

Leangkollen Conference, 3 February, 2014 Speech by Foreign Minister Børge Brende

The Rise of East Asia and Transatlantic Relations

Check against delivery

Let me first thank Kjell Engebretsen, Kate Hansen Bundt and the Atlantic Committee for the opportunity to speak this morning. You have chosen a timely topic for this conference.

The world map is changing, and we must navigate accordingly.

Let's look at China.

In 1980, the US economy was ten times bigger than China's.

Today, three decades later, the US economy is "only" twice the size of China's.

Sometime in the next decade, China's economy is likely to be number 1.

Does the increased influence of the Pacific Ocean mean that the North Atlantic will become a backwater?

I will say no. Far from it.

The forces of gravity are on the move, but the world has not been turned upside down.

We have to understand the changes that are taking place – and adjust to them. It would be a mistake, though, to think that everything has changed.

This development presents us with challenges – but also opportunities.

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As so often before in history, economic changes are leading to a shift in political influence and interests.

In the nineteenth century, the redistribution of power in the wake of Germany's industrial rise contributed to strategic instability.

In the case of the Soviet Union, a weak economy led to the fall of a superpower. The Soviet Union was never until it was no more.

China and Japan have for years been among the world's three largest economies. Naturally, this affects the security landscape.

In terms of defence spending, China is in second place after the US. Japan is number 5.

While austerity is forcing most NATO members to make cuts, China has for two decades increased its military budgets by 10 per cent annually, while also acquiring capabilities which it did not use to have.

Other emerging economies are following suit.

Analysts view this as a result of economic progress, but also as a consequence of strategic insecurity due to geopolitical changes, territorial disputes, nationalism and historical mistrust.

There are reasons for concern – and a need to analyse the features of the evolving security landscape.

- How do countries assess each other's actions and intentions?
- What are the incentives for strategic cooperation?

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Let me return to what I touched on initially: Not everything has changed.

Despite steady growth, China officially spends 2 per cent of its GDP on its armed forces. The US spends more than 4 per cent.

Different estimates show that the US spends three to four times more than China in total numbers.

While China is currently developing its first aircraft carrier, the US has eleven.

Whether we like it or not, the US and Russia have thousands of nuclear warheads in their arsenals. China might have about 150.

Around 40 per cent of global defence expenditure is American. Nine of the other Top 15 are US allies.

Even more important: The US has a network of longstanding allies. Countries bound together by history and fundamental values.

Europe and North America remain influential; also in terms of soft power.

World affairs are influenced by mathematics – but they are determined by politics.

If we were locked in an existential struggle between East and West, as we were in the past, we would have reason to spend more time comparing numbers.

But we are not.

Reading the new world map with old lenses does not provide much insight.

The map is new – we need new glasses to read it properly.

We are indeed entering a world where two powers are more influential than others.

However, this is not a bipolar world in the old sense.

The US and China are too inter-dependent for such a comparison to be helpful.

We live in an increasingly globalised world. In most cases, win-win solutions trump zero-sum thinking.

The value of world trade has increased eight times – 800 per cent – or 5800 per cent in current prices - since China was ruled by Chairman Mao.

We are in the same boat – and the boat is 8 times bigger than in 1970.

We all have a shared interest not to rock this boat.

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Other developments are also softening the impression of a bipolar world.

Governments must share power with non-state actors.

And it is far from only East Asia that is rising.

There is considerable growth in Latin America and parts of Africa, too.

Other centres of gravity are forming.

There are the “BRICS” (Brazil, Russia, India, China and South Africa) and there are the “MINT” economies (Mexico, Indonesia, Nigeria and Turkey).

Some talk of regionalisation.

Half of world trade is now between countries in the south.

Trade agreements are signed and regional organisations are born in corners of the world where these have been absent, not least in Asia.

We still live in a world of competition – but national interests are better served by cooperation than confrontation.

There is no contradiction between competition and cooperation.

Even in authoritarian states there seems to be a growing realisation that old-fashioned zero-sum thinking runs contrary to national interests.

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During the financial crisis five years ago, China played a fundamental role in securing the world economy.

China's export engine depends heavily on world markets for continued growth, and cannot thrive if there is stagnation in the US.

China's export products are made up of imported components. 60-70 per cent of China's imports from Japan are parts for products that China later exports.

China depends on the rest of the world as the rest of the world depends on China.

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In a modern country's security toolbox, you find many instruments:

Strong defence, diplomacy, international law, trade, confidence building measures and development assistance.

There is no contradiction between strengthening ties with our oldest friends – and reaching out to new ones – quite the contrary.

We will work to revitalise NATO and reinforce the relationship with our Nordic neighbours and with our closest trading partner – the EU.

Modern states, including Norway, rely upon robust military forces.

Austerity has taken its toll on both sides of the Atlantic. Furthermore, the threats to our security are more complex and unpredictable than before.

In times like these we need NATO more than ever.

At the NATO Summit in Wales in September we will prepare the Alliance for the challenges of the future.

We need to cooperate better in order to achieve synergies. We need to increase our focus on exercises.

Progress on smart defence may so far have been slow. We must bear in mind that military acquisitions have a long-term perspective.

If we make the right decisions, and show the leadership needed to implement them, NATO will once again prove its remarkable ability to adapt.

Norway will do its share – as one of only three members that are actually increasing defence spending.

Per capita, the US is the only ally that spends more on defence than us.

We must also maintain the focus on NATO's political role – keeping it as the preferred forum for security policy dialogue.

Since the end of the Cold War, NATO has entered into partnerships and been enlarged – promoting peace, democracy and prosperity in Europe.

Norway will work to deepen NATO's partnerships further.

