

## CHAPTER II: AN EMERGING TRIPOLAR GLOBAL ORDER

### 1. Introduction and Summary

We foresee the emergence of a new tripolar world political order whose “poles” will most probably be the US, China, and Russia. Interestingly, both Japan and Europe will lack power and will thus play lesser roles than most analysts have assumed. Europe for its part will continue to disarm, although “old” Europe will help fund a modernization of Russia’s military infrastructure as part of a new alliance designed to counterbalance US hegemony. And while the US will be economically and militarily hegemonous for the next half-century, it will not be quite as *powerful* in global affairs as its economic and military power might suggest – where power is used in its correct game theoretical sense as defined above in Chapter I. The role of NATO will be much diminished, and the United Nations will be less powerful than many expect.

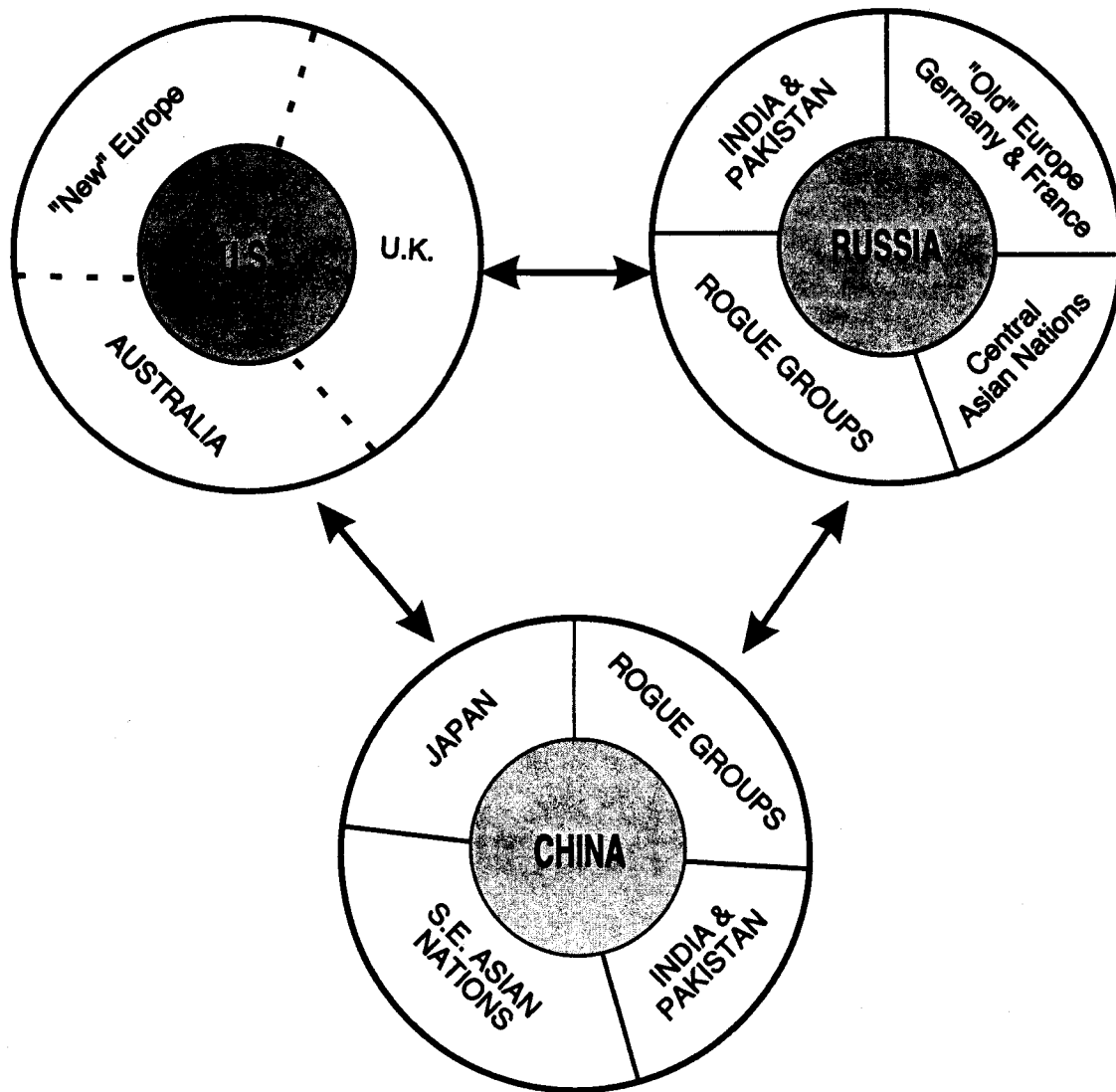
The game being played between the three polar powers will be surprisingly *cooperative* in nature – for reasons unique in world history. Yet Russia and China will each be enmeshed in a web of regional subgames that will often be *non-cooperative* in nature, or at least “mixed”. The politics of these subgames will resemble 19<sup>th</sup> century “spheres of influence” politics, tinged with greater religious fanaticism and terrorist activity. The overall global game will thus be “mixed” in nature, with *intrapolar* peace between the great powers contrasting with *regional* instability elsewhere. A schematization of this state of affairs is sketched in Figure 1.

