

Summary: Defending and renewing the global order is a priority for the United States and Europe. An important part of this effort will be accomplished if transatlantic partners can successfully engage four “global swing states” — Brazil, India, Indonesia and Turkey — in the management of global issues, because of their geopolitical and economic status, as well as their desire to have a stronger voice in the various international forums. Successful engagement of these nations will be key to preserving the international order and U.S. leadership.

Résumé: La défense et le renouvellement de l'ordre mondial sont une priorité pour les Etats-Unis et l'Europe. Une partie importante de cet effort sera accomplie si les partenaires transatlantiques peuvent engager quatre grands “Etats-bascules” - le Brésil, l'Inde, l'Indonésie et la Turquie - dans la gestion des grands défis actuels. En effet, ces quatre Etats ont a la fois un statut géopolitique et économique pertinent et le désir de faire entendre leur voix sur la scène internationale. Etablir de meilleures relations avec eux sera une étape-clé dans la préservation du système international et du leadership américain.

GMF-Paris
71 Boulevard Raspail
75006 Paris
T +33 1.47.23.47.18
infoparis@gmfus.org

Global Swing States and U.S. Strategy

by Daniel M. Kliman

At a time of growing challenges to international peace and prosperity and intensifying resource constraints, working with emerging powers to defend and renew the global order has become increasingly central to U.S. strategy. Compared to the Asia “pivot” unveiled during the first Obama administration, U.S. engagement of emerging powers has generated little publicity and comparatively modest interest from longtime U.S. partners in Europe. Yet the stakes are high. The choices made by a handful of economically dynamic, strategically located, rising democracies — “global swing states” — may decisively nudge the international order toward renewal or fragmentation. If the United States, its transatlantic allies, and these key emerging powers can come together to strengthen a system on which all depend, they are more likely to thrive. If the global order instead becomes less cohesive, they — and the broader world — will suffer the consequences.¹

New Pressures on International Order

The global order that exists, despite deviations and exceptions, has

facilitated peace, prosperity, and freedom for more than six decades. Initially rooted in a set of multilateral organizations — the United Nations, the World Bank, the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade — the order has since evolved into an interlocking web of institutions, norms, rules, and relationships.² Today, this system encompasses numerous elements, but five specific functions remain at its core:

- A *trade order* that strives to advance the principles of commercial reciprocity and nondiscrimination.
- A *financial order* that works to preserve monetary stability.
- A *maritime order* that attempts to guarantee freedom of navigation while protecting the territorial sovereignty of coastal states.
- A *non-proliferation order* that aims to prevent the spread of nuclear weapons and to reduce their testing.
- A *human rights order* that endeavors to promote respect for fundamental liberties and the democratic process.

¹ This paper draws on sections of Daniel M. Kliman and Richard Fontaine, *Global Swing States: Brazil, India, Indonesia, Turkey and the Future of International Order* (German Marshall Fund of the United States and the Center for a New American Security, November 2012).

² The key work on the establishment of this order is G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton, NJ: Princeton University Press, 2011).

Policy Brief

Since 2000, new challenges have begun to degrade these core functions. Some challenges largely relate to the rise of China, such as outsized maritime claims and the bypassing of international financial institutions. Other challenges involve stagnating multilateral trade talks, a weakened global financial architecture, the nuclear ambitions of North Korea and Iran, and a retrenchment of democracy in some parts of the world. At the same time, a combination of fiscal and political constraints limits the role of traditional supporters of the global order such as the United States and Europe.

The international order is subject to growing pressures. Unlike the aftermath of World War II, when the communist bloc constituted a potential alternative to the rules-based system championed by the United States, today no country or grouping has the power and ambition to construct a rival order. Rather than entering a period of eclipse and displacement, the international order currently trends toward fragmentation. In the future, the principles advanced by the order may become less universally binding; different parts of the world may interpret and apply them based on local consensus or the desires of the regionally dominant power. In this future, arrangements at the global level that have successfully regulated key areas of state behavior may become less effective as they are duplicated by closed regional institutions. Fragmentation of the existing order would be deeply inimical to all countries that depend upon an open and stable world for their security and prosperity.

