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The Geopolitical Consequences of the World Economic Recession—A Caution

Robert D. Blackwill

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The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications,” stated Director of National Intelligence Dennis Blair, in his February 12, 2009, testimony before the Senate Select Committee on Intelligence as part of the Intelligence Community’s Annual Threat Assessment.¹ Blair’s preoccupation reflects a flood of recent articles on geopolitics and the world recession, many of which predict enduring, destructive consequences for the international system.² At a minimum, such dire declarations seem premature.

In the spirit of the Roman Cicero, who noted that “The causes of events are ever more interesting than the events themselves,” this paper examines possible geopolitical modifications that could be caused by the current global economic decline, that is to say, *lasting structural alternations in the international system*. *Geopolitics* in this context is understood to mean the art and practice of the application of power by nations in the international domain, a term originated by Rudolf Kjellén, a Swedish political scientist at the beginning of the 20th century.³ The recession’s economic consequences,⁴ geopolitical trends that were already well underway before the world recession,⁵ or passing transitory events caused by this crisis (see below) are not the central focus of this analysis.

Reinforcing the importance of the subject at hand, the great British historian John M. Roberts writes that “however startling may be some of the ways in which history unrolls, surprises always turn out to have their histories. Their roots are worth study; they help to make apparent discontinuities explicable, logically related to what came before them.”⁶ Thus, identifying present and prospective causal connections between the global economic decline and geopolitics is the challenge addressed in this paper.

Since the geopolitical consequences of the world economic weakening obviously depend to a crucial degree on how long this global corrosion lasts, the assumption posited here is that, led by the United States, the macro decline will end, in a technical sense, in the first half of 2010, at the latest.⁷ Obviously, if the deterioration lasts much longer or spirals downward into a global depression, then basic structural adjustments become more likely.

Earlier slumps that have affected the United States may hold lessons regarding the present one. Including this recession, from 1945 to 2009, the National Bureau of Economic Research has identified 12 U.S. recessions; excluding the current recession, their average duration was ten months (peak to trough).⁸ Did any of these post–World War II U.S. economic downturns result in deep structural alterations in the international order, that is, a fundamental, long-term change in the behavior of individual nations? None is apparent. Indeed, on some occasions geopolitical events caused international economic

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¹ Dennis Blair, Director of National Intelligence, “Annual Threat Assessment of the Intelligence Community for the Senate Select Committee on Intelligence,” February 12, 2009. As of June 19, 2009: http://www.dni.gov/testimonies/20090212_testimony.pdf

² For an especially elegant and comprehensive argument in this respect, see David Rothkopf, “A World Transformed: The Great Hollowing Out and the Rise of New Threats—The Security Consequences of the Current Global Economic Crisis,” testimony before the Armed Services Committee of the U.S. House of Representatives, March 11, 2009.

³ Bertil Haggman, “Geopolitics: Classical and Modern,” Web page, no date. As of June 19, 2009: http://www.geocities.com/eurasia_uk/geo.html

⁴ See especially Nouriel Roubini’s prescient predictions on the recession.

⁵ Well before the global effects of the current economic crisis became apparent, Fareed Zakaria was tracing the “rise of the rest” in his book *The Post-American World* (New York: W. W. Norton and Co., 2008).

⁶ John M. Roberts, *A Short History of the World*, New York: Oxford University Press, 1997, p. 512.

⁷ This seems a conservative assumption. In a survey conducted by National Association for Business Economics released at the end of May 2009, 90 percent of economists predicted that the recession will end in 2009. (Jeannine Aversa, “Survey: Most Economists See Recession End in ’09,” Associated Press, May 27, 2009.)

⁸ National Bureau of Economic Research, “Business Cycle Expansions and Contractions,” Web page, no date. As of June 19, 2009: <http://www.nber.org/cycles.html>

dips, but not the other way around. For example, the Iranian Revolution in 1979 sharply increased the global price of oil, which in turn produced an international energy crisis and, abetted by tight monetary policy by the Federal Reserve, a U.S. recession.