- Why will the tripolar game be surprisingly cooperative in nature? Because of “End of History”-type developments that have transformed the nature of national power and re-rigged the global incentive structure. In today’s world, intrapolar trade and investment are a nation’s only path to the rising living standards its citizens increasingly demand. The zero-sum “land grab” games of the past ten thousand years are now largely a matter of history. These now lead to headaches—not wealth. Moreover, the game of wealth creation by global trade and investment is a classic cooperative game with an efficient outcome (everyone can win something). In this regard, Francis Fukuyama’s provocative thesis is largely correct.

- Why will the regional subgames be surprisingly non-cooperative? Because “Clash of Civilization”-type rivalries (ethnic, cultural, and religious) will create the environment of a classic non-cooperative game with an inefficient outcome (everyone can lose something). In this regard, Samuel Huntington’s thesis is partially correct. In short, the viewpoint of both these scholars will be fused within our more comprehensive theory.

What leads us to this forecast of the nature of a new world political order? To answer this, it will be helpful to review the nature of the previous security regime that came to an end with the fall of the Iron Curtain.

**FIGURE 1: AN EMERGING TRIPOLAR WORLD ORDER**



## 2. The Cold War Regime – A Stable If Inefficient Equilibrium

Figure 2 is taken from the author's 1992 World Economic Forum speech, and offers a good starting point for the analysis. Using game theoretical analysis, this table explains *why* the Cold War era was one of the most remarkably stable eras in modern history. This reality struck many observers at the time as "inexplicable" given the potential of both the US and the USSR to wreak massive damage on one another at the push of a button.

<b>FIGURE 2: STABILITY OF THE WORLD POLITICAL ORDER</b>		
<b>– Shifts Towards Instability –</b>		
<b>Three Stability Conditions</b>	<b>1945 – 1990</b>	<b>1991 – 2025</b>
<b>Small Number of Key Players</b>	<b>True</b> (n = 2)	<b>Unlikely</b> (n = 5)
<b>"Complete" Information Structure</b>	<b>True</b>	<b>Unlikely</b>
<b>Strongly Cohesive Coalitions</b>	<b>True</b>	<b>Very Unlikely</b>
<b>Source: SED</b>		

More specifically, this was a period when there were *two* principal powers, both of which possessed brute (nuclear) force disproportionately larger than that of any other powers. Thus, while each possessed allies, these allies were "captives" possessing little incentive or ability to oppose the leader of their bloc. This in turn implied that the coalitional structure of the global game was degenerate: It consisted of only two blocs, each staunchly opposed to the other. Game theoretically, the fewer the number of effective coalitions, the more *stable* the outcome tends to be, as indicated by the first stability condition appearing in the figure.

The second theoretical condition for stability shown in the figure was also satisfied: Both sides knew exactly what the other wanted, and these aims were symmetrical:

Each sought to extend its dominion to the further corners of the earth. In game theoretical terms, each possessed “complete information” about the other’s strategic “type”. When this condition is met, the resulting Nash Equilibrium Point (EP) of the game tends to be stable, as we noted in our review of game theory in Chapter I above.

Third, because of the unambiguous ideological gulf between the two blocs, because of the zero-sum nature of their goals (either the communists or the capitalists would take Vietnam), and because of the sheer terror of the prospect of thermonuclear annihilation, the interests of the allies within each bloc were closely aligned. The prospect of thermonuclear death did indeed concentrate the global mind and discipline the troops. Game theoretically, this augured further stability.

