

Governing the Global Commons: Geostrategic and Geoeconomic Sources of Discord in the International System

James Sperling*

The growing imbalance in rights and responsibilities in the international system not only strains regional security systems, but also jeopardizes the system of global economic governance, particularly as access to the global commons - maritime space, outer space, and cyberspace - entails critical policy vectors where it is increasingly difficult to differentiate security from economy. This article explores the impact of the global financial crises and redistribution of power in the international system on the geoeconomic and geopolitical systems of governance. The analysis proceeds in four stages. The first assesses the shifts that have taken place in the regional and global balances of capabilities since 1990 towards explaining the Chinese challenge to American geostrategic supremacy in the Pacific, the American response to Chinese revisionism, and the European effort to mollify the United States on military-strategic issues while currying mercantile favour with China. The second and third sections investigate, respectively, the systems of global economic and regional security governance, particularly with respect to major stakeholders' satisfaction with the status quo. The final section considers the intersection of the economic and strategic policy vectors in the global commons.



* Dr. James Sperling is a professor of political science at the University of Akron. In 2015, he was a Fernand Braudel senior fellow at the European University Institute.

Introduction

The post-war American presence in European and Asian affairs was occasioned by World War II, a conflict that left both Europeans and Asians dependent upon the US for their post-war economic recovery and military security.¹ The absence of his-

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torical, linguistic, and ethnic commonalities supporting the transatlantic community of mutual interests and values prevented the emergence of a parallel transpacific community supporting US engagement in Asia despite its strategic and economic entanglement in the Pacific. Unlike Europe, American engagement in the region has been predominately strategic and interest-driven, despite sporadic efforts to foster democratic governments and to graft Western values onto an unreceptive civilizational host. The American sense of exceptionalism often clashed with Europe's world-weariness and lingering sense of cultural superiority. In Asia, the immediacy of the colonial occupations, American and European connivance in sustaining those occupations into the first decade of the Cold War, and the reflexive assumption of civilizational superiority all reinforced Asian grievances vis-à-vis the West, particularly in China, which remains fixated on the 'century of humiliation'.

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The contradictory impulses engendered by the confluence of these psychological and cultural ties and complications have been exacerbated by competing American, European and Chinese conceptions of global governance and their roles as participant, architect, and guarantor. Transatlantic schisms emerged with the end of the Cold War; the dissolution of the Soviet Union and subsequent enfeeblement of the Russian Federation effectively ended Europe's strategic dependence on the United States. Those schisms were exacerbated by varying degrees of European discomfort with the emergence of US military unipolarity, the American triumphalism that it bred, and a newfound willingness to act alone, particularly during the George W. Bush administration.² Likewise, China's rapid economic rise

¹ I would like to thank Sonia Lucarelli, who critically read a very early draft of this article, as well as Husrev Tabak and an anonymous reviewer for their helpful and constructive comments on the penultimate draft. Thanks are also owed to my intrepid research assistant, Keery Walker.

² Calleo, D. (2009) *Follies of Power: America's Unipolar Fantasy*. Cambridge: Cambridge University Press.

after 1990 has led to deepening American concerns about the viability of American dominance in the Pacific and the risk of losing its privileged position as systemic guarantor.³ Although Chinese rhetoric expresses an ambition to manage its ‘peaceful rise’, its full realization will nonetheless result in a modified system of global economic governance that reflects Chinese power and interests as well as the potential for Chinese military-strategic hegemony in the western Pacific.⁴ And despite American rhetoric referring to the desirability and the potential for a strategic partnership with China, the US in fact views China as a potential military adversary in the South and East China Seas, the most likely challenger to US monetary prerogatives attending the reserve role of the dollar, and the key threat to an unfettered access to the global commons.⁵

These states coexist in an international system comprised of regional systems of security governance that float beneath a global system of economic governance. The system of global economic governance has been developed to maximize the joint-sum outcomes arising from deepening trade, financial, and macroeconomic interdependencies; it also enjoys a relatively high degree of legitimacy for existing and rising powers. The same cannot be said for the systems of regional security governance, which display different degrees of amity and enmity, (dis)satisfaction with the regional status quo, as well as the saliency of force in interstate relations.⁶ China, the EU and the United States are all guarantors of the

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3 See Christensen, T.J. (2001) ‘Posing Problems without Catching Up: China’s Rise and Challenges for U.S. Security Policy’. *International Security*, 25(4), pp. 5-40; and Liff, A.P., and Ikenberry, G. John (2014) ‘Racing Toward Tragedy? China’s Rise, Military Competition in the Asia Pacific, and the Security Dilemma’. *International Security* 39(2): pp. 52-91. For a more sanguine assessment, see R. Uriu and Le, T. (2014) ‘Northeast Asia’ in Sperling, J. (ed.), *Handbook of Governance and Security*. Cheltenham: Edward Elgar, pp. 188-215.

4 On the meaning of China’s ‘peaceful rise’ and what it may mean for the United States role in the Asia Pacific, see Zheng, B. (2005) ‘China’s “Peaceful Rise” to Great Power Status’. *Foreign Affairs*, 84(5), pp. 18-24; Christensen, T.J. (2011), ‘The Advantages of an Assertive China: Responding to Beijing’s Abrasive Diplomacy’ *Foreign Affairs*, 90(2), pp. 54-67; and Breslin, S. (2013) ‘China and the global order: signalling threat or friendship?’ *International Affairs*, 89(3), pp. 615-34.

