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CONFRONTING THE NEW INTERNATIONAL SECURITY SITUATION

Remarks by John Chipman

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CONFRONTING THE NEW INTERNATIONAL SECURITY SITUATION

Remarks by John Chipman
Director
The International Institute for Strategic Studies

Introduction

Living in Europe, examining the new international security situation, one is struck by a number of realities about the way that the international security agenda is set.

On the one hand, there is the United States, that has the power to frame the problems that it sees as confronting the West, and to initiate responses to those problems. For it, the two iconic threats of the age are international terrorism, and WMD proliferation. Its response has been to proclaim a global war on terrorism attack the Taleban in Afghanistan and to confront first militarily, the presumed WMD arsenal in Iraq, and next diplomatically, the actual WMD arsenal in North Korea, and finally the prospective WMD arsenal in Iran.

Following initial military activity, the United States has advanced also a 'freedom and democracy' agenda' whose presumption is that over the very long haul the introduction of freer societies around the world, but especially in the Middle East will reduce both the appeal of jihadist extremism and the space in which it can easily operate. The adoption of this strategy, vague and long term as it is, has created the paradox that regimes in the Middle East are now much more frightened by the application of American soft power, than they are by American hard power. US hard power is tied down in Afghanistan and Iraq, but US soft power has been unleashed in a manner that explicitly threatens regime security in a number of the more autocratic Middle East States.

On the other hand, as framers of the international security agenda, there are jihadist extremists, the true masters of soft power in the modern age, and what I would call the brinkman states, those states who use aggressive rogue diplomacy to advance their leverage.

Al Qaeda is now as much a brand as an organisation. The appeal of al Qaeda or its cause to disaffected Muslim youth can be great. We have seen how otherwise reasonably well integrated youth in Singapore or the UK can be seduced by the ideology and converted to suicide bombing. The violence they have prosecuted has resulted in the US re-casting its attitude to the Middle East, and regional states examining what they need to do to weaken the hold of extremist clerics on their populations.

Brinkman states, like North Korea and Iran, have been able to also set the international agenda by the manner in which they have negotiated with the international community over their alleged nuclear programmes. In the case of Iran, that country has also been

able to exploit the situation in Iraq and to a lesser degree in Afghanistan to bolster their negotiating power.

Between these very different actors, and struggling to set more of the international agenda, are the rising states of Asia, especially China and India, that are trying to translate their growing economic weight and the size of their populations into geo-political influence. Unaccustomed as they are to political extroversion, and uncertain as to how to work within the current status quo, it will take some time for them to have very substantial influence, but unless the West engages these states in a very strong strategic dialogue, it will be difficult to shape the manner of their greater involvement.

Striking, therefore, is the relative weakness of Europe in setting the framework of international security activity. Some might argue that this is a result of the weakness of Europe's institutions. Others might counter that the influence that Europe exercises towards its 'East' and the manner that the countries of Eastern Europe have been seduced into democracy and varying levels of good governance is of geopolitical consequence and is entirely due to the attractiveness of the EU.

The truth remains that for reasons of strategic culture, many European states have mainly regional interests. European states, unless they act in partnership with the US are rarely able to have wider international impact on the strictly international security agenda, as opposed to the trade dossiers. When they do, it is often in ad hoc formations, as is the case of the EU 3 discussions with Iran.

Transatlantic relations have been seared by the Iraqi experience. They will improve step by step. The US has acquiesced in giving the EU3 some negotiating room on the Iran issue, though that negotiation has probably failed, and the Europeans have been generally supportive of the aim, if not necessarily the tactics, associated with the US democracy and freedom agenda.

It remains the case that over time, the US and the EU will need to frame joint attitudes to the problems of terrorism, non-proliferation, the Iraq crisis and to the questions posed by Asia's rising powers if a true transatlantic consensus on the international security agenda can be obtained. What should inspire both sides of the Atlantic is that when there is a transatlantic consensus on the nature of a threat and its response, then this consensus historically is usually able to overcome most challenges.

The Future of the EU and Impact on Transatlantic Relations

Let me spend a moment on the future of the EU and its impact on transatlantic relations.

The rejection of the EU constitution by the populations of one third of the founder member states of the EU meant that Euro-scepticism was confirmed as the political trend among the people of Europe. Their vote was against the lack of transparency and democracy of the EU, excessive centralisation and the failure of the EU to deliver economic prosperity. The vote was in favour of flexibility and in favour of member states being able to develop their economic policies according to a national style. It was a vote against homogenisation, and for heterogeneity.