While the Cold War conflict generated a *stable* EP, it was an *inefficient* one. Indeed, the Cold War was a classic non-cooperative game with an inefficient EP: There was no International Court with binding authority to enforce a truce in the arms race, so that both sides spent far more than they needed to in order to keep the other in check. This was a textbook perfect “Prisoner’s Dilemma”-type game in which what was *individually* rational diverged dramatically from what was *collectively* optimal.

**Today’s Interim Regime:** The second column of Figure 2 predicted that we were moving into a period of much greater instability due to the absence of the three preconditions for stability that held true during the Cold War. In particular, we foresaw key roles being played by *five* players: the US, Japan, Europe, Russia, and China. To date, all have played a role, although both Japan and China asserted less forceful policy stances during the 1992–2002 period than we expected. The US for its part emerged as *primus inter pares*, if not quite the “sole superpower” that many suppose it to be.

The logic sketched in the second column of the figure was preliminary, and while it was on the right track, it did not fully capture what we now believe to be happening.

### 3. The Emergent Tripolar Regime

In forecasting the future “power structure” of the world, the appropriate starting point is naturally a forecast of which nations will be most powerful, and why. Yet as noted in our review of game theory in Chapter I, power is an extremely subtle concept, and was only analytically characterized in the 1960s. Recall our discussion of the central point about the nature of power: It measures the *ex ante* probability that player *i* will prevail in a conflict versus the probability that player *j* will prevail. And at a deeper level, these probabilities (“power coefficients”) capture the relative ability and willingness and incentive of country *i* to seek what it wants *relative to* the ability and willingness and incentive of *j* to seek what it in turn wants in the event of a conflict.

Now in game theoretical terms the concept of a nation’s relative *ability* to prevail is quite straightforward and mirrors the depth and scope of military power, as proxied by its manpower, by its budget, by the quality and quantity of its technology, by the

depth of training of its manpower, etc. The concept of a nation's relative *willingness* to prevail is more subtle. It depends partly upon historical tradition (some nations are pacifist, others are aggressive), and partly upon the incentive *i* has relative to *j* to exercise power, given the political realities at a given point in time. *Note what a far cry this game theoretic conceptualization of power is from the more customary "ranking" of nations by GDP, or by levels of military spending.*

Viewed from this more general standpoint, global power will be broadly divided between the US, China, and Russia. Only they will possess sufficient power (as defined above) to qualify as "poles" in a new tripolar regime. Why is this so? Why are Europe and Japan not included? And what will be the nature of the interactions of these "big three"?

### **3. The Big Three, and the Nature of the Power of Each**

**The US:** At a superficial level of analysis, the US is correctly judged to be the world's only superpower – at present. From the standpoint of its military technology, it certainly is, and it should retain this status until sometime in the mid-century when China rises to match it. Yet being the sole technological superpower does not make a nation all-powerful. As we have seen, what matters in this regard is its ability and willingness to project power in general, as well as its incentive to do so in a particular conflict situation. And while the US has *recently* evinced a surprising willingness to project its power, it has only done so reluctantly in the past.

Indeed, the American people take seriously the phrase "from sea to shining sea" in their national anthem, and remain more isolationist than many foreigners perceive. Going back to the time of the Monroe doctrine of 1823, or to Senator Cabot Lodge's killing US participation in the League of Nations in 1919, or to Charles Lindbergh's isolationist propaganda in 1939, there is a strongly-rooted belief that "the US should avoid foreign entanglements", as George Washington urged in his Farewell Address.

As Niall Ferguson has argued in his new book *Empire*, the US remains "an empire in denial – an empire that dare not speak its name". In this regard, should the aftermath of the Iraq war go badly – with the US blamed for any ensuing mess – then it is quite likely that future administrations will avoid any projection of power not directly rooted in US self-interest. We would witness Vietnam Syndrome II.

Moreover, even if the outcome of the Iraq incursion is benign, it is unlikely that Americans will as a rule elect presidents as hawkish as George W. Bush. They won't. In this regard, recall that President Bush himself was not in fact a hawk when he was elected in 2000. His conversion was influenced by the dramatic events of September 11, 2001. These stiffened his resolve to re-make the Middle East via an interventionist programme of a kind quite unusual in American history. And doing so was politically risky in the extreme.

Finally, as Americans get older, even the US will be fiscally constrained, and it is by no means clear that the nation will be able or willing to foot the bill for expensive future escapades.

None of this is to claim that the US won't remain powerful, for it will. But its power will be constrained by its lack of desire for empire, and its lack of an incentive to involve itself everywhere it could.

