

# KISSINGER DISCUSSES THE PROBLEMS OF SUCCESS IN A NEW WORLD ORDER

by R. Christopher Taylor

“If you compare what American leaders said in the 1940s and 1950s about our national ambitions, it corresponds almost totally with what happened between 1989 and 1991,” claimed Dr. Henry Kissinger in his address, *Global Realities in a New World Order*, presented to The Planning Forum’s 1992 International Strategic Management Conference in New Orleans. Those ambitions included the liberation of Eastern Europe and the defeat of communism. The problems now only come about because these goals have been achieved. Where should the U.S. turn its attentions next? The key to the future lies in the past, according to the former Secretary of State.



Henry A. Kissinger

Until the end of World War II, the U.S. had no effective foreign policy; the nation was isolationist, protected by two oceans and barely affected by world events unless those events had first involved many other countries. After World War II, the U.S. became hugely dominant, with an atomic monopoly and almost 50 percent of the world’s gross national product. Foreign policy became broadly similar to domestic policy, and problems turned into simple issues of resource allocation.

Now, and in the period ahead, the U.S. remains an extremely powerful country; however, it is possible to see four or five others of similar strength, and still more will likely emerge. And the U.S. must stay with the game; a retreat into isolation is not an option in a world of interconnected communications, rapid travel, a global economy and environmental and nuclear dangers.

Perception plays a part, too. American writers, Kissinger suggests, propose that to maintain a balance of power is wrong; international communities should be organized through international law. “But when you have four, five, six major players of comparable strength, the only ways to preserve stability and peace are domination and equilibrium. Domination is beyond any single nation’s capacity right now, so the balance of power becomes a necessity.”

During the Persian Gulf crisis, President Bush said that the U.S. could lead an alliance because it supported international law without being prejudiced by any selfish interest. Whether true or false, the possession of interests is not something to apologize for, says Kissinger. “Of course we must make those interests compatible with those of other nations, and they must make theirs compatible with ours, but to pretend we are a foundation, not a country, is capricious and carries an element of unpredictability.”

As a nation, the U.S. also tends to personalize relations. At the close of World War I, President Wilson said: “We have no quarrel with the German people, nor do we fight for the balance of power. Our problem is the German emperor, who is an evil man and a threat to the peace.” It does not actually matter whether he was right or wrong; the point was, after the emperor was removed, what was the American objective? The uncertainty regarding the answer to this question was a contributing factor to why the ensuing peace lasted barely 20 years.

## THE COLLAPSE OF THE U.S.S.R.

Reviewing the “New World Order,” Kissinger considered first the former Soviet Union (FSU), which has witnessed two astonishing revolutions in the past three years — against communism and against imperialism. The first was directed against the economic system, and the central planning that characterizes all communist states: “... a system that guarantees stagnation and feudalism, because when every article moves by allocation, when there are no markets, no criteria by which you can judge success, then those who make the allocations are in a position to favor selected groups or individuals.”

And there is no incentive for innovation. Managers are politicians in communist states; their chief skill consists of negotiating quotas with the planners. They have no experience in marketing; rather, their experience is in selling things to a ministry that has undertaken to buy. They are not entrepreneurs and they are not innovators, and these factors are major obstacles to a free market economy.

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*Henry A. Kissinger, Ph.D., served as U.S. Secretary of State from 1973 until 1977. He received the Nobel Peace Prize in 1973, and serves on the boards of directors of seven Fortune 500 companies.*

This system is being changed in full public view at the moment. However, more often than not, the people running the industries in the former communist countries today are the same ones who ran them under communism. It is extremely difficult to change to market economics when in recent memory those suspected of holding unorthodox views were expelled from key positions or murdered, and where there is no experience with markets. Only one ex-communist country has been successful, and that is communist China.

The second challenge for the FSU is the anti-imperialist revolution. In the year 1700, Russia was the territory surrounding Moscow. Since then it has expanded almost continuously, very differently from the way Western European empires grew — through far-removed colonies administered by professional civil servants. In the colonies, immigration to the mother country was rarely permitted; the “home” social and political structure was largely unaffected.

But Russia’s growth was to adjacent territories, so with each new conquest the nature of the Russian state changed. Security requirements changed, too; the army was always out of proportion for any imaginable security objective because it was needed to hold down the population. So the empire developed unique characteristics — an excessively large army and a morbid suspicion of the outside world. (It was the only European country whose nationals were never allowed to travel beyond their own frontiers and who even required passports for domestic travel.) The myth of a permanently hostile outside world had to be fostered to justify to the Soviet subjects that, deep as their internal conflicts were, the world outside was still more dangerous.

This created a society held together by extreme centralization and by force, and the removal of these pressures resulted in the explosion of the Soviet society. Of the 15 former Soviet republics, the three Baltic states have declared themselves independent; the other 12 are connected in a self-styled Commonwealth of Independent States. Kissinger is skeptical of this alliance: “For most people, a commonwealth suggests a common foreign policy, a common finance policy, a common army or at least one of these — but I have spoken to eight of the presidents and none of them wants even one of the three!”

