

The Bush administration's Response to Globalization

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There's an old saw that by now everything worth saying on this subject has been said, but not everybody has said it. So what is about to come is one more take on the subject of the United States and globalization, with considerable emphasis on what the tragic events of last week have to tell us about both the nature of the challenges before us and how the Bush administration is responding to them.

I confess it's a bit intimidating for me to speak here at the National Defense University as the Director of the Policy Planning Staff. I feel as if as I am in the shadow of my most famous and illustrious predecessor, George Kennan. You all undoubtedly know that Kennan -- the man who coined the term "containment" -- served as the first Director of the Policy Planning Staff under Secretary of State George C. Marshall.

But Kennan was another first as well: he was the first Deputy Commandant for Foreign Affairs at the National War College. It was in that capacity that, 55 years ago this week, he gave the first in a brilliant series of lectures before the inaugural class of the National War College -- a series of lectures in which he sought to develop a strategy for reconstructing an international order in the aftermath of our great victory in the Second World War and in the face of the mounting Soviet challenge.

The United States faces a similar task today. So this afternoon I will try to sketch how the Bush Administration is trying to build upon our victory in another great struggle -- the Cold War -- as we confront a set of new challenges and opportunities. In so doing, I promise to heed George Marshall's guidance to Kennan when he pulled Kennan away from his duties here to establish the Policy Planning Staff. Two words: "avoid trivia."

Globalization

If nothing else, this gathering has reached one firm conclusion: globalization is **not** trivial. A broad understanding of the word "globalization" is needed. Globalization cannot be reduced to merely the sum of interactions between and among nation-states. It is something more and something very different. Globalization is the totality and velocity of connections and interactions -- be they economic, political, social, and cultural -- that are sometimes beyond the control or even knowledge of governments and other authorities.

Globalization is characterized by the compression of distance and the increasing permeability of traditional boundaries to the rapid flow of goods, services, people, information, and ideas. It is a multifaceted, transnational phenomenon. Globalization is also decentralized; it emerges from countless individual decisions and actions taken every day all around the world.

Globalization, of course, did not begin with the fall of the Berlin Wall. Just think about it -- multinational corporations; substantial international capital flows; the spread of American music, films, and popular culture to the far corners of the earth; global pandemics; the emergence of global networks of commerce, NGOs and private foundations working to better the lives of working men and women -- all these elements of globalization predated not just the end of the Cold War, but the Second World War as well.

In the past decade, however, because of the spread of open markets and societies, because of new communication and information-processing technologies, globalization has accelerated and fundamentally extended its reach.

Only 18 months ago, citizens of the United States could view globalization for the most part as a positive phenomenon. Every year more people than ever before benefited from speedy long-distance travel, email, cellular telephones, fax, household satellite dishes, and the unprecedented flow of trade, investment, and information. But globalization always did have a dark side. The

same networks that allow the free flow of commerce and communication can also carry from one continent to another drugs, refugees and illegal immigrants, diseases like HIV/AIDS, financial volatility and contagion, traffic in men, women, and children, and, as we have seen, terrorists. Globalization is a reality, not a choice or a policy. But how we respond to it is a matter of choice and of policy.

Nation-States Still Matter

So despite globalization's importance, the death of the nation-state has been greatly exaggerated. Indeed, nation-states have in the past and will continue to play a critical role in channeling the forces of globalization.

This is most clearly seen in international economic transactions. The General Agreement on Trade and Tariffs (GATT) and its successor, the World Trade Organization (WTO,) demonstrate how governments working together establish the basic framework for international trade and investment. As my friend Bob Zoellick, the U.S. Trade Representative, is fond of saying, "capital is a coward": it flees from unpredictable business environments for the safety of reliable, transparent, fair markets governed by the rule of law. The domestic policies of countries -- their regulatory regimes, legal systems, and banking practices -- serve as a magnet, either attracting or repelling trade and investment.

Governments are primarily responsible for preserving the international and domestic stability that allows normal everyday life to continue and flourish. In turn, this context allows the benefits of globalization's positive side to be enjoyed. Walk the De-Militarized Zone (DMZ) in Korea or the Line of Control in Kashmir and you are immediately reminded of how fundamental nation-states -- not markets or globalization itself -- are to maintaining the peace upon which so much else depends. As Frank Fukuyama has written, "Microsoft and Goldman Sachs will not send aircraft carriers and F-16s to the Gulf to track down Osama bin Laden."

Nation-states, therefore, are not corks carried along wherever a raging stream of globalization carries them; rather, their policies go a long way to defining the channels through which globalization flows. In doing so, governments help determine how well their citizens and institutions are integrated into the globalized international order -- and what benefits or costs they reap from it.

