces were once the dominant armed instrument of the State because they were an economical alternative to more expensive standing armies. In the future, the use of local proxy armies can offer a similar efficiency. Backed by the information and intelligence collection, the air power and the strategic direction of United States-led coalitions, such forces could provide the indispensable element of ground control without risking American lives to the same degree as U.S. ground forces. The risks attendant to the use of proxies—as Rome discovered—is that they are unreliable allies; the weapons and information they are provided must be carefully calibrated and the technological support given must be carefully weighed.

The present volume began with this question: why is it so difficult for contemporary leaders to determine when to use force in international affairs? Now, I believe, we are in a position to answer this question. If the American state—and many other states also—is in the midst of a transition from one form of constitutional order to another, then states are also in the midst of a change in their strategic relationships vis-à-vis one another that is related to this change in constitutional order. The difficulty lies in the fact that we have yet to appreciate the nature and implications of this transformation. We are quickly becoming a market-state. Yet we still cling to a strategic mentality that was formed within the constitutional order of the nation-state and its Long War for survival. It's not so much a matter of finding a new strategic paradigm as it is of acquiring the habits of thinking that are compatible with the character of the new constitutional order; then the paradigm will follow.

The United States's world role as protector of free states and our domestic constitutional institutions of liberty and equality are linked together by our history. Any set of rules that forbids the use of American force in virtually all the contexts in which the United States is likely to find itself moved by moral considerations in the current era will forfeit its claim on our moral sense. Then when those situations arise that do threaten our vital interests and call for a supreme national effort, we shall regret having ignored the cardinal historical lesson of American war making: that it is never done wholly on a moral or an expedient basis, but always and only when both are present. For two hundred years, U.S. foreign policy has been to offer assistance, where our assistance was sought and where it

would be efficacious, to peoples who wanted free institutions and peaceful lives, and to oppose aggressors who threatened the constitutional way of life that is our greatest legacy to mankind. In service of the former objective we fought the warrior tribes of the Plains, the Mexican dictator Santa Anna, the German empire, the Spanish empire, and the Asian totalitarians Kim Il Sung, Mao Zedong, and Ho Chi Minh, and sent forces to many places around the world where the collapse of the legal order brought great suffering. To defend our constitutional form of life, we fought both Britain and France in the nineteenth century, and defeated fascism and communism in the twentieth. We have seldom sought territorial cessions by conquest and have largely grown our continental state by the wishes of the pioneer inhabitants of the territories we protected or purchased. This history must be qualified by the wrongs we have committed, including those against Native Americans and the preservation of slavery and the slave trade for half a century after it had been outlawed in Europe. Yet it is our history that gives us a consistent sense of our achievements *and* of our wrongdoings.

It is important for the United States and its leaders to remember that Thucydides concluded that the "truest reason" for the Peloponnesian War was Sparta's fear of the growing strength of Athens. Not simply increasing American power, but persuading others of our modesty, our benign intent, our deference to the preferences of other societies will be an indispensable element in maintaining peace. American references to "the sole, remaining superpower" are scarcely helpful but the label "hyperpower" comes from abroad.

For history is not made within the State alone. Indeed I have argued that the State depends upon conflict with other states—the object of strategy—in order to establish itself as the legitimate guardian of a legal order. What of the *society* of states? How does its constitutional order come about, and what legitimates that order? This is the subject of Book II.

All wars are so many attempts to bring about new relations among the states and to form new bodies by the break-up of the old states to the point where they cannot again maintain themselves alongside each other and must therefore suffer revolutions until finally, partly through the best possible arrangement of the civic constitution internally, and partly through common agreement and legislation externally, there is created a state that, like a civic commonwealth, can maintain itself automatically.

—Kant, *Idea for a Universal History with Cosmopolitan Intent* (1784)

CHAPTER THIRTEEN

The Wars of the Market-State: Conclusion to Book I

THE LONG WAR was an *epochal war*: Such wars are distinguished from other types not simply by their duration—which often spans lengthy periods of armistice—but mainly by their constitutional significance. Indeed such wars keep going precisely because they concern the fundamental legitimacy of the State. When revisionist historians suggest that the World War II Allies could have ended that war earlier by modifying the surrender terms offered the Japanese so as to guarantee the constitutional position of the emperor, these historians are reflecting their tacit understanding of the war itself. They think it was like other wars, mainly about the accretion of power or wealth. When we see World War II as but a part of a much longer constitutional conflict, however, such observations appear to miss the point.

Let me reiterate that the reasons epochal wars are begun are no different from those of any wars: they arise from clashing claims to power, from competing ideologies and religions, insistent ambition, the gamble for greater wealth, sympathy for kinsmen or hostility to foreigners, and so on. The reason epochal wars achieve, in retrospect, an historic importance is because however they may arise, they challenge and ultimately change the basic structure of the State, which is, after all, a war-making institution.

In studying past wars that came to be recategorized as mere engagements in longer, epochal conflicts, one repeatedly finds that basic issues persisted and were not resolved by the peaces that followed the cessation of overt belligerency. Because the very nature of the State is at stake in epochal wars, the consequence of such wars is the transformation of the State itself to cope with the strategic innovations that determine the outcome of the conflict. Thus, the transformations of the State into the various constitutional archetypes described in Part II are each associated with epochal wars.

The metamorphosis of the realms of princes into Renaissance princely states coincided with the Wars of the Italian Peninsula, begun by the French invasion of Italy in 1494. The modern state originates in the transition from the rule of princes to that of princely states that began there.

Of these new *princely states*, Machiavelli argued that their security and liberty were the prince's first concern and that all else depended on this.¹ The great princely states of Habsburg Spain, Valois France, and Tudor England were superseded by *kingly states* forged in the Thirty Years' War. On behalf of the kingly states, Bodin insisted that only a single sovereign embodying the ultimate authority of the State could prevent the religious rebellions that had repeatedly erupted during this epoch.² *Territorial states* in turn proved triumphant in the defeat of the greatest of the kingly states, in the wars of Louis XIV. Locke, whom we anachronistically associate with American democracy, in fact accepted a sovereign who singularly made all the laws, so long as this reflected a covenant between the governed and the governing. These regimes were in turn superseded by the great *state-nations*, of which Hume³ is no less the prophet than Robespierre.* Burke famously said in 1774 that Parliament was not a congress of ambassadors from its various electoral constituencies, but "a deliberative assembly of one nation, with one interest, that of the whole."⁴ The Napoleonic Wars accompanied the introduction of this constitutional archetype into the history of Europe, and their settlement at the Congress of Vienna enshrined this order for four generations. By contrast, the *nation-state* is associated with the Long War, a struggle that was fought over the moral and political orientation of that constitutional form in the twentieth century. Wilson and Lenin, Hitler and Roosevelt⁵ all claimed that their systems would best benefit the material well-being of the people, a claim we have heard so much that it is hard for us to imagine a constitutional form that does not take its legitimacy on such a basis. Yet this was not always the case.

Legitimacy is what unites the problems of strategy and law at the heart of epochal war just as history supplies the answers to those problems. The axiom of legitimacy has changed as new constitutional archetypes have replaced their predecessors; it is invariably the consequence of epochal wars that new constitutional archetypes appear as the competing states

*See the essay by Peter Mancias in *State Formation and Political Legitimacy*, ed. Ronald Cohen and Judith D. Toland (Transaction Books, 1988), that observes of these remarks of Robespierre—"Democracy is a state in which the people as sovereign guided by laws of its own making, does for itself all that it can do well, and by its delegates what it cannot"—that it is "brilliantly ambiguous, of course, and allowed . . . that all effective power could be located in the ruling clique of the Committee on Public Safety." See also J. R. Pole, *Political Representation in England and the Origins of the American Republic*, (St. Martin's Press, 1966), 441.

involved in the conflict develop into more successful forms for managing the strategic innovations that win the war.

Civil wars and revolutions are characteristic of transitional periods between constitutional forms as the old constitutional archetypes struggle against the birth of the new,⁶ whereas epochal wars are transformative. The Dutch Revolt of 1567, the English Civil War, the Fronde, the American Revolution, and the American Civil War all began periods that encompassed epochal conflicts and a shift in the constitutional order. Epochal wars often include, and indeed are often begun by, revolutions and civil wars. These revolutions determine the possibilities; epochal wars make the choices; history provides the rationale.

The link between the strategic and the constitutional is seldom drawn in contemporary affairs. There are notable exceptions to this: Michael Howard,⁷ Geoffrey Parker,⁸ Aaron Friedberg,⁹ and Jeremy Black come to mind as military historians and analysts who have written with great sensitivity about the relationship between history and force; Anthony Giddens,¹⁰ Peter Mancias,¹¹ and David Beetham¹² are political sociologists who are keenly interested in the relationship between legitimacy and violence, about which each has written with real insight. The problem seems to be that the two groups so seldom talk to each other. The contemporary debate over a future national security paradigm for the United States provides a good example of such missed opportunities. Although this debate is at the very center of current policy planning, and is being carried on by persons of great ability, it has as yet yielded little practical benefit to decision makers.

Why is it so difficult to decide when to use force today? Is it the nature of modern conflict with its nonstate actors, terrorism, transnational threats, and so on?¹³ Or a more complex geopolitics perhaps, now that the Soviet Union has collapsed?* Or poor leadership? I think the difficulty is that before September 11, 2001, we didn't know what it was we were fighting for, and thus could not judge the appropriate costs. And that was because the market-state has not fully emerged or been fully realized and accepted by any society. So we did not yet agree on the fundamental constitutional order that we must secure. It was rather the attacks on this emerging order that gave it definition.

Without an understanding of the Long War as such, the current search for a new security paradigm is apt to confuse this endeavor with the search for policies; unless we understand the paradigm from which we have

*Charles Krauthammer, to the contrary, makes the excellent, and to my mind persuasive, point that things were not in fact so much easier during the Cold War, in his "The Greatest Cold War Myth of All," *Time* (November 29, 1993): 86.

emerged, we will not be able to free ourselves from the habit of thinking in its terms. And without an understanding of the constitutional source of war and the strategic basis for law, and, most important, the link between the two that has provided the choices that account for the transformations of the State over five centuries, we will be unprepared to understand the next transformation of the State and its strategic and constitutional consequences.

The history of warfare is often at the center of the study of the creation, character, and development of the modern state, but this centrality is frequently defined away as war is analyzed as a mere epiphenomenon of economics, ideology, or sociology. Strategic matters should have the same level of significance in such studies as that currently enjoyed by economic and social issues.¹⁴ I hope the present work will help to revise the widespread assumption that economics and sociological conflict are the basis for all historical phenomena. A defining feature of any state is its ability to make war and keep peace. No state has ever *made* an economy or a class system.

The State is born in violence: only when it has achieved a legitimate monopoly on violence can it promulgate law; only when it is free of the coercive violence of other states can it pursue strategy. This history provides the reason why warfare—like law—is a key to understanding the development of the State for it connects the ever-present intrusion of international pressures (the outer) to the political anatomy of the State (the inner).

In the preceding chapters I have argued that the constitutional order of the State is undergoing a dramatic change. This, I believe, is not the first time such a profound shift has occurred either in our state or in other states, and therefore I disagree with the usual notion that the Westphalian consensus of 1648 produced the constitutional order of the nation-state within which we currently live. Instead, I have described a series of such orders, both before and after Westphalia. One such order, that of the market-state, is already superseding that of the nation-state, which can be seen to be only about a century old.

This change is taking place all across the society of states. The market-state manifests itself in three forms vis-à-vis the larger society of states:* the mercantile, managerial, and the entrepreneurial state. Mercantile market-states closely ally the state with national enterprises; they protect these industries with trade barriers, sometimes even using the national

*And in three constitutional variants, vis-à-vis each state's people. These are discussed in Chapter 26.

security apparatus on their behalf, and compete globally as if there were no distinction between the State and its corporations. Managerial market-states attempt to act as flywheels, using regional blocs as counterweights to national competition. Entrepreneurial states blur the distinctions between the welfare of the single state and that of the society of states, and seek the widest sharing of collective goods within that society.

In my view the United States ought to encourage the development of entrepreneurial states rather than other forms in order to avoid international conflict, including sabotage, industrial espionage, and even armed warfare. I speculate that leadership for this move is likelier to come from the leaders of multinational corporations and nongovernmental organizations (NGOs) than from leaders of the national security apparatus and the political establishment, but I concede that business leaders are generally not prepared for such a role today.

A market-state is not a market. There is an irreducibility of governing that cannot be assimilated into market operations. But governments must have a basis in legitimacy for them to exercise the powers of coercion that they alone possess. Business corporations cannot try people and jail them, or levy fines, and therefore they need not have any basis for legitimacy other than the voluntary consent of consumers. The State needs to produce public goods—which engender the qualities of reciprocity, justice, solidarity, empathy, and civility—because such goods are, by definition, what the market does not produce on its own. The mass protests that took place during the meetings of the G-7, the IMF, and the WTO remind us that unless there is a legitimate process by which public opinion, in all its shades, can be registered there is little reason not to take to the streets. The market (and new market-state institutions) do not provide these processes unaided by the State and its laws.

The State is not withering away, nor is it going to be replaced, but its form—its constitutional order—will undergo an historic change. In Book II we will study the impact of this new constitutional order on the society of states. There I will argue that the study of law must be at the center of the history of the society of states (as I have argued in Book I that the study of war is central to the history of the State) and that, contrary to our usual assumptions, international law is derived from the constitutional order.

At the end of the twentieth century, it is interesting to recall what persons at the end of the nineteenth century expected of the hundred years to come. There seems to have been widespread agreement on two expectations: that science and technology would make war impossible and that international law would govern the relationships among states.¹⁵ In retrospect we might

say that these expectations were direct extrapolations from the new prestige of applied science and from the successes of the Concert of Europe. It was, we are apt to conclude, rather naïve to believe that the constitutional order of the society of the great state-nations of the nineteenth century would proceed indefinitely toward perfection.

Today public expectations about the century to come are also likely to reflect our recent past. There is a widespread consensus that the future will be framed around conflicts,¹⁶ and there is an unquestioned belief that governments will continue indefinitely to shape events in the international arena. In fact, governments are steadily being weakened with respect to their capacity to control international events, and the kind of security problems states will face in the twenty-first century are more likely to be about managing cooperation than triumphing through conflict. One can already see this in recent wars: the United States was not in direct conflict with Iraq or Serbia or Somalia or Haiti or Panama or even Afghanistan, though its armed forces attacked or occupied all of these states. Rather, the use of force was deployed through intervention to prevent "ethnic cleansing," to halt famine, to reverse the gains of aggression, to restore democracy, and to punish terrorism.

The great powers will repeatedly face five questions regarding the use of force in the twenty-first century, and none of them are usefully characterized in the zero-sum, conflictual way of strategic warfare. These questions are whether to intervene, when to do so, with what allies, with what military and nonmilitary tools, and for what goals.¹⁷ Mass refugee migrations, international crimes, the proliferation of weapons of mass destruction, ethnic cleansing and other terrorist atrocities, environmental catastrophes—all will provide potential occasions for intervention. The great powers will be called upon to distribute help and re-establish order, not to secure raw materials and key ports as in the nineteenth century, nor to spread their ideology, as in the twentieth.

The market-state requires that we think in terms of global relations rather than international relations. The relations between governments will only partly determine events within the society of states. As a result NGOs (nongovernmental organizations), criminal conspiracies, terrorist groups, humanitarian philanthropies, and special-interest lobbies will all become significant participants in interstate affairs. It will therefore be crucial for the United States and other great powers to create global networks of non-governmental resources they can draw on. It is already the case that NGOs like CARE, Amnesty International, and the major environmental funds have budgets and influence greater than those of many states. The same can be said of terrorism, which can now rely on an infrastructure that was previously only available to the secret agencies of states.

The difficulty in relying on private actors, however, is that their legitimacy as international agents is in question. Whom do they represent? Who appointed them? To whom are they responsible? The market-state attempts to solve this problem of accountability by a test that is, in its way, as characteristic of the market-state as the Montevideo Convention test for state recognition is characteristic of the nation-state. For the nation-state, controlling territory by the consent of the governed assured legitimacy. In the new information age that has brought about the market-state, institutions can exist and wield power in a nonterritorial space. Therefore the market-state's test of the accountability of the NGO is simply this: they are accredited if they can raise enough money to finance successful operations that do not violate international law. Thus in the market-state, there will be the problem of distinguishing crime from capitalism (the cocaine cartel claims, for example, that they ought to have the same legal status as the growers and marketers of tobacco), whereas for the nation-state the characteristic definitional problem was the distinction between the terrorist and the freedom fighter.

In this new era, looking at the world in terms of conflict—looking at the world, that is, from the perspective of the state of war—doesn't fully protect states because many highly dangerous threats don't come from adversaries but from systemic collapse. Power outages, epidemics, computer viruses, financial panics, overpopulation, deforestation, water pollution, and energy "famines" (so named because they arise from hoarding) might be exploited by our adversaries, but they will arise whether or not there is a mastermind behind them. Of course, peoples have always faced these or analogous threats; the plague of the fourteenth century, and the great famines of the Indian subcontinent in the twentieth century are examples. But these events rarely posed mortal threats to the state system. Today, however, because the system is both globalized and highly interdependent, nonmilitary events in remote regions as well as among nonstate actors can cascade, bringing states to the point of collapse.

The emergence of the market-state has not occurred in an instant but rather over a couple of decades. Within the most prominent market-states, the groundwork was laid by Margaret Thatcher and Ronald Reagan, who did so much to discredit the welfare rationale for the nation-state. The rationale that underpins the legitimacy of the market-state, by contrast, is that it maximizes opportunity. President Clinton was the leader who led the United States into this new constitutional order (just as Prime Minister Blair has done for Britain and Chancellor Schroeder has attempted to do for Germany).

A few representative quotations from President Clinton will suffice to illustrate the change:

The mission of this administration from day one has been to increase economic opportunity and maintain national security; to empower the individuals of this country to assume personal responsibility for their own futures.¹⁸

I do believe that the most important thing we can be doing today as a nation to create opportunity for our people is to give them the tools they need to succeed. In a global economy, the government cannot give anybody a guaranteed success story, but you can give people the tools to make the most of their own lives.¹⁹

I saw my job when I became President to create a structure of opportunity for the 21st century, so that every American would be able to make the most of their own lives.²⁰

We must be committed to the pursuit of opportunity . . . And we must be committed to a new kind of Government, not to solve all our problems for us but to give our people, all our people, the tools they need to make the most of their own lives.²¹

As times change, so Government must change. We need a new Government for a new century, humble enough not to try to solve all our problems for us but strong enough to give us the tools to solve our problems for ourselves . . . Yet where it can stand up for our values and interests around the world, and where it can give Americans the power to make a real difference in their everyday lives, Government should do more, not less. The preeminent mission of our new government is to give all Americans an opportunity, not a guarantee but a real opportunity, to build better lives.²²

Similar statements have been made by President George W. Bush:

The old way in Washington is to believe that the more you spend, the more you care. What mattered was the size of the line in the budget, not the effect of that line on real people's lives. My administration takes a new approach.*

Good jobs must be the aim of welfare reform. As we reauthorize these important reforms, we must always remember the goal is to reduce

*President discusses budget in radio address to the nation, August 25, 2001.

dependency on government and offer every American the dignity of a job . . . Government doesn't create jobs, but it can encourage an environment in which jobs are created.*

Government has a role, and an important one. Yet, too much government crowds out initiative and hard work, private charity and the private economy. Our new governing vision says government should be active, but limited; engaged, but not overbearing.[†]

Government has great responsibilities for public safety and public health, for civil rights and common schools. Yet compassion is the work of a nation, not just a government . . . America, at its best, is a place where personal responsibility is valued and expected.[‡]

The United States can benefit immensely from this shift because we are well placed to thrive in a globalized political economy. Indeed a globalized society of market-states plays into and enhances American strengths to such a degree that it worries some states that the United States will become so dominant that no other state will be able to catch up to it. In many quarters, globalization is so deeply identified with the United States that it is anxiously perceived as an American cultural export. Such anxiety is reflected in contemporary international relations on many issues: for example, the principal opponent of the hardly unreasonable U.S. position regarding landmines was Canada; the most sarcastic attacks on the rather sensible U.S. opposition to an International Criminal Court came from traditional allies. Moreover, these anti-American political reactions will, in a society of market-states, spill over to reactions against U.S. businesses, and vice versa. Offense given by McDonald's will be repaid by antipathy to the United States. Antiglobalization reactions will inevitably become attacks on U.S. policies.

When we look ahead we can see the market-state already forming. With it comes a new set of choices arising from the interplay between the strategic and the constitutional. Which way this new constitutional order will develop, constitutionally and strategically, is a matter of human decision.

The answer to how we will develop a calculus for the use of force in the present era depends on choices yet to be made. Either our rules for the use of force will re-enforce world order, which will require a readiness to

*State of the Union Address, January 29, 2002.

†Address of the President to the Joint Session of Congress, February 27, 2001.

‡Inaugural Address, January 20, 2001.

undertake numerous, apparently endless small conflicts, or they will make larger wars more likely, risking the widening of small, seemingly irrelevant conflicts, or they will make a cataclysmic war inevitable when great regional blocs, with greatly differing views of their own sovereignty, find themselves the targets of events whose perpetrators they do not really know and cannot, even through harsh repression, really silence.

