

Issue Paper

RAND

Globalization's Security Implications

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INTRODUCTION

Globalization is a multidimensional phenomenon: Information technologies, along with a variety of other technologies, are developing rapidly and spreading widely. Trade is expanding globally, as is the flow of private capital and investment. Interdependencies are growing in all aspects of our lives. These developments create real possibilities to achieve economic prosperity, spread political freedom, and promote peace. Yet they are also producing powerful forces of social fragmentation, creating critical vulnerabilities, and sowing the seeds of violence and conflict. Economic crises extend across state borders and are producing global hardships. All of these are aspects of what is commonly referred to as "globalization," and all have important security implications.¹

Most dangerously, a variety of threats have become global in scope and more serious in their effects as a result of the spread of knowledge, the dispersion of advanced technologies, and the movements of people. These same developments, combined with expanding global economic interactions, contribute to some of the problems and resentments that lie at the root of these security threats. But paradoxically, many of those same aspects of globalization offer new opportunities to achieve economic growth and

democracy, thereby ameliorating the threats as well as some of their underlying causes.

The dangers were clearly manifested in the September 11th terrorist attacks, which showed how the Al Qaeda organization was able effectively to exploit new communications technologies, global financial networks, and the ease of movements of people. The response by the international community has also benefited from some of globalization's effects, primarily in technological advances in communications and in military weaponry. While it is too soon to say definitively, the result of these attacks may be to dampen some of the globalizing trends, as financial interactions receive greater scrutiny and security steps limit the mobility of people. Exploring the many issues raised by the September 11th terrorist attacks is not this paper's task, nor is assessing the relationship between terrorism and globalization.

Instead, the paper raises the broader issues arising from different aspects of globalization, focusing both on the threats and the opportunities, with the goal of suggesting very briefly a new way of approaching security in the coming decades. Just as important, the paper tries to make the case that the national security and international economic policymaking communities each has a critical stake in what traditionally have been the responsibilities of the other.

TRANSNATIONAL THREATS

Many different aspects of globalization now combine to increase the dangers of a variety of transnational threats

¹See Robert O. Keohane and Joseph S. Nye, Jr., "Introduction," in Joseph S. Nye and John D. Donahue, editors, *Governance in a Globalizing World*, Washington, D.C.: Brookings Institution Press, 2000; Robert Gilpin, *The Challenge of Global Capitalism*, Princeton, N.J.: Princeton University Press, 2000; David Held, Anthony McGrew, David Goldblatt, and Jonathan Perraton, *Global Transformations Politics, Economics and Culture*, Stanford, Calif.: Stanford University Press, 1999.

from weapons proliferation, cyber attacks, ethnic violence, global crime, drug trafficking, environmental degradation, and the spread of infectious diseases. What kinds of strategies and actions might they require?²

Proliferation of Dangerous Weapons

The potentially destructive capabilities of weapons of mass destruction (WMD) in the hands of enemy states and terrorists clearly suggest the need for a preventive strategy. The *National Strategy to Combat Weapons of Mass Destruction*, issued in December 2002, defines three pillars: “counterproliferation to combat WMD use,” “strengthened nonproliferation to combat WMD proliferation,” and “consequence management to respond to WMD use.”³ The strategy’s first, counterproliferation pillar calls for three types of action: interdiction, deterrence, and defense, and reserves the right to “respond with overwhelming forces—including through resort to all of our options—to the use of WMD against the United States.” It is here that the strategy also includes the requirement for “the capability to defend against WMD-armed adversaries, including in appropriate cases through preemptive measures.”⁴ The strategy’s second, nonproliferation pillar involves these elements: diplomacy, multilateral regimes, threat reduction programs, and controls on exports and nuclear materials.⁵

From the relative attention that is being given to the counterproliferation activities, one senses an underlying lack of confidence in the nonproliferation pillar. Little is being done to bolster the multilateral nonproliferation export control regimes, and the administration has supported legislation to liberalize rather than to control exports. It has rejected efforts to improve the verification provisions of the Biological Weapons Convention, arguing first that verification was not feasible given advances in technology and then that the transparency requirements compromised proprietary commercial interests. The administration’s alternative suggestions for international and domestic legal constraints remain vague. Officials

²The threats arising from drug trafficking and global crime are not addressed in this paper because preventive strategies are being pursued and reasonably effective collective decisionmaking processes exist. For RAND research on these topics, see www.rand.org/publications/electronic/justice.html.