Against this background, what kind of Europe can be talked about?

In essence, UK and French elites, have opposite, but strangely compatible views about the direction of Europe: The UK is in favour, in practice, of a multi-core or multi-speed Europe. It has opt outs on social policy, has decided for the moment not to join the Euro, but on the other hand is at the centre of such debate there is on European defence. But the UK is in theory against a multi-core Europe, since historically it has been concerned at being excluded from decision-making and of losing any control over the direction of a core Europe that might forge ahead in odd directions. France on the other hand is in favour, in theory, of a multi-speed or multi-core Europe. Its politicians regularly speak of creating a European vanguard, of a group of countries forging ahead with the European project, of co-operation renforce, creating a more integrated centre. However, they seem often opposed to a multi-speed Europe in practice, complaining of a Europe a la carte, and worried that such a Europe would inevitably lessen French influence over the grand design.

The answer to these different elite views of the UK and France, and to the concerns of the populations of Europe as expressed in some of the referenda, is obviously to fashion a multi-core or multi-speed Europe in both theory and practice. Such a Europe must be made to be legitimate. The idea in a Europe of 25 that only a Franco-German concept of Europe holds legitimacy is plainly wrong. Equally, if some countries want to band together for a particular purpose, others should not complain. The trick will be to know how to maintain the key elements of the internal market, while permitting a good degree of economic, social and political flexibility. That should be the subject of the debate.

And by the way, if there were an acceptance of a multi-core Europe, where each country felt comfortable in the cores of which it was part, and did not feel estranged if it was outside of some cores to which it did not want to belong, it would make debates on enlargement, that much easier. For if it was equally European to be part of a multi-core Europe as to be part of the perfectly unified Europe of Jacques Delors dreams, then the accession of Turkey might over time be more acceptable to European populations, since Turkey might legitimately be excluded from some areas of European activity – perfect mobility of labour perhaps – for a time, perhaps a very long time, without being made to feel 'un-European' as a consequence.

Unfortunately, budget battles may get into the way of the larger vision debate. Assuming, however, that there is eventually a serious debate on EU flexibility, that will make it easier too for certain European states to forge ahead in forms of foreign policy and international security co-operation, including with the US, without breaking a European consensus, that did not necessarily have to be reached. This is of course in a sense what Italy did when it joined the coalition in Iraq. Ad hoc contact group diplomacy will be the main form of transatlantic co-operation for some time.

I will return to this in the conclusions, but let us first examine the nature of the principle international threats I talked about at the outset.

Terrorism

Since 9/11 huge strides have been made in both the US and Europe to make these places harder targets for terrorists to strike. Initially, the event of 9/11 had an epoch making effect on the shape and emphasis of US foreign policy. It forced many to see the so-called Global War on Terrorism as the prism through which all international relations were to be understood, and the position of allies on the GWOT, as defined by the US, the only true litmus test of friendship and solidarity. But in the last year or so, the world has again become more complex, and slowly the campaign against terrorism is becoming part of the routine of international affairs, rather than its only purpose.

A major reason for this change has been the fact that key countries in West Asia and the Middle East have come to see the terrorist threat from al Qaeda as even a greater threat to themselves than to US interests.

Despite the failure to kill or capture Osama bin Laden, the cooperative multinational law-enforcement and intelligence effort continued to improve over the course of 2004 and 2005. The internal jihadist threats to the Pakistani and Saudi Arabian regimes became more apparent, prompting them to awaken to local Islamist threats and intensify measures to neutralise them. As Pakistan and Saudi Arabia have begun to fight the campaign on their own soil, the requirement for converting other countries to the cause has receded.

However, the fact that Iraq has failed to be stabilised, and that many foreign fighters have travelled to it for experience and training in terrorist activity, means that a pool of fighters is being maintained that could in time melt back both into the societies of the region and to Europe.