The calculus to be employed will become clear once we decide. The epochal war we are about to enter will either be a series of low-intensity, information-guided wars linked by a commitment to re-enforcing world order, or a gradually increasing anarchy that leads to intervention at a much costlier level or even a cataclysm of global proportions preceded by a period of relative if deceptive peace. It is ours to choose.

At the Bomb Testing Site

*At noon in the desert a panting lizard
waited for history, its elbows tense,
watching the curve of a particular road
as if something might happen.*

*It was looking at something farther off
than people could see, an important scene
acted in stone for little selves
at the flute end of consequences.*

*There was just a continent without much on it
under a sky that never cared less.
Ready for a change, the elbows waited.
The hands gripped hard on the desert.*

—William Stafford

CHAPTER SIXTEEN

The Death of the Society of Nation-States

THE LEGITIMACY of the society of nation-states will not long outlast the delegitimizing acts of its leading members. Srebrenica represents the final discrediting of that society because there the great powers showed that, without the presence of the Long War, they were unable to organize timely resistance even against so minor a state as Serbia when Serbia threatened the rules and legitimacy of that society. By contrast, in Kosovo, a U.S.-led coalition attacked Serbia to vindicate *market-state* concepts of sovereignty—specifically, the novel* conviction that a state's refusal to grant rights to an internal minority renders that state liable to outside intervention. The U.N. was studiously ignored in the Kosovo war—the Fourth Yugoslav War—and what failures there were, in an otherwise highly successful air campaign, can be largely attributed to the structure of NATO and the unanimity requirements of the North Atlantic Council.

In Bosnia, despite the presence of such mighty nation-state institutions as NATO, the U.N., the OSCE, and the E.U., states nevertheless did not dare risk the sacrifice of their soldiers on behalf of a cause whose relationship to the welfare of their own societies, and their citizens, was so attenuated. The Achilles' heel of the society of nation-states—the problem of self-determination for national peoples—provided the crucial ambiguity that invited the diffusion of responsibility that so consistently characterized the Third Yugoslav War. Armed with this ambiguity, the Serbs challenged the society of nation-states and humiliated it. But what had made that society more vulnerable than before? After all, the Italian attacks on Libya and Ethiopia and the Japanese attacks on Manchuria had been no less humiliating to the same society. Why was Bosnia of such great significance for the collectivity of *nation-states*?

*Novel, that is, for the society of nation-states. State-nations had no such restraints, as, for example, in the European coercion of the Ottoman Empire over the treatment of Christian minorities.

The globalization of (1) strategic threats (by virtue of nuclear and other weapons of mass destruction, which made states like the United States with no contiguous enemies nevertheless vulnerable to attack from anywhere on the globe), of (2) markets (owing to advances in computation, which permitted the rapid transience of capital), and of (3) culture (the result of a universal system of information that depends upon recent developments in telecommunications) put the nation-state under enormous pressure to enlarge. Only by expansion (such as NATO provided Western Europe by bringing the United States into the theatre of European security, or by means of the European Union, which broadened national markets into a single market of continental scope) could states hedge against the new risks imposed by globalization. China and Russia were compelled to open themselves to trade; North Korea did not, and starved. Yet lengthening the membrane that enclosed the State also meant thinning it, just as widening the membership of states in NATO and the E.U. put a stop to the deepening of political relationships among states within those organizations. Writing of the E.U., Charles Tilly cannily observed:

Community-wide consumer protection, elimination of customs barriers, free movement of migrants, elimination of work permits for Community residents, participation of "foreigners" in municipal elections, transferability of university credits, Europeanization of driver's licenses and automobile standards, creation of a common currency, and establishment of Europe-wide television—all entailed by the Maastricht pact—will directly attack the capacity of any state to pursue a distinct and independent policy for employment, welfare, education, culture or military organization.¹

As the nation-state increasingly loses its definition, the sharp cultural borders that, for example, made the Danes different from the Dutch, are losing legal and strategic significance. The nation-state is less able to deploy law (or strategy) on behalf of national cultural values, yet there is no "Euro-identity," for example, or similar transnational identity either. Instead, as Martin Wolf put it, globalization has undermined the collectivist values represented by the nation-state and turned attention to the benefit of individuals. Governments of nation-states are faced with the prospect of asserting national cultural identities against a fragmenting populace that takes its various identities from associational but largely non-national sensibilities. Indeed the nation-state may come to be seen as a kind of enemy of its people. Nation-states are too rigid, have too many rules for behavior (including economic behavior), have been captured by special interests whose welfare demands higher taxes with larger loopholes and more officious regulations (not limited to economic regulation

but including also, for example, hate-speech laws, smoking bans, and the whole panoply of political correctness, as well as prohibitions against a wide variety of personal behavior).

The State has always depended on getting people to risk their lives for it. Each constitutional order found a way to do this. The nation-state persuaded people that a state whose mission was the improvement of their own welfare provided a valid justification for enduring personal jeopardy. If such a state is no longer able to enforce and sustain national cultural values ("family values" they were called in some states, "basics" in others), its claim on the sacrifice of its citizens weakens. Indeed, the new cultural values, precisely because they are so fragmented and promote such individuation, are not readily suitable to promotion by the State, which is too clumsy and moves too slowly and with too little discernment to shore them up. The popular sense of identity is becoming both too large for the nation-state (as with "Green" movements) and too small (as with breakaways like Catalonia or Lombardy or Guangdong). For nation-state conservatives, this means a nauseating loss of sovereignty to new transnational institutions (like the P8*); for nation-state liberals, this development threatens to remove the regulation of capital enterprises from the hands of states and surrender national life to the pitiless imperatives of the globalized market.

The shift to the market-state does not mean that states simply fade away, however. If the acquisition of more territory is less important than before to garnering wealth, the luring of people and capital by the most attractive state policies is absolutely crucial. For China, holding on to Tibet may someday become almost irrelevant, but incorporating Hong Kong increased Chinese GDP by 26 percent at a single stroke. Only a state could have done that. Assuring financial and legal stability, an educated workforce, and tax-friendly havens for investments are all state-governed activities, even when some of these operations are privatized by law. The real shift is simply from public purposes to private purposes, from a state that takes its legitimacy by assuring the common welfare to one that instead relies on providing the broadest possible opportunity for the satisfaction of individual interests.

In the face of such an historic shift in the constitutional order of states, the society of states also had to change. There is some movement—in Brussels, but also elsewhere—for larger, super-nation-states to cope with the challenges described above. In my view, this is a move in the utterly wrong direction. It would recapitulate on a continental or even global scale the transformation of the *Zollverein* (a nineteenth century German economic union) into the German nation-state at a time when the model

*The informal annual meeting of governments to discuss political topics that grew out of the G-7 (Group of Seven) economic summits.

itself—the nation-state—is less and less viable. Moreover, a super-nation-state, like the organizations of the society of nation-states, hypothesizes a world made of law that is incompatible with variations in sovereignty. Yet just such variations are the main method by which market-states will develop different forms in order to create a pluralistic society of states by some other means than simply granting states to desiring nations. The society of nation-states attempted to suppress such variations in sovereignty because of that society's basis in the equality of states. Its international law is universal and grows all the weaker because of this essential premise. Perhaps most telling of the impotence of the society of nation-states has been the fate of the United Nations.

The major institutional result of the idea of a world constitution of nation-states was the creation of the League of Nations. Among the most important of the many features of the League was the guarantee by member states of the political independence and territorial integrity of each member against aggression. This guarantee of sovereignty is repeated in the U.N. Charter. The Charter, like the Covenant of the League of Nations, assures states their independence and the undisturbed enjoyment of autonomy within their territory. This goal is built on a premise—the opacity of sovereignty—that will increasingly hobble the society of nation-states as that society attempts to deal with transnational threats to the environment, to its critical information infrastructure, and to its humanitarian ideals. The air war in Kosovo was a decisive step in recognition of this fact, and it was, in its way, just as deadly an event for the society of nation-states, which depends upon the premise of state sovereignty, as were the crimes at Srebrenica.

It is easy to see how the societies enmeshed in the immense agonies of the Long War would want to ensure international tranquility at all costs. Doubtless this desire lay behind the failure of the League to stop Mussolini's aggression against Ethiopia. It is difficult to forget the scene of the small Ethiopian emperor appealing in vain to the great powers for aid. But it seems to be equally difficult to remember the Italian aggression against defenseless Libyan tribes that occurred several years earlier. Then Italian planes strafed and waged, systematically if incompetently, a modern war of ethnic annihilation; this was when the first concentration camps were set up by a European power in the twentieth century.² Libya was, however, unlike Ethiopia, governed by Italy and thus these acts of aggression were veiled by the cloak of sovereignty. This failure to act by the society of nation-states was not simply a lapse of will, and so it is seldom associated with the League's other public failures. Rather such a failure was built into the idea of a world community composed of sovereign nation-states. The League was irrelevant to allegedly domestic disputes. Perhaps we should be grateful that Hitler invaded Poland, for otherwise we might have been

treated to the spectacle of the society of states standing by while the Holocaust efficiently proceeded as an "internal matter."

Indeed the U.N. Charter under Article 2 (7) specifically precludes the organization from intervening "in matters which are essentially within the domestic jurisdiction of any state." Similarly, the Declaration on the Inadmissibility of Intervention into the Domestic Affairs of States and the Protection of Their Independence and Sovereignty provides that "[n]o State has the right to intervene, directly or indirectly for any reason whatever, in the internal or external affairs of any other State."

The U.N., a second generation of the League, has given us a second generation of such failures, that is, a new wave of crimes shielded by sovereignty.³ Perhaps the most notorious is that of the Cambodian class crimes. The Khmer Rouge were the sovereign authority for purposes of international law; indeed the United States (and many states) voted to preserve their U.N. seat even when the Khmer Rouge abandoned Phnom Penh. Atrocities conducted within a state's borders are impervious to an international law built out of absolute sovereignty. Human catastrophes like the war in Mali simply never rise to the consciousness of the U.N., a majority of whose members could be counted on to keep it—as they long kept the Somali civil war⁴—off the international agenda. The same model of international law that has shaped the League of Nations and the United Nations has also created a certain sort of legal status for the State that actually enfeebles those international institutions with respect to a critical class of conflicts.

Nor can we say that these institutions have even succeeded in preventing or at least managing war, the goal for which their bargain with the State was struck regarding sovereignty. The story of the League's failure to prevent war, including World War II, is too familiar to recount. The U.N. was designed with precisely this failure in mind, and was given constitutional authority to arm itself and to wage war against aggressors who threatened the peace. It is instructive, however, to look closely at how the U.N. has actually managed to succeed when it has acted to wage war. It may surprise some to learn that its successes have come only because the ideal of a world covenant enforced by a world military force has been quickly, if quietly, abandoned.

Articles 42 and 43 of the U.N. Charter authorize the Security Council to use armed forces to maintain international peace and security. Article 43 provides for military agreements by which it was thought a U.N. force would be constituted from personnel contributed by the member states. This has never materialized. The temporary absence of the Soviet delegate in June 1950 permitted the Security Council to recommend that members repel the North Korean attack on South Korea and to authorize the U.S.-designated commander to use the U.N. flag. All U.S. forces, however, were

under U.S. command and, save in name only, there was no significant U.N. force on the peninsula.⁵ Absent the kinds of agreements envisaged under Article 43, the Security Council has no authority to command member states to commit their armed forces to a U.N. military enforcement action.

The consequence of this arrangement is that armed forces remain entirely the creatures of states. The recent coalition force arrayed against Iraq provides an example. With more justice, it might be said that this was a NATO force, with contributions from the Gulf region, rather than a U.N. force. There is nothing wrong with this; indeed I have suggested there is much right with such ad hoc coalitional forces. But we should not delude ourselves into thinking that they function as a U.N. enforcement arm. Whatever intentions the drafters in San Francisco may have had for a U.N. defense force, this force has never come into being. And it is notable that in the Fourth Yugoslav War, over Kosovo, the U.N. was bypassed entirely.

As if in tacit recognition of this fact, Article 2 (4), the heart of the U.N. Charter's security provisions, has been redefined *sub silentio*. Whereas it was once envisioned that the U.N. would have a monopoly on international violence—in a Wilsonian extrapolation to the global level of the individual state's own monopoly of violence within its domestic jurisdiction—this model has been long since abandoned. Article 2 (4) provides:

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

During the first years of the U.N., there was general agreement on the construction of this provision if not its application. Clearly the Article outlaws aggression by one state against another. Apart from the collective action of the U.N. itself, the only lawful use of force by a state must come within the exception provided in Article 51 for self-defense against an armed attack. In time, however, the language of 2 (4) proved pliable to the realities of a society of states whose reason for being—nationhood—did not apply to the collectivity, but applied only to individual states. The whole, that is, was less than the sum of its parts.

For example, 2 (4) forbids the use of force against "the territorial integrity" of another state. Does this proscribe any use of force that momentarily penetrates a border or only attacks aimed at compromising the invaded state by occupying its territory and ultimately depriving it of land? Article 2 (4) forbids the use of force against the "political independence" of another state. But what about reprisals that do not seek to alter a regime? Exceptions such as these have sometimes been urged to justify the Entebbe and Tehran rescue missions, or the U.S. air attack on Libyan bases

in retaliation for acts of terrorism. But such exceptions are of less help in rationalizing the U.S. intervention in the Dominican Republic, one of the most successful, pro-democracy acts of the period, to say nothing of U.S. intervention in Grenada, Haiti, or Panama.⁶ Nor can 2 (4) be made to appear consistent with NATO intervention in Kosovo.

While 2 (4) was shrinking, Article 51 was expanding. This Article provides:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security.

The original intent behind this provision seems clear: it is an exception to 2 (4), permitting a state that has been attacked to use force to defend itself and enlist others in its defense, *until* the Security Council has effectively acted. Because the Security Council was for a long time prevented from acting by the Soviet veto, however, and in any case cannot actually command member forces to provide assistance, this phrase has been subject to some interpretive pressure. First, the word *until* has acquired a Zeno-esque quality such that the Council's acts can be thought of as approaching but never quite arriving at international peace and security, thereby permitting the continuing use of armed force by the attacked party and its allies regardless of Security Council action. Second, it has been widely agreed that Article 51 merely recognizes but does not create or modify, the pre-existing right of every state to act in its own self-defense, which is an attribute of sovereignty. So it has been argued that the phrase *if an armed attack occurs* does not mean "*only if an armed attack occurs.*" Therefore a state may employ force if it expects or fears an armed attack, as occurred in the Six-Day War. In any case, few influential states now argue that the U.N. has a monopoly on the use of force. As the background code for the law of war prevention, there is little evidence that the Charter has, in this regard, fulfilled the hopes of its framers and stopped aggression by making it unlawful.

Though the Charter, interpreted as a world covenant of superior law, has been of doubtful utility in preventing armed conflict, its most troublesome aspect may lie in peacetime. Very simply, it is not obvious that a universal law-creating system actually based on democratic majoritarianism and self-determination is either acceptable or desirable. Nor is the U.N. wholly consistent with such a system in any event, owing to the privileged role of the permanent, veto-bearing members of the Security Council. Yet a universal system that professes allegiance to the sources of authority of

the parliamentary nation-state but denies them in fact is of doubtful legitimacy.

If the U.N. Charter were a universal superior law—as for example, the U.S. Constitution is superior to Texas laws—then it must take its legitimacy from a universal mandate. No doubt when House and Wilson thought of such a world, they envisioned something like the United States, composed of separate jurisdictions but bound together under one law. Such an institution might be the result of a world federation of states, or even an agglomerate of their populations; the United States Constitution was ratified by popular voting in individual state conventions, while the Charter was ratified by state parliaments and other state regimes. In either case, the reality is that such a world state would resemble Cold War South Africa more than the United States. A small group of ethnic minorities would own most of the valuable property and keep everyone else confined to "homelands." Surely the time is not far off when the large hostile majorities in the General Assembly that have denounced Israel will be deployed against the developed states, demanding economic concessions and constitutional reform consistent with a universal mandate. Whether the basis for a world sovereign is the majoritarianism of states or of the peoples of the various nations, the current constitutional framework is either contradictory (because it retains a superstructure inherited from the Concert of great powers) or fraught (because vast majorities can lay claim to its lawmaking power). When it is replaced by a constitution for a society of market-states, this problem will disappear because that constitution will resemble those of corporations, which allow for weighted voting based on wealth. But to adopt such a constitution, we will have to abandon the pretense of a world sovereign: corporations, after all, do not make law.

Abandoning the image of a world sovereign that stands behind international law will also help us to move toward the changes in sovereignty that are best suited to a society of market-states. And ridding ourselves of this image will clarify our security institutions. We are not going to have a world army,⁷ as envisioned by the drafters of Article 42 and 43 of the Charter. Instead we will have a NATO force structure,⁸ perhaps with forces committed to a defense component within the E.U. that can act in accord with but is not commanded by the Security Council. This, as the Gulf War showed, is both more practicable and more legitimating, using the organs of collective security and collective judgment in cooperation but not with the problematic pretense that one governs the other.

The United States has tabled, and all but one of the permanent members of the Security Council has accepted, a reform proposal for the International Court of Justice (ICJ) that would permit parties to submit to the Court's jurisdiction after electing a particular chamber—that is, after

choosing a panel composed of judges acceptable to both parties. This proposal has stalled—despite the fact that it would bring Russia and China within ICJ jurisdiction for the first time—over whether the ICJ ought to have initial jurisdiction to determine whether exceptions to that jurisdiction on national security grounds are made in good faith. Now if you believe in a world common law—and compliance with ICJ decisions is considered a norm of customary international law—then it is perfectly natural to insist on this. Of course it is within the competence of the court. Its writ is universal. But if you see the ICJ as simply one more consensual method of resolving disputes, this insistence is perverse and counterproductive.

For these and other reasons I am inclined to conclude that the project of international law envisioned by House and Wilson and most commentators on the subject today can be regarded as a failure. Is the failure of this project a bad thing?

Former senator Daniel Patrick Moynihan has warned that the United States has commenced a general challenge to international law—a challenge, that is, to the project of a universal law—and he cites the U.S. invasion in Panama as Exhibit A. Former judge Robert Bork, on the other hand, has recently proposed that we frankly acknowledge the impracticality of the very idea of an international law and be done with it. What these thoughtful persons share is the idea that a binding world covenant is the basis for international law and vice versa. But as I suggested earlier and intend to show in the chapters to come, this has not always been so, and I will further claim it is not going to be so presently, either. The attitude that international law must be an overarching body of substantive, superior law is usually behind the criticism both of those who lament recent American practice and of U.S. officials, who deplore and resent the implicit reproaches of this ghostly law. But it may be that this widespread assumption is itself an error and that the “failure” of international law is neither good nor bad but only a way station in the process of change that the society of states is now undergoing.

In the months before war broke out in 1914, Colonel House went to each of the capitals of the great powers of Europe trying to persuade them to avoid war. His mission failed. The cataclysm came and, in one form or another, erupted, subsided, then erupted again and again throughout the suffering-saturated twentieth century.

House prepared the West to fight this Long War. As early as 1913 he was urging American engagement and rearmament, arguing that without these measures we could not persuade Europe to avoid war and that without our armies, even our successful persuasion would not survive the first

recalculation of odds by the first General Staff or Cabinet meeting in a European chancellery. House urged a system of collective security that differed from previous alliance systems in these important respects: anyone could join, it was arrayed against no one in particular, and the United States was pledged to assist any state that was attacked. Most recently this pledge was redeemed in the Gulf War. That system ultimately triumphed after many failed attempts. Now the world's greatest powers are called on to fashion a new system of international security and respect for the rule of law that will withstand the stresses that are already pounding the barriers that House and his heirs built over a century of war.

In this, House cannot help us. We must put aside his vision of a world covenant of law, for this picture, which is so widely and tenaciously held, is actually destructive of international law as a legitimating force. To begin this effort, we must free ourselves from the assumption that international law is universal and that it must be the law of a society of nation-states. And we must see clearly what role violence and war have played, and will continue to play, in shaping that system.

policies that were inconsistent with respect to state sovereignty would produce an incoherent and unstable constitution.

Which model of the market-state is best? I would answer by recalling the moving scene* in Act III of Gotthold Lessing's dramatic poem, "Nathan the Wise." Lessing was a German author of the Enlightenment;† the play is his last major work.

Nathan, a Jew, is summoned before Saladin, the great Muslim warrior. Saladin asks him which religion is the true one—Islam, Christianity, or Judaism—hoping to trap Nathan into either denying his own faith or insulting Islam by implication, in which case his property will be confiscated.

In reply, Nathan narrates the parable of the Three Rings.‡ A wise king possessed a ring, the wearer of which was said to be beloved of God and man. He had three sons, to each of whom he promised the ring. When the king died, each heir was given a ring, and all three rings appeared to be identical to that of the old king. When the sons went to the royal judge and demanded to know which ring was the real one, the judge said to them:

Your father, the king, wore a ring of which it was said that the wearer would be beloved of God and man. Each of you has been given a ring. Wear your rings. Do your best to be beloved of God and man. Let your rings descend to your heirs. Then someday, some future judge will assess your work and know whether you had the right ring.^{§43}

While it is likely, as we will see in the following chapter, that states may choose different forms of the market-state—and experiment with hybrid forms—each state must decide on the basis of the constraints on its resources, its heritage, and its destiny what archetypal form best confers legitimacy.