So what are the likely effects of the global economic problem so far?⁹ It will cause the fall of some governments (Iceland, Latvia, Estonia, Hungary, and the Czech Republic, with more to come). It will lead to more poverty, more disease, more crime, more migration, and more Third World military conflict.¹⁰ It will trigger street violence in numerous countries, as has already occurred in Greece, China, Haiti, Latvia, Bolivia, Bulgaria, Russia, Italy, Ireland, Iceland, and Lithuania. It will increase Third World questioning of the Western economic model—Luis de Silva, President of Brazil, has stunningly asserted that “This crisis was caused by the irrational behavior of white people with blue eyes, who before the crisis appeared to know everything and now demonstrate that they know nothing.”¹¹

It will, over time, make the G-20 more influential than the G-8, which, incidentally, is not saying all that much. It will marginally accelerate in the next decade more influence by rising powers in international organizations, beginning with International Monetary Fund voting rights (but it will not lead to reform of the UN Security Council). It will result in greater national and international financial regulation. It will trigger more pressure on defense budgets in most nations. It will magnify world trade protectionism. It will weaken national efforts around the globe to reduce carbon emissions.¹²

This is a daunting list, but will all these combined developments cause any serious structural change in global politics writ large over the longer run? That is far from obvious. A reading of history suggests that there are transcending events that do fundamentally alter the internationally system. The French Revolution brings on Napoleon and 20 years of war

in Europe. The Bolshevik Revolution produces the Soviet Empire and 70 years of Communist rule in Russia. The Great Depression reinforces the collapse of the Weimar Republic, the advent of Adolf Hitler, and the outbreak of Second World War. The World War II defeats of Germany and Japan and their subsequent occupation by foreign powers profoundly alter the international orientations of those countries. The Chinese Communist victory in 1949 launches a wholly different Chinese foreign policy in succeeding decades. German Unification results in the end of the Soviet Empire in East and Central Europe and then the disintegration of the Soviet Union.

Will there be corresponding substantial modifications in the art and practice of power in world politics as a consequence of the current economic crisis? With Chou Enlai’s alleged comment on the significance of the French Revolution—“it’s too soon to tell”—in mind, are there signs that consequent geopolitical changes are underway? Many who prophesy such elemental international shifts either use examples at the periphery of world politics (the government in Hungary falls, a growing humanitarian tragedy in Sudan) or foresee geopolitical spasms that might happen (China implodes, America retreats) but have not occurred.

Moreover, humans often naturally tend to exaggerate the importance of what is happening to them at any particular time. Since this is also true of international politics, Marcel Proust provides a useful admonition: “The only thing that does not change is that at any and every time it appears that there have been ‘great changes.’”¹³

A Hegelian thought experiment might assist this inquiry. Imagine that it is five years from today. If there have been lasting geopolitical effects produced by the current economic crisis, what might they be? As indicated earlier, this would likely mean major changes in the external policies and interrelationships of the major global powers, particularly the policies of the United States and China toward each other and the world, as well as Russia’s foreign policies. It would also entail changes to a host of other issues, including acceleration in nuclear proliferation, particularly in Iran and North Korea; perhaps substantial shifts in the futures of Pakistan, Afghanistan, Iraq, Mexico, India, and such long-time U.S. allies as Japan and Europe; and heightened problems with international efforts, such as the Middle East peace process. Keeping front and center Aristotle’s defini-

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⁹ Peter Zeihan points out in *Stratfor* that the current U.S. recession is only the worst since 1982, not since the 1930s. (“The Geography of Recession,” June 2, 2009).

¹⁰ These consequences in the developing world, while terrible, will primarily have local and not global or even regional effects. They are unlikely to produce structural changes in the international system or fundamental changes in relations between and among the major powers. In short, the toll on individuals in parts of the Third World will be great, but the effects on world order will be minimal.

¹¹ James Chapman, “White, Blue-Eyed Bankers Have Brought World Economy to Its Knees: What the Brazilian President Told Gordon Brown,” *Mail Online*, March 27, 2009.

¹² Although some are already occurring, the potential effects enumerated here are not all inevitable. For instance, we shall see if the G-20 over time becomes more influential than the G-8 and whether there is increased international financial regulation. At this writing, both seem likely but are not certain.

¹³ World of Quotes, “Marcel Proust Quotes,” Web page, no date. As of June 19, 2009: <http://www.worldofquotes.com/author/Marcel-Proust/1/>

tion of analysis—"to illuminate through disaggregation," here follows a brief look at each of these possible structural changes in the world order.

