

Carlo Pelanda

# THE GRAND ALLIANCE

The global integration  
of democracies



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## *Introduction*

The system of world governance created at Bretton Woods in 1944 and built on US dominance, the Dollar and the fundamentally Western nature of international institutions, is crumbling. Though the United States is still the single most powerful country in the world, it is now too “small” to maintain its role as global governor as it has done since 1945. Not that the US is any smaller or has in any way reduced its commitments throughout the world, but this world has simply become “bigger”.

### **1. The tendency towards disorder**

New world powers, such as China and India, have emerged and they are potentially at least equal to, if not greater than, the United States. The European Union, though still divided, has become an economic block poised between divergence and convergence with the US. Russia, semi co-opted into the West after the fall of the Soviet Union, is itself rebuilding a new and independent “empire”. America can rely less upon Europe as an ally, again sees Russia as an opponent and is faced with a China now more than capable of building a global power base. As a superpower America still remains faithful to the strategies and commitments of the old world order but it is finding these increasingly difficult to turn into reality. Moreover, the end of the Cold War has brought enormous complications to the great American eagle. Until the end of the 80s, the Soviet Union was the controlling power of about

half of the planet and, as such, was able to monitor and control nuclear proliferation. As this half of the planet is now in flux, America has become the only global governor, doubling its burden.

As all of the world's nations owe a great deal of their growth to the export of products to the US market, America remains a crucial and central figure in the world economy. Should this market no longer be able to absorb these products, or even just reduce the quantities imported, a global depression would ensue, as no other world power could take over this role. China is emerging as the second most powerful driving force of the world economy and has a dual role with America in the circulation of goods and wealth. Its significant growth, however, is not being matched by equally significant developments in political and economic institutions and, without them, China runs the risk of implosion and destabilisation.

Current trends indicate that a new order of world governance is being created based on regional blocks or meganations. The largely opportunist, unstable and reversible nature of the coalitions created in this arena could bring about a return to the system of international relations characteristic of the 19<sup>th</sup> and first part of the 20th centuries, with all their power struggles between competing nations. The new powers will probably be less inclined to resolve conflicts by recourse to violence and will be able to handle evident global emergencies through international cooperation, but it is difficult to imagine these powers forming cohesive alliances able to govern the planet. The transition from a world order sustained by America and its allies to one based on a multilateral system of divergent powers seems unsatisfactory and is unlikely to bring about geopolitical stability. It would appear equally dangerous to allow China to participate in a multilateral world governance without the obligation to respect standards of non-aggressive behaviour towards other nations, or principles of internal democracy. For reasons of diplomatic necessity and to maintain the tricky balance in the world, the Islamic block, totally divergent from the Western model, might have to be included in this system of World governance. As a direct result of this, other nations may prefer to form new alliances such as, say, a South American block or an African alliance. Granted, this might be positive at a regional level but it would increase the number of interests and differences to be taken into account on a global level, downsizing world governance. Therefore what seems most likely to happen and

least satisfactory is precisely what, on the international political level, would undermine the future stability of the global market.

On the contrary, what would be satisfactory is a strong alliance between America, the European Union and the Asian democracies such as Russia, India and Japan. The gradually converging military and economic power of these meganations, plus the European Union, would be more than enough to guarantee economic governance and security to the globe. The fact that these states are, for the most part, mature and stable democracies – with some reservations about Russia – would give any alliance between them the credibility needed to govern the world economy. Moreover, the moral and technical culture at the heart of such an alliance would be fundamentally Western whereas, in the multilateral scenario outlined earlier, Western values would be weakened and even abandoned. Yet a Grand Alliance between America, Europe and democratic Asia seems unlikely in the near future and will certainly not just happen.

What should be done? Should world governances be looking for the ways and means to mitigate the effects of de-Westernisation and the risks of world disorder, accepting the inevitable – unstable multilateralism? Or should attempts be made to make a Grand Alliance more likely?

This book aims to breathe life into the idea of a Grand Alliance of democratic powers, to assess the likelihood of such an alliance being created and to identify its role in guaranteeing the effective governance of the world economy and global safety.

## **2. The geopolitical priority**

This book is based on research I have been carrying out since the early 1990s into the conditions that would allow the development of a technically solid and politically stable global economy, within the historical perspective.