*Scene 5.

†He also wrote an essay on the shield of Achilles.

‡This story is drawn from Boccaccio's *Decameron*.

§I have simplified this enchanting parable considerably. Please consult the endnotes for a fuller text.

CHAPTER TWENTY-FIVE

Possible Worlds

By considering alternative futures, we begin to see that the future is shaped not only by the past but by what we think is possible and by the choices we make.

—Shell International Petroleum Company, 1992

I WILL NOW take up the question of how the society of market-states might respond to the challenges just surveyed. But rather than prescribe a single set of solutions to these challenges, I will describe alternative approaches, whole worldviews that, if they govern action, will bring into being radically different worlds. I choose this approach for four reasons: first, because simple forecasting—on which a prescriptive analysis must be based—is inadequate at a time when fundamental change in the constitutional order of states is occurring; second, my method can be used independently by readers whose values and preferences may not coincide with mine; third, this sort of presentation can clarify the moral choices we must make in the coming decades—having to do with what kind of world we want to live in and what we are willing to do to achieve it—rather than submerge those choices in the seductive calculus of efficiency; fourth, the implementation of the choices that are ultimately made will have less to do, in a market-state environment, with codified proscriptions and more to do with shared understandings, goals, and expectations.

Imagine unexpected, gravely unsettling events that happen to the world in the next few years: suppose an asteroid struck the Earth, setting in motion changes in the atmospheric climate; suppose a continental crisis in the groundwater table appeared, caused by saline-freshwater mixing zones that spread across numerous states; suppose a state embarked on a radical program of mass eugenics using genetic engineering on its own population; suppose infectious diseases appeared on a pandemic scale that could not be vaccinated against or eradicated, but that could be successfully treated by very expensive drugs; suppose a civil war broke out within a

single state, leading to the use by one of the parties of biological weapons; suppose earthquakes triggered a deep worldwide economic depression.

Is the General Assembly of the United Nations the place to address the problems that would arise as consequence of these events? If not, is the U.N. Security Council endowed by the rest of the world with the political and moral authority to cope with these shattering events? Can we assume that the United States, or any other single power, could solve them alone? As we faced the year 2000 computer problem, who actually believed that the U.N. or NATO or the Council of Europe or the OAS was the institution that could solve it? This simple thought experiment shows how far we have already come from the society of nation-states and its constitution toward the society of market-states. Nor do I believe that international law—at least insofar as it may be invoked to prohibit state acts like tampering with the human genome, for example, or the use of biological weapons—is the resource we would turn to for resolution, nor that the International Court of Justice is the place we would go.

In the election of 1992, George Bush was taxed with lacking, as he himself put it, “the vision thing”—a vision of the future toward which he proposed to lead the nation with his policies. This was obviously not something Ronald Reagan had lacked, nor Jimmy Carter and certainly not Lyndon Johnson. All had clearly definable views of the future state of the union that they wished to bring about. Yet those writing speeches for George Bush and the senior officials of his administration were to a large degree the same persons who had done those jobs for President Reagan. What had changed was not simply the personality of the president: *everything* had changed, although things looked pretty much the same.

Before the sea change from nation-state to market-state, “vision” was simply a matter of looking ahead, extrapolating from the present. Realizing that vision was a matter of strategic planning. President Clinton’s health care proposals would have fit into President Truman’s Fair Deal; President Bush’s START II treaty was a continuation of President Reagan’s arms-control agenda. Suddenly in the 1990s, no one really had a “vision” of the future because the future was going to be so unlike the past. What was required was not lacerating self-criticism over our failures to foresee the collapse of the Soviet Union, the Gulf War, the disintegration of Yugoslavia, and the mass migrations in East Africa. Rather we needed to approach the future with an acceptance that simple forecasting was not going to be useful to us for a while, that no one had any clear view of what was coming and therefore no one could be confident that he or she was offering a realistic vision of the future. Instead we had to sharpen our skills at imagining different futures so that we had some idea of what was at stake when the choices the future presented were actually upon us.

To say this is to contrast “strategic planning” with “scenario planning.” Both rely on intelligence estimates that are based on the careful analysis of immense amounts of information, sorting out the true from the false, assigning probabilities to information that might be either true or false, guessing what the future would be like if all the relevant facts were available to the analyst.¹ The problem for estimative intelligence in the current environment is that it depends upon a relatively stable world from which to extrapolate. No one has grasped this better than Joseph Nye, the former head of the National Intelligence Council at the CIA, who wrote:

Greater complexity in the structure of power means greater uncertainty in estimating the future. Politics often undergo nonlinear change, but such changes have become much more frequent than during the Cold War. In the 1980s, for example, if one were estimating the number of nuclear weapons South Africa would have in the 1990s, one would have calculated what their uranium enrichment plant could produce and answered “six or seven.” But the correct answer today turns out to be zero because of radical political discontinuities associated with the transition to majority rule and the end of the Cold War. Similarly, if one were to estimate today how many nuclear weapons a country with no nuclear facilities might have in five years, the linear answer would be zero. But that would change if the country were able to purchase stolen nuclear weapons on the transnational black market.²

This is precisely the problem, and Nye’s recommendation—the construction of alternative scenarios rather than single-point predictions in order not so much to predict the future as to help policy makers think about the future—is precisely the solution. But scenario planning is not widely practiced in governments, as opposed to corporations, and it is easily confused with strategic planning.

Scenario planning relies on the creation of hypothetical, alternative stories about the future that share certain factual assumptions but differ based on decisions made within each scenario; strategic planning is a formalized procedure that aims to produce an integrated system of decisions based on predetermined goals. That is, strategic planning assumes an answer to the question that scenario planning poses: what sort of future do we want? The time horizon for scenario planning is typically from five to more than twenty-five years; strategic plans usually go no further out than one to three years. Inputs to scenario planning are more qualitative, that is, they share certain factual estimates about the future but emphasize economic, technological, resource, and cultural trends. Inputs to strategic planning tend to be more quantitative, looking to past performance, forecasts, and probabilities. Thus scenario planning exploits uncertainties, allowing the

creation of alternative futures; strategic planning attempts to minimize uncertainty. The results of scenario planning are multiple alternative outcomes versus the quantified single outcome based on the likeliest scenario that is the setting for strategic planning.³

The difficulty with implementing Nye's proposed solution is that such scenario construction depends upon a dialogue with decision makers at many levels in order to create a culture that is sensitive to the implications of change and alert to opportunities to create favorable conditions for change. Members of this culture produce the raw material on which scenarios are based; intensive briefings with them, once the scenarios are written, are as important to the process as the written product. But the National Intelligence Council cannot spend the time with the president and the senior members of his National Security Council, nor is it willing to disclose its estimates to the many hundreds of other less senior officials who, together, could bring such a culture into being. High-impact but low-probability contingencies, which are crucial to the imaginative dialogue of the scenario process, are of little interest to busy politicians. Competing scenarios, in the absence of a culture of dialogue animated by a sense of rapport with leaders at the top, are anathema to bureaucrats whose careers are risked by answering questions like "What would it take for this estimate to be dramatically wrong? What could cause a radically different outcome?" which translates to "What arguments can you give me that undermine your recommendations?"

Things are easier for the business corporation. In the early 1970s Royal Dutch Shell was regarded as the weakest of the great multinational oil companies, known as the "Seven Sisters." At that time Shell began a series of scenario studies that are credited with assisting that corporation's remarkable rise since then. As early as 1972, one of Shell's scenarios envisaged the formation of OPEC and the sudden rise in oil prices that hit the world in the winter of 1973-74; and a subsequent scenario correctly described the equally dramatic drop in oil prices that began in early 1986. In 1984, a Shell scenario (called "The Greening of Russia") described the possible breakup of the Soviet Union and the ensuing chaotic conditions in Eastern Europe. But to depict these descriptions, which turned out to be accurate, as validating the scenario process is to misunderstand its significance completely. After all, if a corporation is doing more than one "estimate," it will often be able to predict a rise (or fall) that turns out to be true. What the scenario process did was to make some futures appear less plausible that had more or less been taken for granted, and to prepare managers to look for signs of likewise unexpected futures. In the absence of this preparation, managers are inclined to shoehorn events into their settled expectations or to ignore altogether outlying facts.

Since Shell's highly publicized success with scenario planning in the

1970s and 1980s, many corporations have attempted to employ this tool with the hope of achieving similar dramatic results. The Corporate Executive Board reports, however, that there has been some disillusion with the scenario-planning process. "Perhaps the single greatest driver of this dissatisfaction," the Board has concluded, "is a widely held yet misguided expectation that scenario planning readily and directly improves strategic decision making; misconceptions rooted in scenario planning's history promote this expectation . . ."⁴ The problem is that Shell's successes are inevitably laid to having correctly predicted the future, rather than having enabled its decision makers to cope better with that future as it, unpredictably, unfolded. Prepared by their *alternative* scenarios, Shell executives were able to see a pattern in events—a story—that their competitors experienced as mere noise, a chaotic departure from conventional expectations.

Instead of simply relying on forecasts, the Shell Group does its planning for the future through a complex process of consultation, the drafting of alternative decision scenarios, and a thorough debriefing process around the world with its managers. The object is to use scenario planning as a means of stimulating institutional learning; what is being learned is a way of assimilating new events through the incorporation in (or the destruction of) the ostensive, simple stories of the scenarios. However sophisticated the tools, if there is no significant effect on exposing assumptions and heightening the focus on values, people will quickly fall back into the old habit of asking, "Tell me what will happen."⁵

The managers of every corporation operate according to conventional expectations, usually unarticulated and seldom fully tested against alternatives. The scenario process externalizes these stories, tests them against known facts, and then uses them to provide a basis for further reaction by managers as events fit (or don't fit) the story. Following extensive interviews with fifty or so top managers at the Shell Group and with a large network of academic, political, business, and cultural figures around the globe, a team synthesizes the information drawn from these conversations into two or more competing scenarios. Thus about every three years a book of these scenarios—global, regional, country, and topical—is produced, and extensive briefings are done on its basis.⁶ According to Shell, the most important aspect of this process is that "[b]y considering alternative futures, we begin to see that the future is shaped not only by the past but by what we think is possible and by the choices we make."⁷ Let us apply this analytical process to the problem of meeting the challenges to the society of market-states described in the preceding chapter.

Initially, one must determine the fundamental choices facing states. With respect to security issues, the first set of choices derive from the military innovations that won the Long War. These have given birth to new

sets of problems with regard to intervention, the proliferation of weapons of mass destruction, and the development of new technologies like ballistic missile defense. For example, the society of states must decide whether the most powerful members of that society ought to intervene in order to maintain democratic regimes and protect human rights, or whether that society should rely on regional security organizations in these matters, or whether the wisest course lies in permitting states to sort out their own internal affairs. Similar sets of alternatives exist for each of the new security challenges described in Chapter 24, particularly the challenge posed by international terrorism.

Another set of choices focuses principally on the cultural consequences of globalization, which are the consequences in the twenty-first century of the revolution in telecommunications that occurred in the twentieth, especially the interconnection between immigration and human rights. Just as each market-state must find for itself the right balance among a reverence for cultural tradition, a tolerance for individual conscience, and a respect for different groups, so the society of states will confront choices that inescapably will structure this balance. These choices center on the inequalities of opportunity and self-respect generated by meritocratic, dynamic capitalism; the intergenerational conflicts that are exacerbated both by rapid change and by the holdover of programs from the decaying nation-state; and lastly the threats posed to traditional cultures by the liberating but penetrating media of twenty-first century entertainment, information, and education.

A final set of alternatives deals with the consequences of the revolutionary liberalization of trade and finance that occurred as a result of the development of high-speed computation, producing conflicts in the areas of development, trade, and the protection of the environment. The states in these scenarios will experience the same stock market crashes, the same droughts and epidemics, the same high-tech breakthroughs. But they must decide to what degree the market will govern the market-state in the pursuit of economic growth, social stability, and long-term prosperity.

Next, one must select the key influences, or “drivers” in planning jargon, that will structure the decisional environment within which these choices are made.

These drivers include demographic developments, the availability of and access to resources (especially energy and water), innovations in technology and its diffusion, events in the new economy of market-states, and of course the synergy among these drivers. There is one other key driver, however, that is also the consequence of the outcome of the Long War and on which each of the scenarios greatly depends: this is the role of the United States. For if, in the past, only an epochal war could produce the consensus that created a constitution for the society of states, it may be that

now we are entering a period in which conflict itself may take an unprecedented form and that actions of one very powerful and influential state might bring about that “creative emulation” described in Book I when states copy the triumphant winner of an epochal war. There are several ways to describe this: it may be that market-states will be led to adopt that form of the new constitutional order that is chosen by the state most dominant in the new globalized market; or it may be that a “chosen” epochal war will be a product of that state’s decisions—to intervene in a long-running series of low-intensity conflicts, or to check regional actors with predatory pretensions, or to deflect (or even defeat) any peer challenges to the diffident hegemony that at present appears likely to continue for the foreseeable future; or it may be that the new, irresistible world culture will insinuate more than dominate, carrying states along a path strewn with Big Mac wrappers and universally accessible websites (in English) so that, like habits generally, the bonds of adherence will be too mild to be felt until they are too strong to be resisted. However it may be, in the following scenarios one driver partly determining which of the three general models of the market-state sweeps through the society of such states is the actions and attitude of the United States. As the U.S. National Intelligence Council put it in 2001:

U.S. global economic, technological, military and diplomatic influence will be unparalleled among national as well as regional and international organizations in 2015. This power not only will ensure America’s preeminence, but also will cast the United States as the key driver of the international system.⁸

Finally, two or more alternative and internally consistent narratives must be constructed for each driver, which are then combined to produce alternate scenarios.

The following pages offer three general scenarios, constructed by assembling the elements of possible worlds that are brought into being by crucial, fundamentally moral choices that might face states—choices that could plausibly be made in a number of ways. These are only very simple stories. Because they do not attempt to capture the full richness of reality, they can make our basic assumptions stand out in a way that fate, culture, and history seldom afford.

What might the world look like if one of the three constitutional models of the market-state dominates the society of such states? I will call these three worlds “The Meadow,” “The Park,” and “The Garden.”

The world of *The Meadow* is that of a society of states in which the entrepreneurial market-state has become predominant. In this world, success comes to those who nimbly exploit the fast-moving, evanescent

opportunities brought about by high technology and the global marketplace. Such a world provides an environment for the fullest expression of individual creativity; it rewards those who innovate and who can deal with, indeed who relish, impermanence. There are no fixed rules or taboos. Competition is the great god that sorts out the quick and the dead.

The world view portrayed in *The Park* is quite different, and it reflects a society in which the values and attitudes of the managerial market-state have prevailed. Governments play a far larger role in defining the common interest and using the political power of government to assert that interest. Minority rights are more carefully husbanded; international institutions are maintained; protection of the environment is given a priority. In short, there is a sincere effort to afford respect to the mores of many different groups, accepting that this can be a costly strategy.

Finally, *The Garden* describes an approach associated with the mercantile market-state. In this set of scenarios, governments also play a large role but that role is less a regulatory and more a supportive one. Here governments provide long-range strategic planning based on the good of society taken as a whole—not the sum of its interest groups. Unlike the regional groupings fostered by *The Park*, the states of *The Garden* have become more and more ethnocentric, and more and more protective of their respective cultures.

In a meadow all is profusion, randomness, variety. A park is for the most part publicly maintained, highly regulated with different sectors for different uses. A garden is smaller, more inwardly turned—it aims for the sublime, not the efficient or the just.

DRIVERS AND TRENDS

(These conditions are assumed for all three scenarios.)

POPULATION

Despite a substantial fall in fertility rates, especially in developed countries, and a continuing decline in global population growth rates, the momentum of the existing population will increase the world's numbers from 6.1 billion to over 7 billion by 2015. Ninety-five percent of this growth will take place in the Third World, where most of the world's largest cities will contain about half the world's population. In many developing countries, particularly in sub-Saharan Africa, the Middle East, and parts of South Asia, the rapidly increasing number of persons between the ages of fifteen and twenty-four will strain educational systems, infrastructure, and job markets. At the same time, the population of the northern tier states will markedly age. Increasingly, the needs of older persons

will impose enormous economic burdens on shrinking workforces. Facing labor shortages, some industrial countries will encourage immigration of both skilled and unskilled labor, as the United States has done. Other countries may prefer to substitute technology for labor or to outsource their labor requirements overseas. Russia's population is likely to decrease substantially, as a result of poor health care and declining birth rates. Russian life expectancy is expected to continue to decline.

Some developing countries will not experience net population growth; despite high birth rates, some African countries that are heavily infected with HIV and other diseases will have stable or even declining populations. Infectious diseases will pose a growing threat fueled by population growth, urbanization, and migration, as well as other factors such as microbial resistance. At the same time that progress is being made with respect to some diseases—such as polio and measles—diseases such as tuberculosis and malaria are re-emerging in deadlier, drug-resistant variations while new infectious diseases appear. It is estimated that at least thirty previously unknown diseases have appeared globally since 1973, including the incurable HIV, hepatitis C, Ebola hemorrhagic fever, and encephalitis-related Nipah. Asia is likely to witness a major increase in infectious disease deaths, replacing Africa as the epicenter of HIV by 2015.

RESOURCES

World food stocks are projected to be sufficient to meet overall global needs through 2015. Problems with distributing food to the world's poorest as well as those displaced by internal conflicts will, however, persist. North Korea will continue to be vulnerable to nationwide famine, possibly exacerbated by natural disasters. Famines will continue to occur in countries such as Sudan and Somalia, which are also subject to natural disasters.

Fresh water, while globally abundant, will become a critical resource issue. It is estimated that by 2025, 40 percent of the world's population will live in countries, most of them in Africa and South Asia, that are water-stressed. This represents a sixfold increase since 1995. These countries will be unable to provide sufficient water for agricultural, industrial, and household needs. This will be especially true in northern China, the Middle East, South Asia, and parts of Africa. There will be serious risks of water wars between states proximate to large rivers and seas.

ENERGY

Even if fuel cell technology progresses as hoped, it is projected that by 2010 worldwide demand, driven by growing populations and increases in per capita income, will require added production of energy on the order of

what OPEC states now produce in toto. Assuming a fairly robust annual global per capita income growth of 2 percent through 2015, the demand for primary energy will increase by 60 percent over present levels.

The market will be able to make available vast reserves—their location is already known—but the fragility of the pipeline and distribution network will increase. Technological innovations will continue to expand access to oil fields, lowering the cost of developing new wells, and improving efficiencies in automotive transport. The most exploited oil deposits will remain in the Persian Gulf and Venezuela, with new areas coming online in the West African basin and the Caspian Sea. The global shift to natural gas, with its fixed installations for fuel delivery, could establish long-lasting energy dependencies, making neighboring countries increasingly reliant on natural gas supplies from Russia, Algeria, and Central Asia. Improvements in the efficiency of solar cells and batteries, though they will result in a greater use of these and other renewable energy resources, are unlikely to significantly affect world reliance on fossil fuels in the next twenty-five years.

ECONOMIC GROWTH

The globalization of financial transactions and the rapid increase in the volume of the money supply in global financial markets will create a new global vulnerability to periodic financial crises. Notwithstanding this concern, it is anticipated that accelerating global trade, the growing integration of capital markets, and efficiencies gained from the increasing use of information technology will lead to a real growth in per capita income of about 2 percent annually.

Global economic influence and power will spread from the current G-7 countries of North America, Europe, and Japan to a more multipolar global economic system in which Brazil, India, China, and South Korea will become economic centers. Output from non-OECD countries will rise from 45 percent to about 60 percent of global GDP by 2015. Nevertheless, the inclusion of these countries—the “have-nots”—in the global economy will be marred and slow-paced. The division between the “haves” and “have-nots” could spark a backlash against globalization, reversing the trends of openness to foreign investment and trade that have been driving global economic growth. Those countries with active internal conflicts will tend to fall further behind. In virtually all countries, the disparities within societies will increase. The wealthy and well-educated will get richer, while the poor will get relatively poorer with the middle classes dividing toward one or the other group.

All states will become more vulnerable to the shocks and disruptions that are a major downside of global economic integration. The world economy is highly dependent on the United States. A major U.S. stock market

correction could have a significant impact on the world economy. So could a major disruption in global energy markets arising from political instability in the Persian Gulf. Finally, weak domestic financial institutions in emerging countries could trigger a major financial crisis, crippling future financial flows. The strength of financial institutions in many countries has not kept pace with the volume of financial flows.

TECHNOLOGY

International affairs will increasingly involve the use of information networks, and information technology will not be owned by any single country. Nor can this technology and the information it conveys be easily contained. Information and communications technologies will continue to advance and diffuse rapidly, becoming so inexpensive that most countries will be able to connect to the global information infrastructure.

The United States and other developed countries will face an increasing challenge to maintain its critical infrastructure—the networks that will increasingly unite the hitherto separate sectors of banking and finance, energy, transportation, communications, and government services. Cyber threats to this infrastructure will become a major defense issue by 2015.

Rigid and authoritarian governments that resist the flow of information and attempt to restrict openness and ease of connectivity, will fall further behind economically and politically. The problem of “haves” versus “have-nots” will become increasingly related to information sharing and the diffusion of information technology.