**China:** On a Purchasing Power Parity adjusted basis, China already possesses the second largest economy on earth. On a non-PPP basis, it now ranks sixth largest. And by most accounts, China's economy will eventually rival if not exceed that of the US. More importantly, China will be the center of the entire East-Asian arc of development, and the GDP of this region will probably exceed that of the US by 2030.

Will this economic prowess translate into real power, as we are using that term? Yes. China will possess the technological and economic ability to fund a fully modern military force. Moreover, it will be *willing* to do so. And it will have three incentives to do so:

*First*, it will be confronted by myriad ethnic and religious factions that will bedevil both its southern and western borders. Even to the East, there are already troubling Islamic skirmishes in the Philippines, and the problem of Taiwan remains unsolved. Chinese power can thus be expected to fill the power vacuum that exists along two of its borders.

*Second*, a potentially isolationist US will not wish to risk involvement in this region where its post-Cold War interests are not directly threatened, and will let China keep the peace on its own.

*Third*, for largely historical reasons, China will continue to be wary of Japan and will wish to keep her very much in check. It will also be wary of Russia and India – its two large neighbors – and will wish to keep them in check as well.

**Russia:** Russia's appearance on our list will strike many as surprising. After all, the economic and demographic clout of Russia today is much reduced from what it was only ten years ago. Its GDP is approximately the size of that of the Netherlands. Nonetheless, Russia will quite likely emerge as the third pole of the global security regime. It should have the ability to play this role, and it will have the willingness and the incentive to do so.

As for its *ability* to project power, Russia retains the second largest military force on earth, and it still retains a formidable military-scientific-academic establishment required to maintain it. It does not, of course, possess the high-tech weaponry of the US, but for two interesting reasons it may not need to match the US in this regard.

*First*, the nature of the game being played between the superpowers is becoming a largely cooperative game, one which will obviate the need for brute force. (See the discussion below.)

*Second*, given the growing communality of interest between Russia and Germany and France, we are likely to witness new mutual security arrangements between these powers – and other European allies as well. Indeed, given the growing economic distress of the whole region, due in large part to demography, a *pooling* of resources unthinkable in the past is probably the only way in which Germany, Russia and France can maintain the military power they will jointly require. Politics does make strange bedfellows, and the truth of this adage will once again become apparent within Europe. Yet if this transpires, it will be Russia that calls the shots given the deeply-rooted post-War pacifism of Germany, and now of France as well.

As for its *willingness* to project power, and indeed its incentive for doing so, Russia has a long tradition of projecting its power across all of its borders. Dating back to the time of Peter the Great, Russia has almost always been at war somewhere on its borders, either extending its reach, or protecting itself. This was not some mere historical accident. Rather, it resulted from Russia's location at the center of what will remain *the most unstable region of the planet*. Its power will be needed to fill the power vacuums that surround it. Finally, Russia is understandably uneasy about the meteoric rise of China and will want to contain China's power once she begins to arm herself in earnest.

#### 4. The Diminished Power of Europe and Japan

**Status of Europe:** Given its recent integration and the vast scope of its economy, Europe should be more powerful than ever in the future. Yet there are five reasons why it will lack power, and cannot be included as one of the principal axes of the emerging global security regime:

- First, its ability to project power will be compromised not only by its traditional lack of a “center”, but by the latent geopolitical rifts that became so salient in the months before the Iraq war. The rift between France/Germany and the US is serious, as is that between the UK and old Europe. While feelings will be assuaged in the post-Iraq era, both rifts will remain and will matter. Robert Kagan has set forth compelling arguments along these lines in his new book *Of Paradise and Power*. He addresses the split between the US and “old” Europe, and argues that it is fundamental and reflects two completely different world views and sets of values.

In light of these diverse stresses and strains, it is difficult to see Europe ever possessing – much less acting with – one voice. Given these schisms, what matters to our analysis herein is whether *old* Europe could ever become powerful enough to become the strategic counterweight to the US that France's Chirac has called for. Because of the next four points, it probably will not.

- Second, old Europe's *ability* to project power has been fatally compromised by its failure to maintain the kinds of forces and technologies of the kind needed in postmodern warfare. This reflects the accelerating shrinkage of its defense expenditures during the past three decades.

- Third, old Europe's *ability* to fund military spending in the future is demographically constrained in a way that is not true in the case of the US and China. One statistic says it all: The average dependency ratio (number of workers per retiree) of continental Europe projected by the UN for 2050 is 1.1 versus 2.5 for the US. Currently, the ratios are 2.6 and 4.0 respectively. When coupled with the electoral clout of the elderly bloc, this trend all but guarantees a militarily weak Europe.