First, the United States, five years from today. Did the global recession weaken the political will of the United States to, over the long term, defend its external interests? Many analysts are already forecasting a "yes" to this question. As a result of what they see as the international loss of faith in the American market economy model and in U.S. leadership, they assert that Washington's influence in international affairs is bound to recede, indeed is already diminishing. For some, the wish is the father of this thought. But where is the empirical evidence? From South Asia, through relations with China and Russia through the Middle East peace process, through dealing with Iran's nuclear ambitions and North Korea's nuclear weaponization and missile activities, through confronting humanitarian crises in Africa and instability in Latin America, the United States has the unchallenged diplomatic lead. Who could charge the Obama Administration with diplomatic passivity since taking office? Indeed, one could instead conclude that the current global economic turbulence is causing countries to seek the familiar and to rely more and not less on their American connection.

In any event, foreigners (and some Americans) often underestimate the existential resilience of the United States. In this respect, George Friedman's new book, *The Next Hundred Years*,¹⁴ and his view that the United States will be as dominant a force in the 21st century as it was in the last half of the 20th century, is worth considering. So once again, those who now predict, as they have in every decade since 1945, American decay and withdrawal will be wrong¹⁵—from John Flynn's 1955 *The Decline of the American Republic and How to Rebuild It*,¹⁶ to Paul Kennedy's 1987 *The Rise and Fall of Great Powers*,¹⁷ to Andrew Bacevich's 2008 *The Limits of Power: The End of American Exceptionalism*,¹⁸ to Godfrey Hodgson's 2009 *The Myth of American Exceptionalism*¹⁹ and many dozens of similar books in between. Indeed, the policies of the Obama Administration, for better or worse, are likely to be far more influential and

lasting regarding America's longer-term geopolitical power projection than the present economic decline.

To sum up regarding the United States and the global economic worsening, former Council on Foreign Relations President Les Gelb, in his new book, *Power Rules: How Common Sense Can Rescue American Foreign Policy*,²⁰ insists that a nation's power

is what it always was—essentially the capacity to get people to do what they don't want to do, by pressure and coercion, using one's resources and position. . . . The world is not flat. . . . The shape of global power is decidedly pyramidal—with the United States alone at the top, a second tier of major countries (China, Japan, India, Russia, the United Kingdom, France, Germany and Brazil), and several tiers descending below. . . . Among all nations, only the United States is a true global power with global reach.

Lee Kuan Yew, former Prime Minister of the Republic of Singapore, agrees: "After the crisis, the US is most likely to remain at the top of every key index of national power for decades. It will remain the dominant global player for the next few decades. No major issue concerning international peace and stability can be resolved without US leadership, and no country or grouping can yet replace America as the dominant global power."²¹ The current global economic crisis will not alter this reality. And the capitalist market model will continue to dominate international economics, not least because China and India have adopted their own versions of it.

Next, China. Again, five years from today. Did the recession undermine the grip of the Chinese Communist Party on the People's Republic of China (PRC)? No. Again, as Lee Kuan Yew stressed in the same recent speech, "China has proven itself to be pragmatic, resilient and adaptive. The Chinese have survived severe crises—the Great Leap Forward and the Cultural Revolution—few societies have been so stricken. These are reasons not to be pessimistic." Did the crisis make Washington more willing to succumb to the rise of Chinese power because of PRC holdings of U.S. Treasury Bonds? No. Did it alter China's basic external direction and especially its efforts, stemming from its own strategic analysis, to undermine the U.S. alliance system in Asia? No. Did it cause the essence of Asian security to transform? No.

The policies of the Obama Administration . . . are likely to be far more influential and lasting regarding America's longer-term geopolitical power projection than the present economic decline.

¹⁴ George Friedman, *The Next 100 Years: A Forecast for the 21st Century*, New York: Doubleday, 2009.

¹⁵ For a powerful rejection of U.S. "Declinism," see Robert Kagan, "Still No. 1," *Washington Post*, October 30, 2008, p. A23.

¹⁶ John Flynn, *The Decline of the American Republic and How to Rebuild It*, New York: Devin-Adair, 1955.

¹⁷ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*, New York: Random House, 1987.

¹⁸ Andrew J. Bacevich, *The Limits of Power: The End of American Exceptionalism*, New York: Metropolitan Books, 2008.

¹⁹ Godfrey Hodgson, *The Myth of American Exceptionalism*, New Haven, Conn.: Yale University Press, 2009.

