

COMMENTARY

Can Asia re-legitimize global governance?

Kishore Mahbubani

*Lee Kuan Yew School of Public Policy, National University of Singapore,
Singapore*

The need for global governance has never been greater. Hence, there is a dire need for a clear global understanding among the 6.8 billion occupants of the planet on the sources of legitimization and delegitimization of global governance. Sadly, instead of a convergence of views, there is a growing divide between the 12 per cent of the world's population who live in the West and the 88 per cent who make up the rest of the world.

Many in the West believe that the West provides the biggest source of legitimization of global governance. This belief is justified. The West has clearly created the most benign international order in human history. However, few in the West point out that the West has also become a major source of delegitimization by undermining its own international order. In the context of this issue, my argument therefore works at a politically more radical level than suggested in the Introduction. It is not simply a case of recognizing the contingency of particular values of legitimacy, or thinking about how they legitimize themselves. Instead, our task must be to actively contest the western bases of legitimacy that are employed in the political context of global governance.

The claim of Western delegitimization is a strong claim to make at the outset. Let me illustrate with one powerful recent example. Under Western inspired international law, the use of force is legitimate if it is exercised in self-defence or under the authorization of the UN Security Council. The American–British invasion of Iraq in March 2003 did not satisfy either of these criteria. Hence, as Kofi Annan was forced to admit, this invasion was illegal under international law. Yet few Western inspired lawyers use the adjective “illegal” before the Iraq War. And an equally few speak of accountability for this “illegal” war. In this sense, it is of political and ethical importance that Robert Keohane uses his assessment of the UN to actively interrogate the UN itself for failing to question US representatives who falsified evidence of Weapons of Mass Destruction (WMDs) in Iraq, although I also know from first-hand experience that the US has

consistently sought a UN Secretariat that is weak and compliant to American wishes. Such notable exceptions aside, I stress that the rest of the world is now becoming more cognisant and reflective about the situation. They can see double standards clearly.

President Kagame is probably one of the most respected African leaders today. This is what he said on 19 July 2009 on CNN, in a conversation with Fareed Zakaria: "International justice is a fraud. Why does it appear strange that justice would apply to somebody in Europe who has a responsibility? They can never do wrong, therefore justice does not apply." He was referring to the lack of accountability for Europeans who were responsible for the genocide in Rwanda. This is why the African Union does not support the ICC indictment of the Sudanese President. They would like the West to apply international law to itself before it applies it to the rest of the world. We therefore enter into a discussion raised briefly in the Introduction: Whose legitimacy? For what?

This paradox of Western legitimization and delegitimization of the global order will have to be squarely addressed as we enter a new era of world history. The question of a spectrum running between legitimacy and legitimization outlined in the Introduction is therefore a useful intellectual framework in which to couch the question of legitimate global governance. But here I would like to draw upon my own political experience to go further, and posit an alternative basis for global legitimacy. As I document in my book *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*, this new era will be marked by two distinctive features: the end of Western domination of world history (but not the end of the West, which will remain the world's strongest civilization) and the return of Asia. From year 1 to 1820, China and India provided the world's two largest economies. By 2050, we will return to the historical norm. Asia will again have the largest share of the world's economy.

The current global order was essentially created in a period of historical aberration, when the West was unusually dominant globally. This Western domination has been entrenched in many global institutions. Since their founding, there has been a rule that the head of the IMF should be a European and the head of the World Bank a citizen of the United States. 3.5 billion Asians have been disqualified by this rule. Similarly, the West is over-represented in permanent membership of the UN Security Council (see also the contributions by Cerutti and Keohane). Even though the West represents only 12 per cent of the world's population, it controls 60 per cent of the permanent membership in the UN Security Council (three out of five).

The main argument of this contribution is that the legitimacy of the current global order is under threat. It is being challenged on many counts. Firstly, the 88 per cent of the world's population who live outside the West would like their interests to be reflected in the current global order.

Second, the current global order will also have to accommodate the rise of new great powers. Third, we will have to deal with the enormous impact of globalization. Fourth, the retreat of Western populations from the principles they espoused also provides a real challenge. The goal of this essay is to spell out these challenges and to suggest some principles which could form the basis for restructuring the current global order.