So if the campaign against terrorism has been routinsed, it remains a key feature of the geopolitical landscape. The difference, is that the US is coming to emphasise more the international diplomatic – or 'soft power'-- element in the campaign against terror. Bin Laden's deep and general sense of cultural and religious humiliation did not drive all, or even most of his followers. The Israeli-Palestinian conflict, the US occupation of Iraq, American support for authoritarian Arab regimes, and relative economic deprivation (more in Asia, than the Middle East) have been identified as more proximate causes of jihadist activity and at least three out of these four have been addressed in the last year. The continuing troubles in Iraq, are, however, likely to be a semi-permanent reminder that the campaign has a long way to go before it can be said to have made a strategic impact on international jihadism.

The terrorist bombs in the UK on July 7 highlighted the growing threat from 'home-grown' terrorism. The UK with its European partners has now an even greater requirement than before to develop CT strategic plans, strengthen domestic intelligence, organise border and document control effectively and deepen consequence management techniques. As important in the long term is to understand the motivations of jihadists extremists. These seem at least as much psychological, sociological and political as religious in nature.

The lethal terrorist bombings on the Indonesian island of Bali on October 2 indicate the continuing CT challenge South East Asia. Since the first attack on the island, which

killed more than 200 three years ago, substantial international pressure and assistance – particularly from Australia – had helped to galvanize Indonesia's counter-terrorism effort., which has been aimed particularly at the militant group Jemaah Islamiah or JI, thought responsible for the 2002 Bali atrocity. The impact of the Indonesian authorities' more assertive counter-terrorism and the turn in public opinion against JI has been reflected in the group's declining strength, its shortage of funds and contraction of its organisational structure.

However, JI's beleaguered state has contributed to a split. On the one hand there is the mainstream organisation which is apparently focusing on building the basis for an Indonesian Islamic State and has foresworn attacks on civilian targets. On the other, there is a breakaway faction known as Thoifah Muqatilah or Combat Unit probably responsible for the latest attack in Bali. This is thought to be led by Malaysian bomb-makers Azahari Husin and Noordin Mohammed Top, and is probably composed of recruits drawn not just from JI but also from other militant Indonesian militias.

The Indonesian authorities face a huge challenge in countering the threat from terrorism, but overall they have made significant progress over the last three years, and continue to deal with difficult dilemmas. Proscribing JI – a measure called for by some outside critics, particularly since the latest Bali bombings – might do little to strengthen Jakarta's counter-terrorism effort and could prove counterproductive by further alienating militants who do not support the bombing campaign. International interest in strengthening Indonesian CT efforts would be better directed at helping Jakarta's law-enforcement and intelligence agencies in practical ways, and it might make sense for Europeans to be active in this sphere.

Non Proliferation and Iran

Public estimates for how long it would take for Iran to acquire nuclear weapons range from only a few years to at least a decade. In the IISS dossier on Iran released six weeks ago, we analyse several different possible scenarios, based on both technical and political factors**.** From a technical standpoint, the most critical factor is Iran's ability to produce sufficient quantities of nuclear weapons usable fissile material, requiring approximately 20-25kg of weapons-grade uranium or 6-8kg of separated plutonium for a simple implosion device. For over two decades, Iran has sought to develop fuel cycle capabilities in both areas. In the uranium area, Iran is constructing pilot and industrial scale gas centrifuge uranium enrichment facilities at Natanz. These facilities are designed to produce low enriched uranium (LEU) to provide fuel for the Bushehr nuclear power plant, but they could be converted to produce enough highly enriched uranium (HEU) for a dozen or so nuclear weapons annually. In the plutonium area, Iran is commissioning a heavy water production plant and is constructing a 40 megawatt (MW) heavy water research reactor that could produce enough weapons-grade plutonium for one or two nuclear weapons a year, assuming that Iran builds a reprocessing facility to separate this plutonium from spent fuel.

Of the two approaches, the centrifuge enrichment programme is closest to fruition. Nonetheless, we estimate it will likely take Iran at least few years to complete and

operate the pilot scale enrichment plant at Natanz, currently planned to contain 1,000 centrifuge machines.

In our assessment, if Iran threw caution to the wind, and sought a nuclear weapon capability as quickly as possible without regard for international reaction, it might be able to produce enough HEU for a single nuclear weapon by the end of this decade, assuming it can 1) produce sufficient quantities of clean UF6; 2) complete the pilot centrifuge plant; and 3) operate the plant on a high capacity basis over a period of a couple years. Unanticipated technical problems in any of these areas would lengthen the time frame.