³*National Strategy to Combat Weapons of Mass Destruction*, December 2002, www.whitehouse.gov/news/releases/2002/12/WMDStrategy.pdf, p. 2.

⁴*Ibid.*, p. 3.

⁵*Ibid.*, pp. 3–5.

have called for “action” against states sheltering terrorists, proliferators, and suspect shipments. But so far they have been content with simply exposing violators of international arms control treaties and making the case for removing Saddam Hussein.⁶ Military preparations to preempt suspicious activities; defend against missile attacks; and destroy nuclear, biological, and chemical capabilities in rogue states are in fact a strategy for a world where dangerous weapons will be proliferating.

The global spread of ideas and technologies is unquestionably making it easier for states, and even disaffected groups, to develop the most-dangerous weapons. So it is fair to question whether a strategy can be designed that can offer any real prospect of preventing weapon proliferation. But before coming to a judgment, what is required is a serious analytic effort to discover how and with what confidence access to the critical knowledge, materials, and technologies can be denied to those bent on acquiring weapons of mass destruction.

To answer this question, one would focus on the following nonproliferation tools: domestic and international security mechanisms for storage and transfers, multilateral export controls, arms control verification and enforcement measures, intelligence surveillance and tracking operations, and military and other forms of interdiction. Each of these would need to be evaluated, individually and then in combination, in light of technological developments. Then, these tools would need to be considered in terms of real-world situations in individual countries, many of which already have nascent WMD programs, as well as for non-state groups. In the case of export controls, for example, the individual items on the multilateral lists currently governing the transfer of critical weapons-related items and technologies need to be assessed in terms of their availability and how widely they have already spread. In other words, the issue is whether they can actually be controlled.

Understanding the potential contributions of each of these nonproliferation tools would set the stage for an assessment of whether any combination of actions offers a reasonable prospect of success. Among the steps that would improve the current strategy would be for members of the current multilateral nonproliferation regimes, i.e., the United States and other major industrial countries, to require prior notice for transfers of any of the critical

⁶See the speech by John Bolton, “Beyond the Axis of Evil: Additional Threats from Weapons of Mass Destruction,” Heritage Foundation, Washington, D.C., May 6, 2002.

items and technologies, introduce intrusive compliance measures in the WMD arms control treaties, impose political and economic sanctions for misbehavior, put in place real-time surveillance and information sharing on commercial trade, and act to interdict suspicious commerce with quick-reaction forces.

With this background analysis, governments would then need to decide whether the prospective gains in preventing the spread of dangerous weapons would be worth the potentially high price they would have to pay in losses of commercial sales, expected political costs to enforce sanctions for misbehavior, and military risks in interdicting suspicious activities that a credible nonproliferation strategy would likely entail. To be effective, these measures would have to be adopted by those countries that today control the critical weapons-related items and technologies.

In the end, such an analysis may indicate that no combination of actions can promise success in preventing the spread of dangerous weapons, or that these actions are too difficult or costly. To assume that this is the case in the absence of analysis is risky, however, because if further steps are not taken, it is more likely that the result will be a world in which states and terrorists will develop and potentially use these weapons.

Other Transnational Threats

Information technologies and systems are central features of globalization and have become increasingly important to the functioning of many critical civilian systems—communications, energy, transportation, electrical, water, and banking. The problem is that they now are potentially vulnerable to the threat of cyber attacks and disruption. The dangers arising from environmental degradation often cross state borders. The most publicized danger involves the rising global temperatures that are touching off devastating droughts, floods, and violent storms. Other environmental dangers include air and water pollution, the loss of forests and biodiversity, and the potential introduction of toxic substances into the human food chain.