The first output of this research into the political structure of a global system was “The Spectre of Poverty” (*Il fantasma della Povertà*), written in 1995 with Edward Luttwak and Giulio Tremonti, an attempt to define a model of balanced capitalism for both domestic and

international markets, in the face of the evident technical and social imbalances of the initial years of economic globalisation.

A second series of research papers, published in “Growth State” (*Stato della crescita*) in 2000, and “Futurisation” (*Futurizzazione*) in 2003, tried to develop the idea of a new concept of both American and European Welfare compatible with a global economy.

The third series of research projects, of which this book can be seen as a development, was completed together with Prof. Paolo Savona. The analysis of the dangerous void in governance for the globalisation process was the starting point for this book which aimed to identify the new political and economic institutions needed to fill the gap. From this research, two new theories emerged: the balancing of sovereignty within the global political architecture (“Sovereignty and Wealth” – *Sovranità & ricchezza*, 2001) and the doctrine of the priority of “confidence” over “stability” for global economic politics (“Sovereignty and Confidence” – *Sovranità & fiducia*, 2005).

A central theme of the three pieces of research has been the development of a politically and economically viable global governance. Since the early 1990s, I have been a convinced advocate of an alliance between existing world democracies, as a natural extension of the G8 and to take over from an America which is finding its role as global governor increasingly difficult. The underlying assumption behind my research was that, over time, some form of new, global alliance as a development of the tri-lateral system would naturally be formed, and attention was therefore given to how this new alliance would function in relation to world economic and political stability. Now it appears unlikely that, in the current global arena, such an alliance will be formed. The West is increasingly divided and unable to develop stable alliances. A new form of global governance for the here and now and for the years to come is therefore a priority concern.

### **3. The Grand Alliance**

The thoughts summarized above led to the development of the idea of The Grand Alliance. The three-headed eagle on the front cover of this book is the symbol of an alliance between democracies which could become strong and stable over time, and develop a shared mis-

sion in global governance. The eagle is the ideal symbol because it gives a strong sense of governance from above and not alongside.

The political name for the Grand Alliance in the future could be “Democratic Union”, or better still, “The Democratic Community”, or “The Free Community”, as the new generation of political leaders decide.

The size of any Grand Alliance would be dictated largely by the geographical areas that the states involved cover. The United States, the European Union and the most important Asian democracies (Russia, albeit with its struggling democracy, India and Japan) give the eagle its three heads, three widely differing cultural entities, united in one body, the alliance. This is the basic minimum requirement for any alliance that is to guarantee global governance, considering the scale of the problems involved and the solutions required.

The Grand Alliance could be seen as an aggressive empire seeking to impose political and economic hegemony on the world. Aggression aside, the aim is precisely that: the vertical governance of the world economy. The outbreak of war could be avoided as the size and power of this democratic alliance would be sufficient to dissuade any dissenting state or government from instigating such conflicts. The idea is get countries to opt in for convenience rather than opt out through violence. In its most simple terms, it is to create an unchallenged, benign superpower, unrestrictedly open to future co-optation, as a tool to create democratic governments worldwide, working together.

Accusations of imperialism from non-democratic nations can be expected. These accusations can be answered by simply inviting the critics to democratise and join the alliance. As they ponder their decision they will be able to watch the 3-headed eagle soaring.

The reactions of intellectuals, researchers and politicians, within the democratic area itself, could be significantly more problematic, however.

The following chapters present a realistic and practical scenario addressing the reservations of sceptical politicians. The fundamental concepts which underpin the idea of The Grand Alliance must be presented immediately to intellectuals and researchers alike.

#### **4. From the call for realism to arguing a case realistically**

The literature is full of texts which claim to present a realistic vision of the future. This book is no different. Research in Social Sciences can be defined as realistic or idealistic, to some extent, by analysing the relationship between the means and the end result. Yet it is very difficult to pinpoint, within the sphere of realism, what actually is realistic. This is not just an epistemological or gnoseological problem. It is a practical one. Though usually sharing a certain “methodological pessimism”, typical in this field of analytical thinking, realists are usually divided into optimists and pessimists. There are some very pessimistic positions which could be summed up as “declinism”. Trouble can be seen up ahead and readers are being warned, without concealing the alarm. This then produces idealistic solutions, which realistic optimists subsequently try to demolish in their reviews. They are, to some extent, right.