The first challenge comes from the majority of the world's population. Legitimacy is not an abstract concept. Legitimacy comes from the people of the world. There are 6.8 billion people in the world. If a majority believes that a global institution is illegitimate, no intellectual sophistry can make that institution legitimate. The fundamental problem in Western discourse on global institutions is that they listen to the voices of the 12 per cent who live in the West and ignore the voices of the 88 per cent who live in the rest of the world. As such the laudable aims of the cosmopolitan democrats discussed in the Introduction fail to recognize that tweaking levels of participatory democracy at the margins of global institutions ignores the substantive bases of the legitimacy of those institutions in the first place, i.e. the power and the privileges of Western states. This essay aims to redress this imbalance and explain how the world order will have to be re-organized to make it legitimate once again in the eyes of the majority of the world's population.

The second challenge comes from the enormous shifts of power we are experiencing. Global democracy cannot provide the only source for organizing the global order. The international order is inherently unequal. Some states are more powerful than other states. It was therefore wise for the founding fathers of the UN to give the great powers the power to veto as this entrenched them into supporting the UN and not walk away, like the US did, from the League of Nations. Yet the founding fathers of the UN should have also realized that the balance of power never remains static. In that sense I endorse the notion of introducing a concept of change to our understanding of legitimacy in Furio Cerutti's contribution to this collection. However, I reject his (and to lesser degree Scholte's) suggestion that this re-negotiation of cultural legitimacies will be done on the basis of values. Instead, as always, it will be on the basis of power first and values second. Indeed, we are now living in an era of the greatest shifts of power ever seen in human history. If our current global institutions remain frozen and represent the great powers of yesterday, not the great powers of tomorrow, this too could become a source of delegitimization of the current global order.

The third challenge comes from the enormous impact of contemporary globalization. I use a simple analogy to describe how dramatically the world has changed. Before the onset of contemporary globalization, when humanity lived in separate countries, it was like living on separate boats. The international order essentially needed rules to ensure that the 192

different countries (boats) did not collide with each other and instead tried to cooperate. Today, we no longer live on 192 different boats. Instead, we live on 192 cabins on the same boat. However, we have no captain or crew to take care of this boat. We would never sail out to sea without a captain or crew. Yet the world is sailing into the future by weakening the institutions of global governance precisely at the time when they need to be strengthened.

To explain and drive home the point that humanity now lives in 192 cabins on the same boat, we only have to look at four major global crises that the world has experienced recently. The first example comes from the financial sector. The Asian Financial Crisis in 1997 started in Thailand before spreading to the rest of Southeast Asia. Very soon South Korea was affected, followed by Russia and Brazil, almost reaching the United States. That was a strong indication of how small and integrated the world has become. More recently, the sub-prime crisis began in the United States in 2007 but spread widely to become the most serious financial crisis since the Great Depression, and has now morphed into a Global Economic Crisis. The world of finance knows well that we are all now sailing in the same boat (yet in this issue area too, there appears to be much reluctance in the West to take the opportunity to reform the international financial institutions in a manner that would make them more inclusive and representative).

The second example is from the field of health – the SARS crisis. The outbreak began in a small Chinese village and eventually spread to Hong Kong. From there, it went simultaneously to Singapore and Toronto, two cities that are 12 hours apart in time zones and located on directly opposite ends of the globe. The speed and extent of the SARS outbreak is a strong indication of just how “small” the world has become. This point has now been reinforced by the global spread of swine flu. A third example is terrorism. When tracing the origins of 9/11, it becomes clear that things started with people sitting in an Afghan village plotting and planning the destruction of the World Trade Centre Towers. Terrorists respect no borders; they no doubt laugh at the fact law authorities stop their work at the borders while terrorists live in a borderless world. The fourth example is an environmental one. Global warming has recently hogged the headlines. All 6.8 billion members of planet Earth have to come together and behave responsibly if global warming is to be effectively addressed.

Our current institutions of global governance therefore face several sets of challenges at the same time. They remain dominated by a small percentage of the world’s population when the rest of the world has become more assertive. They have entrenched the great powers of the past as new powers are rising. As Martin Wolf wrote in *The Financial Times* on 7 July 2009, “Within a decade a world in which the UK is on the United Nations Security Council and India is not will seem beyond laughable”. Finally, the world is shrinking. We are all sailing on the same boat. The need for

better – and more legitimate – global governance has never been more acute.

If we are to re-vitalize and re-legitimize the current institutions of global governance, the first step we have to take is to explain to the West how its contemporary attitudes to global opportunities and challenges could undermine the global order. Globalization has done enormous good for the world. Globalization is the reason why China has reduced the number of people living at less than a dollar a day from 600 million people to 200 million people; this means that 400 million people have been rescued from absolute poverty. Poverty levels are also going down in India thanks to globalization.