The threat is growing that infectious diseases will spread globally and quickly, as a result of increasingly drug-resistant microbes, the lag in development of new antibiotics, poor patterns of land and water use, shifts in climate, the rise of mega-cities with severe health care deficiencies, the ease of movement of peoples across borders, and the growing number of refugees. U.S. intelligence estimates project only limited gains over the coming 20 years against the overall infectious-disease threat, with

virulent diseases, led by HIV/AIDS and tuberculosis, continuing to take a significant toll.⁷

Violence motivated by ethnic and religious hatreds is certainly not a new phenomenon. Today, however, it is often associated with the shedding of traditional economic structures in the wake of expanding global commerce and major disruptions in existing patterns of political authority caused by the spread of information technologies. Such violence can extend easily across state borders; among its consequences can be large flows of refugees.

These transnational threats can often seem diffuse and uncertain. Debate surrounds the question of their seriousness and whether they actually endanger American security. Absent any consensus, governments are doing little to give them priority or to pursue credible preventive strategies. The issue is whether the international community can afford to take the risks of such policies, remembering that little priority was being given to preventive counterterrorism strategies before the September 11th terrorist attacks.

This is not to suggest that giving these threats priority or pursuing preventive strategies would be easy. If they were easy, they would be happening. In implementing preventive strategies, governments must prepare for what are only theoretical possibilities and often take politically difficult steps before the actual danger appears. They must acquire information that is credible, reliable, and available sufficiently in advance to be able to act. They must gain political support for programs and obtain resources that hold no clear promise of success, even though preventive steps that succeed are far more cost-effective than responding to tragedies after they unfold.

While there is always value in further analysis, the main elements of credible preventive strategies for these transnational threats are fairly well understood. Preventing cyber attacks will require new security standards and systems to provide early warning and attack assessments. Information will need to be shared between governments and private businesses, both domestically and internationally.

⁷National Intelligence Council, *The Global Infectious Disease Threat and Its Implications for the United States*, January 2000, pp. 1–5. Since 1973, 20 well-known diseases, including tuberculosis and malaria, have reemerged and spread; at least 30 previously unknown diseases have been identified, including HIV/AIDS, for which no cure is available. *Ibid.*, p. 2. No part of the world is immune, although sub-Saharan Africa accounts for nearly half of the infectious diseases globally. See also Jordan S. Kassalow, *Why Health Is Important to U.S. Foreign Policy*, Council on Foreign Relations, Milbank Memorial Fund, 2001.

Abating global warming depends upon changes being made in human activities involving the burning of oil, gasoline, and coal. The 1997 Kyoto Protocol focused on the emissions of greenhouse gases and represented a credible preventive strategy, with legally binding and enforceable commitments. Its flaws were in setting unrealistic target dates for emission reductions, especially for the United States, and in leaving key developing countries uncovered.

Beyond global surveillance and response systems, the delivery of medical goods and services to those who go without them is key to preventing the spread of infectious diseases. Preventing ethnic violence depends first upon understanding its unique causes within each state and then the design of systems that could give policymakers advance warning of a conflict and the chance to determine whether it might be amenable to outside intervention.⁸

Adopting preventive strategies in practice would mean, for example, that governments, along with private businesses, would have to take new and expensive steps to secure their information systems. Governments would have to expand domestic regulations and bear the commercial losses associated with reducing the emissions of greenhouse gases. They would have to find resources far beyond those currently being committed to fight the threat of infectious diseases.⁹ A recent Commission on Macroeconomics and Health estimated that an annual investment of some \$62 billion in health care would be required to deliver essential medical goods and services to the more than two billion people who go without them today. The contribution required of rich countries would represent approximately half of their current aid flows.¹⁰ Even before ethnic violence produced serious human suffering, governments would have to act.

So the issue is whether these transnational threats are sufficiently serious to warrant taking the politically difficult steps necessary to implement credible preventive strategies.

⁸See Thomas S. Szayna, ed., *Identifying Potential Ethnic Conflict: Application of a Process Model*, MR-1188-A, Santa Monica: RAND, 2000, pp. 9, 279; and Charles King, "The Myth of Ethnic Warfare," *Foreign Affairs*, November/December 2001, pp. 165–170.