5 See US Department of Defense (2010) *Quadrennial Defense Review Report*. Washington, DC: Department of Defense, pp. 63-67; and US Department of Defense (2014) *Quadrennial Defense Review*. Washington, DC: Department of Defense, pp. 6-20; 34-5; and US Department of Defense (2013) *Air-Sea Battle: Service Collaboration to Address Anti-Access and Area Denial Challenges*. Washington, DC: Department of Defense, pp. 2-7.

6 See Kirchner, E.J. and Sperling, J. (eds) (2010) *National Security Cultures: Patterns of Global Governance*. Abingdon: Routledge.

current global system of economic governance, but the United States is the sole direct stakeholder in both the Pacific and Atlantic systems of regional security governance. Neither the EU nor China are particularly concerned with assuming any responsibility for the former or latter, respectively, and the Russian Federation, which functions primarily as a revisionist power seeking to change the status quo and reassert its former dominance along its western and southern peripheries, presently lacks the financial and military wherewithal to influence significantly events outside that region.

The growing imbalance in rights and responsibilities not only puts a strain on the systems of regional security and global economic governance, but also impinges directly on the assured access to the global commons (including maritime space, outer space, and cyberspace), comprised of critical policy vectors where it is increasingly difficult to differentiate security from economy.⁷ Aimed at understanding the nature of the threats posed to unimpeded access to the global commons by states and economic agents, this analysis proceeds in four stages. The first assesses the shifts that have taken place in the regional and global balances of capabilities since 1990, towards explaining the Chinese challenge to American geostrategic supremacy in the Pacific, the American response to Chinese revisionism, the marginalization of the Russian Federation, and the European effort to mollify the United States on military-strategic issues while currying mercantile favor with China. The second and third sections investigate, respectively, the global and regional systems of governance, particularly with respect to major stakeholders' (dis)satisfaction with the status quo. The final section considers the intersection of the economic and strategic policy vectors in the global commons.

Shifts in Regional and Global Balances of Power

The end of the Cold War and the subsequent dissolution of the Soviet Union in 1992 marked a sudden shift from bipolarity to

⁷ For the initial statement on US power and the global commons, see Posen, B. (2003) 'Command of the Commons: The Military Foundation of U.S. Hegemony', *International Security* 28(1), pp. 5-46. The emergence of the global commons as an active concern within NATO is reflected in Barrett, Maj. Gen. M., Bedford, D., Skinner, E., and Vergles, E. (2011) *Assured Access to the Global Commons*. Norfolk, VA: Supreme Allied Command Transformation, NATO. For a critique of the NATO approach to the Global Commons, see Sperling, J. (2011) 'NATO and the Global Commons: A Perspective on Emerging Challenges' in Alcaro, R. and Lucarelli, S. (eds), *Managing Change: NATO's Partnerships and Deterrence in a Globalised World*. Norfolk, VA: Supreme Allied Command Transformation, NATO.

military-strategic unipolarity and economic multipolarity, if the EU is considered as a single actor.⁸ The EU-27 share of global GDP on a purchasing power parity (PPP) basis in 1990 was greater than that of the United States (27.98% and 24.68%, respectively); those global GDP shares are essentially equal in 2013 and the US is projected to exceed that of the EU-27 in 2018.⁹ On the military side of the ledger, the quantity and quality of European conventional, nuclear, and force projection capabilities remain second only to those of the United States, despite Europe's significant force projection capabilities shortfalls and the decline of European defense spending since 1990.

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China's emergence as a manufacturing power, its increasingly critical role as global creditor, the rapid modernization of its armed forces, acquisition of maritime and land-based anti-access and area-denial capabilities, and ambition to acquire a blue water navy have effectively ended unipolarity - or at least foreshadows the end of it.

⁸ If the EU is disaggregated into its member states, however, the end of the Cold War also ushered in economic unipolarity; the closest competitors to the US were Japan (with 10.09% share) and Germany (with a 6.16% share).

⁹ Data drawn from IMF (2013), 'Data and Statistics', Available at: <http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/weoselgr.aspx> (Accessed: 15 November 2013). Author's calculations.

¹⁰ SIPRI (2014) 'Military Expenditure Data Base'. Available at: http://www.sipri.org/research/armaments/milex/milex_database (Accessed: 15 November 2014). Author's calculations.

capabilities, and ambition to acquire a blue water navy have effectively ended unipolarity - or at least foreshadows the end of it. China's rise putatively threatens both America's strategic dominance in the Pacific and the integrity of the UNCLOS maritime regime, a regime that underpins US maritime dominance.¹¹ This second shift is largely responsible for the Obama administration's redeployment of US military assets to the Pacific Basin and repackaging of a strategic retreat from Europe as 'leading from behind'.¹²

A third major shift, the relegation of the Russian Federation to the status of a regional power, contributed to the relative rise of both the EU and China vis-à-vis the United States.¹³ The Russian Federation's newfound status as a regional power is unlikely to persist in the long term given its human and physical resources, putative military capability, and geographic size and position in the Eurasian heartland, as Halford Mackinder would have it. In the medium term, however, Russia's ability to act on the global stage is limited by the decline in oil prices and the willingness of the other major states to accept Russia into the charmed circle of great powers. Its regional prerogatives, are unlikely to be challenged effectively by NATO or any other state in the region, particularly Turkey or Iran. Thus, Vladimir Putin's Russia appears capable not only of challenging or disrupting the certainties of the transatlantic system of security governance, but also of acting with impunity along its periphery with minimal risk of a NATO military response, as demonstrated by Russian interventions in Georgia, Moldova, and especially Ukraine.

