

The shift in global defense spending associated with the global economic crisis is accompanied by a deeper and more fundamental geographic change. A recent market report remarked upon the shift from defense spending in the developed world (particularly Europe) to the developing world as fiscal austerity in the West takes hold. Indeed, upon returning from a trip to China, Indonesia's defense minister has announced that his country might soon begin domestic licensed production of modern Chinese anti-ship missiles, once the purview of much more developed military powers. This comes close on the heels of the publication of the annual edition of the Military Balance by the International Institute of Strategic Studies, which suggests that cumulative defense spending by Europe may, for the first time, be overtaken by such spending in the Asia-Pacific region (it has already converged in recent years).

It is now commonplace to refer to the Asia-Pacific as "the future." The value of trans-Pacific trade has outstripped trans-Atlantic trade for decades now. The only remaining global superpower is also -- not coincidentally -- uniquely native to both oceans compared with both traditional European and emerging Asian powers. Stratfor has long noted that the events of two decades ago marked not only the end of the Soviet Union and the Cold War but also the European era of nearly half a millennia in which Europe was the center of the global system. This reflects a geographic shift and necessarily has military implications, but defense spending is merely a symptom. War has always been expensive. But from the Peloponnesian Wars of antiquity to Afghanistan today, ground combat has found a way of returning again and again to infantry engagements. Taken as a whole, there is no argument that large-scale ground combat has proven devastatingly expensive. But the contrast is the expense of naval power from the Peloponnesian Wars to today; engaging in meaningful naval power has consistently represented an enormous expenditure of national resources. European conflict in the last 500 years and conflict in the Asia Pacific since World War II have both been characterized largely by ground combat. Naval power was essential for the United States to maintain a credible capability to reinforce Europe in the event of the outbreak of hostilities during the Cold War. But at its heart, it was a conflict over territory fought on land. Similarly, China has long been the quintessential land power, struggling against itself to secure buffer territories along its long and often rugged land borders. The Korean and Vietnam Wars, despite the naval aspects required by those countries' long coastlines, were essentially land wars. But recent history is deceptive. The Asian Pacific is a fundamentally maritime theater, as World War II teaches us. Today it includes the busiest maritime chokepoint in the world -- the Strait of Malacca -- and an increasing number of countries reliant on the import of energy and raw materials and their participation in the global economy through maritime shipping. Shipping lanes matter, and the Pacific is not simply a place for competition between the United States and China. Despite its pacifist constitution, Japan fields one of the most modern and capable militaries in the world. South Korea has unique challenges but is not far behind. But perhaps even more fascinating is the emergence of the other countries native to the South China Sea -- namely Vietnam, Singapore, Indonesia and Malaysia. Each country is strengthening itself militarily, not by bulking up existing land forces but investing in high-end, late-model naval hardware. In contrast, Europe is not only spending less on defense, its military capability is becoming less important given its portfolio of national power and resources (save for the Russian periphery, which is perhaps underappreciated as a military domain of enduring relevance). By comparison, military power is

not only becoming more important in the Asian Pacific but many of these countries are shifting from communist-inspired massive land armies to building up capable naval and air forces. This represents not simply a diversion of resources from the army to the navy and air force but also requires considerable additional investment to establish and maintain forces capable of operating effectively in a more complex and high-end operational environment. The term "arms race" comes from the Cold War competition between the United States and the former Soviet Union to outmatch each other. Unlike that example of classic bipolarity, the Asian Pacific is much more multipolar than it is given credit for, given its focus on the U.S.-Chinese dynamic. Both the increasing multipolarity of and mounting investment in the region combine with the inherent expense of naval and air forces capable of competing there. The result is not simply an environment where defense spending is rising and is likely to continue to do so. The Asian Pacific is a domain that demands investment in higher-end capabilities, and this is taking place within an increasingly broad spectrum of countries. For a world that has not fought major naval engagements on a World War II scale since that war and where aerial battles have become increasingly one-sided, the point about military competition in the Asian Pacific is not that it will be expensive. Instead, the cost reflects a long-term investment in high-end, expensive military resources that have increasingly limited operational experience to temper and check not just technology but also conceptual doctrinal development.