As an alternative, if Tehran does not feel compelled to acquire nuclear weapons urgently or judges that the risk of breaking out with a marginal capacity is too great, it could wait until it completes the industrial-scale centrifuge plant at Natanz, planned to contain 50,000 machines. Although the industrial-scale plant is likely to take more than a decade to complete, such a facility could produce enough HEU for a nuclear weapon within a few weeks (with natural feed) or even a few days (with LEU feed) without reconfiguration, thus denying other countries adequate time to act before break out was achieved. In addition, this approach would enhance Iran's options to pursue covert enrichment options because the completion and operation of industrial-scale conversion and enrichment facilities would substantially facilitate efforts to conceal and construct smaller secret facilities.

In contrast to the production of weapons-grade uranium, Iran's ability to produce weapons-grade plutonium seems more distant. Iran's 40-megawatt heavy-water research reactor at Arak is in the early stages of construction, scheduled for completion in 2014. However, the project is likely to run over time. Moreover, although Iran has conducted laboratory-scale reprocessing experiments, it has very limited technical expertise to build an industrial-scale reprocessing facility. In theory, if Russia delivers fresh fuel, the Bushehr nuclear power reactor could accumulate substantial quantities of weapons-grade plutonium within only a few months of operating. In order to acquire that plutonium, Iran would need to build a reprocessing facility suited to Bushehr. This poses some additional technical challenges beyond those that exist for building a reprocessing facility for fuel obtainable from the Arak reactor.

Unlike countries driven by a sense of national survival, Iran has not launched a dedicated effort to acquire nuclear weapons as quickly as possible at all costs. While most Iranians support the nuclear programme as a matter of national pride and accomplishment, and deeply resent efforts by outside powers to deny Iran the benefits of modern technology, few Iranians openly profess a desire for nuclear weapons. Officially, Iran claims that its nuclear programme is entirely peaceful and that the enrichment programme is only intended for fuel production. Privately, most Iranians make more sophisticated arguments, knowing that the 'purely peaceful' justification is not entirely plausible. Iran, they say, needs a latent nuclear weapons capability to stay afloat in a sea of nuclear states and to strengthen Iran's bargaining position against more powerful countries, such as the United States, but they assure that Iran would never actually build nuclear weapons.

Except for some hardliners, they say, Iranians are sophisticated enough to recognise that nuclear weapons would make Iran a target of international hostility, spur further proliferation in the region, and help America enhance its security presence in the region. Finally, they say, Supreme Leader Khameini (like Ayatollah Khomeini before him) has ruled that nuclear weapons are contrary to Islam. Even if these arguments are genuine, however, the temptation for Iran's leaders eventually to translate nuclear potential into reality could be difficult to resist once the option is available.

Iran's nuclear option is not imminent. On purely technical grounds, Iran appears to be at least several years away from producing enough fissile material for a nuclear weapon, and whether Iran has the expertise to fabricate a nuclear weapon from this material is unknown. This 'worst case' scenario assumes that Tehran blatantly reaches for nuclear weapons without regard for international reaction. Up to now, however, Tehran has been more cautious, prepared to accept delays and limits on its nuclear activities in the interests of dividing international opposition and confrontation. Rather than dash for a bomb, Iran may seek gradually to acquire a much more substantial nuclear production capability over a decade or more – for example by completing a large-scale centrifuge plant for producing nuclear fuel - before it decides whether to exercise a weapons option. The challenge for international diplomacy in these circumstances is a delicate one. It will be important on the one hand to apply pressure and create inducements that persuade Iran not to develop a fuel cycle capability which it could later turn into a weapons programme.

On the other hand, it will be important to apply international diplomacy in a way that does not inspire Iran to abandon all restraint and seek a nuclear weapons capability without regard to the international repercussions. Iran must decide if mastery of the fuel cycle is worth the international isolation that in the current climate would no doubt result from its refusal to compromise on this point. It will have also to judge whether its power and status is reinforced or weakened if for an extended period it is seen as non-compliant with the wishes of an international community aroused to the dangers of allowing a country to sneak towards a nuclear weapons capability.

The International Atomic Energy Agency Board of Governors took the long-delayed step September 24 of formally finding Iran in noncompliance with its safeguards agreement. The Board also found that Iran's history of concealment and the resulting lack of confidence that its nuclear program is for peaceful purposes gives rise to questions within the competence of the UN Security Council. The findings provide a dual requirement for reporting Iran to New York, although the Board postponed that action over fears by Russia, China and India that doing so would begin a slippery slide down the road to war.

