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PREDICTIONS FROM THE FT'S A-LIST ON THE BIG CHALLENGES OF 2012

The calls for global leadership will be unanswered

This coming year may well be a significant one - the year that world leaders fell asleep just as the world cried out for more leadership.

They will not literally fall asleep. Instead, they will remain active and engaged with domestic concerns - especially the challenges of surviving in office – while ignoring the many global challenges that demand their urgent attention.

Barack Obama will focus on only one issue in 2012: winning re-election. Like his predecessors, he will not allow external challenges to distract him from the campaign, unless, of course, a potential collapse of the euro threatens to derail it. This is the main reason he finally sent Tim Geithner to give the Europeans a helping hand in December 2011.

Mr Obama will not try to restart the Doha round of trade talks. Free trade has become an untouchable subject in American politics. Nor will he push for more action on climate change. Americans are not clamouring for action in this area. In 2007, when Al Gore won his Nobel Peace Prize, 63 per cent of Americans said global warming posed a “somewhat serious” or “very serious” threat. In 2010, only 53 per cent did so. More dangerously, as Americans become more economically despondent, China will naturally emerge as scapegoat number one. It would be politically suicidal for Mr Obama to tell Americans the hard truth: that China has focused on becoming economically

competitive for almost three decades. America, by contrast, assumed that it would remain competitive as a God-given right.

Sadly, China's leaders will also be in no position to provide global leadership. They too will remain focused on their own leadership transition. It is now more or less known that Xi Jinping and Li Keqiang will succeed Hu Jintao and Wen Jiabao. That is the easy part. The hard part is deciding who will be No. 3, 4, 5, and so on. Chinese leaders' top preoccupation will be to ensure that all goes well with this transition. Too much is at stake here for global challenges to take priority.

The European Union, another traditional global leader, will need at least another year or two to sort out the euro mess. The huge debts of Greece, Portugal, Italy and Spain have to be rolled over. There will be detailed negotiations on new governance arrangements for the eurozone. The EU's leaders, who seem to lurch from one crisis summit to the next, will have no capacity left to focus on global challenges.

So all the world's most powerful leaders will have strong reasons to press "pause" and defer dealing with global challenges. The problem is that history is already playing on fast-forward. The rapid pace of change unleashed by technology and the desire of billions to join the march to modernity mean that we have to adjust faster and faster to all the challenges of living in a small, complex, interdependent world. Hence the demand for global leadership will grow apace in 2012. And no global leader will emerge. It does not take a genius to predict that this is a prescription for continued turbulence and uncertainty.

The writer is dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore and author of 'The New Asian Hemisphere'

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