²⁰ Leslie H. Gelb, *Power Rules: How Common Sense Can Rescue American Foreign Policy*, New York: Harper, 2009.

²¹ Lee Kuan Yew, Minister Mentor, "The Fundamentals of Singapore's Foreign Policy: Then and Now," speech at the S. Rajaratnam Lecture, Singapore, April 9, 2008.

**China has arrived.
On issue after
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China has arrived. On issue after issue, it is the second most important global power, after the United States. In 2007, it contributed more to global growth than the United States. China has lifted 400 million people out of poverty in the past 30 years, a truly remarkable achievement. It has already overtaken Russia as the second largest defense spender after the United States. China is now the leading emitter of carbon dioxide. It has been the core manager of the six-party talks concerning North Korea. Reinforced by its sophisticated, reassuring, and effective diplomacy, it is the most aggressive nation in seeking energy and mineral resources in the world. By any measure, these are extraordinary statistics.

Yet, China also has major vulnerabilities. It remains governed by an authoritarian regime. The Communist Party has little organic legitimacy, and it seems questionable whether the Communist leadership now has “the Mandate of Heaven” with the people of China. Political reform moves at the speed of a glacier and there are tens of thousands of peasant protests each year. Decentralization to regional and local levels is now prevalent in China’s power and politics. From greenhouse emissions to national tax collection, the edicts of the central government are often ignored. Gaps between rich and poor grow dramatically, as do disparities between coastal and interior, western parts of the country. Some 140 million young men float through China’s cities. The Chinese population ages rapidly. There are serious shortages of internal energy resources and water supply, and there is profound environmental degradation.

Even with these sobering realities in China, some forecast a switching of the guard in international leadership from the United States to the PRC, with China becoming the dominant superpower it was 500 years ago. Again, this is unconvincing. By most measures, the Chinese economy is less than one-quarter the size of the United States’. In 2007 (the latest year for which data are available), China’s gross domestic product (GDP) in constant 2000 U.S. dollars was 21 percent of U.S. GDP; in current dollars, it was 23 percent. In constant terms adjusted for purchasing power parity (PPP; 2005 international dollars), it was almost 52 percent. While China’s aggregate GDP is above 20 percent of U.S. GDP, its per capita GDP is well below. In constant 2000 dollars, it was less than 5 percent of U.S. per capita GDP in 2007; in current dollars, it was slightly more than 5 percent; in PPP terms, it was almost 12 percent.²²

²² Figures are from the World Bank, World Development Indicators, online database, 2009. As of June 30, 2009: <http://www.worldbank.org/data/>. I am grateful to my RAND colleague Howard Shatz for providing these comparative details regarding the U.S. and Chinese economies.

Will the current economic crisis modify China’s long-term objective to weaken the U.S. alliance system in Asia, the only potential coalition that might be employed to balance the rise of Chinese power? No. In that context, it seems likely that the PRC no longer operates on the basis of a U.S. “cork in the bottle of Japanese defense spending.” Given Japan’s impressive military buildup and force modernization over the last decade, Beijing concluded some years ago that this was not much of an American cork, and China’s policies began to evolve accordingly. So the PRC’s long-term goal is to create parallel regional structures that exclude the United States—the Asian Summit, the Association of Southeast Asian Nations (ASEAN) Plus Three, the Shanghai Cooperation Organization—and at the same time to alternately pressure and cultivate Japan and to engage South Korea and Southeast Asia. None of these elements regarding long-term Chinese geopolitical intentions appears to have much to do with the present world economic weakening.

Alternatively, will the current world economic crisis change relations between China and the United States in a much more positive and intimate direction, producing what some are calling a transcendent G-2? This seems improbable for seven reasons. First, the United States and China have profoundly different visions of Asian security. For Washington, maintaining U.S. alliances in Asia is the hub of its concept of Asian security, whereas, for Beijing, America’s alliance system is a destabilizing factor in Asian security and over time should wither away. These opposing concepts will be an enduring source of tension between the two sides. Second, these two countries systematically prepare for war against one another, which is reflected in their military doctrines, their weapons procurement and force modernization, and their deployments and military exercises. As long as this is the case, it will provide a formidable psychological and material barrier to much closer bilateral relations. Third, the United States is critical of China’s external resource acquisition policy, which Washington believes could threaten both American economic and security interests in the developing world. Fourth, despite their deep economic dependence on each other, U.S.-China economic relations are inherently fragile. China sells too much to the United States and buys too little, and the United States saves too little and borrows too much from China. This will inevitably lead to a backlash in the United States and a Chinese preoccupation with the value of its American investments. Fifth, Chinese environmental policy will be an increasing problem, both for U.S. policymakers who are committed to