To the Western allies, unless Iran stops its uranium conversion work and cooperates fully with the IAEA it should be reported to New York when the Board next meets on 24-25 November. However, Russia and China have a different approach: uranium conversion is a step short of actual enrichment and unless Iran breaks the current status quo, the action should remain in Vienna. Iran may try to shore up support for the ongoing stalemate by resuming negotiations, trying perhaps to involve more sympathetic states like South Africa.

UN Security Council referral would be assured if Director General ElBaradei's next report were to contain evidence of military involvement in the nuclear programme, such as confirmation of the intelligence briefing he received on development plans for a Shahab-3 missile with a payload ideally suited for a nuclear weapon. Iran will not allow inspectors near any such evidence, of course, nor allow inspectors unfettered access to individuals or sites involved in the presumptive military program. Providing the IAEA with such additional inspection authority is among the steps that could be taken in New York. Other potential Security Council actions range from a call on Iran voluntarily to forego enrichment and reprocessing, to a Chapter VII requirement that it do so, to a formal Chapter VII decision that a proven Iranian nuclear capacity for military ends would be a threat to international peace and security, thus rendering nugatory any attempt by Iran to withdraw from the NPT.

In addition, before economic sanctions were contemplated, the UNSC might consider harsh diplomatic sanctions against Iran. Assuming Iran refuses to co-operate with the IAEA, then one option would be for the Security Council to suspend all cooperation of other UN agencies with Iran, such as UNHCR and UNDP, and perhaps also suspend the benefits of UN membership for Iran, such as it ability to vote in the General Assembly.

These kinds of measures are from time to time taken in multilateral diplomacy: the Commonwealth has suspended Zimbabwe's membership in response to its derisive internal politics; there is no reason in principle why the UN should not consider similar measures where appropriate and especially in circumstances where the rules of its own agencies have been flouted. Such an imaginative approach may be difficult to develop, but if it were, it would certainly provoke a debate in Iran as to the costs and benefits of its fuel cycle policy.

Iraq

It appears that the Sunni community, who largely boycotted the elections in January, turned out in greater numbers to vote in the referendum on the constitution. The Sunnis who did vote were doing so in an attempt to reject the constitution, and a very great many of them did, though not quite enough to overturn it formally. The fact that the referendum took place, that there was a lull in violence during the voting and that a large section of the Sunni population took part, all indicates that there is a possibility for political negotiations in the vote's aftermath.

But there will certainly need to be political negotiations. The Iraqi government and outside powers need to recognise the reality of the Sunni sentiment and to play with the vagaries of the constitution and find ways to satisfy Sunni concerns. The greatest of these are of the fractious possibilities of the federal structure. The Shias will need to be willing to abandon ideas of a super region in the south and the US will need to encourage Shia and Kurdish flexibility towards the Sunni concerns.

Those political groupings seeking to reject the current political settlement will not be easy to draw into negotiations and will want key concessions involving a commitment to US withdrawal and a major stake in any new government. It is far from certain, even

after the referendum vote, that there will be a comparable turn-out in the next general election, at present scheduled for December 15. If rejectionist groups are not drawn into talks, then the December elections could resemble the vote in January 2005 with the Sunni community largely boycotting the whole event.

In addition, Grand Ayatollah Ali al Sistani has indicated that he will not take an active role in the next election and will refuse to back any party or organisation. Sistani's position may result in the fracturing of the United Iraqi Alliance, the coalition of Shia parties that won the last election. This would mean open competition for the Shia vote between the two Islamist parties, Dawa and the Supreme Council for the Islamic Revolution in Iraq and the former Prime Minister Ayad Allawi running on a much more secular, cross-communal, platform. The December election would then become a plebiscite on which of these organisations can legitimately claim to represent the majority Shia community. It might also lead to an escalation in the conflict between Muqtada al Sadr's Mahdi Army and SCIRI's militia the Badr Brigade. Militarily these two militias are the most organised in the south of the country and have been fighting for dominance of society.