But even that is not the end of it. The Russian republic accounts for two-thirds of the entire territory and half the population, which is widespread across the whole territory. Most leaders and intellectuals, claims Kissinger, even the violently anti-communist ones, are reluctant to see the old empire disintegrate. “I don’t know anyone among the leadership of the Russian republic who is happy with the break-up, or even accepts it. And I don’t know anybody in any of the republics who wants to return to the old empire.”

Things are not made any easier by the fact that in nearly all of the republics, including the Baltic states, the former Soviet army remains and shows no sign of leaving. It reports to the defense ministry in Moscow, which in turn reports to nobody because it claims to be the defense ministry of the Commonwealth. The nightmare potential for a situation like Yugoslavia is ever-present.

What are the implications of this for the American national interest? Certain limited things can be done: some humanitarian aid, technical assistance and project help. But consider that Germany is spending nearly \$100 billion a year on East Germany, with a population of 16 million and access to West German management and civil servants. Extend those figures to the FSU, and it takes 1.5 trillion dollars to achieve the same scale of investment. That is beyond anybody’s capacity. It will remain very complicated there for a while; the American political priority is to prevent the Russian empire from re-forming.

That priority manifests itself in two ways, says Kissinger. First, to ensure that aid is divided equally between Russia and the other republics. And second: “... many leaders in the Russian republic remember the events between 1917 and 1922 when many of the republics became independent, and were forced back into the Soviet net within five years. They must understand that any attempt to reconstitute the empire will worsen relationships with the West.”

The problem is very different from that which applied at the time of the Western European recovery program in 1947–1955. These are different peoples, with different history and different pressures. Look at Central Asia for example: 60 million people in a part of the former Russian empire, mostly Kurdish-speaking, under pressure from Iranian fundamentalism and influence from Pakistan and Turkey. What is the U.S. role there? Kissinger believes it is to prevent fundamentalism from becoming dominant. This implies that on occasion, the U.S. will have to decide whether to cooperate with Turkey or even Russia, if it is prepared to stay within its boundaries and deal with the issue as a problem of foreign policy.

## EUROPE

In the post-war period the U.S. played a dominant role in Europe for two main reasons: fear of Soviet aggression and the division of Germany. Fear of Soviet aggression meant that Western Europeans were prepared to pay a premium for protection whether they fully agreed with U.S. policy or not, because they felt they needed support. Second, while Germany was divided, West Germany paid a premium to Western Europe and the U.S. to recognize it as a responsible, democratic member of the international community. Now the Soviet army is a thousand miles further east and Germany is unified, so these

premiums have disappeared. This does not mean that cooperation is not possible, just that it has become more complicated.

The Atlantic Alliance and NATO tied the U.S. to Europe. The Atlantic Alliance is essentially a military institution and has been seen by Europe as less necessary than it was. Its function as a safety net means it will be maintained, but the U.S. relationship with Western Europe must become more political than military, and more economic than political. Germany's role must increase; right now it faces severe economic difficulties, but when it finishes the task, East Germany will be the most modern industrial plant in the world, able to employ relatively cheap labor from Eastern and Southeastern Europe. Even if Germany goes through four or five years of economic hardship, it will still create an economy that may in the next century achieve the success of Japan in the 1960s.

### ASIA

Now look at Asia — focus on Japan, China, Korea, Russia and India. Russia will become a major player as its center of gravity moves to the east. Japan has been a center of attention for some time. But Kissinger feels: "... culturally, Japan sees itself in a potentially hostile environment, prevailing through superior discipline, maybe superior intelligence, and certainly superior organization. It has no experience in global management and can be dealt with best through a proper balance of rewards and penalties."

China today is making more dramatic economic progress than maybe any nation, well ahead of what is conceivable in Russia. It has the shortest history of communism, and an entrepreneurial and individualistic people. The overseas Chinese — in Taiwan, Hong Kong, and Singapore — provide reference models within the perspective of their own cultures; the FSU has none of this. In China today a larger percentage of the economy is private than in Italy, and that revolution has occurred almost unnoticed.

"I always stress the importance of U.S.-Chinese relations," said Kissinger. "Not because of any particular business interest in China, but because anyone who has ever dealt with Asia knows that when conducting foreign or commercial policy in that area, there are more than a billion people against you, and the tremendous cultural impact of the overseas Chinese will handicap you most severely.

"Certainly, we are entitled to our preferences about the domestic structure of China; we must remember our own interests and not

hand opportunities to Japan, Russia or even European competitors."

### LATIN AMERICA

Latin America is in many respects the most promising area of the world as far as the U.S. is concerned. Look at Mexico, Chile, Argentina, even Venezuela with all its political difficulties. In these countries there is genuine progress toward market economics and democracy. This is where the U.S. can organize regional markets, if the world economy necessitates competitive positions that can be maintained to defend local interests. "This is where we have conducted a very constructive foreign policy, and why I believe the North American Free Trade Agreement with Mexico is overwhelmingly in the U.S. national interest," asserts Kissinger.

"No country has enjoyed the kind of success the U.S. has met over the last two or three years," he concluded. "Five years ago we would have gladly traded these issues for those we faced then, except that nobody believed in the remotest possibility of today's situation coming about. The problems I have described are the problems of success, and we can solve them largely by our own efforts. No other society can claim this." ♦

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