

## **Asia's Role in Global Governance**

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### **Executive Summary**

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- Asia has long been underrepresented in institutions of global governance. Recent challenges to those institutions have focused less on their legitimacy than on their effectiveness.
- Such engagement reflects a changed approach to sovereignty. Once it was understood primarily as a defense against foreign intervention. The vast majority of Asian governments now understand that collective action does not erode, but instead protects sovereignty.
- Barriers remain to Asia playing a greater role on the world stage, however. In particular, there is little appetite for true leadership from Asia: Asians want to grow and perpetuate the global system, not revolutionize or reset it.
- In part this is due to interests, which are well-served by many aspects of the current system. But it is also connected to the Asian style of consensus and consultation.
- The “Asian way” of policy-making can be seen in recent developments in security and development, in regional cooperation, in the relative openness of Asian institutions, and the advantages of smaller groupings.

- The positive aspects of this approach to diplomacy and governance include respect for diversity, consensus-building over conflict, pragmatic approaches rather than lofty principles, and gradualism rather than abrupt change. The negative aspects can be that the desire to avoid confrontation prevents meaningful agreements being concluded in a reasonable timeframe, or that the appearance of consensus merely masks the true politics at work.
- What might this mean in practice? A speculative list of issues in which Asia — or, more properly, Asians — might contribute to global solutions includes peace and security, climate change, energy governance, energy security, financial regulation, health, development assistance, regional markets, good governance, and social enterprises.

## Understanding the Problems

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Recent crises have shaken Asia's belief in the global system of governance in its current form. There is a demand for change.

This is not new. The fact that the world's largest and most populous continent — home to more than half the world's population — is underrepresented in the institutions of global governance has been a longstanding complaint and is not seriously challenged.

In the wake of the global financial crisis, however, the debate on Asia's role in global governance has shifted to a more constructive tone. Instead of *legitimacy*, or simply getting more seats at the table to provide input, the discussion is increasingly about outputs: how to create institutions that are more *effective*.

The shift reflects changing approaches to fundamental issues such as sovereignty. Until the 1990s, the region held a very strong notion of sovereignty, driven in significant part by national security concerns and articulated in the language of "Asian values".

The recent global challenges in finance, health, and climate change have created a sense of urgency for enabling effective collective action. Many countries in the region are becoming much more engaged in international institutions. There is no question of proposing "global governance" in the sense of a world government. But retreating into defensive sovereignty is also unrealistic.

The vast majority of Asian governments now understand that collective action does not erode, but instead protects sovereignty. The ability to manage internal problems increasingly requires engagement at the international level.

Yet barriers remain to Asia playing a greater role on the world stage. Some of these are structural, such as the procedures for changing the allocation of seats on the United Nations Security Council or in the leadership of the World Bank and International Monetary Fund. But others are internal to the region.

Put bluntly, there is little appetite for true leadership from Asia.

At the strategic level, Asians are more accepting of U.S. hegemony than other regions of the world. That hegemony has provided space in the past five decades for the development of a stable and prosperous Asia, which is prepared to continue relying on a U.S.-led security umbrella.

Asia also has a different understanding of global responsibility. With more than two billion people in China and India alone, taking care of such a huge proportion of the world's population is seen in and of itself as a major contribution to global responsibility.

And, given the challenges in these and other countries, taking a lead role in solving global problems often comes behind solving problems at home.

## Framing Solutions

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There is wide agreement in Asia that the approach to global governance should be one of *evolution* rather than *revolution*. Asians want to grow and perpetuate the global system, not revolutionize or reset it.

One key reason for this is that Asia's rise — unlike the rise of the European powers — has not been achieved through colonial expansion, but gradual integration.

This subtle power shift can be seen in the greater respect recently afforded to China's leaders by Western powers, India's more active involvement in security issues, and the expansion of the G8 to the G20.

The challenge to redesigning global governance is that Asians are generally "status quo" powers. The rising powers are *reluctant* to lead, and the falling powers are *unable* to lead. At the same time, the region's evolutionary approach towards greater cooperation is by nature messy and random.

Still, Asian countries are increasingly recognizing the need to develop and manage soft power. China, for example, now develops Confucius Institutes around the world to promote its language and culture. Japan has invested significantly in development and proposing a vision of human security. South Korea will host the next G-20 summit, supplied the current Secretary-General of the United Nations, and has reached a far-reaching free trade agreement with the European Union.

Climate change offers the greatest opportunity for major, even revolutionary, change in redesigning global governance. However, it is not clear that an official “Asian” view is open to responding to this challenge. The preference still is for consultative, non-binding forums that avoid issues of national sovereignty. China’s role in the December 2009 Copenhagen talks may be an example of this.

Yet the Asian style of consensus and consultation may fail when confronted with a need for bold, collective action. Appealing to the lowest common denominator produces *wide*, but not *deep* commitments to change. The result is that many Asians want change at the same time as wanting things to remain the same.