bringing China fully into global efforts to reduce climate degradation and for Chinese leaders who are just as determined to emphasize domestic economic growth over international climate regimes. Sixth, China and the United States have wholly different domestic political arrangements that make a sustained entente difficult to manage. Americans continue to care about human rights in China, and Beijing resents what it regards as U.S. interference in its domestic affairs. This will be a drag on the bilateral relationship for the foreseeable future. And seventh, any extended application by Washington of “Chimerica,” as Moritz Schularick of Berlin’s Free University has called it,²³ would so alarm America’s Asian allies, beginning with Japan, that the United States would soon retreat from the concept.²⁴

Nevertheless, these factors are unlikely to lead to a substantial downturn in U.S.-China bilateral ties. In addition to their economic interdependence, both nations have important reasons to keep their interaction more or less stable. As Washington wants to concentrate on its many problems elsewhere in the world, especially in the Greater Middle East, Beijing prefers to keep its focus on its domestic economic development and political stability. Neither wants the bilateral relationship to get out of hand. In sum, a positive strategic breakthrough in the U.S.-China relationship or a serious deterioration in bilateral interaction both seem doubtful in the period ahead. And the current economic downturn will not essentially affect the abiding primary and constraining factors on the two sides. Therefore, the U.S.-China relationship in five years will probably look pretty much as it does today—part cooperation, part competition, part suspicion—unaffected by today’s economic time of troubles, except in the increasing unlikely event of a cross-strait crisis and confrontation.

Now on to Russia. Again, five years from today. Did the global recession and Russia’s present serious economic problems substantially modify Russian foreign policy? No. (President Obama is beginning his early July visit to Moscow as this paper goes to press; nothing fundamental will result from that visit). Did

it produce a serious weakening of Vladimir Putin’s power and authority in Russia? No, as recent polls in Russia make clear. Did it reduce Russian worries and capacities to oppose NATO enlargement and defense measures eastward? No. Did it affect Russia’s willingness to accept much tougher sanctions against Iran? No. Russian Foreign Minister Lavrov has said there is no evidence that Iran intends to make a nuclear weapon.²⁵ In sum, Russian foreign policy is today on a steady, consistent path that can be characterized as follows: to resurrect Russia’s standing as a great power; to reestablish Russian primary influence over the space of the former Soviet Union; to resist Western efforts to encroach on the space of the former Soviet Union; to revive Russia’s military might and power projection; to extend the reach of Russian diplomacy in Europe, Asia, and beyond; and to oppose American global primacy. For Moscow, these foreign policy first principles are here to stay, as they have existed in Russia for centuries.²⁶ None of these enduring objectives of Russian foreign policy are likely to be changed in any serious way by the economic crisis.

Now moving more quickly.

Did the economic slump lead to strategic amendments in the way Japan sees the world? No.

Did it slow the pace of India’s emergence as a rising great power? No. To the contrary, the new Congress-led government in New Delhi will accelerate that process.

Did it alter Iran’s apparent determination to acquire a nuclear capability or something close to it? No. Was it a prime cause of the recent domestic crisis and instability in Iran after its 2009 presidential election? No.

Did it slow or accelerate the moderate Arab states intent to move along the nuclear path?

No. Did it affect North Korea’s destabilizing nuclear calculations? No.

Did it importantly weaken political reconciliation in Iraq? No, because there is almost none in any case.

Did it slow the Middle East peace process? No, not least because prospects for progress on issues between Israel and the Palestinians are the most unpromising in 25 years.

The U.S.-China relationship in five years will probably look pretty much as it does today—part cooperation, part competition, part suspicion—unaffected by today’s economic time of troubles.