- Fourth, old Europe's *willingness* to project power and to prevail in conflict is very limited. This is evidenced by the smug pacifist stance assumed by the leaders of both France and Germany during recent years, and by their willful failure to fund military spending.

- Fifth, Europe's *incentive* to fund military spending and project power was sapped in past decades by its ability to summons the US to its defense, when needed. The way in which the Clinton administration was drawn into the Yugoslav conflict long after it first erupted is a case in point. Incidentally, this is an example of the classic "free-rider" paradox of game theory.

All in all, the principal old European powers now run the risk of becoming "strategic dummies" in the game theoretic sense of Chapter I, Section 3. While their ministers will prattle, and argue for "consensus" in times of crisis, their *power* in a meaningful sense of that word will be marginalized. And their posturing will become increasingly irrelevant. The marginalization of Germany and France during the Iraq war probably foreshadows what is to come.

**A Franco-German-Russian Military Alliance:** If there is a strategic bright spot for old Europe, it will stem from its need for military cooperation with Russia, and symmetrically from Russia's need for military funding from Europe. Specifically, as fiscal constraints become more and more pressing within both blocs, old Europe will increasingly need to outsource its defense capabilities. And in the case of Germany and France, their natural partner will probably be Russia. They will need Russia in order to be able to project actual power – power Russia will have, and that they will not have. Yet Russia will not have enough power to get the job done unless it can modernize its defense infrastructure, an expensive proposition that will require financial assistance from old Europe.

This strategic fit works at another level. Post-war Germany has been understandably pacifist. With its aging population and instinctive dislike of warfare, it will find it convenient to have an ally to do its military dirty-work, if and when such work must be done. Russia conversely has no pacifist tradition, understands power, knows how to deploy it, and is willing to do so. France may benefit as well from a Russian embrace given its adverse demographic realities, given its lack of power, and given its determination to oppose US unilateralist imperialism.

*All in all, a significant Euro-Russian coalition could well emerge by the next decade. Yet to the extent that one exists, it is Russia that will assume*

*the strategic lead given its ability and willingness to deploy power, and its incentive to do so in light of the instabilities on its borderlands. The likelihood that its power will be strengthened by an alliance with old Europe is an important reason why we have included Russia as one of the emerging triad of global powers.*

Note that we have not included the UK in this Euro-alliance. This is because we expect the UK to continue to align itself with the US, or at least to hedge its bets. And the US for its part will probably invest in the UK military infrastructure to modernize it, just as France and Germany may well invest in Russia's infrastructure.

**Status of Japan:** Japan offers the most interesting case of the divergence of economic clout and strategic power. Japan's *ability* to project power is triply constrained. First, it starts off with virtually no military power at all due to its disarmament after World War II and its no-nuclear policy. Second, the nation's economy is clearly fundamentally flawed, and its domestic debt is the largest in the G-24. It probably cannot afford to become a serious military power. Third, its ability to fund such a program will increasingly be compromised given its adverse demography.

Additionally, Japan's *willingness* to project strategic power were it to gain it is constrained by decades of post-war pacifism, and of doing Washington's bidding. It has no tradition of asserting itself strategically as opposed to economically, and is most unlikely to develop one. Of course, there is always the chance that Japan could join forces with China, just as France and Germany will probably ally with Russia. But this is quite unlikely given their traditional antipathy and rivalry.

## 5. A Tripolar Cooperative Game

How will the three polar powers interact? What will be the nature of their rivalry? Throughout most of history, the behavior of the great powers constituted an *unstable* and somewhat *inefficient* Nash EP in a largely non-cooperative game. Simply consider the relations between China and Japan since the Meiji restoration, or the dynastic rivalries of the Bourbons, the Hapsburgs, the Hohenzollerns, and the Romanovs as they evolved between the time of the Thirty Years War 1618-1648. Coalitions were unstable, and numerous costly wars resulted. Only during the Cold War have we witnessed stable EP behavior by the great powers, even if the underlying game was strictly non-cooperative and its outcome highly inefficient (a regime of "Mutual Assured Destruction" plus an expensive arms race).

Yet we are now likely to experience a *semi-cooperative* game between the main powers of the earth for the first time in history. Its outcome should be *quite stable* and *quite efficient*. Two major developments explain why this may transpire, and both stem from the technological developments detailed in Chapter I above.