Although there has been relatively good news on the political front there remains a profound security vacuum dominating the lives of the Iraqi population across the south and centre of the country. US plans to shift the burden of fighting the insurgency from their own forces to the newly trained Iraqi army have not to date born dividends, with the Iraqi security forces remaining largely incapable of independent action. The insurgency on the other hand still retains the ability to kill Iraqi and US soldiers and continues to innovate technologically. The increased use of shaped explosive charges in road side bombs to attack coalition armoured vehicles has spread to the British zone in the south of the country. The resultant increase in British casualties has led the British government to accuse elements within the Iranian government of supporting attacks on their forces. Gulf Arab states are also increasingly concerned about the degree of Iranian influence not only in the south of the country but also in Baghdad itself.

Overall Iraq continues to be a very unstable country. The last six months have been marked by increased sectarian tension and violence. This does not, as yet, indicate a civil war as each community remains internally divided and those perpetrating violence on either side do not represent the interests of a sizable fraction of their respective communities. However with US plans for indigenisation not making progress lawlessness and sectarian violence looks set to increase. This means that political negotiations are the best possible way to limit and eventually end the insurgency. The success of these negotiations depends on the influence US diplomats have on the UIA dominated government.

The fact remains that on December 15 the pre-arranged political process ends and politics begins. The US administration has hung its remaining confidence about Iraq on the thin and fraying thread of that political process. As each milestone has been passed: elections, constitution drafting, referendum vote, the US has celebrated the fact that the process has gone on. But without a process then all attention will be focused on the poor security situation, the lag in reconstruction efforts and the inability to create lasting state structures.

In these circumstances, the ever elusive quest to bring more international actors into the situation in Iraq will become more urgent. The fact that a sovereign Iraqi government will probably be elected after 15 December means that in theory, the development of a contact group could be more palatable to international actors, as they would not be presented as conspiring with a government 'under occupation.'. For a contact group of this kind to be established, of course, the US would have to accept a diminution of its influence.

But clearly, a form of international contact group diplomacy will need in time to replace the predominantly American nature of present external influence in Iraq. That group could include, the US, the EU, the UN, Russia, and key regional states including Saudi Arabia and Egypt, and if circumstances permitted, even Iran.

That contact group diplomacy could serve to introduce a degree of flexibility into the constitutional arrangements. Rendering permanent, too quickly, a dispensation that has arisen out of the current political balance of power between the three principal sectarian groups in Iraq risks extending also the violent backlash against these arrangements.

It remains a big question whether Europeans, acting as the EU, or as a mini-contact group of itself, might take part in such arrangements were they to be established. But I would argue that it would be in Europe's interests to play a strong diplomatic role towards a formally independent Iraq, and that this should be an aim of the larger European states.

Asia's Rising Powers

How should Europe then position itself towards Asia's rising powers and how will this affect the transatlantic relationship?

Over time, both the US and Europe will need to develop a more comprehensive strategic dialogue with Asia. Indeed the absence of such a dialogue was a major transatlantic problem during the year, as the US reacted harshly to EU plans to lift the arms embargo against China for reasons that the US regarded as solely mercantilist, and developed with little understanding of the strategic situation in the region.

A key point, in thinking about this dialogue, is that neither the US, nor the Europeans, nor any other power can conceive of a strategic relationship with China in bilateral terms. The multipolarity of Asia and the 19thC character of national rivalries will not permit it.

In the last year, three Asian countries have emerged more obviously from the strategic claustrophobia that they had for so long previously inhabited: India has distanced itself from its hyphenated politics with Pakistan and more proudly made its claim for UNSC membership; Japan is emerging as a more 'normal' great power and has strengthened its security relationship with the US; China is simultaneously repairing key relationships (with India, and South East Asia) while being hyper-critical of regional players (such as Singapore, Japan) who displease it. Energy needs are driving and to a degree perverting

a good deal of China's wider geopolitical engagements , for example in Sudan and Venezuela.

Defining a relationship with China will have an impact on the way India and Japan view Europe, not to speak of the US. It is thus dangerous to speak the language of partnership: strategic dialogue aimed at hedged engagement would be a better approach.

In this regard it is worth recalling the position taken by Bob Zoellick, now Deputy Secretary of State, in 1990 or so when as Counsellor in the State department, and fresh after German unification, he argued that the US should see Germany as its main strategic partner in Europe. When one compares this view with the actual stance taken by the US towards Germany in 2004 and 2005, one is struck by the reality that perceived strategic relationships even amongst countries who know each other well can dramatically change.