²³ Moritz Schularick, “How China Helped Create the Macroeconomic Backdrop for Financial Crisis,” *The Financial Times Economists’ Forum*, blog post, February 24, 2009. As of June 19, 2009: <http://blogs.ft.com/economistsforum/2009/02/how-china-helped-create-the-macroeconomic-backdrop-for-financial-crisis/>

²⁴ For its own reasons, China seems to concur that a G-2 is not in the cards. Prime Minister Wen Jiabao clarified China’s stance on the G-2 at the China-EU summit on May 20, 2009: “It is impossible for a couple of countries or a group of big powers to resolve all global issues. Multipolarization and multilateralism represent the larger trend and the will of people.” Wen stressed, “Some say that world affairs will be managed solely by China and the United States. I think that view is baseless and wrong.”

²⁵ “Ahmadinejad Declares Victory in Nuclear Dispute,” *TimesOnline*, December 5, 2007. As of June 19, 2009: http://www.timesonline.co.uk/tol/news/world/us_and_americas/article3004070.ece

²⁶ My RAND colleague Michael Rich argues that Russia’s well-known endemic weaknesses, reinforced by the current economic crisis, could seriously erode its external power projection over the long run. Since most of Moscow’s current coercive policies vis-à-vis its neighbors do not depend on substantial outlays of resources, I am as yet unconvinced. Moreover, a revival of the world economy is likely to increase the price of oil to some degree, further minimizing the current recession’s effect on Russia’s geopolitical behavior.

Did it substantially affect the enormous internal and international challenges associated with the growth of Jihadiism in Pakistan? No. But at the same time, it is important to stress that Pakistan, quite apart from the global recession, is the epicenter of global terrorism and now represents potentially the most dangerous international situation since the 1962 Cuban Missile Crisis.

Did the global economic downturn systemically affect the future of Afghanistan? No. The fact that the United States is doing badly in the war in Afghanistan has nothing to do with the economic deterioration. As Henry Kissinger observes, “The conventional army loses if it does not win. The guerrilla wins if he does not lose.” And NATO is not winning in Afghanistan.

Did it change in a major way the future of the Mexican state? No.

Did the downturn make Europe, because of its domestic politics, less willing and able over time to join the U.S. in effective alliance policies? No, there will likely be no basic variations in Europe’s external policies and no serious evolution in transatlantic relations. As President Obama is experiencing regarding Europe, the problems with European publics in this regard are civilizational in character, not especially tied to this recession—in general, European publics do not wish their nations to take on foreign missions that entail the use of force and possible loss of life. Did the downturn slow further EU integration? Perhaps, at the margin, but in any case one has to watch closely to see if EU integration moves like a turtle or like a rock.

And so forth.

To be clear, there will inevitably be major challenges in the international situation in the next five years. In fact, this will be the most dangerous and chaotic global period since before the 1973 Middle East war. But it is not obvious that these disturbing developments will be primarily a result of the global economic problems. It is, of course, important to be alert to primary and enduring international discontinuities. If such a convulsive geopolitical event is out there, what is it? One that comes to mind is another catastrophic attack on the American homeland. Another is the collapse of Pakistan and the loss of government control of its nuclear arsenal to Islamic extremists. But again, neither of these two geopolitical calamities would be connected to the current economic decline.

Some argue that, even though geopolitical changes resulting from the current global economic tribulations are not yet apparent, they are occurring beneath the surface of the international system and will become

manifest in the years to come. In short, causality not perceptible now will become so. This subterranean argument is difficult to rebut. To test that hypothesis, the obvious analytical method is to seek tangible data that demonstrates that it is so. In short, show A, B, and/or C (in this case, geopolitical transformations caused by the world slump) to have occurred, thus substantiating the contention. One could then examine said postulated evidence and come to a judgment regarding its validity. To instead contend that, even though no such data can be adduced, the assertion, nevertheless, is true because of presently invisible occurrences seems more in the realm of religious conviction than rigorous analysis.

But it is worth asking, as the magisterial American soldier/statesman George Marshall often did, “Why might I be wrong?” If the global economic numbers continue to decline next year and the year after, one must wonder whether any region would remain stable—whether China would maintain internal stability, whether the United States would continue as the pillar of international order, and whether the European Union would hold together. In that same vein, it is unclear today what effect, if any, the reckless financial lending and huge public debt that the United States is accumulating, as well as current massive governmental fiscal and monetary intervention in the American economy, will have on U.S. economic dynamism, entrepreneurial creativity, and, consequently, power projection over the very long term. One can only speculate on that issue at present, but it is certainly worth worrying about, and it is the most important “known unknown”²⁷ regarding this subject.²⁸ In addition, perhaps the Chinese Communist Party’s grip on China is more fragile than posited here, and possibly Pakistan and Mexico are much more vulnerable to failed-state outcomes primarily because of the economic downturn than anticipated in this essay. While it seems unlikely that these worst-case scenarios will eventuate as a result of the world recession, they do illustrate again that crucial uncertainties in this analysis are the global downturn’s length and severity and the long-term effects of the Obama Administration’s policies on the U.S. economy.