- **Transformation of the Nature of the Wealth of Nations:** The technologically-driven rise of a consumption-driven middle class has imposed serious constraints on

the leaders of all the major powers. For it is a truth now universally acknowledged that *only* market-based capitalism can deliver the goods that citizens everywhere increasingly *demand*. Francis Fukuyama is quite right in his “End of History” argument that all other systems have failed to do so.

In adopting market-based capitalism so as to provide rising living standards for their people, governments will necessarily focus on increasing investment, productivity growth, and trade. Every nation’s “score” in the global sweepstakes will be measured by the proportion of its people that are employed, that are college educated, that go overseas to gain advanced degrees in biotech, etc. Consider that the most politically salient annual conference in the world is named the World *Economic* Forum – not the World *Political* Forum. This indicates the extent to which politics is now rooted in economics.

*Thus, we are witnessing a remarkable transformation. For the first time in history, a nation will no longer reap prestige and success by pilfering the land and resources of some neighboring power, the dominant strategy for national enrichment during the preceding ten thousand years. Given today’s technologies and expectations, this strategy leads to nothing but headaches without prosperity.*

*The age-old game of National Enrichment is thus becoming a cooperative game between the major powers – the game of investment, trade, and growth. And EP strategies in such games tend to generate outcomes that are efficient: Everyone can end up better off.*

Consistent with this logic, we can expect to witness an increasing volume of trade, of cultural exchange, and of student exchange between Europe, Russia, China, the US, and Japan. This should lead to greater wealth and happier consumers.

• **A Common New Threat – Rogue Terrorism:** The second development which is transforming the game amongst the superpowers into a semi-cooperative game is the rise of rogue terrorism – *a threat all the major powers now face in common*. Terrorism is, of course, nothing new and has existed since biblical times. What is new is the way in which technology has altered the balance of power between terrorists and those they attack. In the game theoretic terminology of Chapter I, technology has hugely increased the relative threat power of terrorists: They can hurt us more than ever before, and at a much lesser cost to themselves. Conversely, technology has made them more invisible to us and thus harder to find. They can operate *incognito* out of suburban motel suites.

A popular misconception has it that the US will be the primary target of terrorists in the future. Given the events of 9/11/2001, this view is understandable, but it is wrong. Indeed, during the past decade, the US has suffered a relatively small number of hits. And in the future, ethnic and religious strife erupting on the borderlands of Russia and China and India will give rise to significant non-US-based terrorism. Of course, the US will enjoy its share of attacks. *But the key point here is that terrorism will be a common threat everywhere.*

The advent of this new threat augurs an interesting form of cooperation between the intelligence services of the principal powers. Each will need the others' help in identifying and tracking the increasingly global movements of *all* terrorists. Cooperation of precisely this kind already exists to an extent that would have been unthinkable in the days of the Cold War. If politics-as-usual makes strange bedfellows, terrorism will make even stranger ones.

*To sum up, for the first time in history, we are likely to witness a semi-cooperative game between the principal powers of the planet. This is because of their mutual need for economic development, the futility of classical territorial expansion, and the need for intelligence-sharing to forestall terrorism everywhere. These developments are fundamentally altering the incentive structure of the global game in such a way that it becomes a semi-cooperative game with Nash EP behavior that generates a surprisingly efficient outcome.<sup>1</sup>*

## **6. 'Pre-emption' versus 'Containment': Which Is Justified?**

Given these observations, what can be said of President Bush's September 2002 Doctrine of Pre-emption? Is Bush right in arguing that pre-emption is justified in today's new environment? Or are Bush's critics right in arguing that classical "containment" suffices? In our view, Bush is basically correct. Everything *has* changed, and technology is once again the culprit.

Specifically, in the old days, the civilian populations of the principal cities were not at risk from attacks like those of 9/11/2001. Armies took time in mobilizing, notice was given when one power would attack another, air raid signals would go off ahead of a strike, giving civilian populations time to seek shelter. But no more. Today, a "dirty" nuclear bomb can be detonated within a city without warning of any kind, as can a biological or chemical weapon. Millions could die without advance notice.

Because of this, decisive action is called for *ex ante*. But what kind of action? And decisive against whom? Since it is all but impossible to stop terrorist acts before they happen, the established powers are being compelled to move one step up the strategic chain and deal directly with the rogue nations that harbor, finance, and equip the terrorist cells involved, e.g., nations like Afghanistan or Iraq. They are the only pressure points in the system. Depending upon the degree of complicity of such nations in supporting terrorism (the Taliban was deemed very complicit on 9/11/2001), a range of strategies can be utilized against them.