11 On the rising range and sources of threat to the maritime commons, see US Department of the Navy (2007) *A Cooperative Strategy for 21st Century Seapower*. Washington, DC: US Department of Defense; NATO (2011) *Alliance Maritime Strategy* (Brussels: NATO); and Council of the European Union (2014), *European Union Maritime Strategy (EUMSS)- Action Plan, 17002/14*. Brussels: Council of the European Union.

12 See White House (2015) *National Security Strategy*. Washington, DC: White House, pp. 3-5 and 24-25.

13 President Barack Obama's 2014 observation that 'Russia is a regional power that is threatening some of its immediate neighbors' is not far off the mark. Its military forces are in a state of disrepair and defense spending, despite the modernization programme currently underway, is equal to only 10 per cent of US defense expenditures, 38 per cent of the combined British, French, German and Italian expenditures, and 55 per cent of Chinese expenditures. Moreover, Russia only accounts for only 3 per cent of global GDP, a share that is likely to decline if oil prices do not recover. See Wilson, S. (2014) 'Obama dismisses Russia as regional power acting out of weakness', *Washington Post*, 25 March. Available at: https://www.washingtonpost.com/world/national-security/obama-dismisses-russia-as-regional-power-acting-out-of-weakness/2014/03/25/1e5a678e-b439-11e3-b899-20667de76985_story.html (Accessed: 20 July 2015); and International Institute for Strategic Studies (2015) *The Military Balance*, London: IISS.

Developments within Europe amplified these systemic shifts in the structure of power. After 1989, the United States expected Europe to play a larger role in creating order and stability along its eastern and southern periphery. Europe simultaneously claimed the prerogative to do so, first within the NATO-sponsored European Security and Defense Identity, and subsequently within the EU's Common Security and Defense Policy - developments consistent with the declining relative power differential between the two pillars of the Alliance. Yet, the transition from the task of territorial defense to that of force projection supporting milieu-shaping security policies has eroded NATO's cohesion and clarity of purpose. There is no deep agreement on those regions critical to NATO or on the appropriate instruments for sustaining stable regional milieu. Moreover, regional instabilities present each ally with asymmetrical risks and vulnerabilities. Thus, the narrowing of the transatlantic power differential has enabled Europe to seek greater independence and autonomy from the United States (and NATO), while divergent interests within Europe have made the Europeans (and the EU) less compliant and useful security partners outside Europe.

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What have these shifts in the global and regional structures of power meant for the Euro-American relationship? First, Europeans undertook to shape their regional milieu consistent with European values and interests. Second, the end of bipolarity significantly reduced the costs of defecting from US policy preferences, with Europe adopting policies frustrating US objectives, defying the American expectation of European obeisance, or redefining their obligations under the Atlantic Alliance to act 'out of area'.¹⁴ There has been a particular reticence to explicitly support US efforts to manage the shifting balance of power in the Asia-Pacific.

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What do these shifts in the global and regional structures of

¹⁴ The 2011 Libyan operation is a case on point. For nuanced analyses of the NATO operation and its consequences for the alliance, see Engelbrekt, K., Mohlin, M. and Wagnsson, C. (eds) (2014) *The NATO Intervention in Libya: Lessons Learned from the Campaign*. Abingdon: Routledge; and Miskimmon, A. (2012) 'German Foreign Policy and the Libya Crisis', *German Politics*, 21(4), pp. 392-410; and Coticchia, F. (2015) 'Effective strategic narratives? Italian Public Opinion and military operations in Iraq, Libya and Lebanon', *Italian Political Science Review/Rivista Italiana di Scienza*, pp. 1-26. Available at: <http://dx.doi.org/10.1017/ipo.2015.1> (Accessed: 23 April 2015).

power mean for the Sino-American relationship? Chinese dissatisfaction with the US-sponsored post-war order in the Pacific has had three consequences: first, it led the Americans to recalibrate the strategic importance ascribed to Europe and downgrade American responsibility for secondary strategic challenges in southeastern Europe and the Mediterranean basin; second, European wariness of the US global security agenda, particularly in Asia, has manifested itself as European resistance to NATO's globalization from a fear of global entrapment in military-strategic issues which have no direct (or indirect) bearing on European security; and third, China has begun to challenge the post-war hegemonic order, not only with respect to American maritime prerogatives in the South Pacific but also American privileges and institutional power in the global system of economic governance.¹⁵

Transatlantic cohesion has been strained by Europe's readiness to disagree with the United States on the definition of what constitutes a common strategic threat and the optimal method for addressing one, particularly with respect to the security salience for Europe of China's military modernization.

These post-Cold War shifts in the global and regional structures of power have had four major consequences for the trilateral relationship between Europe, the United States and China. First, alliance cohesion - between North America and Europe or within Europe itself - weakened with the institutionalization of the NATO-Russian relationship. The process of transforming Russia from an adversary to a partner removed the existential threat to member-state security that gave giving Article 5 its binding power, although the annexation of Crimea has reinvigorated Article 5 and cast into doubt (again) the wisdom of enlargement and the purpose of NATO policy vis-à-vis Russia.¹⁶ Second, transatlantic cohesion has been strained by Europe's readiness to disagree with

¹⁵ On China as a revisionist power, see Rachman, G. (2014) 'Revisionist powers are driving the world's crises', *Financial Times*, 30 June, at: <http://www.ft.com/intl/cms/s/0/fb9a5ba6-fd4d-11e3-96a9-00144feab7de.html#axzz3Y31WDv6z> (Accessed: 21 April 2015). For representative analyses suggesting the China has limited aims in the international system, see Kang, D. (2007) *China Rising: Peace, Power and Order in East Asia*. New York: Columbia University Press or Johnston, A.I. (2003) 'Is China a Status Quo Power?', *International Security*, 27(4), pp. 5–56. An example of US efforts to block an expansion of Chinese economic influence in the international system was amply demonstrated in the Obama Administration's largely unsuccessful effort to persuade its closest allies to refrain from joining the China-sponsored Asia Infrastructure Development Bank. See Chakravorti, B. (2015) 'Bank is a Wake-Up Call for Washington', *Harvard Business Review*, 20 April, Available at: <https://hbr.org/2015/04/chinas-new-development-bank-is-a-wake-up-call-for-washington> (Accessed: 22 April 2015).

