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[Home](#) > Is the US Ready To Be Number Two?

Is the US Ready To Be Number Two?

In 1980, the US economy was more than 10 times larger than China's, yet by 2017, China with its rapid growth could have the largest share of global GDP, more than 18 percent, according to International Monetary Fund projections. US leaders have not prepared their citizens for this "great convergence," suggests Kishore Mahbubani, author and dean of Lee Kuan Yew School of Public Policy. Still, much of the world has pivoted toward US values and standards. Education, science and technology have united the world around some best practices. Cooperation is still needed on global challenges like climate change, Mahbubani argues, and a system of global governance, would be useful. Principles of democracy, recognition of power balances and the rule of law should guide any systems of global governance, he writes. This era of convergence may be best suited for adjusting old systems or building new ones. – YaleGlobal

US leaders dare not admit it, but China's poised to become the largest economy
Kishore Mahbubani
11 February 2013

SINGAPORE: Long before anyone did, former US president Bill Clinton saw that America would have to prepare for the time when it would no longer be the number one power in the world. In his 2003 Yale University address on "Global Challenges," he said:

If you believe that maintaining power and control and absolute freedom of movement and sovereignty is important to your country's future, there's nothing inconsistent in that [the US continuing to behaving unilaterally]. [The US is] the biggest, most powerful country in the world now. . . . But if you believe that we should be trying to create a world with rules and partnerships and habits of behavior that we would like to live in when we're no longer the military political economic superpower in the world, then you wouldn't do that. It just depends on what you believe.

Long before 2003, Clinton wanted to begin preparing Americans for this new world. "Clinton believed [...] what we had in the wake of the cold war was a *multilateral* moment – an opportunity to shape the world through our active leadership of the institutions Clinton admired and [Charles] Krauthammer disdained," writes Strobe Talbott, former deputy secretary of state in his book *The Great Experiment: The Story of Ancient Empires, Modern States, and the Quest for a Global Nation*. "But Clinton kept that belief largely to himself while he was in office. . . . political instincts told him it would be inviting trouble to suggest that the sun would someday set on American preeminence."

Sadly, few Americans have heeded Clinton's wisdom. Few dare to mention that America could well be number two. I

Few Americans dare suggest that their economy may drop to 2nd place. At a Davos



Top dog no more: President Bill Clinton's speech at Yale in 2003 warned that the US may not stay a preeminent world superpower (top); China's export machine helped move it to the top

illustrates this. Before the era of modern globalization, humankind was like a flotilla of more than 100 separate boats in their separate countries. The world needed a set of rules then to ensure that the many boats did not collide and facilitate their cooperation on the high seas if they chose to do so. The 1945 rules-based order strived to do this, and despite some obvious failures, it succeeded in producing a relatively stable global order for more than 50 years.

Today, the 7 billion people who inhabit planet earth no longer live in more than 100 separate boats. Instead, they live in 193 separate cabins on the same boat. But this boat has a problem. It has 193 captains and crews, each claiming exclusive responsibility for one cabin. No captain or crew cares for the boat as a whole. The world is now sailing into increasingly turbulent waters with no captain or crew at the helm.

The Great Convergence echoes the themes of Clinton's 2003 Yale speech. It's in the interest of all – particularly great powers – to strengthen institutions of global governance so that we're not sailing blindly into choppy waters without a captain. The National Intelligence Council recently projected that in 2030 Asia would overtake the Western world economically, technologically and militarily. When China becomes a world superpower in a matter of decades, the United States and Europe will want to ensure that China plays by the rules.

But in order to make international organizations like the United Nations, the IMF and the World Bank more credible and effective, they must undergo serious

discovered this when I chaired a panel on "the future of American power" at the 2012 World

panel, none could acknowledge this publically.

Economic Forum in Davos. After citing projections that America would have the second largest economy in just a few years, I asked the American panelists – two senators, a congresswoman and a former deputy national security advisor – whether Americans are ready to become number two. To my shock, none could acknowledge publically this possibility.

America may well become number two faster than anyone has anticipated. According to the most recent International Monetary Fund (IMF) projections, China will have larger share of global GDP than the United States by 2017. In 1980, in PPP terms, the US share of the global economy was 25 percent, while China's was 2.2 percent. By 2017, the US share will decline to 17.9 percent, and China's will rise to 18.3 percent.

Even if America becomes number two, we will still have a better world. In many ways, the world is "converging" to American values and standards, as I explain in *The Great Convergence*. The global middle class is booming, interstate war is waning, and never before have people traveled and communicated across the world so easily. These changes are creating common values and norms across the world. Education and scientific reasoning, for example, are enabling people the world over to speak with a common language.

However, while humanity is well on its way to combating absolute poverty and interstate warfare, other problems are surfacing.

Preventing and curtailing transnational issues like climate change, human and drug trafficking, and financial crises require cooperation among nation states, yet this is not happening. A simple analogy

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reform. It is manifestly absurd that the West makes up 12 percent of the world's population but takes up 60 percent of UN Security Council permanent seats. It's nonsensical that the head of the IMF is always a European and the head of the World Bank is always an American as the West's share of global GDP diminishes every year. This concentration of clout in the hands of a relative few has grave implications for these institutions' effectiveness and independence, making them instruments of the West.

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No other organization, not even huge global NGOs like the Bill and Melinda Gates Foundation or the Clinton Foundation, has the scope and legitimacy that the UN currently enjoys. For example, the United States for years has been trying to pressure China to take a more proactive role in fighting climate change. Predictably, China has resisted these pressures because they saw them as a clever yet transparent American ruse to curtail Chinese economic growth. Only when the United Nations Development Programme raised the issue with China did the Chinese government take heed, as the UNDP is seen as a neutral party in China. The UN and its many agencies may soon lose invaluable credibility if the West insists on monopolizing its power over these institutions.

Any reform of the UN should take into account three principles: democracy, recognition of power balances and the rule of law. Institutions of global governance can be made more democratic by ensuring that their leadership accurately reflects the composition of world's population. At the same time, we must also take into account geopolitical relationships among emerging and middle powers. Finally, the rule of law is essential to the mediation and resolution of thorny international issues and to governing the conduct of states on the international stage so as to prevent escalation of conflict.

In this rapidly changing world, it's a mistake to allow institutions of global governance to stay as they are. The 1945 rules-based order is no longer appropriate for 21st century circumstances. Global leaders must better prepare us for the challenges to come and equip our international organizations to deal with them. Leaders must find the courage to continue advocating for stronger multilateral cooperation. It is time for our captains and crews to emerge from their cabins and start steering the boat.

Kishore Mahbubani is dean of the Lee Kuan Yew School of Public Policy, NUS, and author of the forthcoming book *The Great Convergence: Asia, the West, and the Logic of One World*. [Click here for an excerpt](#). [1]

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