Most such strategies be will pre-emptive in nature. Classical containment strategies become marginalized and irrelevant when the only assistance terrorists require of

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<sup>1</sup> Analytically, each great power's "best reply" strategy to any other power's strategy will be to trade and invest with it in the quest for more rapid economic growth (e.g., the new US-Russian oil pipeline deal that was just approved). This is the Nash EP of the tripolar game we foresee.

some rogue state is the transfer of a bank draft or of a canister of anthrax spores. Australian Prime Minister John Howard put it so well in a February 26 Op-Ed piece in the *Wall Street Journal*. In explaining why the doctrine of containment worked during the Cold War, but will not work today, he astutely observes:

*The doctrine of Mutual Assured Destruction guaranteed the maintenance of a status quo delivered by containment.....The view validly held (back then) was that, because both sides had weapons of mass destruction on a vast scale, the potential human cost of military action (e.g., should the West have intervened in Hungary in 1956) would have been infinitely greater than the human cost of leaving dictatorial Soviet-backed regimes in power. Then, the potential cost of doing something was greater than the cost of doing nothing. Now, in the case of Iraq, the potential cost of doing nothing is clearly much greater than the cost of doing something.*

**“Signaling Theory” – the Case of the Iraq War:** There is one additional rationale for pre-emptive strategies: They serve as highly important “signals” to potential future rogues. Thus, one reason for the Iraq invasion was to signal other potential Iraqs, “Watch out – or your regime could be next to go”. Michael Spence of Stanford University shared the 2001 Nobel Prize in economics for developing the logic of “signaling”. The important point here is that history consists of a *sequence* of strategically interdependent moves in an ongoing multi-stage game. This being so, the information content conveyed by each move (the decision to invade Iraq) is very important, particularly in games with “incomplete information” as discussed at the end of Chapter I.

Judged from this standpoint, George Bush’s post-9/11 determination to remove the Taliban regime *and then* to remove Saddam’s regime signaled to North Korea that it should significantly modify its position – or else. Only five days after Saddam’s fall, it did just this. As a result, President Bush at this writing seems positioned to obtain most of the concessions he sought all along – with no shot needing to be fired by either side. Most analyses critical of the Iraq war look only at the pros and cons of invading Iraq *eo ipso*. From a game theoretical perspective, this is not the way to proceed. Rather, one must analyze the multi-stage game in its *entirety* before passing judgment, to the extent possible.

## **7. Regional Games and Regional Instability**

Thus far, we have sketched a fairly benign tripolar global security regime whose powers will be playing a largely cooperative game. But this is only a part of what lies ahead. For two of the three polar powers (China and Russia) will play ancillary roles as principal players in complex regional subgames. These subgames will prove largely *non-cooperative* in nature, with EP strategies leading to outcomes that are both unstable and inefficient.

Given the power vacuum and the rivalries throughout central and southern Asia, Russia will be locked into an ongoing subgame with India, Pakistan, Kazakstan, and numerous smaller nations – some highly unstable. The same will be true of China, which will have thousands of miles of borderland instabilities to cope with. Yet it will *not* be true of the United States given the stability of its Mexican and Canadian borders, and the existence of two oceans as its other borders.

Whereas WTO and related protocols will lubricate relations between the three polar powers, especially as economic interdependencies escalate, the same cannot be said of relations between the players within the regional subgames. Corruption, assassination, and instability will be pandemic. It is here that Professor Huntington's "Clash of Civilization" hypotheses will be realized.

The two types of games will upon occasion overlap. Suppose, for example, that some truly bad rogue state starts acting up in Southwest Asia and that it needs to be contained or even pre-empted. Suppose, additionally, that the US uniquely has the military technology to execute the required strategy. And suppose, finally, that the US president at that time can make a convincing case that this rogue state poses a downstream threat to US citizens. In such a case, we can foresee the US entering the fray of the Russian regional subgame and assisting both Russia *and itself* at the same time. It will, in effect, provide "strategic cover" for the good guys of the earth.

## 8. Fate of the United Nations

Contrary to much received wisdom, the United Nations and its Security Council never wielded extensive power. The main reason why was the automatic veto wielded by the Soviet Union during the Cold War against virtually any resolution supported by the NATO partners. The USSR, the US, and China thus all acted somewhat "unilaterally" when they felt they had to. Looking ahead, the new fissures that have recently opened up in the UN Security Council are real, and probably will not be healed, even if consensus pronouncements are issued from time to time for public consumption.