The biological sciences will grow in importance for their applications to medicine and agriculture. Advances in basic biology will allow us to diagnose and cure diseases on a broad scale; but most biomedical advances will remain expensive, benefiting only those who are relatively well-off, most of whom will live in developed countries.

The capability to purchase, copy, or steal existing technologies rather than develop new ones offers significant catch-up opportunities for less developed countries and also for nonstate actors, including terrorists and criminal organizations. Among these technologies must be included weapons of mass destruction. Information technology will allow widely dispersed but globally connected groups such as terrorists, criminal organizations, and narcotics cartels to create far-flung networks and alliances. In some countries, these groups will be better armed than their governments and may control significant portions of territory.

It is projected that during the period 2000–2015, the United States will face ICBM threats from Russia, China, North Korea, Iran, and possibly Iraq.⁹ The arsenals of the new missile powers will be dramatically smaller, less reliable, and less accurate than those of Russia and China. European nuclear arsenals with a global reach will remain; the nuclear weaponry of

Israel, India, and Pakistan will be regional in scope, however. Precisely because nuclear weapons delivered to missile technology is likely to remain a state-centered enterprise, and its use therefore subject to deterrence and retaliation, new weapons of mass destruction that exploit an ambiguity of origin will come into being. States that intervene abroad will find themselves the target of unnamed groups with the ability to do substantial damage through violent and nonviolent means.

EVENTS

(These facts are assumed to be possible for all scenarios, but vary from scenario to scenario, depending on the decisions taken by states.)

SECURITY

Suppose—

- The Balkans degenerate into another regional war.
- The Koreas collapse into a peninsular conflict.
- China does not peacefully resolve its differences with Taiwan.
- A pre-emptive strike occurs against a developing nuclear state in Central Asia.
- A government unfriendly to the United States develops miniaturized nuclear devices.
- Japan rearms with weapons of mass destruction.
- Russia takes a turn toward authoritarianism domestically and asserts itself internationally with threats of violence.
- Successful ballistic missile defenses are developed.
- Nuclear conflict occurs in South Asia.
- An attack on the critical infrastructure of the developed states brings major sectors of the global economy to a halt.
- Ethnic cleansing and genocide erupt in Latin America or sub-Saharan Africa or South Asia.
- Nuclear proliferation to Iran or to an Arab state occurs.

CULTURE

What if—

- Unprecedented immigration follows a nuclear accident or a Mexican or Turkish Revolution.
- Europe and Japan fail to manage their demographic challenges, aging rapidly yet unable to replace 110 million lost workers by 2015.

- A cheap technology for universal, wireless communication via voice/text/image becomes available.
- Weather epidemics—the health consequence of rapidly changing weather patterns—strike.
- A new incurable but highly infectious virus emerges.
- Rapid advances in, and the diffusion of, biotechnology, nanotechnology, and the materials sciences extend life and expand the quality of that life, while also adding to the bioterrorist arsenal.
- China disintegrates, with a new state emerging composed of the Guangdong region, Hong Kong, and Taiwan.
- The United States (or the European Union) loosens the human rights restraints on federalism, giving far greater autonomy to its constituent states.
- A cultural incident inflames Muslim opinion, leading to anti-Western terrorism.
- Criminal conspiracies flourish, trafficking in illegal immigration, money laundering, narcotics, and illegal arms trade.
- The emergence of enlightened business leaders creates a climate of international cooperation.
- New international institutions emerge to manage the effects of globalization.

ECONOMICS

Imagine—

- The U.S. economy suffers a sustained downturn following a dramatic stock market crash.
- China and/or India fail to sustain high growth rates.
- Chemical etching for integrated circuits yields dramatically cheaper and more powerful computation.
- Hybrid fuels greatly lower energy costs, bringing the price of oil to record lows.
- Green tariffs are widely used by the developed states in order to protect the global environment, including punishment for the “environmental rogue state,” the United States.
- Japan fails in the structural reform of its financial institutions and triggers an Asian currency collapse.
- An antiglobalization movement, the New Luddites, emerges using laptop computers, websites, and sophisticated encryption to conduct a worldwide campaign of anarchy.
- Exports surge to 50 percent of global product.
- Global energy supplies are disrupted in a major way.

- Major Asian countries establish an Asian Monetary Fund and/or an Asian Trade Organization, triggering a European reply in kind and undermining the IMF and the WTO.
- Owing to escalating trade disputes, the U.S./European alliance collapses.
- The euro becomes an alternative reserve currency with the dollar.

DECISIONS

Although each of the scenarios assumes the same factual premises, the events in each may vary depending on decisions that are taken within the scenarios to cope with unanticipated matters. I have italicized those critical decisions in order that the reader may ponder them in a way that would not necessarily be available to the decision makers. Some are defining moments, some are turning points, some illuminate one future while casting other possible worlds into the shadows. Yet each may come accompanied by such urgency and such noise that its true significance is not apparent (the decision in the early 1970s to float the dollar is an example). Or it may come so gradually that only when one looks back can one see that a great turning has occurred and the past is no longer visible (as occurred with American immigration policy after the mid-1960s). Or dominant ways of looking at the world may assimilate a new development for a while obscuring its power to change the way we look at things (the decision to use nuclear weapons against Japan in the mid-1940s was just such a decision, taken more or less routinely as an orderly continuation of the campaign of strategic bombing). All these decisional environments are present in the scenarios that follow.

Taken together the italicized decisions in each scenario make up the unique style of that particular world: The Meadow with its impatient and ruthless naturalism, The Park with its bureaucratic Cartesianism, The Garden with its understated but iron insistence on harmony. Taken individually, these decisions show how essential human agency is to any account of history (even an historical account of the future) and yet how confined our choices can become as a consequence of precedent-setting decisions taken on matters that seemed, at the time, not to present much difficulty. Each scenario suite that follows will comprise three subject areas: security, culture, and economics.

THE SCENARIOS

THE MEADOW

SECURITY

In September of the first year of the new millennium, the United States was struck by a terrorist atrocity on a scale that dwarfed previous attacks. Perhaps as many as six teams of airplane hijackers attempted to take over commercial aircraft and fly them into a set of targets that included the World Trade Center towers in New York and the Pentagon in Washington; three teams succeeded. A death toll in the thousands was the result.

The terrorist teams were linked to a shadowy Arab leader who was believed to control a mercenary and religious network of zealots in many countries, but was based in the state of Afghanistan, which had, for four years, been controlled by a fundamentalist movement known as the Taliban. Allied to this movement, this charismatic leader trained thousands of terrorist fighters in Afghan camps. *Now the United States demanded that the Taliban dismantle the camps and turn over the terrorist leadership.*

For the first time in its history, NATO invoked Article Five of its founding charter, declaring that the atrocities were an attack on the alliance. The United Nations' Security Council adopted a resolution authorizing states to employ "all necessary means" to prevent future terrorist acts. Despite these moves, the United States chose to assemble a multistate coalition not limited to NATO nor acting under U.N. authority. At the center of this coalition are the American president, the British prime minister, and the Russian president.

The first week in the following October the coalition began its attacks on Afghanistan, largely using American air assets to conduct a bombing campaign and relying on indigenous Afghan forces to defeat the Taliban on the ground. That same week a Russian airliner flying from Israel to Siberia exploded in mid-air and crashed into the Black Sea. The next week a letter seeded with anthrax arrived at the office of the U.S. Senate's majority leader. Similar letters were found in various offices, including those of other senators, media outlets, and postal sorting centers. In mid-November an American passenger jet crashed into a residential neighborhood in New York City. None of these events—the airliner crashes or the anthrax mailings—were ever conclusively tied to the militant Muslim conspiracy but nor were they definitively investigated.

By December Taliban forces had disintegrated and some of the senior leadership of the terrorist network had been eliminated. There remained, however, a decade of warfare ahead. During this period the Holland and Lincoln Tunnels into New York City, as well as the Chunnel connecting France and the United Kingdom, were attacked with explosives and

collapsed. The National Cathedral in Washington, the Central Synagogue in New York, the John the Baptist site on the Jordan River, and the gothic cathedral at Chartres were all targets of attacks or attempted attacks by terrorists.

International civil aviation was renationalized and taken over by governments when it became impossible to maintain profitably. This was the result of repeated bombings on aircraft and at airports, including London's Heathrow and the Los Angeles terminal known as LAX and the destruction of a Concorde after takeoff from Charles de Gaulle.

The consequence of these horrors on the law of the countries struck was relatively consistent in The Meadow. *Thousands of persons were arrested and detained without charge; some were tortured and beaten to extract information. Nonjudicial tribunals were sometimes used to convict those arrested* when it appeared that they might go free under traditional rules of criminal procedure or when it was feared the ongoing threat posed by their co-conspirators was too great to risk the exposure of intelligence assets required for a successful prosecution.

Nothing seems to work to stop these attacks until two developments, one political, one technological, converge. For three decades the leaders of the most influential economies have been meeting informally, at first to discuss particular crises, and later to seek consensus on the development of the society of the market-states. Originally called the Group of Seven (G-7) by the press, the membership of this group had changed eventually to encompass a political group (the United States, United Kingdom, France, Canada, Japan, German, Russia) and an economic group (adding China).

At the G-9 (P8) meeting, the U.S. president proposed an ad hoc intelligence coalition to be financed by voluntary subscriptions by members of the society of states, and empowered to share information on a global scale. The G-9 (P8) meeting was no more than a forum; it took no position as a group on the president's proposal. In the case of anti-Western terrorism, funding for this intelligence institution was initially contributed by Saudi Arabia, Japan, Russia, Turkey, Germany, Britain, and the United States. *For the first time, cooperation among the world's financial institutions (prompted by the solidarity shown among finance ministers and central bankers) yielded substantial progress in tracking and interdicting the financing of terrorism.*

Careful investigative work by units of this institution was responsible for uncovering an Iraqi attempt to use the terrorist network for a nuclear attack—actually a conventional explosive that would disseminate radioactive materials, the so-called dirty bomb—against the city of Washington in 2007. But the G-9 successes were marred by an attack that used a device apparently loaded onto a container ship in Antwerp, off-loaded in

Canada, and detonated by satellite signal while on a train that passes through Chicago. No one ever really determined the source of this attack. The terrorist network denied responsibility, but then they had adopted the tactic of denial sometime past. Ultimately Iraq is blamed and this provided the decisive impetus for an invasion. A slightly different coalition was organized to provide an expeditionary force.

The former Iraqi leader, Saddam Hussein, had been removed by 2004 but his successor, a Baath party functionary of Iranian descent, had continued the predatory policies of his predecessor. The new expeditionary force, composed of troops hitherto delegated to NATO commands by the United States, Germany, and the United Kingdom, launched an airborne assault, seizing Baghdad, and meeting up with an amphibious offensive from the Persian Gulf, joined by overland elements of the same force from Kuwait.

Only, however, when the G-9 coalitions were aided by technological breakthroughs in nanosensors—which could detect the molecular presence of weapons of mass destruction—and in global surveillance systems did terrorism on a catastrophic scale finally abate in 2015.

The success of this innovative coalitional arrangement against terrorism led to several structural reforms: *first the G-9 (P8) members announced a series of rules for intervention, including commitments to deliver humanitarian assistance.* In every situation, a G-9 (P8) member had to propose an intervention and raise the funds for the operation, provided only that a simple majority of the Group endorse the effort. The actual forces used are contributed on a cost-plus basis, and are placed under the unified command of the state organizing the intervention. Relying on the widespread belief that democratic regimes do not wage aggression, the G-9 (P8) is in effect offering a substantial security subsidy—through a kind of extended deterrence, that is, the promise of protection against aggression—to those states that adopt and maintain democratic regimes. At the same time, by promising to intervene against international terrorism and ethnic cleansing, and to treat epidemics and famine, the G-9 (P8) linked human rights to liberal constitutionalism, regardless of the democratic nature of the affected regime, thus reserving to itself the right to compromise the sovereignty of any state when it is unwilling, or unable, to protect a group of its own citizens from mass depredations.

This policy was tested over the next decade and a half in regions as diverse as South Asia (where a Sri Lankan revolutionary regime attempted to slaughter ethnic Hindus), South Africa (where a democratic government was temporarily deposed by a coalition of white supremacists and African separatists), and Latin America (where a Guyanese dictator refused to permit humanitarian aid to stem a smallpox epidemic). It may be judged a success in retrospect, but it did not operate in isolation. The G-9 (P8)

directorate was greatly aided by three factors that tended to stabilize and enhance its impact.

First, the war against terrorism was a conflict all the great powers could unite on. Each faced the threat of attacks on its own modernity and the secular nature of its state. *Thus Russia and China were no less willing to join the coalition against terrorism than were France and Japan.*

Second, as they developed increasing confidence in the G-9 (P8) plan, most states were able to divert more funds away from military expenditures in their own budgets, thus accelerating their economic growth and allowing for higher payments to fund G-9 (P8) expeditionary forces. Failure to do so meant effective exclusion from the decision making process of the world's leadership.

Third, the G-9 (P8) states were able to develop a comprehensive system of nanosensors, satellite surveillance, and ballistic missile defense that provided a limited shield against weapons of mass destruction. The sheer investment required by such an effort could only have been feasible by a multinational consortium; when finally deployed, this system had the additional effect of rendering the G-9 (P8) more credible, because, at least for a time, it seemed impossible to threaten G-9 (P8) states (as Iraq had threatened Israel at the time of the Gulf War) with long range retaliation by modest or disguised forces. This tended to quiet various regional enmities (like that of China, India, and Pakistan) where states had "gone nuclear."

Russian participation in the G-9 (P8) force structure had the wholesome effect of tying the new Russian state to the world's most influential economies. This had a stabilizing effect on politics within Russia, and enhanced Russia's prestige vis-à-vis the bordering states of the former Soviet Union. At the same time that Russian forces were ever willing to join ad hoc expeditions (for which they were well paid), the Kremlin was also more willing to resort to G-9 (P8) mediation over the autonomy campaigns of the Chechens and others.

On the other hand, this informal system had the effect of weakening the U.N. and its associated peacekeeping institutions to the vanishing point. *Gradually, the United States reduced its funding to about 10 percent of the total budget, an 80 percent cut.* Other multilateral security institutions adapted: *NATO, for example, jettisoned its unanimity rule for the North Atlantic Council and transformed itself into a rapid reaction force for hire.*

This ad hoc system was sorely tested, however, in 2018. The South Korean government was in the final stages of negotiation with North Korea over a federal reunification plan, to be financed by a huge South Korean subsidy, when labor unrest in the South broke into mass riots against the government. Although the riots initially erupted in Seoul, they soon spread to other cities and were most violent in the southern port of Pusan. Here a provisional government led by a workers' party proclaimed its indepen-

dence in May, after six weeks of revolt; this government called upon the North for aid when it was reported that troops from Seoul were bound for Pusan to quell the insurrection. The North responded with such alacrity that it is clear that some sort of collusion with the rioters was already in place. Northern troops poured across the border in two columns, advancing down the Chorwan Valley and the Kaesong-Murasan Approach against Seoul. Intelligence sources indicated that, as had been expected since the 1960s, this was to be a direct strike against Seoul, but in fact the city was partly encircled and then bypassed as the Northern forces split, one group streaking south toward Pusan, the other army group attempting to trap some 15,000 U.S. troops outside Taegu. *These U.S. forces were the last remnant of the American post-Cold War force stationed on the Asian mainland; they had been stripped of their tactical nuclear weapons in 1991.* When the American forces were virtually surrounded, and the North Korean main force had entered Pusan, the Pusan provisional regime contacted Washington, offering to barter a peaceful withdrawal of American forces. Washington faced a dilemma: either it would risk the annihilation of its forces in an attempt to intervene to save them and to shore up the Seoul government, or it would shatter its security commitments in an ignominious evacuation. Intervention would require the reintroduction of nuclear weapons, a move strongly opposed by Japan, where the only other American forces in the area were stationed, *the U.S. base at Okinawa having reverted to Japanese sovereignty.*

It was never imagined that the G-9 (P8) ad hoc forces would confront a challenge of this magnitude; they were mainly expeditionary in nature. In any case, *Japan blocked G-9 (P8) action* by successful lobbying, out of concern that nuclear weapons might ultimately be used in the Korean peninsula with incalculable consequences for Japan. *U.S. appeals to China for diplomatic mediation were rebuffed,* partly, it was surmised, because China wished to remove Korean economic competition from its own export markets. In any case, *China vetoed a resolution in the U.N. Security Council condemning the Northern invasion.*

It remained unclear for some weeks whether North Korea had produced its own nuclear weapons, using reactors it had been given in the 1990s to replace the heavy-water reactors it was then relying on. Although the replacement reactors were less useful in producing fissile material for weapons, they could have served this role and there were no definitive sources of intelligence either way. This possibility added to the complexity of the American position.

On June 1, *American airborne troops attempted to reinforce the Taegu force* in preparation for a breakout. Cruise missiles with conventional warheads hit targets in the North but refrained from striking Pusan. Despite the fact that U.S. troops were prepared for a chemical attack by North

Korean forces, Washington seems to have been surprised when a large-scale chemical assault on Seoul was carried out by infiltrators the night of June 2, allegedly in retaliation for civilian casualties in the North resulting from American air strikes. In the aftermath of this horrifying event, a *joint Chinese-Japanese proposal was put forward by the terms of which the American troops were evacuated*, and emergency medical aid was sent to Seoul. Following the negotiated withdrawal of American troops, the Seoul government capitulated and Korea was ultimately united not under a federal plan as previously negotiated, but under central control from Pyongyang.

After these traumatic events, *the society of market-states rallied and augmented its announced rules of international security policy*. Henceforth, all ballistic missile systems capable of delivering nuclear, chemical, and biological weapons, were to be placed in escrow—held in protected sites under the authority of a multinational, quasi-private consortium—and no future development of such systems was to be tolerated, on pain of pre-emption. *The first pre-emptive strike by an ad hoc coalition occurred against a Central Asian state in 2020*. Russia and the United States both contributed large numbers of ballistic systems to these cantonments, although the actual effect of this isolation was muted by the widespread deployment of cruise missiles by many states.

The evolution of international law in this period took its direction from the doctrine of “the new sovereignty,” on the basis of which the United States, and later NATO, had intervened in Panama in 1990 and in Kosovo nine years later. This doctrine held that a state’s sovereignty was only valid so long as various criteria were met. *Based on this doctrine, the United States and allied Caribbean forces overturned the “drug states” of New Grenada and New San Martin, where narcotics organizations had seized power*. But faced with widespread calls for intervention to redress human-rights violations in many parts of the globe, the G-9 (P8) states also found fewer and fewer of their citizens were willing to serve in the armed forces necessary to mount such interventions. This meant that intervention forces had to rely on what were effectively nonnational mercenaries. *Proposals to reintroduce the draft in the United States and France were greeted with widespread protests and were quickly shelved*. When a breakaway state in the Congo Republic massacred 250,000 of its citizens, there was no political consensus on the part of any G-9 (P-8) states—though some, notably the United States, were more willing to intervene than others—to fund or support an intervention.

By 2020 the experiment of the G-9 (P-8) ad hoc forces had been restructured. All-volunteer forces—essentially multinational mercenary groups—eliminated the need for the G-9 (P-8) states to rely on the troops of member states. Such forces were successfully used by the British in

Sierra Leone, by the United States in Haiti, by deBeers in southern Africa, and by Singapore in Irian Jaya. Though buffeted by many calls on its resources the G-9 (P-8) was eventually able to concentrate on those crises that were economically and strategically significant to the wealthiest states, which included some, but by no means all, human-rights crises. The G-9 (P-8) developed patterns of cooperation over time—including intelligence sharing, joint exercises, interoperable equipment, consolidated training—that brought defense costs down and muted great power conflicts.

In The Meadow security was commoditized. Market mechanisms were hitched to geostrategic objectives. Political discontent with the prevailing system was equated with crime. Still, states were able to cooperate to cope with a variety of crises.

CULTURE

In the West, the growing inequalities of wealth and personal safety were dissolving the bonds of civil society in state after state. Riots, kidnappings of wealthy persons, the anticomputer terrorism of the technically sophisticated New Luddites, the green terrorism of the “Boy Scout” movement (no relation to the twentieth century group of child explorers), begging in the streets of the wealthiest capitals, and anarchy in the poorest ones—all these were accepted as the inevitable costs of rapid growth and rapid change. There even came a point, during the worst of the terror attacks on the United States, when it appeared that New York and Washington would be depopulated like Rome during the plague, but this did not happen.

Globalization—and its terrors—were of necessity an engine of change, and the resulting dislocations were taken to be unavoidable. The bottom line was that even after an American stock market collapse in 2005 and a worldwide recession that had lasted throughout 2007, most persons were wealthier (had more consumer goods, more leisure time), healthier (owing to computer-enabled methods of preventive medicine that earmarked individual vulnerabilities before they became acute), and better educated (again owing to computer innovations that gave every child several hours of individual instruction daily for fifteen years and provided access to an almost infinite amount of information) than ever before. Led by the United States, virtually every state in the developed world and many outside it adopted a hands-off attitude toward popular culture and behavior. *Affirmative action, anti-abortion laws, narcotics and prostitution prosecutions, and subsidies for the arts all vanished*. The withdrawal of the state from enforcing particular sectarian views did not mean that pressure groups declined.