## An Asian Way?

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To understand Asia’s approach to global governance, it is helpful to understand the region’s history. This comprises three key narratives:

1. *Colonialism*: Centuries of colonial rule left the region with a fierce attachment to sovereignty and national identity. The years after the Second World War were focused on inward, independent nation-building.
2. *Japan and the East Asian Economic Miracle*: Japan and the Asian Tigers were lauded internationally as the region’s first newly industrialized countries noted for maintaining exceptionally high growth rates and rapid industrialization between the early 1960s and 1990s, with an emphasis on education, low labor costs, and export-oriented economies.
3. *Globalization Narrative*: The rise of China and India has given confidence to the region as well as a sense of historical destiny. How these countries, which account for a third of the world’s population, integrate into the world in the next decades will determine how the world economy is reshaped. The relative youth of their populations, high savings rates, and potential for further development could fuel China and India’s growth for decades as they liberalize their financial markets and trade.

These three narratives of transformation have motivated Asian countries to adopt a main agenda of economic development and an overarching sense of pragmatism.

The development of policy in Asia tends to be exclusive, elitist, and technocratic. This approach, while consistent with pragmatism, is markedly different from that taken by Europe and the United States, which have a more pluralistic and contentious style to governance.

In a simplistic categorization, it has been said that the world has become divided among the security-obsessed Americans, “softie Europeans”, and pragmatic Asians. To paraphrase Robert Kagan, Americans may be from Mars and Europeans from Venus, but *Asians are grounded here on Earth*.

While Asia has done well with its strong focus on economic growth, this approach may be inadequate to responding to crises that transcend borders.

In this sense it is worth noting that pragmatism has two distinct meanings. Its negative connotation is of avoiding grand principles. But its more positive sense refers to a practical approach to problems. There may be more traction in Asia to global governance reforms that address specific problems to be solved, rather than institutions to be built.

At the same time, it is important to note that there is no one “Asian” view. “Asia” as a category has uncertain borders. The very word has Greek origins. Its diversity can be seen in it being the only continent without an organization of continent-wide membership.

China, Japan, and South Asia have strikingly different approaches to security and global issues. Differences are also more pronounced between the established and developing powers within Asia. The various groupings that exist in Asia have tended to coalesce around shared national interests rather than shared identity.

A weak sense of shared identity can make it difficult to take on a leadership role in the world. In many cases, then, it may be most productive to look at the contribution of “Asians” rather than that of “Asia” to the redesign of global governance.

Indeed, the region has a wealth of experience that could contribute to new thinking in global governance around particular issues:

- *Security and Development*: South Asia has played a major role in international peacekeeping, with China taking on increased responsibilities. Japan is a major donor and has sought to define a new conception of human security.

- *Regional Cooperation:* Regional organizations such as ASEAN, APEC, and others have evolved slowly, driven by national interests, but played a significant role in encouraging development, fostering peace, and more recently promoting human rights.
- *Openness:* Asian countries' "open regionalism" shows a commitment to being cooperative neighbors. ASEAN expanded its membership to include all Southeast Asian countries and included important partners such as Japan, Korea, China, Australia and New Zealand in its various "ASEAN + *x*" regional forums.
- *Smaller Groupings:* Rather than having the largest countries such as China, India and Japan take the lead, implementing projects at a sub-regional level can be an effective way of resolving multilateral issues and giving smaller countries a voice. The challenge is to bring this energy and ability to bear on concrete problems that go beyond the boundaries of these sub-regions.

So is there an "Asian way" of approaching global governance? The positive aspects of this approach to diplomacy and governance include respect for diversity, consensus-building over conflict, pragmatic approaches rather than lofty principles, and gradualism rather than abrupt change. The negative aspects can be that the desire to avoid confrontation prevents meaningful agreements being concluded in a reasonable timeframe, or that the appearance of consensus merely masks the true politics at work.

Drawing on the positive aspects of the Asian way suggests the possibility of more inclusive decision-making in the institutions of global governance. The danger in such an approach is that decisions may not be made, or that those made will fail to resolve fundamental political challenges by putting rhetoric ahead of substance.

## Challenges and Responses

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So what might this mean in practice? Here is a list of ten ways in which Asia — or, more properly, Asians — can contribute to solving some key global challenges:

1. *Peace and Security*: Asia includes many new naval powers, such as China and India, which could help bolster the security of sea lanes by partnering traditional naval powers such as the United States. Various countries joined efforts to combat piracy off the coast of Somalia. China is developing a deployable police capacity that may provide an important new tool in peace operations in fragile states. Much more could be done in this area even without reform to institutions such as the UN Security Council.
2. *Climate Change*: Asia needs to build up innovative markets for the future that allow the transfer of technology. China, Japan, and Korea have become leading producers of green technology. Asian governments are in a position to take the lead in developing alternative energy sources given the important role that public money play in the development of Asian countries.
3. *Energy Governance*: Asia should play a key role in the transition towards clean and renewable energy sources, not only through investments in research and technology, but also in developing new regulatory structures to foster innovations in green technology (for example, intellectual property rights).
4. *Energy Security*: Asia should provide leadership on promoting effective multilateral frameworks for energy security, particularly to ensure the security and safety of pipelines and to ensure stability of supply. It can also address immediate gaps, namely the security of pipelines running between Russia and China. The trans-ASEAN grid and ASEAN gas network are based on informal agreements and have no multilateral framework to address emergency situations.
5. *Financial Regulation*: Asian countries need to take more leadership in regulating financial markets. China has tabled the idea of creating a global currency, recognizing that putting the fate of the world economy in the U.S. dollar no longer makes sense. Progress has been made on the Chiang Mai Initiative and the possibility of an Asian Monetary Fund remains on (or at least not far off) the table.
6. *Health*: Asia's experience in dealing with SARS, bird flu, H1N1, and other diseases should be studied carefully — for both positive and negative lessons — with a view to developing a new global consensus on handling pandemics.



7. *Development Assistance:* Asian countries should formulate new approaches to administering development assistance amid the failure of Western aid programs in lifting Africa out of poverty. Asian countries could create an Asia-Africa organization for development cooperation that would include a forum for countries as an Asian complement to the OECD's Development Assistance Committee.
8. *Regional Markets:* The current model of development, where goods are manufactured in Asia and consumed in America, should be rethought. Asia should develop new regional markets by creating greater consumer power among the poor, interlinking social development, economic development, and security. Asia's development should ultimately be funded by Asian money.
9. *Good Governance:* The focus of development aid has shifted towards cultivating clean, efficient, and corrupt-free government in developing countries. Countries such as Singapore could provide 'softer' aspects of development aid, training and development of human capital, while bigger countries or traditional donors such as the United States, Europe, or Japan could continue to supply the necessary funds.
10. *Social Enterprises:* Asia has emerged as a leader in social entrepreneurship. The successes of social businesses such as Grameen Bank and BRAC in Bangladesh have contributed to renewed thinking about how social objectives can be fused with revenue-generating practices. The ability of social enterprises to rally private and community groups towards fulfilling both profit-making and social goals provides an innovative lens for redesigning global governance.

## About the Singapore Hearing

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The Global Redesign Initiative (GRI) is an unprecedented multi-stakeholder dialogue that is developing recommendations for adapting the structures and systems of international cooperation to the challenges of the 21<sup>st</sup> century. The GRI was launched by the World Economic Forum in 2009 under the patronage of the governments of Qatar, Singapore, and Switzerland.

The Singapore Hearing was convened at the National University of Singapore's Lee Kuan Yew School of Public Policy on 1-2 December 2009. Participants were drawn from a range of countries and disciplines, with representatives from government, inter-governmental and non-governmental organizations, academia, think tanks, and industry. All participated in their personal capacities. The agenda focused on three fundamental questions:

1. Do Asian policymakers and thinkers see the global agenda and the prospects for global governance in the same way as do policymakers and analysts in other parts of the world? Are there distinctive national or regional views?
2. Does Asia's experience in solving shared problems offer any lessons for global solutions?
3. Does Asia's current approach to multilateral institutions limit its influence in global institutions?

The views presented in this report were informed by the discussion but are those of the authors alone.

## About the Authors

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**Kishore Mahbubani** was appointed Dean of the Lee Kuan Yew School of Public Policy on 16 August 2004 after having served 33 years in the Singapore Foreign Service (with postings in Cambodia, Malaysia, Washington DC and twice as Ambassador to the UN, during which he also served as President of the Security Council). He was the Permanent Secretary of the Foreign Ministry from 1993-1998. He is the author of *Can Asians Think?* published in Singapore, Canada, U.S., Mexico, India and People's Republic of China and of *Beyond The Age of Innocence: Rebuilding Trust between America and the World*. His new book entitled *The New Asian Hemisphere: the Irresistible Shift of Global Power to the East* was published in New York in February 2008. He was also listed as one of the top 100 public intellectuals in the world by Foreign Policy and Prospect magazines in September 2005.

**Simon Chesterman** is Global Professor and Director of the New York University School of Law Singapore Programme, and a Professor of Law at the National University of Singapore. Educated in Melbourne, Beijing, Amsterdam, and Oxford, his previous positions include Senior Associate at the International Peace Academy and Director of UN Relations at Crisis Group in New York. Other experience includes working for the UN Office for the Coordination of Humanitarian Affairs in Yugoslavia and interning at the International Criminal Tribunal for Rwanda. His books include *Private Security, Public Order: The Outsourcing of Public Functions and Its Limits* (editor, with Angelina Fisher, Oxford, 2009); *Law and Practice of the United Nations* (with Thomas M. Franck and David M. Malone, Oxford, 2008); and *You, The People: The United Nations, Transitional Administration, and State-Building* (Oxford, 2004).

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