The future scenario presented in this book shares some of this pessimism and includes serious problems which, if unsolved, could lead to the decline of the West and its system of moral and technical values which currently cement world order. But this is not “declinism”. The emergency solutions put forward are not incompatible with actual, visible, global tendencies. The call for realism is not based on a feeling – hey, can’t you see the dam is breaking! – but on the analysis of the global trends we can all see in play. And the recommended solutions are based on concrete interests. Basically, the call for realism is neither alarmist nor emotional, but reasoned.

My response to this envisaged future crisis shuns the emotional sphere of alarm and seeks to put forward a feasible answer to our problems.

#### **5. From an unrealistic to a realistic approach**

It is unrealistic to propose a solution to the world governance problem that is multilateral and loosely structured, as this would require an excessive faith in global good will and the ability of the many players in the arena to share multiple interests in a balanced manner; a faith which is not supported by past or present experience. To support this idea would be weak thinking leading to weak solutions. I readily admit that this kind

of methodological pessimism is in the tradition of Hobbes' political and technical thinking and that tradition leads to a preference for vertical, rather than horizontal, forms of governance.

## **6. From pragmatic to strategic realism**

In my opinion, today, "strategic realism" is more productive than "pragmatic realism". The latter tends to minimise risk today and increase it for tomorrow. The former accepts very significant risks in the present to avoid serious danger in the future and this is the form of realism enshrined in the Grand Alliance. The tendency to anticipate emergencies before it is too late could even be called "long" pragmatism. It does not exclude "short" pragmatism wherever necessary or useful. "Strategic realism", my preference, eschews idealism and the temptation not to take into account the need for means to correspond with ends.

This kind of realism is nourished by the "Italian school of political realism", established by Niccolò Machiavelli, a form of realism combining pragmatic and strategic realism which Machiavelli formulated to enable the ruling Prince to put an end to the disorders of the 16<sup>th</sup> century. Today we are looking for a winged Prince able to rectify the disorder in the world. The kind of realism I am referring to could be defined as "directional realism" where strict adherence to the facts serves to direct historical development rather than passively submit to its natural evolution.

## **7. From moralism to utilitarianism**

The ideas I put forward in this book aim to help us push historical developments in the most appropriate direction. I will not make use of ideological statements that evoke emotional responses, as found in pacifist, multilateral, or even neocon literature. I would rather be taken to have a position akin to that of utilitarian philosophy, the idea, based substantially on facts, that the world is shaped by interests and not – powerful though they are – by emotions. International relations between states are undeniably driven by interests, whatever the emotions

generated by public opinion or religion which may significantly influence government foreign policy. The way to get the global economy on course is to identify the real interests binding democratic nations carrying the power required to create a world command base, and to make these interests compatible and convergent. Though the term “directional utilitarian realism” might seem excessively baroque, it does give a clear idea of the methodological approach used here.

## **8. From accommodating diplomacy to conditioning diplomacy**

One basic problem remains. Can it be realistic to suggest that global governance by the Alliance exclude China and the majority of Islamic countries, three billion people, half the world? Yes, it can. China promises to become one of the world’s superpowers and shows no sign of wanting to accept restrictions dictated by integration or democracy. Islam is seriously at risk of allowing irrational and aggressive organisations to emerge and dominate from within. We cannot accept that a more interdependent world be penetrated by intrinsically unstable, aggressive and opaque nations that would destabilise it.

The only way to solve this problem is to create a solution that is bigger than the problem, i.e. an alliance that is stronger than its worst possible enemies, potentially China and extremists emerging from the turbulent Islamic world. I realise that this suggestion may read as a prediction of future war but it is precisely this that the idea of the Grand Alliance is aimed to prevent, creating a powerbase strong enough to dissuade divergent nations from challenging it. The nature of the alliance should encourage possible enemies to become friends. The alliance should be able to modify divergent political cultures, sustaining convergence. More simply put, the creation of the Grand Alliance would not mean a systematic use of the stick. It would have the strength to govern both with the stick and the carrot, when one is necessary or the other advisable.

The aim is peace, achieved realistically: *pax mundi*.

## *1. The crisis of world order, centred on America*

The United States of America remains the single most important world power, but it has become too “small” to act effectively as world coordinator. There are more large competitors than previously and, furthermore, the problems to be addressed are more complex. For decades, the United States has been at the centre of a world alliance that is itself now partially de-structured, and the relationship with the Europeans has changed significantly. Moreover, no alternative alliance of greater weight, and no alternative model for global governance, has emerged that could in itself compensate for the United States’ diminished capacity to act as global governor. As a consequence, at this moment, there is no actual, credible global governance.

