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Discussion Paper  
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***Session I: Uses and abuses of history –  
Parallels and differences between Europe in 1914 and Asia in 2014***

Prof. Dr. Amitav Acharya  
American University  
Washington DC

## 1914 and 2014: Will Europe's Past be Asia's Future?

*Amitav Acharya*

Will Europe's past be Asia's future? Increasingly many Asia-watchers are saying yes to this question. They include not just Western pundits, but also Asian leaders. *The Economist* Magazine has noted, referring to the China-Japan dispute over the Senkaku/Diaoyu islands in the East China Sea, and the assassination of the archduke of the Austria-Hungary empire in Sarajevo in 1914 that triggered World War I, that "disputes about clumps of rock could become as significant as the assassination of an archduke". Speaking at Davos in January 2014, Japanese Prime Minister Shinzo Abe compared current China-Japan tensions with the German-Britain rivalry before World War I, implying that trade ties between two major powers are not sufficient to preclude strategic rivalry leading to war.

In international relations it is much safer to be a pessimist than an optimist. A pessimist who predicts danger is often praised as cautious and pragmatic, even if the prediction proves unfounded. When an optimistic prediction goes wrong, blame is swift and harsh.

Should one then play it safe and predict World War III out of Asia? One is reminded of George Santayana's famous words: "Those who fail to learn from history are condemned to repeat it". Yet, invoking historical analogies is a convenient and dramatic way for politicians and media to get attention. Both Japan and Philippines are direct parties to territorial disputes with China. Invoking Europe's past, especially the two world wars is a sure way of getting international attention and sympathy.

But the use of historical analogies can be deceptive unless one recognizes what has changed as much as what has not. Let's consider six main differences between Europe of 1914 and Asia of 2014.

First, Europe 1914 was on a multipolar mode, whereas East Asia and the world in 2014 are on a *multiplex* mode. A Multiplex World, as I have outlined in *The End of American World Order*, is quite different from the conventional European notion of multipolarity. As in a multiplex theatre, a Multiplex World implies the supply of multiple scripts, actors, directors and producers under one large roof. It is characterized by multiple centers and layers of power and influence, in which the principal actors are bound by complex forms of interdependence. Dense economic ties are a key, but not the only, feature of the Multiplex World. Some argues that economic interdependence among European powers did little to prevent World War I. But the nature of economic linkages today is more sweeping, multidimensional and reciprocal than that before 1914. European economic interdependence in 1914 was

narrow and regional; today's interdependence is broader, deeper and global. Asian interdependence today is driven not just by trade, but also by production networks, finance and investments. US-China economic ties feature not only trade, but also the financial equivalent of Mutual Assured Destruction (MAD) situation. Massive Chinese holdings of US treasury bonds (amounting to US\$ 1.317 trillion in November 2013, or one-third of China's total foreign exchange reserves) not only finances US debt, but ensures that any precipitate Chinese withdrawal of those will seriously devalue its currency and wealth.

Intra-European trade before 1914 was subject to the pressures of intense domestic economic nationalism. Today's Asian interdependence is a subset of a much more open global economy. As historian Norman Stone points out in *Europe Transformed*, before World War I, while Germany depended on trade for about one-third of its GDP, it also faced serious tariffs from its competitors. And Germany itself also imposed tariffs on others which its parliament refused to cut them out of nationalism. Today, China depends on foreign trade for more than 60 percent of its GDP, hence disruption of its trade due to all-out war would be much more damaging to it. China's and Asia's open economies face much greater barriers to protectionism, and are closely integrated into the global economy. Such interdependence creates much greater degree of mutual sensitivity and vulnerability, as we have found out in successive economic crisis. It imposes heavier costs on war, even if it cannot prevent war completely.

A second difference has to do with nuclear weapons. They did not exist in 1914. In fact no weapon of mass destruction existing then comes close to what we have since 1945. Even a diehard pessimist would accept that nuclear are a major new development in world politics since World War II, and are a factor in discouraging great power war today. No amount of perfection in developing ballistic missile defence, or the sleekest doctrine of limited war can alter this fact.