Four Key Emerging Powers

Arriving on the world stage at a critical juncture, emerging powers present the United States with an opportunity to renew the global order by enlarging its circle of supporters. Four emerging powers — Brazil, India, Indonesia, and Turkey — hold the most promise as partners in this endeavor. These four nations each possess a large and growing economy, a strategic location in their region, and democratic institutions. And critically, each nation's precise international role is now in flux. Because the choices they make — about whether to take on new external responsibilities, free ride on the efforts of established powers, or complicate the solving of key challenges — may, together, decisively influence the future of international order, these four nations are global swing states.

Rather than entering a period of eclipse and displacement, the international order currently trends toward fragmentation.

The concept of global swing states offers a new framework for thinking about these four rising democracies, one that illuminates their outsized impact on the shape of the international system. At the same time, describing Brazil, India, Indonesia, and Turkey as global swing states does not negate the significance of other emerging powers. A number of important countries exist in the pursuit of global order, for example, Mexico and South Africa. However, each differs from these global swing states in some respect. Mexico's international role is not in flux: it has fully embraced the international order and already works closely with the United States. South Africa's approach to the current order remains mixed, but compared to the global swing states, it has a much smaller economy and is only one of a few heavyweights in its region.

Today's emerging powers — including the global swing states — were absent at the creation of the post-World War II system. The four seek changes to the current international order, but critically, they do not seek to scrap it.

Brazil

Brazil has emerged as a regional leader and influential global power. Regionally, Brazil has expanded the Mercosur customs union beyond its original founding members, supported the creation of the Union of South American Nations, led the U.N. peacekeeping mission in Haiti and enhanced integration with its neighbors by funding infrastructure projects.³ Globally, Brazil has taken on a higher profile by holding a non-permanent seat on the U.N. Security Council (UNSC), pressing for UNSC permanent membership, exhibiting leadership within the Group of 20 (G20) major economies, increasing its activities in the World Trade Organization (WTO), engaging in nuclear talks with Iran, and encouraging annual meetings for groups of emerging powers, such as the BRICS (Brazil,

³ "UNASUR to Allocate US\$105 bn for Regional Interconnectivity Plan," *Business News Americas*, September 27, 2011.

Policy Brief

Russia, India, China, and South Africa) and the IBSA Forum (which comprises India, Brazil, and South Africa).

Brazilian leaders have expressed eagerness for the increased global recognition that they believe is Brazil's due. For several years, Brazil's foreign policy leaders have called for the United States to publicly support Brazil's aspirations to permanent membership on the UNSC.⁴ As justification, Brazilians cite the need to rebalance the UNSC to include emerging-market interests, as well as their country's recent success at reducing inequality while boosting economic growth, democracy, racial diversity, and capacity to mediate international disputes. In parallel, Brazilian leaders also seek greater weight within the IMF and the World Bank.

In a 2011 IBSA communiqué, Brazil joined India and South Africa in calling for a "new world order," one "whose political, economic, and financial architecture is more inclusive, representative, and legitimate."⁵ This rhetoric stems more from Brazil's desire to gain a more prominent role within the existing system — for itself and for other emerging countries — than from an interest in pursuing new rules and arrangements. As one Brazilian observer put it, "Brazil wants to expand its room in the house, not tear the house down."⁶

India

Since its economic reforms of the early 1990s, India's rising national wealth — together with the new military capabilities and diplomatic initiatives that greater wealth affords — have fueled India's global influence. In its immediate region, New Delhi's activism has included significant reconstruction aid for Afghanistan and the promotion of cooperation among Indian Ocean states.⁷ On the global stage, India is a member of the BRICS and boasts the largest emerging economy in the G20 after China. India also recently held a non-permanent seat on the UNSC and has played a critical role in multilateral trade talks under the auspices of the WTO.

An overarching element of India's foreign policy is its quest for greater international recognition and status, including

4 Interviews with senior Brazilian policymakers, August 2012; and interview with a Brazilian journalist, August 2012.

5 "IBSA Ministerial Joint Statement," September 23, 2011.