⁹The World Health Organization and several other UN agencies are seeking about \$12 billion a year to reduce the deaths from malaria and tuberculosis by one-half by 2010 and for HIV/AIDS by one-quarter. *Washington Post*, January 31, 2002.

¹⁰Report of the Commission on Macroeconomics and Health, *Macroeconomics and Health: Investing in Health for Economic Development*, Washington, D.C.: World Health Organization, December 20, 2001.

UNDERLYING CAUSES OF TRANSNATIONAL THREATS

Significant economic gains accrue from the worldwide expansion of trade, the widespread availability of foreign direct investment, and the easy movement of private capital across borders. But each of these aspects of globalization is also producing problematic economic effects—in the form of pockets of unemployment, resentments arising from perceptions of economic disparities, and financial instabilities.¹¹ To the extent that governments are not able to cope, these economic difficulties contribute to the underlying causes of various forms of international criminal activities, lack of attention to environmental safety, cutbacks in critical health and other social services, and large-scale migration and refugee flows. These in turn provide the environment in which some of the transnational threats arise. Economic hardships and perceptions of relative deprivation among unemployed youth with access to new information technologies pose a more general threat to international stability.¹²

Addressing globalization's problematic economic effects is, therefore, important not only for economic but also for security reasons. The economic dislocations and resentments can be addressed, in principle, through education, unemployment and health insurance programs, and investments in improving physical and social infrastructures.¹³ The problem is that political support for such government intervention is declining, and social insurance programs are increasingly difficult to sustain in an integrated and competitive global economy.¹⁴ Fortunately, there is more that can be done.

OPPORTUNITIES FOR ECONOMIC GROWTH AND BUILDING DEMOCRACY

Global technological and economic developments offer opportunities to promote economic prosperity and

¹¹I. M. Destler and Peter J. Balint, *The New Politics of International Trade: Trade, Labor, and the Environment*, Washington, D.C.: Institute for International Economics, October 1999, pp. 1–2, 12, 56–64; Council on Foreign Relations, Task Force Report, *Building Support for More Open Trade*, 2001, pp. 9, 32, 143. Debate surrounds the issue of whether inequality is actually increasing. See World Bank, *Global Economic Prospects and the Developing Countries 2000*, pp. 38, 50; and David Dollar and Aart Kraay, *Trade, Growth, and Poverty*, Washington, D.C.: World Bank, June 2001. But the spread of information has created such perceptions.

¹²Robert Wade highlights this danger in "Winners and Losers," *The Economist*, April 28, 2001, pp. 72–74.

¹³Merilee S. Grindle, "Ready or Not: The Developing World and Globalization," in Joseph S. Nye and John D. Donahue, editors, *Governance in a Globalizing World*, pp. 184–188.

¹⁴See Dani Rodrik, *Has Globalization Gone Too Far?* Institute for International Economics, Washington D.C., March 1997, pp. 69–85.

advance political freedom, which in turn hold out the possibility of ameliorating the transnational threats and, indirectly, some of their underlying causes.¹⁵ But realizing these opportunities will be neither easy nor inevitable. Notwithstanding recent successes, the processes leading to economic growth and democracy are complex, long-term, and often extremely fragile in nature.

Evidence exists that economic growth reduces poverty and global inequality.¹⁶ But the requirements for economic growth are less certain. Economists are becoming much less definitive as to the scope of these requirements and which priorities are critical. On these same issues, even less agreement exists between public officials and advocacy nongovernmental organizations (NGOs).¹⁷

Strategies for promoting economic growth and poverty reduction now incorporate almost every aspect of a country's economic policy. Sound macroeconomic conditions (fiscal and monetary) are viewed as important, as is the microeconomic foundation. Next on the list is the need to encourage investment, both domestic and foreign, through economic liberalization, privatization, and reduced trade barriers.¹⁸ Beyond these economic imperatives, increasing attention is being given to investments in human capital, such as education and health, and to creating effective institutions of governance, removing corruption, and instituting legal norms based on equality.