Third, the world in 1914 was rife with colonialism (hence competition among the European colonial powers built around the competition for overseas colonies). This does not exist in 2014. Some liken the competition for resources today by rising powers such as China or India as a form of neocolonial competition which might lead to war. But this is a trivialization of what colonialism was about.

Fourth, in the society and politics of Europe in 1914, there was a strong and widely held belief in the necessity of war to maintain stability and the balance of power. War was deemed to be a natural condition and a necessary instrument of policy. As Bismarck put it in his famous "iron and blood" speech to the Prussian parliament in 1862, "After all, *war* is, properly speaking, the *natural* condition of humanity." Today, our beliefs in the use of force are much more nuanced and selective, and

Bismarck's doctrine will have few adherents among policymakers in Asia or elsewhere.

Fifth, in 1914 there were very few institutions in Europe, not to mention the world at large, to manage conflict and control geopolitical competition. By the end of the nineteenth century, the European Concert of Powers created in the aftermath of the Napoleonic wars had withered away. In 2014, there are plenty of institutions performing a wide variety of roles at both global and regional levels, including in Asia. Not all of them are effective. Asia has no NATO, although that would be a blessing for Asia, helping it avoid provocations associated with NATO expansion that contributed to the Ukraine crisis. Asian institutions are more informal and less willing to engage in mediation in regional conflicts. But only a blindsided analyst would dismiss their impact in facilitating communication and creating normative barriers to the use of force.

A sixth difference between 1914 and 2014 concerns the domestic politics of states. In a speech delivered in 1913, David Starr Jordan, the President of Stanford University, dismissed talk of a "Great War of Europe, ever threatening, ever impending, and which never comes", but did concede that "some half-crazed archduke or some harassed minister of state" might ruin his optimism. Today, such half crazed dukes are mercifully in short supply, even in authoritarian states. Notwithstanding what Angela Merkel has said about Putin (he is "in another world"), Vladimir Vladimirovich is not an irrational fellow; he realizes the economic and political costs of strategic overreach. However one might judge the leaders of China today, and despite the diminished credibility of "China's peaceful rise" slogan, they are not the kind given to impulsive adventurism; nor do they consider war as a necessary means for China's ascent to global power and status.

None of the above implies that the international community should just sit back and relax and enjoy the ride of an Asian economic miracle. Structural changes in international relations since 1914 have given us plenty of new ammunition to fight war. But the fear of war in Asia is not entirely misplaced. Two common factors behind war in all ages are nationalism and miscalculation. Nationalism is rising not only in China, but also among its neighbors, including Japan, and Vietnam (witness the recent anti-foreigner riots triggered by the deployment of a Chinese oil rig in waters claimed by Vietnam) and Philippines.

Equally important is the risk of miscalculations shaping the grand strategies of the US and China. Viewing the US as a declining power, China might see it as lacking the economic wherewithal and political will to resist Chinese military action. The Chinese may think that the US might acquiesce with a South China Sea or East China Sea fait accompli than risk war with a nuclear power. The Obama administration's

selective force doctrine might fuel that miscalculation. (China might see the East China Sea dispute viewed in a different light, where China may recognize that the US stakes and the tone of its deterrent policy to be much stronger and clearer.) China may also overestimate its soft power, international diplomatic clout and underestimate the depth of regional resistance to its encroachments in South China Sea. The US can miscalculate on the capacity of the US-led Liberal order to co-opt rising powers like China, who have benefitted is much from that order.

To compound matters, accidents happen. In the absence of agreements and mechanisms to manage risk and contain incidents before they escalate into outright confrontation, war in East Asia cannot be ruled out. If Asia is to banish the ghosts of Europe now hunting its stability and prosperity, it needs to develop principles and mechanisms for confidence-building, transparency, and conflict management, including the long-delayed South China Sea Code of Conduct.

The author is professor of international relations at American University, Washington D.C. His latest book is *The End of American World Order* (Polity 2014). He can be followed on Twitter @AmitavAcharya