6 Interview with Adriana Abdenur, general coordinator at the BRICS Policy Center, Rio de Janeiro, August 2012.

7 Tom A. Peter, "India Eyes Increased Role in Afghanistan," *The Christian Science Monitor*, June 7, 2012.

An overarching element of India's foreign policy is its quest for greater international recognition and status.

permanent membership in an enlarged UNSC. From New Delhi's perspective, the argument for an Indian seat is plain: The world's foremost decision-making body must include a country that is both the most populous democracy and an incontrovertible example that electoral politics and economic growth can productively coexist on the road to development. New Delhi also desires enhanced weight within other major international institutions, such as the IMF and the World Bank, in which India's influence has not grown in parallel with its relative economic size.⁸

Indian leaders have on occasion called for a new global order.⁹ In practice, however, they prefer to boost India's representation in the institutions that exist.¹⁰ The real tension in New Delhi's foreign policy is whether to pursue an international approach aimed at giving India the space to focus on internal development or to simultaneously pursue economic growth at home while taking on greater — and more costly — responsibilities abroad.¹¹ It is currently unclear which argument will win out and just how active India will become in upholding the current system over the medium term.

Indonesia

Indonesia's economic rise has coincided with an enlargement of the country's regional and global role. Long the demographic heavyweight in Southeast Asia, Indonesia has definitively emerged since 2000 as the political center of gravity of the region as well. It successfully chaired the Association of Southeast Asian Nations (ASEAN) in

8 International Monetary Fund, "Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development Communiqué" (IMF, October 11, 2012).

9 "IBSA Ministerial Joint Statement," September 23, 2011.

10 Interviews with Indian strategic thinkers, July 2012.

11 These contending perspectives are captured in Shivshankar Menon, "Our Ability to Change India in a Globalised World," *The Tribune India*, August 14, 2011; Sunil Khilnani, Rajiv Kumar, Pratap Bhanu Mehta, Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran, and Siddharth Varadarajan, "Nonalignment 2.0: A Foreign and Strategic Policy for India in the Twenty First Century" (Centre for Policy Research, January 30, 2012); and the response to this report by Ashley J. Tellis, "Non-alignment Redux: The Perils of Old Wine in New Skins" (Carnegie Endowment for International Peace, July 2012).

Policy Brief

2011 and continues to exercise a prominent voice within this regional grouping, which has become the cornerstone of many multilateral institutions in Asia. Beyond the region, Indonesia is a member of — although not always a dynamic participant in — several notable forums, including the G20, the Asia Pacific Economic Cooperation forum, and the 57-member Organization of Islamic Cooperation (OIC).

Compared with their Brazilian or Indian counterparts, Indonesian leaders are more circumspect in articulating their desire for enhanced global recognition. Pointing to its newly consolidated democracy and status as the world's most populous Muslim-majority nation, Indonesia laid claim in 2004 to a permanent seat in an enlarged UNSC.¹² Since then, Jakarta has repeatedly called for reform of the Security Council to make the body more representative, but it has tended to eschew direct self-promotion, instead advocating a standing seat for a Muslim-majority nation or for more geographic diversity in the body's membership.¹³

Compared to these other emerging powers, Indonesia remains the most focused on its own internal challenges and has the least capacity to engage on global issues. It remains uncertain whether Indonesia will decide to concentrate on internal development and retain a foreign policy that remains overwhelmingly regional in focus or go global and work with the United States, Europe, and others to adapt and renew today's international order.

Turkey

Buoyed by rapid economic growth, Turkey has moved decisively toward an ambitious regional and even global role in recent years. It belongs to a diverse set of international institutions, including NATO, the OECD, the Council of Europe, and the OIC; it is also an applicant for membership in the European Union (EU). Turkey actively participates in the G20 and recently occupied a non-permanent seat on the UNSC.

Turkey aspires to a greater status in world affairs. This is particularly true within the Middle East, where Ankara has successfully advanced regional economic integration and, in the wake of the Arab Spring, has put itself forward as a democratic model. In Syria, Turkey initially led the way in taking military action against the Assad regime. Turkey

¹² Indonesia Department of Foreign Affairs, "Indonesia Claims a Permanent Seat on the Security Council," September 27, 2004.