On the contrary, by 2010 everyone in the former First World seemed to believe in something—often so intensely and parochially that political

systems all across the developed world were deadlocked. NGOs, however, flourished. These began reaching out to the Third World. In Africa and Latin America, philanthropic groups supported both Christianization and de-Christianization, attempting to change people's religion either to some form of Christianity (including Mormonism) or to some "indigenous" sect thought to have been threatened by Christianity (including animism). To these causes were added Green concerns (reforestation, restoration of species, soil depletion headed the list), inoculation against infectious diseases, and famine relief.

Indeed the proliferation and profusion of NGOs in the developed world led a large number of countries in the developing parts of the world to devise cultural policies catering to First World interests. *Some countries legalized assisted suicide; some instituted Islamic legal and cultural rules; some hosted genetic engineering projects ranging from modified crops to organ harvesting; some virtually became theme parks.*

NGOs also led the movement to improve health in the developing world. In many countries, rapid urbanization had outrun the capacity of the urban infrastructure and social services to cope, leaving cities to incubate disease and without adequate sewage or health facilities. *NGOs organized treatment centers, and in some states governments virtually ceded their health policies to these organizations*, which had the resources to alleviate disease but not the legitimate power to resolve the underlying problems that had created the crisis.

By 2025 the world's population had increased by 50 percent since the year 2000, to a level of about 7.5 billion. The most dramatic demographic event in the first quarter century, however, was a precipitous drop in population growth. This drop did not occur uniformly. The states of the developed world lost population share, going from 21 percent to 12 percent—since 1650 it had hovered between 34 percent and 26 percent—and aged at a faster rate than any other group of states. Within the group of developed states, however, there were significant differences. Japan and Italy, whose low population growth was a source of anxiety at the turn of the century, aged rapidly, Japan overtaking Italy. Except for Poland and Moldova, the European populations of the former Warsaw Pact uniformly declined. In 2020, Britain and France had a high average age among industrial countries; that same year the United States had the youngest average age. And even within a single state, there were large variations: *the relative youth of the American population derived from a high rate of immigration.*

In this period *a number of less developed states stabilized their populations*—China, Taiwan, Korea, Algeria—and their birth rates actually began to decline. Other states—India, Pakistan, Mexico, Brazil—continued to grow and then leveled off in the 2030s and 2040s. Some states—Nigeria, Zaire, Ethiopia, Rwanda—experienced a largely unchanged, high fertility

rate, but their population levels suffered owing to various catastrophic events.

These population variables set the terms of the differential growth rates that occurred in the first part of the twenty-first century, as the world in 2025 saw a falling population for the first time in four centuries. In the northern-tier developed states, the demand for consumer goods was faltering as the population aged; in the less developed southern-tier states, increasing population pressures drove up the price of foodstuffs. Nevertheless both sectors—with the exception of some African states—were linked by multinational commerce, opening up vast consumer markets in the South, to which genetically engineered grains and proteins were ultimately exported. By 2020, 70 percent of the world economy was in the former Third World and China.

There were some unattractive aspects to this flourishing trade. For example, *organ farms (really "hospitals" that removed organs from paid donors) arose in Pakistan, the Philippines, and various other states to supply First World demand for transplants*, though these were ultimately replaced by transgenic methods using animals. *Some states acquired needed capital by locating nuclear waste sites on their national territory and by permitting mineral-extraction methods that were outlawed elsewhere.* Russia for a time in the 2020s was taken over by a raw-materials development company that employed political prisoners as workers in mines and wholly corrupted the Duma by giving members "derivative" subsoil rights to the petroleum and minerals beneath Siberia. *In Russia at this time, a new form of civil right was introduced, permitting any citizen or registered company to buy shares in the state, thus giving weighted voting according to the number of shares purchased.* Unsavory as this sounds, it did have the result of efficiently extracting the abundant raw materials of the Russian state, which had hitherto frustrated most attempts at development. Moreover, the privatization of the state brought sufficient capital to the country through foreign investment that perennial Russian agricultural shortfalls were finally halted through a program of genetically engineered hybridization.

Pakistan and India joined in a free trade area in 2010, providing the crucial momentum that made India the world's largest single market by 2025. Other, intermediary states flourished in the new environment of general free trade: Turkey, Indonesia, South Africa, Mexico, Iran, Algeria. A global hiring program operated on the Internet allowed anyone anywhere to access job opportunities worldwide and to receive a one-year "green card" once employment was assured, as part of a universal reciprocity regime for jobs. By 2040, the number of nominal citizens and resident citizens combined of the top fifteen formerly Third World countries surpassed year 2000 levels of GDP per capita for First World countries.¹⁰

In these rapidly developing countries, the proportions of GDP derived from industry and manufacturing hit the conventional maxima for a developed, postindustrial state, giving way to the relative rise in services that seems characteristic of affluence.¹¹ Successful economic reforms in these states—especially the *free trade areas of India-Pakistan, China-Taiwan, Korea-Japan, and Singapore-Malaysia-Indonesia-Thailand*—prompted the election of politicians committed to economic reform. Increases in successful free-market reform yielded increases in individual freedom. Third World development spurred demand for First World products that became, as the century wore on, ever cheaper.

By contrast, per-capita consumption in the First World shifted as more emphasis was placed on quality-improving investments such as child safety, preventive medical care, and lifelong education. *Environmental quality was monitored and protected by licensed entrepreneurs who held various resources (for example, air quality) in trust for the state.* The 2020s also saw a number of innovations in civil society: *violence-prone adolescents—identified by genetic screening at birth—were monitored when convicted of violent crimes, and their activities circumscribed through various electronic means; the most serious offenders were exiled to other countries in exchange for cash payments, and there typically turned to agricultural or military duties. In some countries, medical and education vouchers were earned through the avoidance of legal “demerits” so that citizens with a record of infractions were barred from schooling beyond high school and from all but some inexpensive forms of acute care, unless they were able to secure a source of funds of their own. This rather draconian system was to some extent mitigated by a system of behavior bribes whereby nonviolent offenders were paroled to specialized private corporations where they were maintained as wards of the market, in comfortable circumstances performing menial tasks, so long as they refrained from further offenses. Drug offenders were either exported to states that had legalized drug use, or confined to privately run “Virtual Holiday” camps where nonlethal drug use was permitted. By these various means, prison populations were dramatically reduced (though some increased crime did inevitably accompany this reduction).*

The universal communications made possible by the ubiquitous (and cheap) handheld wireless computer/telephone/television tied the world's cultures together as never before. The reach of a single language—English—embraced 60 percent of the world's inhabitants by 2040. Only one region seemed impervious to the general economic upturn, and from that continent came the horrors that haunted the society of market-states.

In Africa, the greatest increase in population during this period occurred, from 642 million persons in 1990 to 2.25 billion in 2050, an absolute increase of more than 1.5 billion and a percentage growth (253

percent) that was more than twice as great as the rise in total population of the underdeveloped countries (including China and India) taken as a whole (109 percent). This growth was uneven, largely owing to AIDS deaths in some sub-Saharan states. Nevertheless Nigeria alone exceeded 500 million people at the end of this period. This enormous influx of population into the ecosystem of the African states accelerated the process of deforestation that was already well underway in the 1990s. One result of this deforestation was the triggering of the first twenty-year drought, which began in 2007–08. This drought brought about a shortage of fresh water that was so severe that even the development of genetically modified hybrid strains of sorghum and cassava were unable to alleviate Africa's grain shortfalls. Indeed, the availability of water proved to be the principal bottleneck to agricultural progress in many areas of the globe in the first two decades of the twenty-first century before laser-fusion technology made desalinization practicable. By that time, Africa had been struck with a new plague, the so-called weather epidemics of the mid-2020s.

“Weather epidemics” are so named owing to illnesses that appear to arise from unusual disturbances in the weather patterns of a given ecosystem. It is still not clear whether the bizarre weather conditions that began in the winter of 2026 were the result of covert experiments by private companies that went awry, or were another consequence of deforestation or of the *intense development without environmental quality restraints that took place on the west coast of Africa in the beginning of the century*, or of some combination of many unknown causes. In any event, a general malaise leading to extreme enervation, but usually not death if dehydration and starvation were treated, struck the African continent below the 10th parallel. Although there were deaths in the tens of thousands, the worst consequences of the weather epidemics, like those of the twenty-year droughts, were avoided by a *voluntary system of secular tithing in the developed world, stimulated by advertising campaigns and administered through various NGOs, including the Red Cross.* The ability to transmit worldwide the images of starving African children through wireless handheld communicators, enabling First World individuals to “adopt” and monitor particular children in the refugee camps, stimulated a response from the international public that dwarfed anything that governments were prepared to do. The money thus raised was used to bring food, medicine, and water to the dyshygienic new cities of West Africa, and to the swollen refugee camps of Central and East Africa.

Medical historians now believe, however, that it was an indirect consequence of this inspiring outpouring that led to the third and most lethal of the plagues to strike Africa. There is an emerging consensus that it was the pirating of portable X-ray machines from the Red Cross facility at Kinshasa and their subsequent misuse that resulted in the mutated virus known

as OOA-V. Like HIV, this virus can be transmitted through sexual contact and thus spread quickly through the polygamous societies of Africa, before leaping the Atlantic and turning up in the Caribbean. But this time, *unlike the HIV crisis of the late twentieth century, the disease had been identified and definitively traced. Simple sputum tests were given to passengers of air or ocean craft; whole countries were quarantined* (Equatorial Guinea being the first). The medical infrastructure of the African states, still reeling from the weather epidemics, was completely overwhelmed. This time, there was no commensurate outpouring of aid from the northern-tier states. *Such funds as their people were willing to spend on the problem were spent on prevention and quarantine measures.* By the end of the decade—2049—OOA-V had claimed, directly or collaterally, something approaching twenty-six million lives and it appeared still unchecked.

There was a pervasive sense that an international society that could be so rich and at the same time couldn't be bothered to alleviate, much less prevent, a human catastrophe on this scale had much to answer for. Sheer materialism had become more glamorous, more accessible, and yet more alienating. Not everyone was well positioned to succeed in the Meadow's meritocratic competitions. Some were poorly educated, some were ill at ease with technology, some simply not sufficiently motivated. Marx had used the term "alienation" to describe a psychological loss of self-worth, and this perhaps was the most disturbing aspect of The Meadow. Far from creating revolutionaries and criminals, its unemployed and underemployed persons felt themselves to be at fault and punished themselves through absorption in games and drugs of many kinds. The so-called helping professions—nursing, teaching—made a comeback as people yearned for a sense of community and common purpose. But there was really nowhere to go to find such a community: The Meadow was globally pervasive.

ECONOMICS

Although the path was difficult, states in The Meadow were best able to cope with the recession of 2005. Their recovery, however, was volatile and erratic, causing vast inequalities in distribution. As one commentator put it at the time, "it seemed that every tip of the boat during the hectic years from 2003 to 2009 resulted in a new class of millionaires, mostly entrepreneurs, investors, and currency speculators, in one part of the world and a new class of recently impoverished in another."¹²

The United States was identified throughout the world as the leading proponent and beneficiary of globalization. Yet the entrepreneurial market-state was by no means limited in its appeal to *the United States, which had led the movement to adopt this model, even to the extent of per-*

suading Germany to abandon its corporatist policies. At different times in the first half of the twenty-first century, this model was chosen by Britain, Germany, Japan, the Baltic states, Russia, Spain, Mexico, Chile, Indonesia, Nigeria, Switzerland, Thailand, and Singapore, among others. Each sought a weak, minimal central government with low taxes; each tolerated in some economic sectors a functioning anarchy loosely governed by largely deregulated markets and some degree of persistent corruption. Each developed a high degree of privatization embracing pension plans, power utilities, and, in some states, education and relied to a great degree on local ad hoc action-oriented groups to solve political problems.

The global society—The Meadow—led by such states proved to be a phenomenal engine of innovation. The Park and The Garden eventually developed the chemical etching procedure for integrated circuits that broke the silicon barrier and multiplied the speed of computers by a factor of 100 billion, but it took so much longer and the finished cost was so much higher than in The Meadow that its benefits were confined to supercomputers in those worlds. Hybrid fuel vehicles (which cushioned The Meadow from the oil shocks of the 2010–2015 period and brought forth \$10-a-barrel oil for the rest of the scenario period), domestic and agricultural robots, nanodevices for the diagnosis of diseases and stem cell techniques for DNA repair and immune system regeneration, genetic mapping, the ubiquitous handheld wireless computer/television/telephone nanosensors to detect the presence or transport of weapons of mass destruction: all these devices were the offspring of The Meadow. Indeed even though the first computers were developed for military purposes driven by the Long War, it was the commercial success of the first Apple and then IBM personal computers that provided the impetus for the miraculous developments of the early twenty-first century. The difficulty was that The Meadow was not the best place to make these marvels available to the peoples of the world because it invited—perhaps required—severe distributional effects and these eventually dampened demand.

The Meadow's global economy led to lower wages, as deregulated capital sought cheaper and cheaper costs of production. At the same time, new technologies had enhanced worker productivity, so that for the first time the world began to see both increases in worker productivity and falling wages. Liberalization of markets had led to lower prices. As a result of these three factors, the supply of finished goods increasingly exceeded world demand, and prices fell still lower. Workers were too poor to buy new products, and wealthier citizens tended to invest rather than consume, shifting the prices of financial goods higher and the prices of products lower.

The Meadow ignored and thus weakened international institutions. For example, the IMF did not have sufficient resources to counter the Asian

currency crises that struck in 2003. Japan's economy failed to revive, despite generous fiscal stimuli and real if grudging banking reform. *When Japan finally liberalized its financial services industry in 2004, allowing ordinary savers to invest in financial instruments abroad, the government faced a choice: it could either raise interest rates to coax investment back into the economy or it could increase the money supply. Following the precepts of the Meadow, Japan did both.* The yen fell calamitously and the Japanese trade surplus rocketed up.

These events occurred contemporaneously with a deep cyclical downturn in the U.S. economy in 2005 that was powered by the *contractions in the money supply that were the Federal Reserve's response to its overreaction to terrorist attacks on the U.S. banking and transportation systems.* The Dow Industrial Average fell to 6,000 points from a high of over 14,000. *The Federal Reserve then took measures that increased liquidity.* These steps weakened the dollar and sent investors to the euro. But the rising euro further dampened U.S. demand, and European exports collapsed. The slower European growth that followed resulted in lower tax revenues and higher claims for unemployment benefits. This caused the *European Central Bank to tighten credit. When Japan and the United States felt forced to follow suit in 2006, the resulting tight money policies triggered a world recession.* European, Japanese, and U.S. output suffered losses of 1–2 percent for the next three years in a row. During this period world growth hovered around zero. The recovery only began when *the United States took on considerable debt, ran a series of sharpening deficits, and increased the global money supply.*

This was the situation when a new American administration took office in 2009, stunned by the economic slowdown that, beginning in 2004, had for four years ruined the optimistic projections of the preceding eight years. The terrorist attacks that had struck The Meadow since the World Trade Center atrocity in 2001 had had a harsh effect on the economies of the developed states. Despite repeated interest rate cuts by central banks, the equities markets never regained their pre-2001 highs, and several industries, notably the airlines, were crushed.

The recovery from this recession had been enormously expensive and the new administration was committed to drastically reducing U.S. government debt, which at that time totaled \$3 trillion (in a \$9 trillion economy). *Several steps were taken by the new administration, including some modest tax increases and even more modest cuts in entitlement spending, but the most dramatic tactic was the devaluation of the dollar, allowing the United States to pay off Treasury obligations with cheap dollars and boosting exports to unprecedented levels.* Within ten months the hitherto chronic trade deficit of the United States had been largely erased, but inflation levels soared. As if by implicit collusion, *once the greater part of the*

U.S. debt had been retired, the Federal Reserve tightened interest rates to halt inflation. A second stock market crash—over 1,000 points in a single day—was only a symptom, but a significant one, of the deflation to come. Stock equities composed a far smaller share of U.S. capital than in the 1930s, and so a sharp contraction in the stock market did not itself bring about a catastrophe. The borrowing that would ordinarily replace such lost liquidity, however, had been dried up by the deflation and the flight of foreign capital from Treasury instruments.

This one-two punch had shattering consequences around the world. Having seen its U.S. financial assets written down by its principal debtor, Japan then saw its export market to America evaporate. By the time the U.S. Federal Reserve acted, a full-scale depression had begun in East Asia. The Fed's action only made things radically worse by depressing American demand just at the time that imports were returning to competitive prices. In Europe, the Eurodollar market had caused European Union currency—the “euro”—to skyrocket, driving up European interest rates and choking off consumer purchasing power. *The hitherto willing labor forces in Europe that had accepted tight money policies in exchange for a social contract now demanded higher wages to keep up with the increased cost of living.* In 2010 the European Central Bank was repopulated by reformers, appointed by a new coalition of environmental and consumer parties. In the United Kingdom, mysterious groups of cyberterrorists, calling themselves the “New Luddites,” began attacking the computer systems that operated electronic banking and financial infrastructures. The computer plagues that followed may have been a consequence of these attacks, but this was never determined.

Especially hard hit during this period was the Asian subcontinent. In 1950 the population of India was less than half the 900 million it had reached by 2000; by 2025 this had grown to 1.5 billion. The celebrated Green Revolution that had, for a time, made India a net exporter of grains had been achieved through intensive overplanting, which had depleted both soils and the watershed. In retrospect it appears that the Indians of the late twentieth century were feeding themselves on the food sources of their children in the twenty-first century.

Nevertheless, the policies of The Meadow allowed India and Pakistan to recover. The water wars predicted by many analysts never materialized and the food shortage that followed the great drought of 2020, which might have triggered such wars, was ameliorated by ample U.S. investment in drought-resistant grains. The widespread use of English, computer skills that were learned during the course of Y2K remediation (most of which was done in India), and the reluctant adoption of the entrepreneurial state model by both countries meant that when the world economy recovered, South Asia was poised to take advantage of it.

The entrepreneurial market-state—and The Meadow, which is its extrapolation by the society of states—is profoundly indifferent to sex, class, religion, and ethnicity and these were precisely the prejudices that had held South Asia back. Relying on its highly developed merchant class, a skilled labor pool of many millions of scientists and technicians, a British legal system of property rights, and a large domestic market, Indian growth rose from 6 percent in 2000, before the first world recession, to 9 percent in 2010. The Indian middle class, which already numbered 150 million in 2000, doubled by 2015. The discrediting of socialism led to the weakening of unions, and this permitted a restructuring of industry that lured foreign investment. The environment was essentially for sale: *multinationals were allowed to use methods in South Asia that were permitted in few other places*. The sorts of planning required to modify a pure market approach—developing markets in risks, for example, to spread the impact of foreseeable events—require institutions strong enough and practiced enough to make such an approach work. Yet the very development of highly competitive practices rendered the creation and maintenance of such institutions problematic. The aggressive free-trade intrusions of entrepreneurial market-states made other states wary of cooperation, lest they be co-opted. With weak international institutions and weak allegiances to those institutions on the part of market-states, the *political leaders of each state were led to lay blame on the other models for the imperfections of the market-state model each had chosen*, rather than to persuade domestic constituencies to accept the costs of modifying the operations of the market. Such adjustments would have met fierce resistance within their respective states, and no government was willing to confront such opposition. The difficulty with the modified market approach of The Meadow is that market-states are less able to muster the political strength to mitigate the operations of the market (just as nation-states had difficulty assembling the political will to overcome the vested interests that grew up around regulation). The problem really was that the United States—of all the market-states—had fixatedly followed the entrepreneurial market-state model, and without U.S. leadership to find common economic interests, the society of market-states could prosper but not thrive. This failure of leadership was exacerbated by the common perception among the other states that world events—in genetic engineering, in currency flows, in computer innovation, all with incalculable consequences—were in the hands of the reckless and self-absorbed Americans.

THE PARK SECURITY

Perhaps more than any other driver, it was the implicit erosion of confidence in U.S. nuclear extended deterrence following the terrorist attacks

on the United States that began in earnest in September 2001 that brought the world of The Park into being. Once the hitherto protected states of *Japan and Germany sought their own weapons of mass destruction, regional security alliances developed that excluded the United States from North Asia, Western Europe, and elsewhere*, with important consequences for nuclear proliferation.

The Korean crisis that bedeviled the Meadow in 2010 never occurred in the Park because *South Korea had earlier acquired nuclear weapons* and the North was unwilling to test Southern resolve to use these weapons, even against other Koreans. *Japan's leapfrogging of nuclear technology* had set in motion nuclear proliferation to Korea, and this had the ironic effect of pushing U.S. forces (some would say releasing them) from the Korean peninsula. Once the *Japanese navy went postnuclear, the Koreans demanded an American nuclear guarantee against Japan. This the Americans were unwilling to give*, though various other assurances were offered, including the continued forward positioning of U.S. troops as a kind of hostage to Japanese intentions. The Koreans, however, determined to deploy nuclear weapons on their own—they faced potential adversaries on every frontier (China, Russia, North Korea, Japan)—and, after lengthy but failed bargaining, went ahead with these deployments, as a result of which the *American forces, as well as their nuclear umbrella, were withdrawn*.