The right attitude for Europe and the US to take towards China is cordial but unromantic. We need to be respectful of China's size and potential, but not overawed by the mirage of imminent power and wider influence. China has no allies, no close friends of any note strategically: it will not be impressed by diplomatic obsequiousness. Overall, Europeans need to reintroduce the concept of reciprocity in the relationship. China's domestic regional and international behaviour will colour the strategic relationship.

We also need to appreciate that this is not a perfectly centralised state. Beijing is still the capital for much of foreign policy, but remember that in many ways the old communist maxim about pay and salaried remains true: the centre pretends to rule the provinces and the provinces pretend to be ruled by the centre.

In these circumstances, Europe and the US should encourage China to see its strategic relationships within Asia through the lens of multipolarity. Multipolarity in Asia is uncomfortable for the Chinese, but necessary to regional peace and stability. The US and Europe should underline that healthy relations with Japan, India, Korea and the ASEAN states are essential. As a practical matter, India and Japan are counter-weights to Chinese power and we should show all three that we understand this.

Given that the US has a particular strategic view of the balance of power in Asia and has a specific concern over the stability if the Taiwan straits, it would be useful if European states were to more regularly reinforce, in their dealings with China, the requirement for a peaceful and ideally long-term solution to the Taiwan issue. Indeed, cross straits relations are too important to be left just to the US to address from the outside. That kind of strategic extroversion by Europe in Asia will be important to developing a stronger transatlantic relationship Asia.

In these approaches, it is important for Europe to recognise India's rise in strategic as much as in economic terms. India's recent vote with the West at the IAEA over the Iran question, indicates that it is no longer hostage to the international politics of non-alignment. India, in its foreign and security policy may slowly become more Western in its outlook, while preserving its instincts to defend the beleaguered and the

downtrodden internationally. A strategic dialogue with India will pay strategic dividends for Europe and the US.

Helping to draw India and also Japan even more into a responsible international role is also part of the China strategy, since it will indicate to China that Asian powers who uphold norms and contribute positively to peace and security earn our favour. That dialogue with India and Japan is itself a hedge, and puts China on notice that the West recognises the authority of others in the region.

Conclusion

Five conclusions emerge from this review of the iconic security issues of our time: terrorism, proliferation, the Iraq conflict and the strategic rise of Asia.

First, to address them, they demand of Europeans, as much as Americans, an entrepreneurial approach to international security. These are unconventional, new and dynamic challenges and they require responses that are inventive.

Second, international security policy today is about the domestic politics of other states. It has become naturally interventionist. The goals of outsiders in dealing with the brinkman states and with states whose internal instability risks being exported is to change not primarily their foreign policy as much as their domestic politics. But the burdens of international social engineering are huge. Europeans who decide to participate in complex operations like Afghanistan and Iraq, will need to train their civilian administrations in the arts of nation-building. Here, the Balkan experiences should in principle be helpful.

Third, reputation counts in foreign policy that is this interventionist. Indeed, current international security policy, and particularly its peacekeeping elements, is like the first law of forensics, which states that every contact leaves a trace. If too many bad traces are left by Western policy, many good ones will be needed for the West to recover its reputation, its prestige and therefore effective power. Europeans needs to work with Americans to fashion an approach to the outside world that recognises the realities of reputational risk.

Fourth, 19th C style competition between big powers, in the Gulf and in Asia, will be an important part of the geopolitical landscape, even while we in Europe, work on our post-modern structures of transparency and multilateral co-operation. In the Gulf and Asia, balances of power matter as much as balances of payments. European states cannot approach these regions, if they want to maintain a strong transatlantic approach, marshalling the post-modern rule book. On the other hand, they have much to contribute to American knowledge of these areas. With the right approach, collective assessments of the threat and response remain possible.

Fifth, the well-known intermingling of domestic and international politics is at its most acute in approaching the terrorist threat. Home-grown European terrorism is a danger. It will not be alleviated however by dramatic changes in foreign policy. That would be

both to concede our international position to terrorists and to presume that foreign policy shifts would appease them.

The question that all this raises is whether a strategic dialogue between the US and Europe can be reconstructed. The EU is in another of its introverted moods, NATO is not the forum it was for strategic discussions, and the US is in an activist frame of mind. In my view, however, if the Europeans, collectively or individually, are to develop a strategic dialogue with the US they will need to do it on the terms and on the issues raised in this talk.