¹³ "Indonesia calls for Muslim Representation on Security Council," *U.N. News Center*, September 27, 2008.

Compared to these other emerging powers, Indonesia remains the most focused on its own internal challenges and has the least capacity to engage on global issues.

seeks an elevated profile within the United Nations, and Turkish leaders have already begun to campaign for a new term on the Security Council, arguing that "Turkey will provide significant added value to global peace and security in an era of critical and rapid change in international affairs."¹⁴ The government in Ankara sees the eventual enlargement of the Security Council as desirable and would likely put forward Turkey as a candidate for a permanent seat.¹⁵ In the IMF and the World Bank, Turkey also seeks greater influence, commensurate with its newfound economic clout.¹⁶

Turkish Prime Minister Recep Tayyip Erdoğan has called for a "new global order" based on solidarity and trust rather than conflict.¹⁷ In practice, however, Turkey has yet to settle on any definitive vision for that new order beyond expanded representation in key forums.

A Framework for U.S. Strategy

The United States has strived in recent years to build closer relations with each of these countries. Washington has invested heavily in a long-term strategic partnership with New Delhi. Beyond coming to terms with India's nuclear weapons capability, the United States has endorsed India's pursuit of a permanent Security Council seat.¹⁸ This investment has reaped near-term dividends on issues like

¹⁴ Republic of Turkey Ministry of Foreign Affairs, "Candidacy of the Republic of Turkey to the United Nations Security Council for the Period 2015-2016" (May 2011).

¹⁵ Interview with a Turkish business representative, April 2012.

¹⁶ Turkey has already received additional influence within the IMF. Ian Tannley, "Turkey, Poland to Get IMF Board Seats," *The Wall Street Journal*, July 14, 2012; and interview with a Turkish official, April 2012.

¹⁷ Eric Quiñones, "Turkish Leader Urges New Global Order Based on Peace, Trust," *News at Princeton*, September 24, 2009.

¹⁸ Scott Wilson and Emily Wax, "Obama Endorses India for U.N. Security Council Seat," *The Washington Post*, November 8, 2012.

Policy Brief

non-proliferation but has led to little progress on efforts such as multilateral trade liberalization. The U.S.-Indonesia Comprehensive Partnership officially launched in November 2010 was a major step forward, but the ambitious vision outlined remains more of an aspiration than a reality. Washington's engagement with Brasilia has broadened to include joint naval exercises and limited collaboration in Africa, yet cooperation between the two countries remains a shadow of its full potential. In the past, Ankara's unwillingness to back additional economic sanctions against Iran and growing tensions with Israel have complicated U.S. relations with Turkey. Prime Minister Erdoğan's recent handling of domestic protesters may pose a new quandary for U.S. efforts to forge a broader partnership.

U.S. engagement of global swing states lacks the sustained high-level focus and public profile that characterized the Asia "pivot" during the first Obama administration. Seizing the opportunity presented by the rise of Brazil, India, Indonesia, and Turkey will require new and more strategic approaches that go beyond simply managing four bilateral relationships. In most cases, U.S. efforts will concentrate on each nation separately rather than on the four of them collectively, but a common framework for engagement is needed.

The first component of this framework is to capitalize on areas where Brazil, India, Indonesia, and Turkey have already taken on new global responsibilities. Investing significant time and resources in an effort to encourage the four to change deeply held positions will likely result in minimal change and maximal frustration on all sides.

Seizing the opportunity presented by the rise of Brazil, India, Indonesia, and Turkey will require new and more strategic approaches that go beyond simply managing four bilateral relationships.

The more productive U.S. approach is to build out areas of existing policy convergence. Over the long term, this approach may gradually transform the tenor of U.S. relations with the four as the scope of cooperative activities comes to eclipse points of disagreement. In the short term, this approach will generate the policy deliverables that U.S. leaders and their counterparts in the global swing states need to justify continued investment in partnerships aimed at strengthening the international order.