¹⁶ For an early and recent critique of NATO enlargement and disregard for Russian strategic interests, see Kennan, G.F. (1997) 'A Fateful Error', *New York Times*, 5 February, p. A23; and Mearsheimer, J. (2014) 'Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions That Provoked Putin', *Foreign Affairs*. Available at: <http://www.foreignaffairs.com/articles/141769/john-j-mearsheimer/why-the-ukraine-crisis-is-the-west-s-fault> (Accessed: 24 April 2015).

the United States on the definition of what constitutes a common strategic threat *and* the optimal method for addressing one, particularly with respect to the security salience for Europe of China's military modernization. Third, Europe's geostrategic sanguinity in the Asia-Pacific is matched by a growing concern over the geostrategic trajectory of the Atlantic system during post-Crimea period. That concern translates into a positive re-evaluation of Europe's continuing dependence on the US security guarantee in Berlin, Warsaw and the capitals of the alliance's 'frontier' states more generally. The proliferation of territorial claims and counter claims in the Caucasus and the western Pacific underscores the continuing position of the United States as Europe's pacifier and Asia's traffic cop. And finally, as European trade in dual-use technologies or finished goods does not impose significant direct or indirect security costs on Europeans, their contribution to Chinese military modernization in the Pacific will inevitably emerge as a source of conflict with the US as the technology differential between the two antagonists narrows. This will replicate the European-American discord that attended the export of 'strategic' goods to the Soviet Union.

The Global System of Economic Governance

The assessment of Europe and China's importance to the United States has both subjective and objective elements. But it is clear that the American political and foreign policy elites' subjective interpretation of Europe's capabilities, interests, and value as an ally and economic partner is not always consistent with Europe's contribution to American foreign policy goals or its economic importance for the United States. Similarly, the relatively 'quiet' role China played and was asked to play in the financial crisis contrasts vividly with the American geopolitical preoccupation with China's role in the Pacific as compared to its performance as a stakeholder in the global system of economic governance.

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lapse of the international financial system and macroeconomic policy solipsism.¹⁷ The process of globalization has also weakened transatlantic multilateralism more generally, owing to the attending shifts in national calculations of self-interest and the geopolitical reorientation of the United States to regions of the world where multilateralism is normatively and institutionally weak, and where Europe lacks compelling geostrategic interests. The Sino-American relationship is, if anything, more complex: in the real sector of the economy, China is a critical trading partner but also one prone to ignore or bend the ‘rules of the game’: there are serious concerns about the non-protection of intellectual property rights, the tolerance if not sponsorship of industrial cyber-espionage, the violation of WTO trading rules that harm US (and European) producers and the multilateral trading regime more generally, and the government management of the external value of the renminbi, particularly the cross-exchange rate with the dollar. These US (and to a lesser extent European) complaints about Chinese trading practices must be considered in tandem with an equally important question: did China act as a responsible stakeholder and credible partner during the 2008 financial crisis?

The failure of Lehman Brothers in September 2008 conveniently demarcates the onset of the near-collapse of the international financial system and the Great Recession in the transatlantic economy. The European and Chinese responses to the crisis provide a basis for assessing whether China has acted as a ‘responsible’ stakeholder in managing the global macroeconomy. Eurozone Europe and China agreed that the crisis was ‘made in America’ and caused by an asset bubble created by low interest rates and ineffective regulation of the financial and banking sectors of the economy. An OECD report supported that claim, but also pointed to unsustainable Chinese, German and Japanese current account surpluses as a contributing and enabling factors.¹⁸ The United States, despite the British and Japanese support for fiscal stimulus, faced a recalcitrant Germany and a supportive China. The US, however, had to craft a solution to the financial crisis and

¹⁷ A typical European critique of US policy and regulatory policies can be found in Bundesministerium für Wirtschaft und Technologie (BMWi) (2008) *Schlaglichter der Wirtschaftspolitik: Sonderheft Finanzkrise*. Berlin: BMWi.

¹⁸ Furceri, D. and Mourougane, A. (2009). ‘Financial Crises: Past Lessons and Policy Implications’, *Economics Department Working Papers No. 668, ECO/WKP(2009)9*. Paris: OECD.

deepening recession that would satisfy the German demand for fiscal balance in Europe and global regulatory reform with the more pressing concern of allaying the Chinese (and Japanese) concern about the future value of their sizeable dollar-denominated assets. China emerged as a key partner for the United States, while the Germans saw China as the only solution to the problem of global economic growth *and* European austerity: Chancellor Merkel suggested that China pursue more expansive fiscal policies to increase global demand; China, in her view, could avoid increasing its level of debt and had a greater growth potential than Germany - two claims that could equally be made for Germany.¹⁹ The United States, in turn, depended upon the Chinese willing purchase of US Treasury bonds to support the \$841.2 billion fiscal stimulus package and accept the attending risk of an eventual revaluation of the renminbi vis-à-vis the dollar.