The big question today is: given this powerful impact of globalization in transforming the world, what is threatening it and what can derail it? Traditional answers in the West point to terrorist organizations such as Al Qaeda or to failed states like Somalia or Afghanistan which breed terrorism. However, the biggest threat to globalization today may well come from the West; more specifically, from the United States and the European Union. Ironically, globalization is a gift from the West to the rest of the world. It was the West that launched globalization. It did so in two ways; first it created the technology that generated the modern forces of globalization. Second, the 1945 multilateral rules-based order created a level field for all countries to grow and prosper.

This 1945 order enabled the success of East Asian countries and of India. China is also a prime example of how globalization can help growth. Deng Xiaoping launched the Four Modernizations program in 1978. As a result, from 1978 to 2004, China's GDP increased eleven-fold from \$147 billion USD to \$1.65 trillion USD. Foreign trade increased from \$20 billion USD to \$1.15 trillion USD, and reserves went up from \$167 billion USD to \$1.2 trillion USD. Developed countries that have embraced open trade have also benefited tremendously: according to a study by the Peterson Institute for International Economics (PIIE), US annual incomes are \$1 trillion USD higher, or \$9,000 per household, as a result of trade liberalization since 1945. Should remaining global trade barriers be eliminated, US annual incomes could increase by an additional \$500 billion USD, adding roughly \$4,500 per household, notes the PIIE.

The World Bank estimates that the full elimination of trade barriers can lift tens of millions more out of poverty. Moreover, while debt relief and foreign aid can make an important contribution to development in poor countries, trade and trade liberalization are likely to be even more powerful tools for alleviating poverty and providing societies with the economic resources to address their most pressing needs. According to the World Bank, the annual income gain to developing countries from the elimination of trade barriers to goods alone is \$142 billion USD, conservatively measured. This amount exceeds the \$80 billion USD in foreign economic

assistance by the major industrialized countries in 2005, and the proposed \$42.5 billion USD for developing country debt relief combined.

The West promoted globalization, trade liberalization, growing interdependence and free movement of trade in goods and services because there was a very deep and profound conviction in Western countries that the lowering of trade barriers would benefit Western countries, thanks to their competitiveness in the economic sphere. However, at some point in the last 10 years, the West has gradually begun to lose faith in globalization. This started with a fear that it may well become the loser in the globalization game. The drastic shift in attitude is gradual but marked and is well encapsulated in Nicolas Sarkozy's words (said during the post-EU Council press conference in Brussels on 23 June 2007), that "Protection is no longer taboo".

The second example comes from the stalled trade talks of the current Doha Round. Over the past 60 years, each trading round has contributed to the exploding trade flows that we have witnessed. The Kennedy Round, the Tokyo Round and the Uruguay Round were all successfully completed. The significance of the trading rounds can be summed up by the "bicycle theory" of international trade, propagated by Fred Bergsten, the Director of the Institute for International Economics. His theory is simple: in order to ensure that international trade flourishes, one has to keep pedaling and finish each round of trade negotiations. If one stops pedaling a bicycle, he or she almost immediately falls off. Similarly, global trade liberalization, despite its enormous benefits, might also stall. The Doha Round is not progressing because many Western countries no longer believe that they will benefit from the talks. There is now a real danger that the Doha Round may be the first round to fail.

It would be unwise to underestimate the growing power of protectionist voices in the West. In the July / August 2007 issue of *Foreign Affairs*, Kenneth Scheve and Matthew Slaughter wrote:

US economic policy is becoming more protectionist. First, consider trade. The prospects for congressional renewal of President George W. Bush's trade promotion authority, which is set to expire this summer, are grim. The 109th Congress introduced 27 pieces of anti-China trade legislation; the 110th introduced over a dozen in just its first three months. In late March, the Bush administration levied new tariffs on Chinese exports of high-gloss paper – reversing a 20-year precedent of not accusing nonmarket economies of illegal export subsidies. Barriers to inward foreign direct investment are also rising.

Many recent surveys of Western public opinion show that Western populations are retreating from trade liberalization. In 2008, a poll of 1,000

Americans by *Fortune Magazine* revealed that 55 per cent of the population believed American business has been harmed by free trade, and 78 per cent thought that free trade had made things worse for American workers. Indeed, many of them believe that their lives will be worse off due to globalization. In the 2008 US elections, the Democratic candidates bent over backwards to court voters, often with protectionist arguments. This represents a whole new dynamic in American politics. It is unusual because it reflects a new erosion of faith in trade and liberalization. This is well-articulated by Fareed Zakaria in an article in *Newsweek* in March 2008: "And on this crucial topic [of trade], they are pandering to the worst instincts of Americans, encouraging a form of xenophobia and chauvinism and validating the utterly self-defeating idea of protectionism".