American Preeminence

To move from the general to the specific, the United States remains the world's preeminent nation-state. The terrorist attacks of September 11th did not alter this basic fact. If anything they underscored it. The United States was targeted for such heinous acts because of its preeminence and all that it symbolizes and means to the world.

The United States constitutes the world's largest and most dynamic economy. With its flexible, well educated, and productive workforce and its proven capacity to embrace change, the United States will remain the leader of economic innovation well into the 21st century. Our trade and investment are distributed throughout the world. Our economic institutions are sound. We will come through this current slowdown and continue to be the main engine driving the global economy.

The U.S. military is the world's most capable. Our men and women in uniform serve in over 35 nations around the world helping to keep the peace. Now thousands of citizen soldiers in the Reserves and the National Guard are returning to active duty in this time of crisis. We should have no doubt that we have the wherewithal for the challenges ahead.

The impact of American ideas -- transmitted through our universities, films and television, the internet, the openness of our country to millions of visitors each month -- all reflect the unequalled power of the United States and American society. That the United States still remains a goal for immigrants from every part of the globe testifies to its strength -- both material and spiritual.

This preeminence is a fact, not a boast. We must never forget, though, that this preeminence does not automatically translate into influence. American strength can best be understood as the power to seize and capitalize upon opportunities. But whether we make the most of our opportunities depends on the wisdom of our decisions and the policies we pursue.

One final word about our preeminence: it should never be confused with invulnerability. Anyone who doubted this received a terrible wake-up call on September 11th. This brings us, of course, to the horrific events of last week and how we are responding to them.

Terrorism, the Challenges of Globalization, and the U.S. Response

International terrorism epitomizes a dark side of globalization and the nature of many of the challenges that we now face.

Usama bin Laden, al-Qaida, its cousin terrorist networks, and the entities that harbor and succor them are truly transnational forces of destruction. The al-Qaida network alone operates in over 60 countries. It is connected together by the communication technologies emblematic of our era - cellular and satellite phones, encrypted email, Internet chat rooms, videotape, and laser disks. Its members travel from continent to continent with the ease of any business traveler or vacationer. They pay their way and support their operations with funds raised through front businesses, credit card fraud, extortion, money laundered from covert supporters, and possibly even the manipulation of stock markets. They use NGOs for funding and recruitment. And in their hands the airplanes that connect families and businesses became human guided missiles that cruelly snuffed out thousands of innocent lives.

These terrorists are also transnational in one more fundamental way -- their victims. Belgium, Colombia, El Salvador, Germany, India, Israel, Italy, Japan, Pakistan, Russia, Switzerland, Turkey, and the United Kingdom all lost at least 70 citizens in the September 11th attacks. According to the latest estimate, over 75 nations other than the United States suffered casualties that one terrible day alone.

President Bush has committed himself and his entire Administration to waging a campaign to punish those responsible for the September 11th assault and to destroy terrorist networks that threaten international security. As he explained last night in his address to the Joint Session of Congress and the American people: "Our war on terror begins with al-Qaida, but it does not end there. It will not end until every terrorist group of global reach has been found, stopped, and defeated."

President Bush has also put on notice those who harbor or abet terrorists. With rights come responsibilities. Any state that proves unwilling or unable to combat terrorists operating from its territory can expect the United States and its partners to take whatever actions necessary to protect themselves and their citizens from this plague.

Let there be no misunderstanding: We are **not** in conflict with Islam. Our campaign against terrorism is **not** aimed at the hundreds of millions around the world who practice the Islamic faith and follow its good and peaceful teachings. Our enemies are the extremists who pervert people's beliefs to promote their deadly and destructive terrorist agenda.

Last night President Bush also made clear that this campaign will be sustained, global, and multidimensional: "Americans should not expect one battle, but a lengthy campaign, unlike any other we have seen." This campaign will be waged at home and around the world because that is where our enemies lurk. And it will be fought on many fronts -- as the President said -- with "every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence, and every necessary weapon of war."

We will always preserve the right to act alone in our self-defense. While we can punish those responsible for the September 11th attacks, we cannot accomplish the broader objective of destroying al-Qaida's global network, let alone others, without a sustained, coordinated international effort. In the months and years ahead, we will need to work with others to secure basing and over flight rights and to coordinate our defense planning and intelligence activities. We will need to work with others to choke off terrorist groups' finances and to track down, capture, and extradite those responsible for terrorist acts. And we will need to work with others to isolate those states that harbor or assist international terrorists and, when necessary, to strike our foes with military force.