The South Koreans had the wealth and the technocracy to deploy these weapons, but the world was surprised at the speed with which the necessary advanced technology found its way to South Korea, whose nuclear reactors had a spotless International Atomic Energy Agency (IAEA) inspection record. In the summer of 2010 an event took place at the Indian port of Kandla that led to an unraveling of the true history of the Korean program. At Kandla, Indian customs officials acting on a tip demanded to examine the hold of a Korean ship unloading a cargo of sugar. Inside the 9,600-ton steamer they found 150 containers listed on the cargo manifest as “water purification machinery” destined for Malta. These containers in fact held warhead components. In time it was revealed that a *lucrative partnership in nuclear delivery systems (China), fissile material (Russia), and warhead design and computer simulation (Israel) had loosely cooperated to arm, or partially arm, a number of wealthy but otherwise unlikely states*. By this means, *Iran acquired nuclear weapons*, one of which was detonated in an underground test in 2012. Pakistan and India had weaponized their own nuclear materials as far back as 1998. *Now two consortia of states—Iraq, Russia, and India on the one hand; China, Pakistan, and North Korea on the other—competed as suppliers in the burgeoning trade in nuclear weapons technology and delivery systems. When Indonesia acquired MRBMs in 2011, Australia pulled out of the ANZUS pact and*

began to develop weapons of its own. This in turn prompted a rush for weapons by Malaysia and Tokyo; in the region, only Taiwan held back, at least overtly, from nuclear or postnuclear weapons of mass destruction, and clung to the American security guarantee.

The American guarantee was abrogated when evidence was laid before the press showing that Taiwan had approached two Italian suppliers for technology whose only practical use could have been to develop chemical and biological weapons delivered by medium-range ballistic missiles. These disclosures confirmed what had long been suspected: that the states of the European Union were violating treaty restrictions on the export of nuclear and missile technology. France had aided Iraq by providing crucial technology at about the same time German companies helped bring Iran into the nuclear club. When international terrorism repeatedly hit the United States but not the European mainland, American alienation increased.

The public outcry in the United States at these revelations may have hastened the inevitable shift from a European security pillar within NATO to a separate E.U. community-wide defense system. After some modest progress toward political union in the late 1990s, the European Union now attempted to create a common defense policy under the umbrella of a European Defense Community (to which particular weapons and units were assigned) within the Western European Union (which largely replaced the role of NATO and from which the United States was excluded). U.S. troops were entirely withdrawn from the continental landmass of Europe, though they continued to conduct joint naval exercises with Britain.

The Fifth Yugoslav War never occurred because NATO forces were withdrawn from the Balkans in 2005 as a result of U.S. retrenchment. Serbia and Croatia quickly partitioned Bosnia with tacit European support and Serbian forces retook Kosovo the following year. This returned the province to the legal status quo ante the NATO intervention of 1999, with some residual terrorism by the Kosovo Liberation Army (KLA) but with less depredation by Belgrade.

British and French nuclear weapons were assigned to the EDC, for use under EDC/WEU commands, on a dual key basis—that is, both the French or British commander and his EDC/WEU counterpart had to concur before any weapons could actually be used. Two developments soon cast doubt on this arrangement: first, the French refused to participate in planning that would target any of the states of Eastern Europe or the former Soviet Union, even after it was learned that Ukraine had deployed weapons thought to have been turned over in 1996 to Russia; second, the United Kingdom refused to take part in planning that would target the United States. The result of this dissension was the so-called Multilayered Concord, which delegated some weapons to the EDC for “all-azimuth

planning” but not actual targeting, and provided some rather general rules for WEU engagement. After Russia’s amalgamation with Belarus, Poland acquired a limited number of postnuclear weapons (possibly with French commercial collusion), putting the accord in question and generating inevitable pressures in Germany for that state to acquire her own nuclear and postnuclear arsenal. Concern for reassuring Russia, however, checked any German moves in this direction and, by 2015 EDC nuclearization, including the Multilayered Concord, still held. German access to a nuclear trigger continued to depend on British or French concurrence. That year Slovakia and Ukraine were made associate members of the E.U. (Slovenia and Croatia having previously achieved this status along with Poland, Hungary, and the Czech Republic) and atomic demolition mines were deployed in the High Tatras of Slovakia.

Europe had set a pattern for the development of regional security associations that now sprang up all across the society of market-states. Authorized by the U.N. Charter and created pursuant to Security Council resolutions, these associations were created to deal with the sort of problem that the U.N. and the E.U. had ducked in 2004 when the Balkan crisis had erupted. Principal among these were the North Asia Security Group (including South Korea, Japan, and China), the West African Organization for Peace (Nigeria, Cameroon, Ghana, and Cote d’Ivoire), the South Pacific Treaty Association (Malaysia, Singapore, the Philippines, Indonesia, and Viet Nam), the Caspian Sea Security Arrangement (Georgia, Azerbaijan, Kazakhstan, and Turkmenistan), and others.

These regional arrangements were a force for stability, but they were not without shortcomings. First, they tended to be relatively passive because, even following Security Council reform, it was still easy to block any U.N. endorsement of action. Various horrors in South Asia, South Africa, and Guyana had failed to prompt armed intervention. Second, key states with respect to a particular regional group—like Russia and the Caspian Sea Security Arrangement, or China and the South Pacific Treaty Association—were disinclined to participate, fearing their pockets would be picked by the other members who would rely on them for funding. Third, the true security interests of market-states were not especially regional, being connected instead through an abstract archipelago of shared economic and cultural interests.

All of these factors were in play when China seized Taiwan in a series of shrewdly planned, if brutal moves. China’s navy and air forces were large, but consisted mainly of small coastal craft, antiquated Soviet submarines, and obsolete fighter aircraft. There was little fear that China could conduct a successful amphibious assault against the island. Moreover, China’s nuclear weapons were scarcely suited to reuniting a related but recalcitrant province. It was rather China’s acquisition of neutron

bomb technology (aided perhaps by espionage) that proved the key to the takeover. In an assault that was murderous but highly confined, China attacked military targets with ballistic weapons that were conventionally armed and, hours later, irradiated the largely Formosan city of Tainan, one of the centers of the independence movement. It is estimated a quarter of a million persons died in the brief, two-week campaign. *The United States no longer perceived itself as a protector of Taiwan. The regional group did not want to get involved. Action by the U.N. was stopped by the Chinese who treated the entire affair as an internal matter.*

This event again focused attention on the U.N. and its provisions for regional security organizations. *Security Council reform had already changed the membership of that body:* the European members (France and the United Kingdom) had been replaced by a single E.U. representative. Representatives of India, the Southern Cone Common Market (Mercosur), and the Association of Southeast Asian Nations (ASEAN) also sat as permanent members of the Council. Moreover, the veto power vested in permanent members was modified to prevent a veto that would trump action recommended by a unanimous regional group, which is simply to say that nonregional permanent members could not stop action outside their own immediate regions. By 2020, however, regional forces had completely replaced any “blue-hatted” U.N. peacekeepers just as NGOs had replaced the U.N.’s humanitarian arm, though it must be conceded that these regional forces were used chiefly to suppress separatist movements at the behest of various states. This paved the way for a universal consensus around a concept of sovereignty that would have been familiar to international lawyers of the second half of the twentieth century. One might call it “sovereignty with exceptions,” meaning that the classic view of impermeable sovereignty was qualified only to the extent that the U.N. Charter was held to endorse such limitations. This satisfied both large states—that wished to avoid being drawn into local conflicts—and small states that feared intervention. The state leaders of The Park considered themselves worldly wise: they did not chase after humanitarian crises; they were willing to accommodate the facts of life; above all, they sought reassurance in alliances with those to whom they were historically bound. This set the stage for great power confrontation among the three great blocs—Asian, American, and European.

CULTURE

In the uncertain economic environment following the American recession, a new destabilizing element appeared: the shift in the ratio between young and old. In 2003, Italy’s population of persons sixty-five years of age and over passed 20 percent of the total; Japan followed in 2005 and Germany

in 2006. France and Britain arrived at this figure in 2015. At the same time, global life expectancy was rapidly growing. As life spans increased, fertility rates in the developed world plummeted. As recently as the 1960s, the worldwide fertility rate (the average number of lifetime births per woman) was at 5.0. By 2000 it stood at 2.7—a figure fast approaching the replacement rate of 2.1. In the developed world, the average fertility rate declined to 1.6. By 2000, Japan was projecting a population decline of 20 percent in the ensuing two and a half decades. In Germany, where the rate had fallen to 1.3 by 2000, fewer babies had been born each year in the 1990s than in Nepal. In the United States this development had been masked by large numbers of immigrants, who included families with higher fertility rates than those of native-born Americans. The looming demographic crisis pitted young unemployed persons against taxpaying workers against pensioners. As a result of this tricorned struggle, by 2010 the politics of social security reform became effectively paralyzed. Governments were forced to make severe cuts in defense spending, infrastructure maintenance, and finally in health benefits.

These developments—unemployment, social tensions among groups, and a recession that followed government cutbacks—brought to power a number of reform-minded governments determined to protect the youth who had elected them. To invigorate their economies—and mindful that falling population rates could not be made up by productivity gains—*states in the developed world followed the U.S. example and began loosening their immigration rules.* These immigrants brought with them higher fertility rates and lower labor costs, forcing a revision of state-regulated employment practices that had stifled growth. In Germany, foreign workers rose to 40 percent of the workforce by 2025 and dominated cities like Munich and Frankfurt. At the same time, *governments began encouraging higher fertility rates and investing more in the education and the productivity of future workers.* In the high-tax states that followed the managerial market-state model *tax credits were offered for taking intergenerational responsibility within families, including home day care for the young and residence care for the elderly.* Because these popular measures directly attacked the existing social contract and affronted entrenched ideologies and interests, they opened up the politics of these states to reform; and because such policies brought youth into the reform camp, the parties of the past with their addiction to state ownership withered away.

The economic turmoil leading up to this revision and the demographic crisis that brought it to a head were certainly critical factors; so also was the growth in knowledge about how other people live and how other social systems function, which fueled immigration. The core E.U. was now powered by two late twentieth century developments that had appeared to be a

drain on the E.U.: the takeover of East Germany, bringing a well-educated workforce into the capital system, and the proximity of Poland, Hungary, the Czech Republic, Slovenia, the Baltic states, and Ukraine, which enlarged the E.U. and provided cheaper labor and a vast new market for consumer goods once they were assured that their national cultures would be respected. Indeed it was the ability of the managerial market-states to recognize the rights of cultural minorities—including the United States with its decentralized constitutional system of federalism—that ultimately provided a key to success.

One important constitutional tool in the institutionalization of this respect for minorities was the relative ease with which devolved partial states were created. *Regions in Italy (the northern industrialized region centering on Milan and Lombardy), Spain (Catalonia and the Basque region), Canada (Quebec and the city-state of Vancouver), and the United Kingdom (Wales and Scotland) all “devolved” into new states with varying defense and trade relations to their parent states or, like the two partial states that emerged from the breakup of Belgium, sheltered within the economic and defense community of the E.U.* The results were generally positive: the new states retained the role of reinforcing the historic culture of their peoples (something the market-state had been in danger of losing as it became more meritocratic, more multicultural, and more secular). As one observer noted:

In social policy terms, regional organizations allowed different ethnic groups to choose their own cultural policy. In Europe, for example, demands for Basque language schools subsided as it became apparent that, while the Basques were not happy to be schooled in Spanish, they were perfectly happy to be schooled in English with Basque as their second language. By 2025 all of Europe and much of Asia had accepted the policy of “English plus two,” meaning that primary and secondary school students were taught in English and two other languages, usually their native language and one foreign language.¹³

In the United States, cultural groups were allowed, by constitutional amendments that altered the application of the 14th Amendment, to transform states to their own liking. This led to considerable migration within the United States as its citizens sought congenial states that catered to religious, ethnic, and political preferences. *All these new “states” retained an open trade relation with the rest of the United States much like the one that prevailed in Europe within the E.U., and all adhered to a common defense policy with the rest of the United States under a much-shrunk defense establishment. Only their state constitutions were radically different: some permitted a union of church and state; some allowed the prosecution of*

“hate speech” and forbade books and movies that reinforced racial or gender stereotypes; some reintroduced corporal punishment, while others forbade capital punishment. There were feminist states where women were given certain affirmative benefits, including requirements that a certain number of officeholders and corporate board members be women; there were religious fundamentalist states that forbade commercial transactions on the Sabbath, required prayer in schools, and outlawed the sale of alcohol; there were ethnic states where English was a second language; and so on. In short, the new states permitted a closer match between the values of a certain polity and its legal rules—a reaction, it may be said, to the market-state’s indifference to cultural values.

This ability to decentralize not only liberated the political evolution of the highly developed states; it also led to a recognition of the economic, social, and environmental interdependence of states. *Green tariffs*—which penalized imports from states that did not obey Kyoto standards for environmental protection—date from this period. States in The Park were well-positioned to create the *World Environmental Organization* in 2008 as a follow-up to the Rio de Janeiro initiatives of the late 1990s. States were able to agree, as they were not at Rio, on principles of allocating environmental property rights. *The WEO administered these rights, sometimes arbitrating, sometimes auctioning off rights.* The largest step forward occurred in 2012 when the *WEO won agreement on rules for tradable licenses to water, fishing, and emissions rights. The introduction of fungible carbon dioxide emission rights had come somewhat earlier.* Thus different regions were able to achieve environmental targets in different ways, while bartering development and pollution rights globally.

The creation of other multinational institutions followed: the World Commission on Biotechnology in 2010 and the World Commission on Internet Privacy in 2013. In some quarters, these commissions were viewed as high-handed and stifling of innovation, but the general view was that the society of states was better able to manage a new generation of multinational institutions in The Park than under other global approaches.

Finally, though total wages grew more slowly than in The Meadow, wage disparities within the states of The Park were far less. Indeed, the relatively high wages in the developed world tended to encourage growth in the developing world. The Asian Industrial Prosperity Conference and the North American Free Trade Association were able to raise wages to such a degree that *multinational corporations looked to Africa to reduce their labor costs.* This resulted in a slowing of migration to African cities as *factory complexes were sited beyond the supercities.* This allowed Africa to avoid the flight to the coastal cities that plagued The Meadow, with the consequence that hygiene and sanitation were sufficient to mitigate the health threats that had haunted Africa.

ECONOMICS

The Park was characterized by three great blocs of states whose leading members had chosen some form of the *Soziale Marktwirtschaft*. The decisive step had been taken in 2005 by the *United States when it rejected a British proposal for a "virtual" regional free trade alliance that would have included Japan, and decided instead to pursue a larger NAFTA*. The result was a hardening of regional lines and a surge of regional protectionism.

Within three blocs—led by Germany, Japan, and the United States respectively—trade flourished. By the year 2025, market-states within these groupings were exporting 50 percent of their production, even though most of this product was, at some point, made in other states. By adding value at the high end, and by *erecting a forbidding tariff wall around the trading bloc*, individual member states were able to maintain a large share of global profits through repatriation. At the same time, the protectionism of the regional blocs tended to retard the advance and diffusion of technology, and to reduce economies of scale. Conflicts over market openings for high technology became endemic, with charges of pirating and predatory pricing being frequently and acrimoniously exchanged.

Unemployment was relatively high within these blocs, usually above 10 percent in the years between 2000 and 2025 in the Americas, almost 20 percent in Europe—but a jobless worker with a family could draw benefits equal to almost 70 percent of his former net earnings (somewhat less in the Asian countries). There were generous child allowances, substantially larger for poorer families, to the age of seventeen—or twenty-one if the child elected to go to college or state-sponsored vocational training. Parents drew child-rearing benefits for up to two years if they chose to take work leaves in order to stay home with children; job rights for those taking parental leaves were protected for three years.¹⁴ Periodic efforts to change provisions like these in order to curtail government expenditure collided with the fundamental sense of fairness that pervaded states in The Park. True, innovations like domestic robots were more expensive than they might otherwise have been and the most efficient hybrid fuel vehicles were beyond the reach of most—a painful fact as governments began to enforce more and more stringent air-quality controls—but the price of these items eventually came down. Innovation occurred, but at a far slower pace and with more expensive development costs than would otherwise have been the case.

The principal external effect of the dominance of these three great groups of states was to restrict growth in the Third World by shifting the terms of trade sharply against raw-materials producers, though wages did rise in the developing world as corporations fled the high-wage blocs.

Within the blocs, the main result was to delay innovation and increase costs to the consumer. Both internally and externally, the Park encouraged state fragmentation within the umbrellas of its larger groups and beneath the sheltering international institutions that it excelled at creating and maintaining.

While many persons feared a Y2K crisis over New Year's Day 2000, this never materialized. What came later, however, was an infrastructure overload that cascaded through interconnected systems, apparently coincidentally, on New Year's Day 2005. Many analysts now believe this event triggered the stock market crash in 2005. The flight to the euro resulted in a 40 percent appreciation against the dollar, effectively destroying European exports. When the world recession struck in 2006, growth in The Park, which had been sluggish, turned sharply negative.

The Park was hampered in its recovery by a problem that, though hardly unique to this particular society of states, was characteristic of it. This was the phenomenon of "moral hazard"—overaggressive risk taking pursued in the confidence that market-state governments would not permit truly large enterprises—or interest groups—to fail. It was evident, for example, that the *Federal Deposit Insurance Corporation provisions in the United States induced many savers to make deposits in bankrupt banks and savings institutions* because these desperate enterprises were offering the highest rates on short-term deposits. American savers correctly calculated that the government would bail them out when the crash came. Similarly, the difficulty for states in The Park was that, by removing risk from some investments, these states crippled the ability of the market to discipline investment and brought about costly misallocations. Although the hardest hit economies in The Park were India, Nigeria, and Brazil, all economies suffered from this phenomenon because the social safety nets of The Park created perverse incentives by distorting true market risks. Furthermore, the high trading walls of the three great blocs prevented the development of a truly global system of reinsurance that would have cushioned the setbacks of this decade.

Instead, states of The Park turned to the creation of new international financial institutions. In 2006, *a conference in Paris resulted in the transfer of the functions of the IMF to new institutions*, more market-state than nation-state in their orientation (and located outside of Washington). First, the *Commission on Monetary Stability was given authority to combat speculation not by trying to outbid speculators, but by negotiating complicated baskets* that bundled various currencies together and stabilized Third World monies by tying them to the dollar, the yen, or the euro. This commission was sometimes referred to as a New Bretton Woods, but its methods were decidedly those of the market-state. Second, *the International Banking Board was created in order to oversee the capital adequacy of*

banks and their provisions for bad loans—not by mandating certain ratios but by publicizing the prevailing ratios and permitting shareholders to do the enforcing—and to prevent money laundering by much the same methods of transparency and public revelation. Third, *the Agency on International Transactions attempted to prevent e-commerce from evading national value-added and sales taxes* by licensing only certain firms on the Internet. It also aimed to create exceptions to sovereignty in order to prevent tax havens in the Caribbean, the Pacific, and elsewhere and to employ electronic monitoring to track liquid capital. It must be said that these efforts were not entirely successful, owing in part to corruption within some of the agencies created. Finally, *the mission of the World Bank was changed from a lender-for-development to the Third World to a lender-of-last-resort* for countries who could persuade the bank that avoiding default was to the economic benefit of the entire society of states, and not simply for the sake of the potentially defaulting state.

These institutional measures were of some benefit to the northern-tier blocs, but they did little to cushion the main effect of The Park, which was the rupture of North-South economic relations. Writing in 2020 and looking back on this period, one commentator observed:

This age of fragmentation and regrouping within the society of market-states took place on account of the rupture of trade and interdependence between North and South. When the developed states looked to the South they saw refugees pounding on their golden doors, driven northward by the squalor, crime, disease, and environmental degradation that seemed immune to human ingenuity once a certain level of population growth and resource exhaustion had occurred. When the undeveloped states of the South looked to the North for investment and assistance, they believed they received instead cultural viruses of secularism, materialism, racism, and neocolonialism. In both cases, the result was an increase in regional capitalism enforced by protectionist barriers to the import of investment or goods.¹⁵

Without growth in the underdeveloped states, the northern-tier economies stagnated for a lack of new markets. With their aging populations, savings rates in these countries plummeted and, along with them, the rate of new investment. In each of the principal states of the former First World, government deficits burgeoned as older populations demanded more and more services that had become more and more expensive (including costly anti-aging genomic treatments). The fragmentation of the polities of these states along cultural and ideological lines—the creation of interest groups willing and able to block legislation that did not buy off their constituents—paralyzed the adoption of the fiscal policies necessary

to cope with these demands. This paralysis was worsened by *the adoption, first in the United Kingdom, but later in the United States and elsewhere, of a system of proportional representation in parliament and Congress*. The revenue base of governments eroded as capital moved abroad beyond the reach of tax collection. Many wealthy persons ceased to think of themselves in national terms and adopted tax residences in state havens abroad where their income could be sheltered.

Concern about the environment led to costly regulations, which had the effect of imposing ever higher barriers on the products of the undeveloped world. *States like China and India that refused to reduce emissions* found their products barred from entry to lucrative First World markets. Agreement to reduce emissions, however, meant imposing lower standards of living on local populations and immense capital costs on producers. Either way, the effect was to close the markets of the developed world, just as *concern about genetically engineered foods had closed the E.U. to American exports, or concern about child labor had closed the United States to Asian exports*. Interest groups in the Park struck alliances that invariably proved costly to economic vitality.