Some of our closest partners are Asian or Pacific: Japan. South Korea. Australia. New Zealand.

Transatlantic relations will be a major theme at the Summit.

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Some people envision the US of the future being less engaged in global affairs.

These experts may have a point as far as large-scale operations like the ones in Iraq or Afghanistan are concerned, at least in the short run.

I believe this should be seen in light of the current “war fatigue” following two costly wars.

We should not draw the conclusion from this that the US will be unwilling to take global responsibility in the long run.

We see active American diplomacy in relation to Iran, Syria, and the Middle East. We see continued US commitment to Europe and NATO.

Events in South Sudan and elsewhere are reminders that the US – and the rest of us- will need to focus on more than just East Asia.

Increased American attention to the Asia-Pacific region is both logical and necessary.

As conflict can be exported even faster than profit, promoting stability in the Pacific also contributes to stability in the Atlantic.

Washington's ability to play its global role will, of course, be influenced by how it masters certain challenges at home.

Washington has worked its way out of periods of impasse before – my guess is that it will do so again.

The administration remains dedicated to NATO, but while the US accounts for more than 70 per cent of allied countries' defence expenditure, some members of Congress are asking why they should pay for a continent that is not prepared to do more for its own security.

This must be taken seriously.

If Europe takes steps to achieve a more even burden-sharing, this would reinforce ties across the Atlantic, just as a trade agreement between the US and the EU would.

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We now see signs that the European economy is sailing into safer waters.

If this continues, it will have a crucial effect on the role that the Transatlantic Community can play together globally – and on the impact of our shared values.

Europe will remain a force to be reckoned with – also globally.

Only 7 per cent of the world's population lives in the EU, but EU countries have a 25 per cent share of the world economy.

Many countries in Asia and elsewhere look to the EU – or to NATO – when building regional structures.

If we do our homework, I firmly believe that the US will remain engaged in Europe and in NATO.

Just like Norway, the US regards the Alliance as a unique instrument and value-based community that cannot be recreated.

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For Norway, our bilateral ties with the US remain crucial.

Our business ties are close, not least in the areas of energy, defence and security. Our political dialogue is extensive. Together we are involved in peace processes on several continents.

Norway takes a broad approach in its engagement with a continent where we also have vital economic and strategic interests.

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Asia.

We enter into trade agreements, have dialogues with key powers on security policy and human rights, and we engage in peace processes.

Our economic presence – from our maritime cluster in South Korea to the great number of Norwegian ships passing through the South China Sea each day – is dependent on peace and stability.

The structures for confidence-building and crisis management in the region are limited, but we engage with the structures which are evolving – including the Asia-Europe Meeting – ASEM – and the Association of Southeast Asian Nations – ASEAN.

As you are well aware, normalising relations with China is a high priority for us. I look forward to the day when our bilateral relations are back to the level we previously enjoyed.

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The world is changing – and we are changing with it.

Gone are the days when our common global future could be decided in one or two capitals.

New voices are demanding to be heard –and they are being heard.

What remains is our firm belief in a rules-based world, in which the United Nations and multilateral cooperation prevail.

States pursue their national interests – and they should.

We do too.

But more often than not, these interests are best served by cooperation.

Countries come together in organisations and follow a set of agreed rules because it serves their interests to do so.

The UN and NATO have played a decisive role in preventing war and settling disputes peacefully - even if their efforts have not always been successful.

Multilateral trade agreements secure growth. China's membership of the WTO since 2001 has been vital for its growth.

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Upon becoming permanent observers in the Arctic Council, China, India, Japan, South Korea and Singapore agreed to the rules of the game in the High North – including the rights of Arctic coastal states.

In East Asia, the core interests of all states involved should mean that territorial disputes are solved through dialogue and in accordance with international law.

The modern Law of the Sea contains well-established principles and a proven methodology for dealing with maritime delimitation disputes.

I do not see regionalisation as conflicting with global cooperation – but rather as a supplement.

The UN can, for instance, task another organisation with carrying out a peace operation in its own region – like the African Union's mission in Somalia and in the Central African Republic.

There is a valid division of labour here – one can hardly say that EU integration has been detrimental to the UN.

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There can be no doubt that we are moving into a world where the power and influence of countries outside Europe and North America is increasing.

But the tempo and final consequences of this development are not as easy to predict.

The most important task is to ensure that new actors find their place in an established order, rather than designing their own order.

I would like to advise against putting too much faith in forecasts which predict that growth figures over the last twenty years will continue along exactly the same path for the next twenty.

The estimated date for the Chinese economy to eclipse that of the US has just been “postponed” from about 2020 to 2028.

Brazil’s economy overtook that of the UK briefly in 2011, before it dipped a little and fell back to 7th place.

Germany was in 1999 described by the Economist as the “sick man of Europe”. Today its economy is the most solid on the continent.

Surprises can happen.

Who believed a few years ago that the US could soon be the world’s largest energy producer?

Who could have imagined in August 2013 that Syria’s chemical weapons might be eliminated by August 2014?

Indeed: Who could have foreseen in November that a breakthrough could be made at the WTO trade talks in December?

Who could have believed last spring that the US president would speak to his Iranian colleague and shake hands with Cuba's leader?

If the US-mediated talks between Israel and Palestine bear fruit; *that* would be another major breakthrough.

However, *should* these signs of progress be followed by disappointments, we need to have the global architecture in place to deal with that, too.

This is why we need to maintain and update the UN and NATO, as well as work with new actors.

We grasp the opportunities, rather than despairing on behalf of Europe.

Let's make sure that Asia's rise is not Europe's demise.

Europe played an important role in the American Century.

This will also be the case in the Asian Century.