We are now organizing a collective, broad-based effort to combat international terrorism. We appreciate that there are many ways for other countries to contribute to the cause. Differences in capabilities, geographic location, and outlook mean that some will be able to participate in the

immediate response against those who perpetrated the attacks of September 11th. Others will focus their energies upon dislodging and destroying terrorist networks in their own countries and regions. Some countries will join us in military operations, while others will provide logistical and financial support or essential access to bases and staging areas. Over the course of this sustained campaign, intelligence sharing will be critical; likewise, cooperation with local law enforcement organizations around the world to stop the flow of money and arms that is the lifeblood of these terrorist groups.

Our effort, therefore, will not have a rigid structure. And we will not demand that every country make the same contribution. Instead, the effort will embrace the benefits of a division of labor and remain flexible enough to evolve as the campaign progresses.

International terrorism also demands that we develop new ways of comprehending seemingly familiar problems. The language of "war" -- and the images, metaphors, and memories it conjures up from a previous era -- does not capture the entire task ahead. The terrorist network behind the massacres in Washington, New York, and Pennsylvania certainly committed "acts of war" against the United States. And the destruction of this group would constitute a clear and definitive victory. However, a **permanent** victory over international terrorism is unlikely. We must always be prepared for new terrorist networks to emerge. The traditional language of war thus might lead some to unrealistic expectations and sow the seeds of later frustration. Moreover, it implies that we will use primarily military means to confront this challenge. Such means, though, will often take the back seat to other elements of statecraft, whether intelligence, economic, diplomatic, political, or legal.

I suggest we view international terrorism as analogous to a terrible, lethal virus. Terrorism lives as part of the environment; sometimes dormant, sometimes virulent, it is always present in some form. Like a virus, international terrorism respects no boundaries -- moving from country to country, exploiting globalized commerce and communication to spread. We therefore need to take appropriate prophylactic measures at home and abroad to check terrorism from infecting our societies or damaging our lives. We need, for instance, better border control regimes and improved international counter-terrorism cooperation. We also need to make sure that the virus does not mutate into something even more deadly through the acquisition of nuclear, biological, or chemical weapons of mass destruction. And we need to drain the swamps where terrorism flourishes with long-term programs to promote development and good governance. But when the virus appears, we must quarantine it and fight it using all our power.

Even if we cannot completely eradicate international terrorism, such a comprehensive campaign should hold it in check so that the average citizen can live most days without fear -- just as most of us do not live in fear of the Ebola virus. We will, though, always have to remain vigilant in our monitoring of the threat and diligent in responding to any outbreaks. Thus, in the words of President Bush, "life will return almost to normal."

Finally, even as we confront the challenges ahead, we cannot lose sight of the opportunities of this era. For instance, the international effort against terrorism promises to effect positive change in other areas. We are working with our allies to ensure the alliances forged in the past century remain relevant and powerful in this one: witness NATO's unprecedented invocation of Article 5 of the NATO Treaty and Australia's invocation of Article 4 of the ANZUS Treaty. We are also working to integrate countries like Russia, China, and India into the international campaign against terrorism. We must use such cooperation against the threat of international terrorism to find common ground on how to respond to a host of other bilateral and transnational challenges. We also now have real prospects for making meaningful progress in ameliorating tensions between regional rivals in South Asia and the Middle East. We have opportunities, therefore, to create enduring and positive memorials out of the wreckage of the recent tragedies. We must not let these chances slip away.

Conclusion

The challenge for American foreign policy -- for the Bush Administration, the Congress, the American people -- is to make the most of this era's opportunities while addressing its profound challenges.

American leadership remains key. And sometimes we will need to act alone. But no matter how much we may want to solve the problems that face us entirely by ourselves, we cannot single handedly wage a successful campaign against international terrorism. In this respect, terrorism is

like many other challenges of this globalized era, like combating HIV/AIDS, stymieing the proliferation of weapons of mass destruction, or halting the trafficking in humans and illicit drugs. Global problems require global solutions.

Our campaign against terrorism thus reflects the fundamental tenets guiding U.S. foreign policy in this new century. We will strive to integrate the world in such a way to protect our interests and ensure the values we believe in are embraced as standards, not exceptions. We will work with our allies in Europe and Asia as well as in the Western Hemisphere to help consolidate democratic rule and free market economies which history teaches us are the most likely to promote peace, liberty, and prosperity. And by integrating new partners into the emerging international order -- countries like Russia, China, and India -- we will expand the reach of practices and institutions that uphold our values and interests and protect against those actors and forces that threaten to rend the fabric of international society.

Most fundamentally, we seek to cultivate habits of cooperation with other nations and peoples and, where possible, build institutions that will help us take advantage of globalization's opportunities while protecting us from its disruptive and sometimes dark challenges.

I began with George Kennan, so it is fitting that I should conclude with him as well. In his first lecture at the National War College 55 years ago, Kennan stressed that one of the major weapons in our foreign policy arsenal was "the cultivation of solidarity with other like-minded nations on every given issue of our foreign policy." It still is.