Various principles are associated with democracy—public accountability, respecting the will of the majority and human rights, free representation of views, and the rule of law. Democracy has emerged in the past when some or all of the following characteristics have been present: major political forces that are not monolithic and have significant numbers of pro-democratic adherents; few powerful anti-democratic forces that block the democratic process; some historical experience with political pluralism; a peaceful regional setting; economic dynamism, or at least

¹⁵According to *The National Security Strategy of the United States of America*, September 2002, p. 17, "A strong world economy enhances our national security by advancing prosperity and freedom in the rest of the world." In his letter introducing this strategy, President Bush said: "the United States will use this moment of opportunity to extend the benefits of freedom across the globe. We will actively work to bring the hope of democracy, development, free markets, and free trade to every corner of the world." <http://www.whitehouse.gov/nsc/nss.html>.

¹⁶See *Growth Experiences in Transition Countries, 1990-98*, Occasional Paper 184, Washington, D.C.: International Monetary Fund, 1999; David Dollar and Aart Kraay, *Trade, Growth, and Poverty*, June 2001; and David Dollar, *Globalization, Growth and Poverty*, Washington, D.C.: World Bank, 2002.

¹⁷See the paper by Ravi Kanbur, "Economic Policy, Distribution and Poverty: The Nature of the Disagreements," Cornell University, January 2001.

¹⁸Merilee S. Grindle, pp. 183, 197.

stability; and better-than-subsistence conditions for the majority of citizens.¹⁹ Increasingly, democracy is viewed as a process rather than the establishment of certain kinds of institutions.

These processes of economic growth and democracy building are also interrelated. The transition to democracy is aided by the changes that tend to accompany economic growth, namely the transformation of social structures, the spread of political power, the development of interpersonal trust, and the improvement in a government's legitimacy. Democracy empowers people, placing them in a better position to mobilize their economic resources. The transition to democracy may, however, have a detrimental effect on economic growth because it is often accompanied by instability and conflict.²⁰

Abstract models of economic growth and democracy are useful, but whether the processes succeed or fail will depend importantly on the situations in the individual countries. Here the role of culture is a factor, notwithstanding the sensitivities associated with suggesting that cultural changes may be required.²¹

Translating these theories into practical guidelines for action is problematic at best, and increasing uncertainties about the requirements add to the difficulties. Past international assistance efforts offer little insight, given their generally disappointing results.²² Impressive development goals tend to be loudly proclaimed along with resource pledges, but they are rarely linked to them. Resource commitments are measured as percentages of GDP with little reference to their programmatic output. And the current debates all too often become bogged down over such issues as the value of aid programs or the form they should take, such as grants or loans.

If the intent is to seize the opportunities to promote economic growth and democracy, what is required is that political leaders make choices amid the debates and the

¹⁹Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve*, Washington, D.C.: Carnegie Endowment for International Peace, 1999, p. 305.

²⁰See D. C. Esty, J. A. Goldstone, T. R. Gurr, et al., *State Failure Task Force Report: Phase II Findings*. Central Intelligence Agency, 1998. Using historical cases and statistical analysis, their study concluded that while full democracies and autocracies are fairly stable, the in-between forms of government are at high risk of undergoing abrupt or violent change.

²¹The issues surrounding this question were defined in a recent symposium, whose papers are collected in Lawrence E. Harrison and Samuel P. Huntington, *Culture Matters: How Values Shape Human Progress*, New York: Basic Books, 2000.

²²See William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, Cambridge, Massachusetts: The MIT Press, 2002.

competing theories. One possible approach would be for the international community to agree on realistic and credible economic and social goals, guidelines for the provision of international economic assistance, and steps to integrate democracy-building programs into efforts to reduce poverty.

This approach would involve, first, making the UN Millennium Development Goals credible. The Goals aim to achieve, by 2015, universal primary education, a halving of extreme poverty, and reductions in mortality of children under five years by two-thirds and in maternal mortality by three-fourths. To do this would require giving specific definition and measures to the Goals, costing them realistically, and then having donor governments become responsible and accountable for their success, either by filling gaps with additional new resources or revising the Goals themselves.