While opportunities for enhanced cooperation abound, a few areas stand out as particularly promising. Businesses and governments in most of the global swing states are increasingly concerned about unfair commercial practices by state-owned enterprises. The United States should work with these four powers to update the rules-based trading system to address this new challenge. With the global swing states becoming increasingly reliant on seaborne trade and already taking actions to secure the maritime domain, there is also considerable scope for new U.S. initiatives in this area. Washington should reduce existing barriers to transfers of military technology to Brazil, increase the frequency of joint naval exercise, and explore a regional maritime initiative. It should also launch an initiative with India and Indonesia to develop an affordable, long-range unmanned system for maritime domain awareness. Both India and Indonesia have a geopolitical interest in seeing a more democratic and independent government in Burma. The United States should cooperate with both powers to ensure a successful consolidation of Burma's political opening.

The second component of U.S. engagement relates to representation in international institutions. Each global swing state seeks a greater voice in multilateral forums, but rebalancing international institutions remains a Sisyphean task on which U.S. action can make only limited headway. Although Washington should focus chiefly on building up cooperation with these four powers in concrete areas, it should not ignore their demands for more voice in global governance.

U.S. leaders should affirm the need to reform the UNSC and publicly observe that an enlarged body is ultimately desirable. At the same time, they should also recognize the difficulty in reaching real Security Council reform and seek ways to work closely with the global swing states during their temporary terms on the council. In the IMF, the United States should continue to press for the imple-

Policy Brief

mentation of the quota and voting share changes approved by institution's Executive Board in 2010 and support further efforts to rebalance the institution's governance to reflect today's realities. Given the growing economic clout of Brazil, India, Indonesia, and Turkey, rebalancing the IMF will increase the weight of all four nations.¹⁹ Greater representation may diminish the temptation to duplicate existing international structures and, at a minimum, according the global swing states a larger voice can help their leaders justify more robust external engagement.

The third component of U.S. strategy toward global swing states is helping the four to bolster their domestic capacity to more actively contribute to the international order. To varying degrees, the rise of Brazil, India, Indonesia, and Turkey has outpaced the governmental institutions that support foreign policy within each country. While remaining mindful of domestic sensitivities, the United States can partner with the four nations to help build the capacity to underpin a more ambitious international role. One step that Washington should take is to increase the International Military Education and Training budgets for Brazil, India, and Indonesia to the nearly \$4 million that Turkey currently receives.²⁰ Washington should also support annual fellowships that embed foreign policy professionals from the global swing states in U.S. congressional offices. This would create a pipeline of talent that could potentially serve as parliamentary staff to legislatures in each rising democracy, which play an important, and often expanding role in their global engagement.

The fourth and final component of U.S. strategy relates to the attention and resources dedicated to engaging global swing states. Today, a mismatch exists between the time and funding allocated to building closer partnerships with these four powers and their rising strategic importance. Even at a time of fiscal austerity, it is essential to appropriate additional resources to U.S. agencies seeking to expand engagement with Brazil, India, Indonesia, and Turkey. From a geopolitical perspective, these global swing states offer more return on investment for U.S. foreign policy than does expending more time and resources on potential adversaries. The U.S. government's internal coordination mechanisms tend to channel the attention

¹⁹ International Monetary Fund, "IMF Executive Board Approves Major Overhaul of Quotas and Governance," November 5, 2010.

²⁰ In fiscal year 2011, Turkey received almost \$4 million in IMET funding, compared with \$631,000 for Brazil, \$1.6 million for India, and \$1.8 million for Indonesia. U.S. Department of State, *FY 2013 Congressional Budget Justification, Vol. 2: Foreign Operations* (April 2012), 493-497.

A mismatch exists between the time and funding allocated to building closer partnerships with these four powers and their rising strategic importance.

of decision-makers toward short-term crises rather than medium- to long-term opportunities. The best way to ensure a sustained focus on pursuing closer partnerships with global swing states would be to establish a quarterly meeting at the deputy cabinet level and a monthly working-level meeting of relevant agencies that will review progress made, share lessons learned, identify roadblocks, and map out the next steps for U.S. policy toward these four nations.

