



The global powder keg

By Jonathan Wood

Every Man clubbed Davos Man, globalisation moved east

Globalisation sought to constrain militant nationalism with shared prosperity. Trade and financial integration would make major conflict unthinkable costly. Growth would supplant military spending as a barometer of national strength. Universal access to information would help to liberate societies from glaring corruption, repression and stagnation. The international community would swiftly and collectively punish transgressors.

It worked, but not completely. Growth became the fundamental mark of success, but military muscle proved decisive at points of confrontation from Georgia to Syria to the South China Sea. Information appeared liberating during the Arab Spring, encouraging experiments to manipulate – and later weaponise – social media. The international community often acquiesced, rather than agreed, to an agenda and institutions determined by powerful states.

Ultimately, the global financial crisis ruptured the veneer of shared prosperity itself. The uneven economic benefits and perceived social and security threats of integration culminated in a broad populist backlash against globalisation. Trade was unfair, immigration was dangerous, and elites were to blame. Every Man then clubbed Davos Man in a series of Western polls since 2016, depleting support for globalisation among its most earnest architects and guarantors.

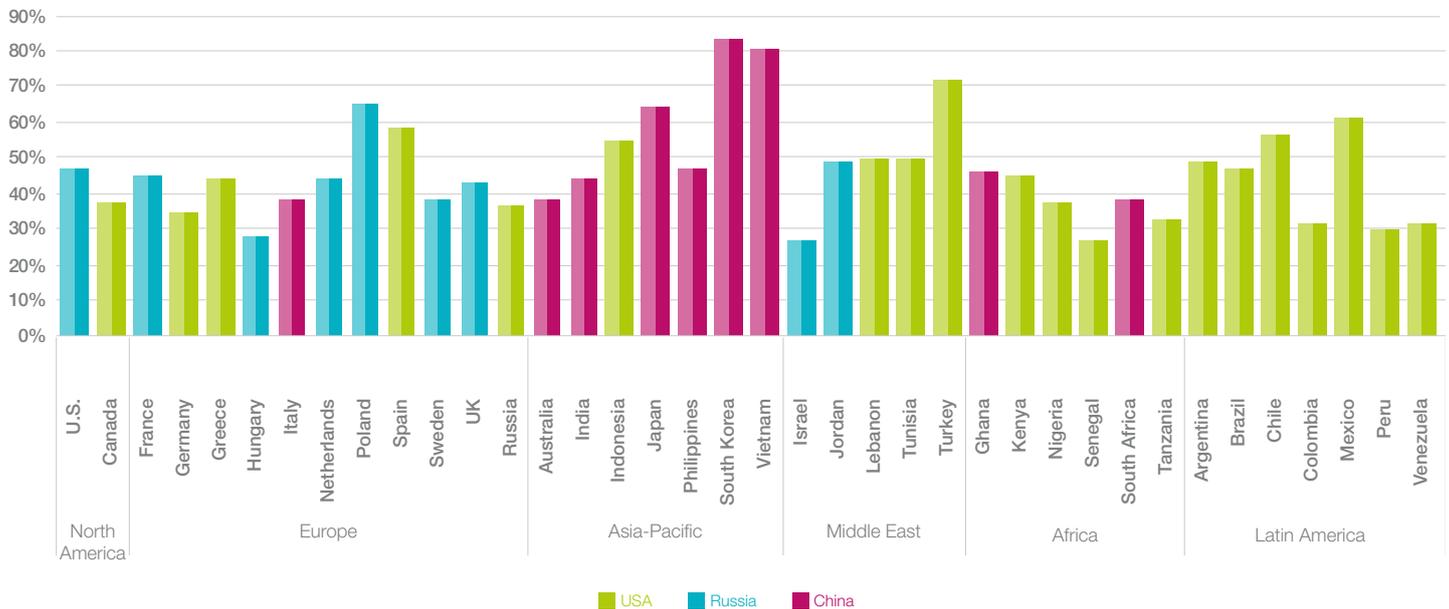
As a result, the defence of win-win globalisation has shifted towards its main beneficiaries in Asia. America First nationalism opened the door to Chinese global leadership. While the US threatens trade wars in the novel 'Indo-Pacific' region, China offers Belt and Road partnerships in the traditional Eurasian fulcrum of global power. (If nothing else, the geo is back in geopolitics.) Even if many of China's neighbours remain wary of its power and influence, they cannot ignore its economic gravity and have largely bought into it not going wrong.

Appetite for destruction

Where does this leave decision makers scanning 2018? Across the world conflict risk will remain elevated but largely localised. The US and China are not about to go to war over competing geopolitical visions. Globally, rising nationalism and sharpening regional competition have increased the appetite, if not yet the imperative, for military action. Short of direct confrontation, proxy warfare will remain attractive, with attendant escalation risks. Meanwhile, fragile states continue to incubate non-state armed groups pursuing asymmetric capabilities.