With export-driven growth cut off and without investment inflows from the developed states, the economic situation of the underdeveloped states grew worse. Overpopulation led to resource scarcity; resource scarcity led to deforestation and desertification, which led in turn to water shortages and migrations to cities that were plagued with disease, crime, and a breakdown in political authority. Except in search of lower wages multinational corporations were reluctant to be lured to these countries, even when enticed with large tax incentives. The other such incentive—relaxed regulations—had backfired in the face of so-called *green tariffs imposed at the behest of an alliance between environmental groups and First World companies* saddled with expensive environmental regulations. These provisions kept the products of poorer countries without environmental safeguards out of First World markets. Thus the opportunity to garner capital for infrastructure from exports wilted.

The effects of these policies can be seen in India's experience in The Park at this period. Owing to resistance from various interest groups—civil servants, workers in long-protected domestic industries, political allies of the ruling government, even religious and ethnic groups that had been subsidized—it was difficult for reform regimes to modernize the Indian economy. The socialist policies of the Indian nation-state were largely dismantled and domestic competition thrived, but truly radical reforms that would make products export-worthy were harder to bring about. Secessionist movements not only in Kashmir and Punjab but in literally dozens of smaller areas were a constant threat to the central government.

The consequences of falling water tables served as the flash point between the Muslim and Hindu populations relying on irrigation in the Indus River Basin. Pakistan had not participated in the growth experienced by India. With 65 percent of its land dependent on intensive irrigation, with widespread deforestation and a yearly population growth of 2.7 percent, Pakistan had no margin for failure when crop yields began to plummet in 2015. *Neither the Indian nor the Pakistani government was strong enough to enforce restrictions on water use; neither had the legitimacy among its starving citizens to get them to refrain from attempting to drive away their neighbors in order to cultivate more land.* The Water Wars of the Indus that began in 2017 lasted ten years. By the end of this period, 140 million people had starved or been driven from their homes by violence. (This dwarfed the 1960 famine in China, in which thirty million are supposed to have died.) *International attempts at mediation—even the supply of emergency food relief—were rebuffed by officials on grounds of “Indian dignity.”* The arrival of partial laser-fusion eventually would reverse the draining of the water supply by providing power to tap freshwater sources in the Himalayas, but this technology required capital investments on such a huge scale that only very large, wealthy states could afford it, and there were no such states remaining on the subcontinent. Pakistan had devolved into a patchwork of ethnic states of which Pakhtunistan was the largest and throughout which a strict Islamic code prevailed; India had fragmented into a loose congress of more than fifty states—largely organized along linguistic and religious lines. If these devolved states were too weak to enforce population growth control or environmental protection, and too contentious to ally in order to accumulate capital, they were also too feeble to wage war on a continental scale. One of the remarkable facts about *the Water Wars is that neither side used nuclear weapons*, though both possessed them, perhaps, one may speculate, because the small size of their respective arsenals encouraged them to husband such weapons. As a result, the soils of the subcontinent, though depleted, were not irradiated, and began slowly to recover as new genetically modified grains came into being, and population rates leveled off and then fell.

The lesson learned by the states of The Park was that regional protectionism tended to lock in high unemployment rates and slow growth in part because it locked out global capital flows and the rapid diffusion of new technology. Coping with these problems gave a new lease on life to government agencies that might otherwise have died with the nation-state but that remained and further hampered economic efficiency.

THE GARDEN

SECURITY

The U.S. elections of 2008, it can be seen in retrospect, were a watershed in American politics, not so much for the new leaders in both Congress and the White House who were brought to the world stage as for the consensus reflected in the election results that the governance of the preceding years—both Democratic and Republican—had been misguided. The slow recovery from the recession encouraged protectionist barriers to trade; these further constrained the global recovery and invited foreign criticism that Americans found irksome. American pre-eminence in many arenas was perceived abroad as hegemony and contributed to a U.S./European estrangement. Traditional ethnocentrism in Asia coupled with mercantile trade policies intensified the sense of mutual alienation that arose between Americans and Asians.

In a stunning repudiation of previous policy, a public consensus in the United States emerged that the multilateral interventions of the previous twelve years had been a mistake. The steady, unpredictable terrorist attacks (and, it must be said the harrowing but fruitless “alerts”) left the United States demoralized. Many believed that, but for American involvement abroad, the terror campaigns would never have happened. The collapse of Haitian democracy; the televised melees in the refugee camps of Burundi and Rwanda, in which Western aid workers were set on fire; and the much-publicized case of a French commander at NATO headquarters in Brussels, apparently part of a vast network of agents, who had been stealing high-tech American industrial secrets in order to aid French companies—all these had the effect of extinguishing the enthusiasm of the U.S. public for foreign cooperation. Undoubtedly the decisive event, however, was the discovery that, through a complicated system of loans guaranteed by foreign government bonds, *both U.S. political parties had unwittingly accepted huge sums of money from foreign governments whose role was hidden by the use of intermediaries.* Disillusionment and disgust swept across the entire landscape of foreign policy engagement: *U.S. support for the U.N., which then stood at 25 percent of the U.N. annual budget, was reduced to 10 percent by a joint resolution of Congress on the technical ground that the U.N. was not permitted to acquire debt without the express permission of the Security Council (debt that had in fact accumulated as a result of a U.S. refusal to pay its dues).* *U.S. foreign aid, which had stabilized at a meager \$10 billion, was slashed by 30 percent with a proviso that it was to be phased out altogether over a ten-year period; funds originally earmarked for Russia to assist with denuclearization were cut completely when comptroller reports disclosed widespread skimming by Russian officials.* For roughly similar reasons, *U.S. support for drug*

eradication in other countries, largely Latin American and Asian, was simply stopped. After a fruitless effort to get NATO to intervene in the renewed Balkan conflict, the United States had allowed the North Atlantic Council to fall into desuetude, and at this time the top three NATO commanders were all non-American. But the most dramatic breaks in policy occurred with those states who had been caught in the campaign finance scheme: Israel, China, and the Gulf States.

The United States had played a pivotal role in the Middle East since 1948. The disclosure of covert campaign assistance by Middle Eastern governments to both American political parties coincided with widely televised, violent Israeli repression of Palestinian marches for suffrage in the occupied areas still under Israeli control, and the savage suppression of a "pro-democracy" movement in Kuwait (including allegations of beheadings). Many Americans suspected, although probably without foundation, that the campaign finance loans by foreign governments had effectively bought U.S. military assistance to both states. The result was *the withdrawal of U.S. naval forces in the region and a sharp scaling back in security assistance*. The continuous fall in world energy prices had reduced the importance of the region to American interests, but it was at least as significant that, after sixty years, the regional conflict in that area seemed no closer to resolution. *The United States virtually withdrew from any high-profile leadership in the area, taking with it \$3 billion in direct aid to Israel and about \$2 billion in aid to Egypt.*

In Asia, once the Chinese regime had been listed as a "human rights abuser" by the United States in 2004, *U.S. statutory restrictions kicked in that had the effect of virtually ceding Chinese markets to European, Korean, and Japanese exports*. When Chinese covert campaign assistance came to light, it appeared that the Chinese were trying to reverse this "decertification" process by corrupt means. There was some evidence that members of Congress and the administration had made promises to Chinese intermediaries that were embarrassing, and that they had made public statements that were plainly at variance with the known facts about Chinese human rights policies. It appeared that in many places—Panama and Haiti, Israel and the Gulf, China and Russia—American meddling had been expensive and counterproductive; now this appearance was acutely enhanced by the fact of foreign meddling in American affairs, suggesting to some that hidden forces were manipulating U.S. policy.

Perhaps no line received as much applause at the Inauguration as when on January 20, 2009, the new American president said,

No one can see the future. But the recent past has taught us that we must let every nation develop in its own way, making its own mistakes perhaps but living and growing according to its own lights. To do otherwise

encourages dependency in the weak and the constant drain of resources from the strong, and above all, interference in other people's business. No one—and no organization—is anointed to decide which nations shall survive and which shall be left to fail. We shall tend our own garden.

When the Sri Lankan massacres occurred, when the South African coup took place—even when the situation in Guyana potentially threatened a renewal of the boat people crises of the 1990s (only worse, because these refugees were laden with disease), even then the *United States studiously did not intervene*. Other states were in much the same mood. In Japan, the Liberal Democratic government had fallen over its insistence on observing the U.S./Japan Status of Forces Agreement's provision that American servicemen indicted for crimes in Japan be tried in the United States. A brutal rape by a group of American sailors based in Yokohama had become a cause célèbre; in the elections that followed, a coalition came to power pledged to terminate the treaty and to demand the withdrawal of all U.S. forces from Japan. "The Occupation Is Over"—*Senryou Teppai!*—was the campaign slogan of the victorious candidates. The new government's pledge to increase self-reliance struck a welcome chord with the Japanese public. Few voices of dissent were raised when *the Japanese defense budget—since 1989 the third largest in the world—was raised by 15 percent to develop and procure a new generation of cyber weapons, leapfrogging the delivery systems of the late twentieth century*. These weapons primarily targeted information centers and networks rather than conventional military bases, harbors, and railway centers. With respect to these latter targets, the Japanese nuclear-powered submarines that had flourished in the late twentieth century took over as platforms for a new generation of smaller but equally lethal postnuclear warheads. The accuracy of these systems, directed by Japanese "black"—undetectable—satellites, permitted the Japanese to continue their adherence to the Nuclear Nonproliferation Treaty while advancing to a newer generation of weapons of mass destruction that the United States had yet to deploy. Japanese rearmament was sufficient to check North Korean ambitions on the peninsula, but this had the unintended and undesired consequence—from the Japanese point of view—of bringing about a closer relationship between the two Koreas.

These events led to what became commonly known as the Iron Triangles, a series of interlocking deterrence relationships around the world in which, it was believed, a mutual stability was achieved through nuclear proliferation among regional adversaries. China-Korea-Japan; Germany-Russia-Ukraine; India-Pakistan-China; Iran-Israel-Iraq; Australia-Indonesia-Malaysia; Chile-Argentina-Brazil: these were the main Iron Triangles,

with subsidiary triangles such as Singapore–China–Viet Nam, Germany–Poland–Russia, France–Germany–Great Britain.

The intense trade in weapons and delivery systems was responsible, as much as any other single factor, for the surge in capital growth in Russia and the liberalization of the Chinese regime once it effectively merged with the now-compliant island of Taiwan. Unable to either acquire nuclear weapons (for fear of Chinese pre-emption) or hold on to a U.S. defense commitment, *Taiwan had been forced to negotiate a union with the mainland*. With the Hong Kong Chinese and the Shenzhen, the Taiwanese had effectively bought their way into influence with the army with the promise of larger defense budgets and had managed to significantly liberalize the Chinese political environment. In 2018 the *Chinese capital was moved to Shanghai*, and *Tibet was allowed limited autonomy as a theocratic state*.

Only two states stood aloof from this rapidly replicating system of mutual deterrence relationships: South Africa and the United States. *South Africa renounced all weapons of mass destruction* and became a haven for persons everywhere seeking refuge from the terror of nuclear war. *The United States, having no obvious proximate adversaries, devoted its attention to developing ballistic missile and anti-aircraft defenses* that, by the year 2020, were confidently thought to be effective against the sort of proliferated delivery systems that most states were now acquiring. The preceding period of arms control and reduction was now seen by most commentators as one of intense danger in which the United States and other powerful states had unsuccessfully attempted, through the Nuclear Nonproliferation Treaty and the Missile Technology Control Regime, to determine what states would be allowed to have the weapons of survival. This had been replaced by a more stable international environment, it was usually said. Terrorism had steadily abated during this period.

At least this was the common opinion when, on May 1, 2021, the *Russian government announced that it was the subject of an extortion demand and asked for financial support from the international community*. This demand came from a shadowy group that claimed to have control over a biological/computer virus that could spread a debilitating influenza through the Internet. This threat struck directly at the weakness of international institutions during this period—for who was there to broker such financial support? Or to determine whether elements of the Russian government itself were behind the scheme?

The Russian government had promised to bring prosperity by relying on unique Russian capabilities in two areas: natural resources and the arms trade. The energy sector had been nominally privatized but in fact was part of a cooperative complex that included not only the large energy firms that had succeeded Gazprom, but also the principal banks and the armed forces. This system was highly popular with the public because it prom-

ised growth after years of economic stagnation. Arms deals flourished and Russian exports soared. Few realized, however, that Russian weapons development would include biological weapons or that it might be possible to create a “doomsday” machine that could spread biological agents electronically.

The classic view of sovereignty dominated this period and reinforced Russia in its assertions that its internal affairs—especially how to investigate and prosecute crimes—were finally a matter for its own determination. Nevertheless *there were calls from many countries, including the United States, for an international investigation—even intervention—in order to head off the possibility that this virtual machine would be turned on other countries*. For the first time since the fall of the Berlin Wall, a superpower crisis occurred that had the potential to lead to a cataclysm. The United States, which had withdrawn from Eurasian affairs, now seemed prepared to reassert itself in an environment fraught with peril. Highly threatening messages were exchanged over a hotline (a satellite system that sends only written, coded text) that had not been used for decades. U.S. nuclear warheads targeted a laboratory beneath a mountain in the Caucasus where it was believed the conspirators were working; no other weapon was powerful enough to guarantee destruction of the lab.

In the event, Russian police work—using methods that were not for the squeamish—successfully ended the crisis. By resolving matters without resorting to intervention, the society of states had strengthened the shared confidence that its members would be allowed to develop in their ways. *The doomsday virtual machine was “dismantled” and handed over to a consortium of states that agreed to provide long-term credits to Russia*.

This period had enshrined, as never before, the absolute equality of states to determine their own security needs. In so doing, the society of market-states bore unavoidable responsibility for refusing to protect some (such as Taiwan or the many states of the Third World like Sri Lanka who became de facto provinces of their nuclear neighbors) or to shore up the positions of those states least likely to engage in aggression (like the United States). “Let many flowers bloom” was a popular political slogan during this era, but gardens take cultivation and selection, whereas the society of states resolutely refused to prefer one regime to another, leaving it to fate to determine which one would find itself outside the stability-conferring systems of terror and technology. The Garden also brought the world closer to a nuclear cataclysm between the United States and Russia than it had been since the end of the Cold War.

CULTURE

The enormous wealth made possible by the technological breakthroughs of this period, especially laser-fusion, fueled the recovery from the

2005–2009 recession, but it was simply not enough to paper over the cultural chasms that opened up among states. These chasms were in part the result of the dizzying growth in the knowledge about how other people live and how other societies' systems work. A deep alienation arose between the states of the developed North and the underdeveloped South and also even within states, leading to a fragmentation of the world trading system and the creation of the first new states since the collapse of the Soviet Union and of Yugoslavia in the 1990s. In some parts of the world, the terrifying appearance of the weather epidemics followed by the OOA-V plague raised suspicions that government agencies in the developed world—the CIA was often mentioned—were deliberately trying to depopulate the Third World.

In the 1990s, an analyst from the policy planning staff of the U.S. Department of State had concluded that the “unfolding of modern natural science has had a uniform effect on all societies that have experienced it. . . . This process guarantees an increasing homogenization of all human societies, regardless of their historical origins or cultural inheritances.”¹⁶ He further concluded that these forces “have a powerful effect in undermining traditional social groups like tribes, clans, extended families, religious sects, and so on,”¹⁷ and predicted “something like a Universal History of mankind in the direction of liberal democracy”¹⁸ which actually seemed about to come true in the wake of the commitments of the Peace of Paris. In retrospect we can see, however, that the disruption of traditional societies and values had exactly the opposite effect, rendering the South suspicious and insular, and ultimately fractionating the progressive states of the North. Moreover, one of the consequences of modern science, advancing automation, deprived the South of the capital benefits of cheap labor that would otherwise have resulted from globalization. With hostility and fear toward the messages that advanced telecommunications would bring, and without the capital to build the telecommunications infrastructure needed to exploit that technology for their own benefit, the states of the South gradually sank into a kind of silence, but not before they had received pictures, and been pictured, in ways that deeply alienated the two parts of the globe from each other.

Emblematic of this mutual misunderstanding was the massacre at Times Square in 2005, only one year after the final collapse of the remnants of the Al Qaeda network that had savagely attacked the United States in 2001. The movie version of the novel *Mahomet* depicted the prophet as a young man in defiance of the Islamic injunction not to portray his face. Perhaps because the script had been the subject of worldwide protests, large crowds were gathered on the evening of the premiere at a theatre on 42nd Street in Manhattan. *The movie's principal actors, as well as about two hundred persons, including many adolescents, were attacked with*

automatic weapons by a militant Islamicist group. More than fifty were killed. The pictures of the massacre—the entire scene was captured on video—were repeatedly played across the world and, to the growing consternation of many, produced diametrically opposed opinions in different countries. In the West there was outrage at the killing; in many Islamic states, the terrorists were regarded as heroes. *When their release was achieved through a bombing campaign against movie theatres that threatened to shut down the film industry, the West embargoed oil sales from Iran* (where the terrorists had turned up to a tumultuous welcome). *This proved to be the first in a series of economic reprisals against various oil-producing states in the Middle East, which had the unfortunate effect of raising oil prices and slowing growth early in the century.* There seemed to come from the Islamic world a surge of hatred that distressed, alarmed, and above all baffled¹⁹ persons in the West. In retrospect this should not have come as a surprise.²⁰

In the opening decades of the twenty-first century, Muslims had suffered successive stages of humiliation at the hands of the West. The first was their loss of a leading role in the world economy as other energy sources—principally owing to laser-fusion technology, which brought the long-sought “hydrogen economy” into being—finally lessened reliance on the fossil fuels that were the source of wealth for many Muslim states. The second was the undermining of Muslim authority in Palestine through the economic renaissance of the Israeli state in the very midst of one of Islam's holiest lands, and *the refusal of the United States and other powers to play a part in Mideast negotiations with Israel.* The third was the challenge to Muslim cultural traditions, from emancipated women to rebellious children, as the presence of the new handheld television/computer/telephones—loaded with “edutainment” software that combined educational materials with entertainment formats—began to sweep the world. The main effect of the efforts of *various Islamic governments that undertook spectrum jamming in an effort to disrupt the signals on which such technology depended,* was to remove large sections of the globe from the international communications architecture. The Muslim world was the first to turn its back on the West and the ethos of consumerism, secularism, and libertarianism that was the engine of economic growth of this era. Not all Muslims were reconciled to the ignominious defeat of the Taliban in 2001, nor to the death of their terrorist collaborator. One consequence of the World Trade Center attacks had been a mutual suspicion between Islamic and non-Islamic cultures.

At almost the same time, the meltdown of a nuclear reactor in Belarus (of the same design as the one that curdled at Chernobyl in 1988) caused a flood of refugees from Russia, Ukraine, and Poland to storm barricades hastily erected at the German border. In the next two and a half months,

more than 1.5 million persons tried to enter Germany, *where eventually they were housed in camps*. Unable to return to their poisoned homelands, *these persons were not allowed to move further west into Germany and were strictly confined*. A wall, unfortunately reminiscent in some ways of the Berlin Wall, was ultimately erected around the perimeter of the camps.

Then, as if to show that no area would go unscathed, *an indigenous revolution in the southern states of Mexico* ignited a popular uprising in the economically depressed north. This touched off another mass migration, with eventually more than five million Mexican nationals pouring into southern Texas and California. Scenes of vigilante violence against the illegal aliens shocked the country, and perhaps more ominously angered and repelled the Hispanic community in the United States. *In both Texas and California there were reprisals; armed Mexican Americans volunteered to protect the refugees*; for some months there was a lawless state of affairs along the border. Throughout the nation, there was a mood of mutual disgust: non-Mexican Americans felt betrayed by those who sheltered and hid illegal aliens. Hispanic Americans, in numbers well beyond those of Mexican heritage, felt contempt for their fellow Anglo citizens who had appeared indifferent to Mexican suffering.

In 2015, a teenage gang led by a former Army officer known to the world only as "Prince" seized power in the area around Monrovia, in Liberia. There were at that time about one million persons living in this city without potable water and without electricity. Using automatic weapons and often accompanied by handheld minicams, soldiers from this force engaged throughout the next months in a campaign of terror and depravity that was filmed and sold to distributors in the West. An outcry arose in the United States in particular urging intervention to restore order. There was no G-9 (P8) or U.N. force available to intervene. The advocates of a policy of intervention captured the imagination of the African American community—Liberia had been founded by former American slaves—who detected an unspoken racism behind the president's reluctance to intervene. Many Americans, however, saw the matter differently: the problems of poverty, political instability, and what were widely perceived as "tribal" conflicts were thought to be beyond solution. Indeed events in Africa tended to harden the worst racial stereotypes in the developed world. *A divisive and intemperate debate in the Congress over whether to send humanitarian aid ended by failing to provide any funds for such a measure*. Rioting broke out in Washington, D.C., where an Afrocentric curriculum had long been mandated in the public schools.

These developments seemed to exhaust the global community, which had struggled with the immediate but attenuated empathy that instant communications seemed to evoke. In reaction, states of The Garden turned

inward, and groups within those states ceased striving for cultural homogeneity and celebrated differences instead.