Such language could surprise experts in International Relations involved in the debate on the nature of the hegemonic power of the United States – Is it right or wrong? Is it realistic or unrealistic? – Many of these experts, for example, met at a symposium in Montreal in March 2004 to present and discuss research documents on American hegemony and its critics (*International Studies Review*, 2005). Nearly all those present, who represented different schools of academic thought and different perspectives on the facts, agreed on the extent of American power. They could not, however, agree on how to define it – hegemonic, benignly hegemonic, imperial, imperialistic, benevolent, malign, etc. I am frankly surprised to see that a large part of the research community has failed to recognise what is evident: America and its allies are “too small” to govern the world.

## **1. An unsolved problem since the 1970s**

The transition from an old to a new world order is often said to have begun with the fall of the Berlin Wall (1989) and this is a logical assumption. The bipolar system of world government, set up between the United States and Russia, was built on the certainty of mutually assured destruction (M.A.D.) should violent conflict ever break out. Each of the two powers involved governed half of the planet, and this made matters simple. Neither of the two leading powers had fixed borders, apart from the Iron Curtain in Europe established by the Yalta agreement, and both constantly attempted to increase their spheres of influence or to defend existing strongholds. Although these were turbulent years marked by many small-scale wars, a viable system of world government had been established. It is, therefore, historically correct to consider the fall of the Soviet Union as the key event that led to the end of the bipolar system and the start of a transition period towards a new system.

This new system, however, has yet to appear on the horizon. The term “post-Cold War”, or even “post-post-Cold War”, is still in use today as there is no significant concept of world order more relevant than the previous bipolar one. The United States found itself unexpectedly alone not only in having to govern the part of the world previously overseen by the Russians, but also as centre for the entire world market, and not just half of it. So the position of global governor is “vacant”, not so much because there is no governing body, as because the United States is not able to govern.

It would be misleading to suggest that the issues which make America unable to govern the world began in 1989. They began much earlier.

In the early 1970s, America made an attempt to share the responsibility for world security and the management of the global economy with other members of the alliance by making governance a more collective affair. The United States was no longer able to bear, single-handed, the weight of military intervention in conflicts that were breaking out on the borders of its sphere of influence and wanted its allies to contribute more to world security and defence.

However, the problem generated by collective financial responsibility for world order was just as pressing, if not more so.

To understand the historical developments that lie behind this prob-

lem, it is necessary to go further back in time. At the end of the 1950s, it was feared that the USSR was about to overtake the United States in terms of technological development, and even in economic terms too. The Russians were the first to send a human being into space. They had nuclear capacity and were able to build advanced weapons systems. Following post-war growth, their economy seemed capable of generating wide-spread wealth. Many American analysts of that era, such as the researchers at the *Stanford Research Institute*, considered overall Russian superiority a real possibility. Political analysts could see how communist parties in the West were able to increase their influence within the countries of the alliance on the strength of Soviet successes. Post-war growth generated disparities within society which increased the demand for social support, typically advocated by left-wing parties, the communist parties controlled by Moscow. It became increasingly necessary to demonstrate that the Western economic model was indeed superior.

It was John Kennedy, in the early 1960s, who responded to this threat of supposed Soviet technological superiority and launched the programme that would lead, in 1969, to victory in the Space Race. He began a process of rearmament that was to restore technological superiority to the United States and developed more aggressive government policies to slow Soviet expansion. The United States had, however, to maintain levels of consensus among the allies. Though this in itself did not create the system of “asymmetric” trade between the allies, actually started at the end of the Second World War, it certainly reinforced it. The United States allowed its allies to export whatever products they wished to the rich American home markets, without asking for similar opportunities in the allies’ own territories. In this way, for example, Japan was able to export and build cars in the United States, and maintain protectionism at home. The same thing happened in Europe. European allies generated great wealth by increasing exports to the US and simultaneously protecting the weaker, less competitive areas of their local economy. American markets became over-competitive, while European markets were over-capitalised. This was the financial cost of creating a general consensus for the Western economic model in the countries within the perimeter of the American alliance.

The cost to the United States, at a social level, of this “strategic assistentialism” brought about by asymmetric international trade was