Not only did the Chinese government acquiesce to the Obama administration's request that they continue to purchase US debt to finance the financial bailout and stimulus programs, but embarked upon their own fiscal stimulus program that risked inflation and a significant rise in central government debt. In 2010, the output gap in China was -0.05 (suggesting a near balance of potential and actual output) whereas the (unweighted) output gap was -6.3 for Germany, France and the UK, -5.5 in the US, and -7.9 in Japan. On the debt side of the equation, the Chinese central government balance rose from -0.1% of GDP in 2008 to -2.0% in 2009 and 2010, while the German balance increased from -0.1 to -4.2% and -4.6% for those two years. The German and US stimulus packages struck similar balances between tax reductions and spending increases, whereas the Chinese stimulus package was devoted almost exclusively to upfront expenditures. More important, the US and China fiscal stimulus packages amounted to \$841 billion (4.9% of GDP) and \$204 billion (4.4% of GDP), respectively, while the combined stimulus measures of France, Germany and the UK amounted to \$192 bn (2% of GDP on an unweighted basis).²⁰

19 Wolf, M. (2009) 'Why G20 leaders will fail to deal with the big challenge', *Financial Times*, 1 April. Available at: <http://www.ft.com/intl/cms/s/0/22e0122a-1e1d-11de-830b-00144feabdc0.html#axzz3Y9J6YsGc> (Accessed: 24 April 2015). The German position is presented in Benoit, B. (2009) 'Berlin warns US on inflation spiral', *Financial Times*, 18 March. Available at: <http://www.ft.com/intl/cms/s/0/ded7c284-1341-11de-a170-0000779fd2ac.html#axzz3Y9J6YsGc> (Accessed: 24 April 2015).

20 IMF (2009) *The State of Public Finances: Outlook and Medium-Term Policies After the 2008*

The macroeconomic consequence of the crisis, compounded by the paralytic political process in Washington, was the focal point of European (read German) dissatisfaction with the American policy response to the crisis, the so-far unrealized Chinese (and Japanese) concern about their dollar-denominated debt losing value owing to a steady depreciation of the dollar, inflation or even technical default, and the American concern that these deficits could leave future American governments facing an inescapable debt trap and vulnerable to linkages between the continued holding of US debt and the resolution of geostrategic conflicts on terms favorable to China. In important respects, China has supplemented, if not supplanted, Germany as the most likely candidate to perform the role of a macroeconomic 'locomotive' in the global economy. China is nonetheless an increasingly status quo participant in the current system of economic governance, with the exception of its desire to qualify the privileged position of the dollar in the current international monetary system.

Systems of Security Governance

Regional security subsystems range from non-institutionalized governance (the transpacific balance of power) to more complex forms of governance (the transatlantic security community) to a virtual absence of regional governance (the South Caucasus).

The structural characteristics of the post-Westphalian European state impels them to seek highly institutionalized systems of security governance, just as the Westphalian states populating the Pacific Rim possess at best an instrumental and contingent interest in a weakly institutionalized one. Any security governance system has three distinct components - the regulator, the normative framework, interaction context - which fall along a broad spectrum of values.²¹ The range of values assigned to these three constitutive elements for a particular system of security governance provides a mechanism for identifying and categorizing them along a continuum bounded by an international state of nature and a security community. The

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Crisis, 6 March; IMF World Economic Outlook. Washington, DC: IMF.

²¹ These three variables are drawn from, respectively, Rosecrance, R. (1963) *Action and Reaction in World Politics: International Systems in Perspective*. New York: Little Brown; Holsti, K.J. (1991) *Peace and War: Armed Conflicts and International Order, 1648-1989*. Cambridge: Cambridge University Press; and Sperling, J. and Webber, M. (2014) 'Security Governance in Europe: A Return to System', *European Security*, 23(2), pp. 126-44.

system regulator identifies the conflict resolution mechanism(s) dominating a given geopolitical space. As the utility or legitimacy of war declines, so too does the willingness of states to rely on it to regulate conflict. Where there is a coalescence of national identities into a broader collective identity, institutions are likely to emerge as the preferred mechanism for conflict resolution. Where those conditions are absent, war remains the *ratio ultima regum*. The *normative framework* of a governance system considers whether system-level norms govern within-group interactions, the extent to which both the sovereignty principle is discounted and within-group war or coercion is delegitimized. When those conditions are met, system-level norms become intrinsic to the calculation of interest. When they are not, narrow national interests will trump system norms when they collide. The *interaction context* refers to the level of amity and enmity in the system and the intensity of the security dilemma. If state interactions are embedded in international or regional *institutions*, the security dilemma is likely to dissipate and amity will characterize interstate relations. Similarly, where states retain sovereign prerogatives and treat sovereignty as inviolable, then the security dilemma will remain acute, war remains a viable option, and bilateral relations will be characterized by enmity.²²

A dense network of institutions, the most important of which are NATO and the EU, characterize the transatlantic system of security governance. Although NATO and the EU's Common Security and Defence Policy remain intergovernmental in nature, the level of defence cooperation in both institutions is unsurpassed anywhere else in the world. It is also the case that in critical areas of security-infrastructure protection, cross-border crime and terrorism, European states have sacrificed a great deal of sovereignty in order to craft and execute common solutions. Security governance in the transatlantic security space has the following characteristics: there are mechanisms for the peaceful adjudication and resolution of conflict; there are instrumental and normative constraints on the use of force, an unwillingness to use force as an instrument of within-group conflict resolution, and an expectation that interactions are rule-governed; and

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²² For a comprehensive exploration of these variables, see Sperling, J. (2014) 'Regional Security Governance' in Sperling, J. (ed.) *Handbook of Governance and Security*. Cheltenham: Edward Elgar, pp. 98-121.

collective identity formation has created high levels of amity and the literal absence of an intragroup security dilemma.