The second element in this approach would be to define guidelines for international economic assistance programs. This would require deciding among competing concepts for channeling aid. One concept is to give assistance primarily to the poorest countries, another is to focus only on those exhibiting good governance, and still another is to bypass corrupt governments and provide direct funding to private organizations and individuals where there is greatest need.²³

The complexities and uncertainties associated with economic growth and democracy suggest that assistance programs be tailored primarily in terms of the situations in the individual countries, not aimed simply toward achieving abstract goals, such as good governance or freer trade. The need for accountability is a worthy objective and important to the U.S. Congress. Indexes can be developed to measure the results of programs in education, health, and environmental pollution. But these are necessarily simplistic and cannot realistically provide the sole basis for aid disbursements.²⁴

²³For a discussion of these concepts, see the recommendations on performance-based grants of the Meltzer Commission, more formally called the International Financial Advisory Commission, March 2000; William Easterly, *The Elusive Quest for Growth: 2001*; and Joseph E. Stiglitz, *Globalization and Its Discontents*, New York: W.W. Norton and Company, 2002.

²⁴The Bush administration has sought to condition its future World Bank contributions on evidence that aid is actually bringing progress in such areas as education, trade, and the environment. See *New York Times*, January 13, 2002. *The National Security Strategy of the United States of America*, 2002, pp. 21–22, states, “billions of new dollars will form a new Millennium Challenge Account for projects in countries whose governments rule justly, invest in their people and encourage economic freedom. Governments must fight corruption, respect basic human rights, embrace the rule of law, invest in health care and education, follow responsible economic policies, and enable entrepreneurship.”

The third element in this approach would be to integrate democracy-building programs into efforts to reduce poverty. This is perhaps the biggest challenge, for a variety of reasons. Little attention has been paid to drawing lessons from past democracy assistance programs. Their focus has continually shifted, from creating institutions (legislatures and judiciaries), to introducing political processes, to developing civil society, and, more recently, to making the regimes more liberal.²⁵ Responsibility for these programs also resides in different parts of most governments. But the goals of economic growth and democracy building would benefit from being designed and implemented together.

The details outlined above are not as important as that an approach be agreed and acted upon in these three areas. Because such an approach is so central to achieving globalization’s opportunities and ameliorating some of the transnational threats, those with national security responsibilities need to appreciate the important stake they have in ensuring that these primarily economic assistance programs receive priority attention and sufficient resources.

COLLECTIVE INTERNATIONAL DECISIONMAKING PROCESSES

Success in all these undertakings depends critically on those with stakes—governments, multilateral institutions, private businesses, and NGOs—pursuing them not only globally but also collectively. This is not to suggest, however, that the roles and responsibilities of states will be identical or that unilateral actions will not at times be appropriate.

Such collective action faces many obstacles, among them the ambivalence on the part of Americans about their willingness to exercise leadership, the diverging views within the international community, the increasing doubts as to the legitimacy and relevance of multilateral financial institutions, and the lack of accountability in private businesses and NGOs.

Perhaps most important, the existing political processes for international collective decisionmaking are extremely weak. The various transnational threats have been subjects of UN Declarations and conferences as well as G-7/8 communiqués, as have most of the economic problems and opportunities associated with different aspects of global-

²⁵Marina Ottaway and Thomas Carothers, eds., *Funding Virtue: Civil Society Aid and Democracy Promotion*, Washington, D.C.: Carnegie Endowment for Peace, 2000; and Carol Lancaster, *Transforming Foreign Aid: United States Assistance in the 21st Century*, Washington, D.C.: Institute for International Economics, 2000.

ization. The G-8 in the 1990s, for example, played a role in improving cooperation on nuclear smuggling and terrorism and provided the initiative for the Jubilee 2000 debt relief campaign. The United Nations is the venue for the Kyoto global warming negotiations, the HIV/AIDS global assistance initiative, the Millennium Development Goals, and the World Summit on Sustainable Development. The problem is that all these efforts have largely failed to set realistic goals, include any enforcement measures, or provide the requisite resources. These processes involve only ad hoc interactions and rarely binding agreements.