Implications for Europe

U.S. allies in Europe have for decades played a vital role in supporting the international order. While some in Europe have questioned whether the United States' "pivot" to Asia may loosen the transatlantic bond, building closer partnerships with global swing states to advance peace, prosperity, and freedom can bring together the transatlantic allies behind a common goal. There is considerable scope for Europe to undertake new initiatives with the global swing states. Although the financial crisis has reduced Europe's hard and soft power, the EU and its member states retain significant influence over major elements of the international order. In addition, Europe has extensive political, economic, and cultural ties with Turkey; historic and linguistic linkages to Brazil; and significant trade and investment relations with India and Indonesia. European leaders could adopt — and adapt as needed — the framework laid out for their U.S. counterparts.

A systematic and sustained effort to forge closer partnerships with global swing states in the pursuit of international order will enable Europe to secure its interests and ideals across the major axes of uncertainty that obscure the future. One axis of uncertainty is China's trajectory. Whether an authoritarian China will accept the entirety of the current order, which enshrines rule of law and

Policy Brief

democratic values, remains unknown.²¹ In the best case scenario, Europe can work with the global swing states to reinforce the international order, channeling China's growing strength in a constructive direction. In the worst case scenario, a renewed international order will withstand Chinese pressure and continue to underpin a stable world. The other axis of uncertainty is the future path of U.S. power. If the United States retains its overwhelming predominance, European efforts to forge closer ties with the global swing states will still bolster the international order at a time of mounting challenges. If the United States' preeminent position is eroding, this strategy will strengthen the web of security alliances and partnerships, global institutions, and robust world trade and financial architecture that has backstopped European security and prosperity for more than six decades.

As Washington looks to build closer partnerships with the global swing states, its allies in Europe should as well. To thrive in the 21st century, a graying and economically weakened Europe will require an open and stable international order that facilitates the flow of trade, ideas, and people. Europe's destiny — perhaps even more than that of the United States — is inextricably connected to the choices that Brazil, India, Indonesia, and Turkey will make as they formulate their roles on the international stage.

²¹ Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W. W. Norton & Company, 2011); and Ian Johnston, "Is China a Status Quo Power?" *International Security*, 27 no 4 (Spring 2003), 5-56.

About the Author

Dr. Daniel Kliman is a senior advisor with the Asia Program of The German Marshall Fund of the United States, based in Washington, DC. The views expressed in this publication belong to the author and do not represent the views of the German Marshall Fund of the United States.

About GMF

The German Marshall Fund of the United States (GMF) strengthens transatlantic cooperation on regional, national, and global challenges and opportunities in the spirit of the Marshall Plan. GMF does this by supporting individuals and institutions working in the transatlantic sphere, by convening leaders and members of the policy and business communities, by contributing research and analysis on transatlantic topics, and by providing exchange opportunities to foster renewed commitment to the transatlantic relationship. In addition, GMF supports a number of initiatives to strengthen democracies. Founded in 1972 as a non-partisan, non-profit organization through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has offices in Berlin, Paris, Brussels, Belgrade, Ankara, Bucharest, Warsaw, and Tunis. GMF also has smaller representations in Bratislava, Turin, and Stockholm.

About IFRI

Founded in 1979, Ifri is the principal institution for independent research and debate on international issues and global governance in France. Ifri's policy-oriented research strives to illuminate international events and provide perspective. It is primarily aimed at political and economic decision-makers as well as academics, opinion leaders, and civil society representatives. Ifri hosts more than 30 permanent French and foreign researchers from a wide range of backgrounds and disciplines, who are part of 15 research units based on regional or cross-cutting subjects. Ifri's research is fueled by debates organized in an informal and non-partisan way in its Paris and Brussels offices. Resulting analysis are reflected in Ifri's highly regarded publications: *Politique étrangère*, the oldest French review of international relations, and the annual RAMSES report, as well as in its series of digital publications. The Potomac Papers series deals primarily with U.S. issues and is available at www.ifri.org.