There are three systems of security governance coexisting and overlapping in the Asia-Pacific. The first is characterized by a system of non-transitive, spoke-and-hub bilateral security relationships between the United States and its major allies in the region—South Korea, Japan, Australia, and New Zealand.²³ The second is the ten-member Association of South East Asian Nations (ASEAN), which represents a multilateral system intended to reinforce the principle of non-interference, facilitate economic cooperation, and insulate those nations from great power competition.²⁴ The third is the China-sponsored Shanghai Cooperation Organization, which was initially designed as a forum for resolving border conflicts in Central Asia, but now represents a Sino-Russian institutional framework for balancing US power in the region.²⁵ The transpacific system of security governance corresponds to the elements of a balance of power system. There is a lack of normative constraints on the use of force as an instrument

Moreover, national identities remain sharply defined and constructed in opposition to the other states and civilizations occupying the Pacific Basin - the Japanese, American and Chinese exceptionalisms are mutually exclusive and historical grievances from the distant past remain operational.

for effecting within-group conflict resolution - a willingness demonstrated within the ASEAN countries and now between China and the majority of the western Pacific littoral states. International law plays a non-binding role in the governance of interstate interactions when conflicts arise; there are no established and legitimate mechanisms for the peaceful adjudication and resolution of conflicts that touch on issues of national sovereignty. Moreover, national identities remain sharply defined and constructed in opposition to the other states and civilizations occupying the Pacific Basin - the Japanese, American and Chinese exceptionalisms are mutually exclusive and historical grievances from the distant past remain operational. The lack of trust in the region - particularly between

23 See Cha, V.D. (2009/10) 'Powerplay: Origins of the U.S. Alliance System in Asia', *International Security*, 34(3), pp. 158-96; and Ikenberry, G.J. (2004), 'American hegemony and East Asian order', *Australian Journal of International Affairs*, 58(3), pp. 353-367.

24 The understanding of the precise nature of the system of governance in Southeast Asia ranges from those claiming it is a security community to those who treat it as a system governed by the balance of power. See, respectively, Acharya, A. (2014) *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*. 3rd ed. Abingdon: Routledge; and Emmers, R. (2004), *Cooperative Security and the Balance of Power in ASEAN and the ARF*. Abingdon: Routledge

25 For the best treatment of this subject, see Cooley, A. (2014), *Great games, local rules: The new great power contest in Central Asia*. New York: Oxford University Press.

China and the US, between China and Japan, and between China, Japan and their littoral neighbors - reflects a high level of enmity and an aggravated security dilemma, particularly between the US and China.

The South Caucasus region represents a geostrategic buffer between the Atlantic and transpacific systems of security governance, but disruptions in that regional subsystem have significant (and negative) security repercussions, particularly for European states. In the absence of any effective regional platform, the current system of security governance in the South Caucasus region can be best described as a geopolitical version of bare-knuckle boxing. Only a balance of power or cooperation among Russia, Turkey and Iran, coupled with resolution of intra-regional conflicts can minimize the prospect of future wars in this region or provide a foundation for the regional institution building. NATO intervention or NATO membership are not realistic options; despite Alliance rhetoric there is no appetite to offer membership to any of the states wedged between the Black and Caspian Seas or to challenge Russian interventions along its periphery. In the South Caucasus, currently, there is no effective mechanism for the peaceful adjudication and resolution of conflicts. The states in the region face an intense security dilemma; there are no instrumental or normative constraints on the use of force; and international law seemingly fails to have binding force on regional actors, particularly in term of deviating attempts of the alteration of internationally recognized boundaries.

The Global Commons

The global commons represents the intersection of the policy vectors of global economic and regional security governance. The preoccupation with assured access to the global commons may be attributed to the concurrent demilitarization of security within the transatlantic area and the securitization of issues once considered the exclusive domain of domestic politics. The four domains constituting the global commons - aerospace, maritime space, cyberspace and outer space - are inextricably linked, but the rules and principles governing maritime

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The Maritime Commons. The maritime commons retains an unparalleled security salience: the global and Atlantic economies are a heavily dependent on sea-borne trade for manufactures and raw materials, and three-quarters of global trade passes through vulnerable international straits and canals. The evolution of the global supply chain has made the advanced economies particularly vulnerable to any disruption of maritime trade, the global communications infrastructure is underpinned by a complex web of undersea cables, and global energy infrastructures are similarly dependent upon a stable maritime space. The violation of any component of ‘freedom of the seas’ inevitably impinges upon the American and European ability to engage rivals at sea or to intervene militarily in regions outside the North Atlantic area deemed critical to allied security.²⁶

These objectives, in turn, have focused NATO’s attention on the importance of protecting the integrity of the UNCLOS regime, particularly innocent passage through territorial seas, transit through straits used for international navigation, archipelagic sea passage, and key legal definitions such as territorial sea, contiguous zone, exclusive economic zone (EEZ), and continental shelf. The importance of the UNCLOS regime reflects the perceived threat posed to Allied freedom of action on the seas owing to the putative and actual emergence of China as a formidable maritime power in conjunction with China’s revisionist ambitions in the South China Sea and ongoing infringement of the UNCLOS provision on innocent passage inside the internationally recognized Chinese EEZ.²⁷

The US and Europe equate the integrity of the UNCLOS regime with the protection of the transatlantic economies from disrupt-

²⁶ These concerns are expressed in NATO Allied Command Transformation (2010) *ACT Workshop Report. NATO in the Maritime Commons*, (Norfolk, VA: USS Enterprise, 30 September). Available at: http://www.act.nato.int/images/stories/events/2010/ge/report03_norfolk.pdf (Accessed: 15 July 2011); Smith-Windsor, B. (2009) ‘Securing the Commons: Towards NATO’s New Maritime Strategy’, *Research Paper No 49*. Rome: NATO Defense College; and Dowdall, J. and Hasani, B. (2010) *Protecting the Global Commons, SDA Report*. Brussels: Security & Defence Agenda.