Why is the UN losing its grip, or at least failing to constrain the superpowers in the manner many observers would like to see? The answer lies partly in technological developments. The types of weaponry that terrorists can now deploy in urban settings have raised the value of decisive action – strategies of pre-emption included. *The opportunity cost of waiting for everyone to agree has become too great.* Thus, just as the US ended up cutting off debate about Iraq, so will Russia act unilaterally in Chechnya, and China in Tibet, should the prospect of imminent terrorism impel them to do so.

In setting forth this analysis, we are *not* justifying such behavior, or defending it. Rather we are trying to explain the nature of the new game being played.

## 9. A Note on “Threat Power” in the New Tripolar Regime

In our post-9/11 report of February 2002, we emphasized the role of threat power in assessing the nature and future of “terrorism”. Why have we not stressed threat power in the foregoing discussion? The reason is that the game to be played by the three principal blocs will be semi-cooperative in nature. In cooperative games of this kind, the concept of “threat power” becomes bloodless: If a large construction company in nation *i* fails to win a big project in nation *j*, the government of *i* will not respond by threatening to “nuke” *j*. Rather, life goes on and the “no deal” outcome replaces the optimal threat outcome of more robust games. It is for this reason that we have not discussed “threat power” in our discussion of the emerging tripolar order.

On the other hand, robust threats *will* play an important role in the non-cooperative “regional” games to be discussed in Section 7 above. Relative power within these Hobbesian games *will* reflect who can credibly threaten to damage whom the most.

## 10. Conclusion

This completes our analysis of today’s emergent tripolar global security regime as we see it. We started off in Chapter I arguing that technology is the great driving force in history, and that in recent decades technology has radically changed the *incentive structure* and thus the outcomes of the three sets of games that define political and economic life for the planet: (i) the game being played between politicians and their citizens, (ii) the game being played amongst the great powers, and (iii) the regional subgames being played in central and Eastern Asia.

In Chapter II, we then used game theory to deduce qualitatively the nature of the new global political order to which these transformations are giving rise. More specifically, we asked what the world would look like under the assumption that the strategies adopted by the players would be symmetrical “best replies” to one another, that is, Nash equilibrium strategies. Nowhere do we endorse the emergent security regime that we foresee. After all, what is there to applaud? From a moral standpoint, most of human history has been Hobbesian.

To summarize, we foresee a tripolar security regime whose poles are the US, China, and Russia. [For “Russia” here, one could substitute the amalgam “Russia-Old Europe”.] Moreover, we foresee China and Russia playing leading roles in ancillary regional subgames in Eastern and central Asia, respectively. The new tripolar game between the three main blocs will be surprisingly cooperative in nature because of a transformation of the incentive structure of the global game. The regional subgames will be largely non-cooperative in nature, as they always have been.

The principal conclusions of Professors Huntington and Fukuyama in their “Clash of Civilization” and “End of History” theories nest naturally within our analysis. Yet our utilization of game theory has permitted us to arrive at a more comprehensive set of inferences than these authors do. Moreover, it required us to keep the issue of causality up front, always focusing on the “why” of history.

## **—CRITICAL POSTSCRIPT—**

In editing this chapter, we were troubled by the scant attention given to India, and the absence of mention of Latin America and sub-Sahara Africa. As seen in Figure 1, India enters our analysis not as a superpower but rather as a nation that will be a “buffer” between Russia and China. While some scholars argue that the rise of India will parallel that of China during the next few decades, most do not, and we have assumed that it will not.

But could India rival Russia? It may well become more powerful than Russia economically, but unlike Russia, it will not have a neighbor such as “Old Europe” with whom to ally itself. It will thus not possess the power that Russia will in a game theoretic sense.

Latin America and Africa are geographically isolated compared to the powers we have discussed. And neither continent contains a nation destined to become a global power. Brazil, of course, could become very important if it gets its act together, but it will not rival China, Russia, the US, Europe, or Japan.

The question of who ends up in the “top three” or “top five” group of nations will not be as important in the future as it was in the past. This is because the game that will be played between the great powers – whoever they are – will be a cooperative game based upon trade and investment. As competition becomes more economic in nature, and less militaristic, it should matter less and less who is most powerful in a game theoretical sense.