What is needed is a more effective collective decision-making process in the political realm. The most attractive possibility is the G-8, whose governments have both the influence and resources to act preventively and seriously. Having the G-8 take on such a role has the additional advantage of making the group, currently the focus of those disaffected with globalization's effects, responsible for responding. But major changes would be required in how the eight governments define the G-8's role.

The governments would need to do more than simply set lofty targets, as they recently did in calling for a 25 percent reduction in HIV/AIDS cases among those 25 years and younger. They would have to step up to issues, not put them aside when they become too difficult, as they did in 2001 with the Kyoto Protocol and in 2002 with the Arab-Israeli conflict. Their decisions would need to involve concrete measures and specific implementing guidance, and then be reviewed annually and enforced. Staffs would need to engage more regularly over the course of the year, rather than only a few times as is the case today.

Ways would also have to be found for drawing in other countries and then formalizing global agreements. This would require traversing the politically difficult course of providing leadership without trying to impose a G-8 view. There is already the precedent of inviting leaders of other countries, along with the UN Secretary General, to individual sessions of the G-8 meetings. The problem is that these involve largely formal remarks and are not viewed an opportunity to engage them and forge common policies.

This approach would call for the G-8 to focus on critical security threats and economic opportunities while returning to the processes of binding agreements that were employed in its earlier history, when the G-7 took collective financial decisions. The G-8 process and procedures could be fairly easily adapted if the United States saw the need and took the lead. Whether the G-8 nations could produce a consensus among their members on substantive issues is, of course, uncertain. Their views may be too

divergent for a consensus to form. But absent a serious collective decisionmaking process, it fair to say that a consensus is unlikely to occur.

CONCLUSION

The international community understands fairly well the dimensions of globalization and the characteristics of the associated threats and opportunities. Obviously, more research can refine our understanding, but in only one case, that of weapons proliferation, is there an urgent need for more analysis.

What is missing is agreement on how seriously to view the various transnational threats, other than terrorism and WMD proliferation. Therefore, governments are not pursuing serious strategies to prevent these dangers from materializing. Agreement is also lacking on how to use international assistance funds to promote economic growth and democracy. Impressive goals are promulgated and significant resources pledged, but no specific implementing strategies exist. Achieving agreement in all these areas is further impeded by the division of responsibility in most governments between those responsible for security (and responding to potential transnational threats) and those responsible for international economics (and seizing globalization's opportunities).

The many dimensions of globalization call for a new way of approaching security in the coming decades. The various transnational threats arising out of different aspects of globalization pose too many risks to be ignored. The United States and the broader international community must view them as sufficiently serious to warrant the design of credible preventive strategies and the commitment of major political capital and resources. They also need to seize the opportunities presented by globalization to promote economic growth and build democracy. In this way, they can not only foster long-standing American values but also address some of the underlying causes of these transnational threats. Just as important will be the creation of international collective decisionmaking processes. American leadership is obviously critical. In that respect, the United States should take the lead in making the G-8 a more effective venue for forging consensus and integrating the multiplicity of policies that globalization demands.

The traditional ways in which the national security and economic policymaking communities have dealt with these issues must change as well. Given the major vulnerabilities of the U.S. economy and infrastructure to various transnational threats, the Secretary of the Treasury and other international economic policymakers should be

concerned that preventive strategies are given priority and receive sufficient funding. Given that the underlying causes of many of the security threats can be ameliorated by policies promoting economic growth and democracy, the Secretary of Defense and other national security officials should be concerned that international assistance programs are given priority and receive sufficient funding.

The military also has a major stake in the success of these strategies and policies, for it will bear much of the

burden of managing the consequences if they fail. Its response at home and overseas to the September 11th terrorist attacks is a case in point. The Defense Department is already preparing for various military actions on the assumption that the proliferation of dangerous weapons cannot be prevented. It would be prudent as well for the military to plan responses to a broader set of possible emergencies that could arise if the dangers associated with the transnational security threats materialize or if globalization's opportunities are not realized.

This issue paper results from RAND's continuing program of self-sponsored independent research. Support for such research is provided, in part, by donors and by the independent research and development provisions of RAND's contracts for the operation of its U.S. Department of Defense federally funded research and development centers.

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