²⁷ Paxton, J.M., Jr. and Kühnel, P. (2008) *Maritime Security Primer: Global Maritime Security Cooperation in an Age of Terrorism and Transnational Threats at Sea*. Copenhagen: Multilateral Planners Conference VI, pp. 6-7. Available at: http://jcs.dtic.mil/j5/conference/MPCVI_Maritime_Sec_Primer.pdf (Accessed: 25 August 2012).

tions to sea-borne trade and the preservation of NATO's comparatively unencumbered maritime power projection capabilities. Policy analysts recognize that the NATO maritime powers alone are unable to ensure freedom of the seas or counter the threats posed by piracy, drug trafficking, and sea-borne WMD proliferation in the Indian Ocean, the Straits of Malacca, or elsewhere.²⁸ A global system of maritime surveillance protecting sea-borne commerce could be enforced by a US-led Global Maritime Partnership or by integrated regional initiatives, but China among others is unlikely to acquiesce to a system that perpetuates US dominance. Yet, American naval forces - and those of the NATO allies more generally - are central to any global solution to the security threats posed to the uninterrupted flow of goods on the high seas. The policy debate attending the progressive globalization of NATO's naval role has revealed fissures between the continental and maritime member states of the Alliance. But those fissures pale in comparison with the chasm between NATO and non-NATO states, particularly those with a plausible claim to regional dominance, notably China, India, and Russia. The purpose - and hence legitimacy - of a NATO-dominated maritime order is questioned outside the North Atlantic area. Arguably, the BRICS have as great a stake in an uninterrupted flow of manufactures and raw materials on the high seas as do NATO member states. Despite the recognition that NATO alone is unable to provide security on the high seas, the emerging maritime powers are viewed as posing a challenge to US (and NATO) governance of the global maritime commons, rather than as potential partners contributing to the stability of the global economy - a contradictory position if maritime space is indeed a global commons.

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US suspicions of the Chinese, Indian, or Russian maritime ambitions are only explicable if the western ambition is to lock in the American command of the maritime commons. As China - and the other BRICS - become capable of challenging the maritime prerogatives now enjoyed by American (and NATO) naval forces

²⁸ Barrett, Maj. Gen. M., Bedford, D., Skinner, E., and Vergles, E. (2011) *Assured Access to the Global Commons*. Norfolk, VA: Supreme Allied Command Transformation, NATO, pp. 7-9.

outside the North Atlantic region, the viability of the maritime regime currently servicing their shared commercial interests will be undermined by opposed diplomatic and strategic objectives in the Indian and Arctic Oceans and the South China Sea. Thus, the geostrategic and geoeconomic requirements for securing the maritime commons are counter-indicative: the latter would welcome an enhanced BRICS naval contribution for the purposes of enforcing the letter and substance of the UNCLOS, while the former underscores the need for continued American (and NATO) naval dominance.

Cyberspace. Cyberspace has perforated national sovereignty; it has accelerated the growing irrelevance of geography and borders for commerce, finance, and communications. The revolution in information technologies and the digital linking of national economies and societies has contributed to the unparalleled openness, productivity, and vulnerability of NATO member state economies. The ease with which disturbances are transmitted across cyberspace and the difficulty of deflecting those disturbances have reduced systemic resiliency to exogenous shocks or malevolent acts by a broad range of actors. Not only is data transmitted in cyberspace vulnerable to attack, so too are the physical and virtual infrastructures containing cyberspace. The private ownership of the cyber infrastructure (e.g., software and the global fiber-optic cable network) in conjunction with the military reliance upon that infrastructure has not only securitized civilian cyberspace, but elevated cyberspace to a critical theatre of NATO operations.²⁹

The threats to cyberspace are varied with respect to agent (terrorists, malicious hackers, criminals, states), strategies of disruption (computer network operations, computer network attack, domination of the electromagnetic spectrum), and target (data, physical infrastructure or software).³⁰ Moreover, major power vulnerability to the disruption of cyberspace is asymmetrical. Unlike Americans and Europeans, late adapters - like China - have been able to reduce their vulnerability to disrupted cyber-

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29 Ames, P. (Rapporteur) (2010) *Cyber Security: A Transatlantic Perspective*. Brussels: Security and Defence Agenda, p. 5.

30 See Brenner, J. (2011) *America the Vulnerable: Inside the New Threat Matrix of Digital Espionage, Crime, and Warfare*. London: Penguin.

space with national gateway controls. Moreover, the American-led embrace of net-centric warfare has created new vulnerabilities for American and Allied forces, particularly with regard to the targeted destruction of the physical or virtual infrastructure of cyberspace.

There are significant external barriers to the creation of a viable international regime creating a cyber-commons.³¹ First, any regime must first address the problem of attribution, state responsibility for non-state actors operating within national jurisdictions, and the proportionality of response to cyber-attacks, - spying or - commercial espionage. Second, the physical conflation of commercial and military assets places into question the appropriate institution for crafting such a regime, particularly since the critical vulnerabilities of western societies are economic and financial data networks, and the legitimacy of a leading NATO role is contested in the Asia-Pacific. A final barrier to an effective international regime protecting access to the cyber-commons is the opposing strategic objectives of the major cyber-antagonists in the international system, the United States and China: each seeks cyber-dominance and the ability to disrupt the networks of potential adversaries.