However, for globalization and liberalization to succeed, we need to have "custodians" of the processes. The West had been a wonderful custodian of globalization because it believed that it would benefit from it. But when Western populations no longer believe that globalization is good for them, will they still be good custodians? The problem is aggravated by the fact that even though they may have begun to lose faith in the processes of globalization, the West still wants to retain control of the processes of globalization. This creates a powerful new global contradiction.

To resolve these great global contradictions, we need to agree on some key principles to re-legitimize the global order. Ironically, perhaps given the argument, at least two of these principles are Western in origin, which may actually help them to achieve endorsement in the long run. In line with all the contributions to this Forum the first principle is that of global democracy. All the institutions and processes of global governance must be perceived to be legitimate in the eyes of the majority of the world's population. The good news is that both the UN Charter and the UN General Assembly (which serves as the Parliament of Man) are perceived to be legitimate in the eyes of the majority of the world's population. However as the General Assembly reflects well the wishes of the global population, it is perceived to be a force that constrains great powers like the US. To make matters worse for the US, virtually no country in the world (outside the US) supports the continued occupation of Palestine by Israel. Since the US was not happy with the overwhelming condemnation of this Israeli occupation, it worked to delegitimize the UN and the UNGA. Having served as Singapore's Ambassador to the UN for over 10 years, I have witnessed firsthand the relentless American campaign to delegitimize the UN. I watched with amazement as the world's most powerful democracy undermined the world's most democratic global institution in violation of all the principles that the US stands for. Sadly, the Europeans had no political or moral courage to stand up to the US. Therefore they were

accomplices. In short, the weak UN we have is the result of a relentless Western campaign to undermine it.

A remarkable degree of intellectual dishonesty accompanied the campaign. For example, a persistent US complaint has been that UN bureaucracy is inefficient and bloated. Yet no American dared to admit the honest truth that the weak and ineffective bureaucracy was a result of a persistent American policy to ensure that the UN was led by a weak rather than a strong Secretary General. The former US Ambassador to the UN, John Bolton admitted this publicly in his memoirs when he quotes the then Secretary of State Condoleezza Rice, who said, "I'm not sure we want a strong secretary-general".

The second principle for re-legitimization of global governance is the principle of meritocracy. The new heads of the UN, IMF, World Bank and other global institutions should be chosen on merit. The five permanent members should try to select the strongest possible candidate to become the next UN Secretary General. If this principle of meritocracy is adopted, this will lead to a dramatic improvement in the performance of these global institutions. Improved performance will lead to greater legitimization.

The third principle for re-legitimizing institutions of global governance is to ensure permanent members of the UN Security Council reflect the great powers of tomorrow, not yesterday. Here again, I have worked in the trenches on this issue.¹ The UN Open-Ended Working Group on UN Security Council Reform has worked for 15 years with no results to show for it. But the reason why it has failed is very simple. The group did not agree on any principles before it looked at any new composition of the Council. To make matters worse, it was well known that the US was opposed to UNSC reform, despite its public protestations to the contrary.

One does not have to be a rocket scientist to suggest some key principles for UN Security Council Reform. To ensure that the great powers of the day are selected, there should be a combination of three key factors: size of GDP, size of population and size of contribution to the international community. Since a veto power confers enormous privilege, this privilege should come with clear and designated responsibilities. Hence, for example, if genocide happens in Rwanda, the permanent members should be held accountable. Only states willing to accept this responsibility should be selected.

In short, the challenge of reforming and re-legitimizing global governance can be met. However, the Western states who dominate the current institutions of global governance will have to make painful sacrifices and learn to share power with the rest of the world. The good news is that the vast majority of non-Western states, especially the Asian states, want to join the West in becoming "responsible stakeholders" of

the global order. The big question is whether the West will allow them to do so.

NOTE

- 1 Please see: Mahbubani, K (2003): 'The United Nations and the United States: An Indispensable Partnership', in David M. Malone and Yuen Foong Khong (ed.) *Unilateralism & US Foreign Policy: International Perspectives in Center on International Cooperation Studies in Multilateralism* and also Mahbubani, K (2004): 'The Permanent and Elected Council Members', in David Malone (ed.) *The UN Security Council: From the Cold War to the 21st Century*, London: Lynne Rienner Publishers.

NOTES ON CONTRIBUTOR

Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy, National University of Singapore is the author of *The New Asian Hemisphere: The Irresistable Shift of Global Power to the East*, New York: Public Affairs, 2008. He served for 33 years in the Singapore Foreign Service, and was twice appointed Singapore's Ambassador to the UN.