With the capacity and legitimacy of international institutions fraying, economic interdependence, military deterrence and increasingly transactional diplomacy are the main bulwarks against armed conflict. Dusting off deterrence theories for a multipolar era helps, but is also powering arms races in Europe, the Middle East and East Asia. Transactional diplomacy, meanwhile, trades short-term crisis management for long-term strategic drift.

Fig.1 ▶ Top threat among US, Russia and China (% responding)



If anything, the escalating North Korea situation pushed confrontations over trade and the South China Sea firmly on to back burners, where they are likely to remain in 2018. North Korea also illustrates a more disturbing trend in geopolitics for 2018: the political desire for decisive military action to solve thorny problems once and for all.

The US's robust telegraphing of the threat of military action against Pyongyang is belied by its insistence that any conflict would be catastrophic (especially for the people of Seoul) and probably indecisive. There are significant strategic constraints on President Donald Trump's ability to roll the dice: South Korea, China, Japan, Russia and the EU all reject unilateral military action. But since North Korea appears committed to securing a nuclear intercontinental ballistic missile, ratcheting up the tension increases the space for misinterpretation and miscalculation.

Despite the risks, as intent to wage war has increased, so too has the risk of miscalculation. The race to occupy power vacuums left by Western retrenchment, the accommodation of new economic and military patrons, and hedging against strategic uncertainty increasingly appear to reward initiative rather than 'strategic patience'. Successful diplomacy remains exceptional, not least as a consequence of shrinking and sidelined foreign ministries.

Instead, from the US-led coalition's relentless mission to 'degrade and destroy' Islamic State (IS) to Turkey's offensives against Kurdish separatists; from Myanmar's 'counter-terrorism operation' in Rakhine state to the Syrian regime's cynical 'liberation' of Aleppo; from the Gulf states' full-spectrum intervention in Yemen to Israel's simmering confrontation with Hizbullah; from the war on drugs in Mexico to that in the Philippines, governments increasingly opt to crush their adversaries.

Sometimes it seems to work. Russia's intervention in Syria dramatically altered the balance of power in favour of the government of President Bashar al-Assad, while securing a strategic foothold on the Mediterranean. It cobbled together a convenient – though assuredly transient – geopolitical axis with Turkey and Iran, bending US policy towards preservation of the Assad regime and burnishing its great power credentials in the region. The intervention was also popular on the Russian domestic front.

Often, however, the radical simplicity of the military approach is belied by its tendency to quagmire and stalemate, spiralling human and financial costs, and lingering blowback potential. To wit, Russia's Syria gambit helped to radicalise a generation of Islamist militants

in and from the North Caucasus and Central Asia. It is stuck defending the Syrian regime at the UN Security Council, issuing its most vetoes since the end of the Cold War. Durable US sanctions – and poor bilateral relations – now hinge on Syria as well as Ukraine.

Tinder and tripwires

The geopolitical situation is combustible. Hard problems, nationalist pretence, close quarters, and absent or unreliable dialogue mechanisms collectively increase the space for accident or miscalculation. Impulsive personalities at the forefront of geopolitics are an entertaining but complicating factor. It's not just Trump and Kim Jong-un: from Erdogan to Duterte, the art of the diss has replaced the *démarche* for the social media age. In 2018, actions will still speak louder than words, but sifting policy from posturing will remain a full-time concern for companies and countries alike.

Three tripwires stand out for the year ahead:

In Syria, shared counter-terrorism objectives will no longer paper over divergent strategic interests. The collapse of IS territory in Syria and Iraq has brought rival forces into close proximity and sporadic contact, with no consensus on the appropriate venue, mechanism or outcome for a post-conflict settlement. As the IS end game predictably evolves into a new contest for regional hegemony and self-determination, military facts-on-the-ground still set the agenda. Whether and how the US determines to 'counter' Iran in Syria and the wider Middle East remains one of the most significant geopolitical variables for 2018. Sometime in 2018, North Korea is likely to demonstrate a nuclear-armed ballistic missile, potentially one capable of reaching the US homeland. The form, timing and success of any test will be crucial to shaping the US, regional and international response, but the underlying constraints are unlikely to have changed. Military action remains unlikely, but the escalation slope slippery. As a result, isolation and deterrence, against a backdrop of regional defence upgrading, are the most probable outcomes.

Finally, the capabilities of non-state groups to strike from the global fringe will continue to improve. Proof-of-concept attacks, from weaponised consumer drones to destructive cyber exploits, will continue to diffuse and find practical application among ideological extremists and organised criminals. The asymmetric vulnerabilities of complex societies are only partly known, but demands for justice, accountability and retribution after an atrocity are certain.



Jonathan Wood

Director

✉ jonathan.wood@controlrisks.com



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