Outer Space. The outer space and cyberspace commons are partially substitutable: each can be used to transmit data. Access to the space commons, however, is essential for the important (military) task of data collection, whereas cyberspace remains the key location for storing and analyzing data. The vulnerabilities plaguing the outer space commons are not dissimilar to those found in cyberspace and, like cyberspace, the securitization of space has virtually erased the distinction between the civilian and military functions of space-based communications assets. The military-strategic importance of outer space can hardly be overstated. NATO and US access to space-based assets is the *sine qua non* for expeditionary operations, a state of affairs driven by the transition to net-centric warfare.³² The overriding goal of NATO in the outer space commons is the development of an internation-

31 For a comprehensive overview, see Tikk, E. (2012) 'Establishing Rules for Cyber Security' in Jasper, S. (ed.), *Conflict and Cooperation in the Global Commons*. Washington, DC: Georgetown University Press, pp. 215-31.

32 On US policy see, US Department of Defense and Office of the Director of Central Intelligence (2011) *National Security Space Strategy: Unclassified Summary*. Washington, DC: Department of Defense, pp. 5-13.

al space regime that will establish rules for orbital (and spectrum) allocations that will not degrade or impede NATO's military mission. NATO access to space-based assets is threatened by any number of actors - states, terrorist or criminal organizations or even recreational hackers, matched only by the number of threats to access: electronic warfare, anti-satellite weapons, kinetic attacks on ground stations, and space debris that threatens the integrity of space-based platforms.

An effective and broadly legitimate outer space regime faces significant barriers. First, a common space policy is problematic owing to the competitive nature of national space programs. Established and rising powers alike seek to reap the commercial benefits of a robust space industry, and all parties have an interest in enhancing or acquiring an autonomous space-based intelligence capability. Moreover, the American transition to network-centric warfare and the policy objective of space dominance creates another set of barriers: the former has made US armed forces extremely vulnerable to an interruption of space-based communications and information gathering platforms, while the latter requires an offensive as well as defensive capability in space - an option China has chosen and Europe has explicitly rejected.³³ There is little evidence that NATO member states and formal US allies in Asia jointly possess the legitimacy or power to create unilaterally a regime that would allow the Americans unfettered access to outer space in support of out-of-area operations or enhance the ability to project power into areas of strategic concern to China and other rising powers. Most important, perhaps, is the improbability that China, or any other rising power, will function as a constructive partner in forging an international agreement that does little more than reduce the vulnerability of space-based platforms critical to US (or NATO) military operations.

33 See Paradiso, N. (2013) 'The EU Dual Approach to Security and Space: Twenty Years of European Policy Making', *Report 45*. Vienna: European Space Policy Institute, pp. 25-3; and Rathgeber, W. and Remuss, N-L (2009) *Space Security: A formative role and Principled Identity for Europe*. Vienna: European Space Policy Institute.

Conclusion

The post-war consensus on the rules governing the various aspects of the global commons has been disrupted by abrupt changes in the hierarchy of power as well as technological changes that have outstripped international law and the ability of states to control their borders, particularly with respect to cyberspace. Many of the major stakeholders in the international system - the EU (and its member states), the US and Japan - remain by and large status quo states with respect to the rules governing access to each domain of the global commons. But the others are not. The Russian Federation and China, particularly, are challenging those rules across each domain in response to their desire for a change in the current status quo privileging American power and prerogatives. The Chinese challenge to the American-dominated system reflects an effort to realign the rules and principles of the governance systems consistent with China's emergence as a great power. The Russian Federation, particularly under Vladimir Putin, has challenged the governance systems in an effort to reassert the geopolitical prerogatives enjoyed by the Soviet Union during the Cold War.

The global system of economic governance remains largely uncontested, although there are demands, particularly by China, that the dollar be displaced from its position at the center of the global financial and monetary system - a goal shared with France and Germany, among others, to varying degrees of intensity and sincerity since the late 1960s. Despite the heralded rise of the BRICS countries as major players in the global economy, only China enjoys the same status and legitimacy as the EU, Japan and the US as governors of the global economy. The systems of security governance, however, remain more volatile and varied than the global system of economic governance; they reveal the deep conflicts of interest that exist between Russia and the NATO allies in the transatlantic setting, particularly the nature and extent of Russian influence along its western and southern boundaries. In the Asia-Pacific, China's assertion of territorial claims along its entire littoral areas and dissatisfaction with the UNCLOS regime is consistent with China's desire to resume its

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‘historical’ prerogatives in Asia. That desire, in turn, has engendered regional patterns of both ‘soft’ and ‘hard’ balancing with the United States, particularly after the American pivot to Asia.

The tensions within the systems of governance are increasingly played out in the contestation of the rules governing the global commons. The intra-mural debates between the United States and Europe on the commons have so far been restricted to a marginal contestation of the rules, rather than a questioning of the principles underlying them. The BRICS, led by China and Russia, are dissatisfied with both the rules and the principles governing the commons. For the United States, open access to the four domains of the global commons underpins its ability to operate globally on air, land and sea, while for China and the other BRICS, open access translates into a system of rules and norms that facilitate US strategic hegemony and economic dominance. Just as the US has an interest in sustaining the regimes governing the commons and ensuring that any modification to them does no harm to its strategic interests, China and Russia have an interest in modifying those governance systems to minimize US strategic freedom of action and to expand their own. The future is not particularly promising: the US is unlikely to yield to Russian or Chinese demands for a fundamental change in the current systems of governance, particularly in the global maritime commons; and neither Russia nor China is likely to abandon its efforts to effect such changes.