Ironically, it was the multicultural aspects of the developed states that fostered this mutual distancing. By creating a culture in which the international media and entertainment industry had more influence than the national political class of any state, the market-states of the early twenty-first century had also created a powerful weapon that destabilized other societies and, even in their own societies, brought forth violent reactions that sought to restore the cultural values that were apparently being cast away. International communications at first made famines in faraway countries moving and tragic; eventually, these events seemed tiresome and inevitable. International communications initially made the prosperity and liberty of the developed states alluring; eventually these qualities came to seem vulgar and addictive. The national political class was powerless to either lead a state's people toward compassion or insulate a state from cultural invasion. The fragmentation that then occurred in these developed states was only an inner reflection of the alienation their peoples felt toward the outer, foreign world: the contact with other cultures had reinforced the intractability of cultural differences and the felt need to avoid the frustration and danger of such encounters.

As a result, the market-states of this era were thrown back on custom. Customary approaches to allocations are not concerned with optimizing output or increasing the productivity of the individual. Many of the steps taken by the states in this era were irrational, if by that is meant the adoption of policies that cannot in the long run strengthen the economic opportunities of the society on whose behalf such policies are undertaken. Openness and candor are often sacrificed by relying on customary approaches, but openness and candor are not absolutes and there are other values—the preservation of a way of life, religious values that range from the sanctity of life to the protection of a certain structure of the family—that were protected. By mid-century languages that were almost dead in 2000 were flourishing. Art and architecture ceased to be dominated by the West and experienced a new renaissance. Educated persons played more musical instruments, performed more plays, and made more art now that technology brought down the skill levels required for these tasks. The Garden, by subordinating the value of the race for wealth, evoked the value of artistic expression in many cultures that had almost nothing else in common.

ECONOMICS

During this period of increasing surpluses in finished products, little attention was paid to stable or slightly falling levels of food production. Grain

stockpiles had been reduced during the middle teens of the century, but as population seemed to be leveling off, there seemed to be no cause for alarm. When in the summer of 2020, a drought struck the United States there were ample world reserves of foodstuffs.

But the following year the drought expanded, and by 2022 it was clear that the world might be entering a period of food shortages. As world stocks of grain became depleted, *China and Japan began buying rice in large quantities; Russia attempted to purchase virtually the entire U.S. wheat export crop*, which had been cut by a third by the drought. Prices started to rise aggressively: wheat went to \$10 a bushel; soybeans hit \$15, while corn topped \$9 for the first time in history.²¹

Weather patterns around the world intensified the drought that gripped the United States and Canada: records for the severity and duration of winter were set in Russia, Poland, and Germany; dramatically uneven precipitation caused flash floods in China and Southeast Asia, bursting dike systems and polluting rice fields. The price of wheat doubled to more than \$20 per bushel; a loaf of bread in an American supermarket cost \$4; the price of a quart of cooking oil went to \$8. Hoarding began to spread across the developed world, as images of starvation in India, Bangladesh, and Central Africa filled television screens.

There was, in fact, plenty of food for the world's population, although its availability—particularly that of proteins—was sharply constricted by hoarding in the wealthier states. The real difficulty was distribution, and here the collapse of international cooperation proved highly destructive. Nation-state institutions like the IMF and the World Bank had been discredited (the IMF by its doctrinaire adherence to the Washington Consensus, the bank by its perceived reluctance to follow that Consensus) and had fallen into disuse. The OECD had become a forum for high-profile quarreling and finger-pointing. There were literally no international institutions that might have stepped in to organize a worldwide, rational distribution system for food, and in any case there was no legal authority to do so. When in 2024 *Viet Nam announced that it was joining a food cartel organized by Japan, China mobilized its armed forces and with some difficulty occupied Hanoi. The following year Russia massed troops on the Ukraine border and virtually coerced an economic union between the two countries to get access to Ukrainian crops*. So things stood in 2025 when weather patterns began to ease.

The mercantile model had been adopted by many market-states—and sometimes by states that had tried, and abandoned, the entrepreneurial model, such as the United States. States as varied as Canada, France, Japan, Tanzania, Korea, Kazakhstan, Indonesia, Ecuador, Iran, and even Norway all pursued this method of achieving market success. The mercantile market-state stressed the need for harmony among different market

actors. On average, in market-states that adopted the mercantile model the incomes received by the highest 20 percent of the population amounted to no more than four times the incomes of the lowest 20 percent; in entrepreneurial market-states the ratio had often been more than 15 to 1. By sharing the benefits of growth widely among its citizens, a state following this model was able to justify subsidies to certain sectors and to maintain political stability. To be sure, some states without an almost exclusive ethnic and cultural homogeneity that attempted this model—Brazil did so in the early teens of the twenty-first century, for example—faced widespread consumer-led revolts. Still, states following this model seemed to be able to avoid the problems of organized crime and of street crime that plagued other market-states, though whether this was a result of their more homogeneous societies or (as in the United States) other factors cannot easily be determined.

Initially, The Garden was an inhospitable environment for the society of states, because it stressed the mercantile, competitive relations of nonhomogeneous groups like a society of states. What was required was an international system that could generalize to the society of states itself the self-consciously stable and equitable obligations of the mercantile market-state. Because such an approach depends on complex systems of mutual obligation and trust, it may be that this could never have come into being without the famines and food crises of the early twenty-first century, which ultimately discredited mercantilist attitudes.

Prior to the famines, Asian business combines of hitherto unimagined size dwarfed all other enterprises in other countries. The largest twenty banks, the largest seventy-five corporations, the largest fifty trading companies were all Asian. This figure hid the fact, however, that intra-Asian competition was more cutthroat than ever before, with savage competitive tactics that, in an effort to gain market share in the consuming West, had led to falling living standards in Asia despite the fact that these had been the fastest-growing economies in the world. *The intensely aggressive policies of these states—ruthless market penetration through price-cutting combined with heavily regulated imports of capital and goods—gave them trade surpluses and made them creditors but did not raise living standards*. Child labor appeared more broadly in the world, moving into the developed states, which had not seen such practices since the early decades of the previous century. Moreover, *greater investment was being diverted into military uses*, as each of these states began to fear domination by one of the others when tensions rose out of fierce economic competition.

Among world business leaders, there emerged a consensus that would have surprised many of the businessmen of the twentieth century: all three state models were rejected on essentially ethical rather than economic

grounds. The entrepreneurial model, because it emphasized personal rights at the expense of personal responsibilities, led to a kind of libertarian anarchy. The managerial model induced in the peoples of the countries in which it reigned a torpor and dependence on the welfare state that produced a youth culture of drug abuse, birth rates so low as to be practically nonexistent, and ubiquitous vandalism. The mercantile model had proved too competitive, too national to apply even to a handful of states in the same region—much less to all the developed and developing states. This model turned out to work best when it took advantage of a stable international set of rules on which it could act as a free rider, but it had had the effect of dissipating the very system on which it was parasitic.

In the year 2004, the chairman of the largest of the American investment banks gave an address to a group of international executives. It was widely reported and eventually took on an iconic status, though at first its impact was largely owing to the novelty of an American executive thoughtfully comparing the entrepreneurial and the mercantile market-state models. He said:

For the past fifteen years I have been calling for the establishment of an ethical state with a concrete plan for change. The policies pursued by Japan and others have succeeded in achieving the objective of social prosperity; this sense of cohesion is something we seem to lack here in the multicultural United States. We have learned, however, to live and let live in our society, even if this has meant a little distance sometimes. Now we must adopt a principle of “kyosei”—of living together in harmony and interdependence with the other peoples of the world—and commit ourselves wholeheartedly to this purpose . . . We have learned that governments matter, not as a source of welfare benefits, but as the provider of key elements of infrastructure such as education and primary scientific research, and the enabler of societal changes necessary to take maximum advantage of new opportunities. Now we are learning that government also matters as the legitimate arbiter of those decisions we are unwilling to leave to the market, decisions which those new opportunities have set before us.²²

This criticism of the entrepreneurial model from one of its most successful advocates stirred many. That same year the first of the gene-tech scandals occurred: a series of gene manipulations by computer-assisted technology that went awry and produced horrifying birth defects. When serious weather-induced food shortages began to appear the following year, there was widespread suspicion that these too were the result of corporate experiments with computer-guided weather control systems that had misfired. Although this was never actually determined to be the case,

the public’s outrage and fear gave immense momentum to movements that sought to reinvigorate the political dimensions of the state. The speech was thought to have prophesied something of what had happened and its call for an “ethical state” was renewed.

One unusual element of that speech was the call for a greater role for the corporation and for business leadership generally. “Today,” this corporate leader had said, “there is only one entity whose effort to create stability in the world matches its self-interest. That entity is a corporation acting globally. In the increasingly borderless world created by the microchip, politicians and bureaucrats will not be the ones to turn to for guidance. It is in the nature of politicians and bureaucrats to serve one country. But global corporations can only do business in a peaceful and stable world.”²³

This might have been the most controversial part of the speech; after all, the “gene-tech” scandals and weather-induced famines had called into question the accountability of global corporations. Some corporate leaders might truly act on the assumption that their business enterprises were responsible to their “customers, their employees, and society,” but most thought they were solely responsible to their shareholders. In fact, it wasn’t clear that most managers would know what to do if such a broad social responsibility were given to them. They were not politicians or lawyers. Government leaders only knew one way—the way of the nation-state—to make corporations accountable: this was through law and close regulation. Corporations that could pollute the gene pool and precipitate mass migrations by manipulating the weather were hardly to be trusted. On the other hand, absent a culture of trust, there could never develop the long-term relationships of stability and responsibility that seemed so lacking in the states of this period.

In many countries there were riots against the offices of multinational corporations; some firms hired private security forces that grew until they were private militias. Most states were too weak to prevent this development; *others had already privatized police and even core military functions*, so that the line between the security force protecting the corporate headquarters and that protecting the seat of government was blurred.

The principal transforming event, however, was the famine. The collapse of an international effort by governments to save the worst-hit areas from mass starvation—evoking the disillusionment of citizens in relatively prosperous areas who began to fear for their own well-being—was replaced by *an international consortium of business firms who levied a kind of tax on their customers—really a price surcharge on their products—to finance food aid. This consortium turned over its operations to government agencies when the crisis had passed.* There is little question that millions of lives were saved. This enhanced the credibility of multinational corporations generally, even though suspicions persisted in some

circles that the weather changes had been artificially induced. Nevertheless, investigations, including an antitrust prosecution for the price fixing by which the famine funds had been raised, proved fruitless and were widely unpopular.

When *the United States and the E.U. were able to negotiate a huge revaluation of the yen* in order to improve their trade deficits, they found that the purchasing power of Japanese multinationals had skyrocketed and that the largest corporate taxpayers, as well as the largest equity holders, were now Asian companies. It was as if these companies had bought the real assets of European and American states through a kind of novel lease-purchase—lending to finance trade deficits and then, through the revaluation, converting those liens to ownership. This too, however, had the effect of strengthening the move to give a political role to the multinational corporation.

By 2025 an informal code of conduct was developing between international business and market-state governments. Those governments that were able to enhance stability while maintaining an open intellectual environment became magnets for investment. *Measures such as income supplements to enable families to care for their elderly relatives, property tax breaks to encourage longer periods of residence in a single community, and invigorated libel and consumer protection laws* all tended to impede market growth; but they also contributed to the citizen's sense of well-being, his sense of place in the environment, and his growing assumption of responsibility. These factors tended to increase trust, which lowered the burden of legal regulation—greater delegation and discretion replaced rule making and litigation—and thus enhanced market growth by lessening transaction costs. Here the computer was indispensable, because *informal networks alerted consumers to the activities of responsible corporations* as well as facilitating ad hoc “communities” centered on common problems. These developments tended to raise citizen confidence that the society was able to respond to social problems and that society's members were willing to take responsibility for addressing these problems.

These structural adjustments did much to ameliorate the worst excesses of the market. *Informal business codes enabled corporations to isolate and shun other businesses that failed to act in the long-term interests of the communities they served* (including large wage differentials between managers and workers) and the instant information provided by computer linkups gave consumers an enforcement mechanism to supplement business pressure. But these adjustments did little to resolve issues of social justice and group identity. Many persons felt stifled in The Garden that emerged from this process of business-led harmony. While crime as a whole lessened in the developed market-states, partly for demographic reasons, the lethality and intensity of criminal acts increased. Millennial

cults grew up even though the millennium had passed, and in 2030 the first of a series of computer plagues struck the infrastructure of the developed world. The world saw the first hostile use of a nuclear weapon since 1945 when an Indian religious cult devastated the financial center at Bombay by poisoning its water supply with radioactive isotopes stolen from a lab.

At the same time, corporate-led international policy was more successful in the developing world where its *innovative system of institutional “tithing”* was coupled with the business codes' emphases on *environmental protection as a basis for developmental aid*. Corporations could direct capital investment to those states committed to sustainable development and deny capital and expertise to states determined to despoil their own environments in an effort at too-rapid growth. What was lacking, as evidenced by the soaring levels of crime in these countries, was the mechanism for political cohesion. The market-state had survived by bringing international business leadership to bear on interstate problems and the society of such states was stronger for this move. But the State still had difficulty regaining its position as legitimate social arbiter of those moral and political questions to which business was indifferent, and for which an international institution, like the multinational corporation, was too acultural, too ahistorical to replace the State.

Nevertheless the new market-states of this era—roughly 2012–2030—had successfully used the business corporation to introduce decentralization and individuation into government, supplementing the role of citizens, who could only act in groups, with that of individual consumers, who acted individually and instantly. Historians looking back on the period between 2000 and 2050 will surely debate which of several factors was responsible for the sustained worldwide economic growth of this period: the technological breakthroughs of superconductivity and laser-fusion and gene modification; the spread of new and successful managerial techniques for both firms and countries; falling populations and a fall in the price of raw materials; a changing leadership that moved multinational corporations into a higher profile in providing transnational political direction; unexpected and heartrending events that exposed the lack of common ground among groups in the pitiless market-state. Much of the credit, however, must go to The Garden itself, which brought forth business leadership at a crucial time.

CONCLUSION: THE THREE SCENARIO SUITES

It is tempting to read these small narratives and conclude that there is an optimum course for the society of market-states to pursue. On the contrary,

these scenarios reveal instead that any choice burdens our values, for these values are both contradictory and incommensurable.*

In The Meadow pressures from population growth were mitigated by high average annual economic growth. Cities, however, became scarcely livable. Elites thrived but the majority of persons were not better off and their prospects for social and economic security were constantly threatened. High migration was beneficial for both the sending and the receiving states, but ethnic heterogeneity threatened the cohesion of some states and communal violence escalated accordingly. The advanced countries largely solved their resource problems but they stressed ecosystems causing increased CO₂ pollution, deforestation, the loss of species, and widespread soil degradation through their dietary demands for animal protein. The Meadow was an hospitable place for technological innovation, the diffusion and implementation of information technology, biotechnology, and smart materials. But most countries fell further behind because they lacked the education levels, infrastructure, and governance systems to exploit these technologies. And new technologies could also be destabilizing, empowering terrorists and criminals and accelerating the proliferation of weapons of mass destruction. As the chief advocate and beneficiary of globalization, the United States assumed world leadership in The Meadow, but a U.S. economic downturn sent other states into a tailspin, ultimately eroding support for the United States. The Meadow managed low-intensity interventions with characteristic inventiveness, but the risk of regional conflict in Asia rose substantially.

In The Park regional integration increased rapidly, bringing robust initial growth. This growth was eventually diminished, however, by the effects of regionalism and protectionism. Growth within the developed states of The Park was less volatile than in The Meadow, and therefore more sustainable; furthermore, the benefits were more widely distributed within the leading societies of The Park, enhancing the quality of life for more persons. Nevertheless, increased regionalism resulted in irrefragable positions about markets, investment flows, intellectual property rights, and natural resources. The United States was confined to a single regional grouping, the Americas, which was neither in its interest nor that of the world, with which it ought to have had broader economic intercourse. International collaboration was reduced regarding terrorism, crime, cross-border conflicts, humanitarian interventions, and the proliferation of weapons of mass destruction, yet some national and international—though not global—institutions that had atrophied in The Meadow thrived in The Park. Regional identities sharpened political resistance to the United

States and to U.S.-led globalization in The Park; this was reflected in the uneven absorption of new techniques in biotechnology. So long as the United States continued to develop cutting-edge military technology, there was no prospect of great power conflict in The Park, but there were far higher levels of internal and crossborder conflicts in developing countries. Diversity (through federalism) thrived, but true multiculturalism shrank.

In The Garden, the seductive melody of withdrawal, almost isolation, contributed to U.S. disengagement in the world. Traditional national identities asserted themselves. Mercantilist competition strengthened the state while weakening global and regional intergovernmental institutions. As the United States withdrew its presence in Europe and Asia, China drove toward regional dominance, Japan rearmed, and the risk of great power conflict for the first time since the end of the Long War increased when the United States sought to reassert itself in Asia. Nevertheless, Korea was able to achieve normalization and unification. The cultures of emerging market-states were able to protect themselves from historical annihilation. The need for community, felt but ignored in The Meadow, was addressed in The Garden. Most important, the ability to develop business leaders who would take up the moral and political challenges abandoned by states was nurtured in The Garden, though scarcely tolerated in The Park and out of place in the entrepreneurial Meadow.

Think of The Meadow as "A," The Park as "B," and The Garden as "C." If we rank these approaches with respect to the security decisions taken in each scenario, A is preferred to B, which is preferred to C. That is, peace with some justice (the protection of nonaggressors, for example) is to be preferred to simple peace (bought at the price of sacrificing innocent peoples), which is still preferable to a cataclysm that would destroy the innocent and guilty alike. Or perhaps we get B/A/C—no conflict is preferred to frustrating low-intensity conflict, which is still preferable to a high risk of cataclysm. In any case, we can agree that C (The Garden) presents the worst option for satisfying the world's security needs. But if we do the same sort of exercise with respect to the issues raised by the "culture" scenarios, preferring genuine pluralism to mere cultural protectionism, and yet preferring the protection of minorities to their marginalization, we get B/C/A. Or at least we get C/B/A, for some will feel that the protection of sanctified ways of life trumps pluralism. In any case, we can agree that A—The Meadow—is an inhospitable place for the serenity, continuity, and community that protect cultures. And if we conduct this same exercise with respect to the scenarios devoted to economic issues, ranking sustainable growth ahead of recovery, which is still preferable to stagnation, we get C/A/B. Or, if growth alone is our objective, we get A/C/B: the insatiable but impressive engine of dynamic, innovative risk taking is preferred to the methods of mercantilist competition. In any case we must

*Though not incomparable; see Mathew Adler, "Review of Incommensurability, Incomparability and Practical Reason," *XIX Philosophy in Review* 3 (June 1999): 168.

concede that regional protectionism—the world created in the Park—is a sure route to high unemployment, slow growth, and the costliness (and uneven diffusion) of new technology.

Moreover, we are unwilling, or we should be, to trade off our economic or cultural or strategic well-being because these interests are in fact so bound up with one another. Even survival is not an ultimate value, for there are conditions of life that are intolerable. So we have this unstable *contrédanse*, ABC/BCA/CAB, or BAC/CBA/ACB, contrived—of course—to make this point: that an optimal constitutional arrangement is one that permits peaceful change as states shift from one approach to another over time and as these shifts impose stresses on international society that mirror the stresses felt within states. In the stories, as I have written them, it is that constitutional arrangement that allows a society—even a society of states—to transcend its prevailing approach that proves most successful. It is human agency that avoids the plausible futures that on examination seem so intolerable.

We choose which questions to answer in life just as studiously as we choose our answers. Societies are creatures of their decisions to treat certain issues as problems, because such decisions enable societies to respond to those problems. Because there is at this moment a growing confusion in our understanding of the role of the State, our usual habits of choosing certain problems and creating our history by means of crafting solutions to those problems is at present ill-formed and confused. We know the old rules—to uphold the international law of nation-states—no longer command us. Yet we are unclear about the choices we are making in the new society of market-states when we decide cases whose ultimate significance is still hidden from us. In the scenarios just described, we can get some picture of the problems and opportunities that may arise as a result of our choosing different paths for this society.

We do scenarios to help us define what kind of world we really want, among many possible worlds, to clarify how decisions taken today will effect large-scale results later, and to make us more alert to the meaning of unfolding events. Thus scenario-based planning is not about solving the hypothetical problems of some distant tomorrow, but about making decisions wisely today. To take one example from the scenario exercise above: the first decades of the twenty-first century will witness the acceleration of two trends already evident at the end of the twentieth: the withdrawal of governments from the task of providing for the ultimate welfare of their citizens and the increasing assumption of this responsibility by the private sector. All across the postindustrial world, governments will have to learn from the experience and knowledge of the private sector how to create opportunity, and business leaders will have to learn how to manage with an eye to the public acceptance of their actions. Business leaders are wholly

unprepared to take up the moral and political responsibilities that governments are busily casting off, and politicians and bureaucrats are seldom well situated to make the long-term investments in infrastructure that create opportunity. Yet how many business schools, law schools, and public policy institutes will plan this next semester's curriculum with these shortfalls in mind? How many are even aware that they are contributing to these mounting intellectual deficits?

This chapter, "Possible Worlds," is not the last chapter in this book because it is not really about the future. It is not a coda. It is not futurology. It is about current choices, as these can be illuminated by the imagination.