Finally, if not, why not? If the world is in the most severe international economic crisis since the 1930s, why is it not producing structural changes in the global order? A brief answer is that the transcendent

²⁷ This term is from Donald Rumsfeld, quoted in Hart Seely, compiler and editor, *Pieces of Intelligence: The Existential Poetry of Donald H. Rumsfeld*, New York: Free Press, 2003, p. 2.

²⁸ My old friend Ambassador Richard Burt is particularly persuasive on this point, and in a personal exchange Philip Zelikow notes similarly that “Britain never recovered from the destruction of its fiscal base during the second half of the First World War.”

Crucial uncertainties in this analysis are the global downturn’s length and severity and the long-term effects of the Obama Administration’s policies on the U.S. economy.

geopolitical elements have not altered in substantial ways with regard to individual nations in the two years since the economic crisis began. What are those enduring geopolitical elements? For any given country, they include the following:

- Geographic location, topography, and climate. As Robert Kaplan puts it, “to embrace geography is not to accept it as an implacable force against which humankind is powerless. Rather, it serves to qualify human freedom and choice with a modest acceptance of fate.”²⁹ In this connection, see in particular the works of Sir Halford John Mackinder and his *The Geographical Pivot of History* (1904)³⁰, and Alfred Thayer Mahan, *The Influence of Sea Power upon History, 1660–1783* (1890).³¹
- Demography—the size, birth rate, growth, density, ethnicity, literacy, religions, migration/emigration/assimilation/absorption, and industriousness of the population.
- The histories, foreign and defense policy tendencies, cultural determinants, and domestic politics of individual countries.
- The size and strength of the domestic economy.
- The quality and pace of technology.
- The presence of natural resources.
- The character, capabilities, and policies of neighboring states.

For the countries that matter most in the global order, perhaps unsurprisingly, none of these decisive variables have changed very much since the global

downturn began, except for nations’ weaker economic performances. That single factor is not likely to trump all these other abiding geopolitical determinants and therefore produce international structural change. Moreover, the fundamental power relationships between and among the world’s foremost countries have also not altered, nor have those nations’ perceptions of their vital national interests and how best to promote and defend them.

To sum up this pivotal concept, in the absence of war, revolution, or other extreme international or domestic disruptions, for nation-states, the powerful abiding conditions just listed do not evolve much except over the very long term, and thus neither do countries’ strategic intent and core external policies—even, as today, in the face of world economic trials. This point was made earlier about Russia’s enduring national security goals, which go back hundreds of years. Similarly, a Gulf monarch recently advised—with respect to Iran—not to fasten on the views of President Ahmadinejad or Supreme Leader Khamenei. Rather, he counseled that, to best understand contemporary Iranian policy, one should more usefully read the histories, objectives, and strategies of the Persian kings Cyrus, Darius, and Xerxes, who successively ruled a vast empire around 500 BC.³²

The American filmmaker Orson Welles once opined that “To give an accurate description of what never happened is the proper occupation of the historian.”³³ Perhaps the same is occasionally true of pundits. ■

The fundamental power relationships between and among the world’s foremost countries have also not altered, nor have those nations’ perceptions of their vital national interests and how best to promote and defend them.

²⁹ Robert D. Kaplan, “The Revenge of Geography,” *Foreign Policy*, May/June 2009.

³⁰ Halford John Mackinder, “The Geographical Pivot of History,” *The Geographical Journal*, April 1904.

³¹ A.T. Mahan, *The Influence of Sea Power upon History 1660–1783*, Boston: Little, Brown, and Company, 1890.

³² Private conversation with the author.

³³ University of Memphis Department of History, “History Is _____ (Fill in the Blank),” Web page, 2009. As of June 19, 2009: http://history.memphis.edu/history_is.html

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