

Keeping the ship on course

With no captain at the helm, Kishore Mahbubani argues that global institutions must be allowed to adapt to a changing world

Mao Zedong was right when he said always focus on the biggest contradiction of our time. And what is the biggest contradiction today? Our world has changed fundamentally, yet our institutions of global governance remain frozen in the 20th century.

A simple analogy will explain how our world has changed. Before the era of modern globalization, when humanity lived discretely in more than one hundred separate countries, humankind was like a flotilla of more than one hundred separate boats.

What the world then needed was a set of rules designed to ensure that these many boats did not collide and to facilitate their co-operation on the high seas if they chose to do so. This is what the 1945 rules-based order strived to do, and despite some obvious failures, it succeeded in producing a relatively stable global order for more than fifty years.

Today, global circumstances have changed dramatically. The seven billion people who inhabit Planet Earth no longer live in more than one hundred separate boats.

Instead, they all 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. However, it has no captain or crew to take care of the boat as a whole.

None of us would sail into an ocean of rapidly changing currents and looming storms without a capable captain and crew at the helm of our boat. Yet the global policy community proposes to do exactly that: sail into the uncertain waters of the 21st century without a captain.

Our global boat will not be getting a captain in the near future. Global government is absolutely out of the question. The world of sovereign states will not disappear soon. Realistically, the best we can do is to strengthen existing institutions of global governance.

Three key principles should drive global governance reform: democracy; the recognition of power imbalances; and the rule of law. Democracy simply means that the 12 per cent of the world's population who live in the West can no longer dominate the leadership of global institutions. It is manifestly absurd, as we enter the second decade of the 21st century, that the West continues to insist that the head of the IMF should be European and the head of the World Bank an American. This rule was reaffirmed as recently as 2011 and 2012. No national democracy would disenfranchise 88 per cent of its population. Neither can our world. The leadership of global institutions must reflect the choices of seven billion people.

At the same time, power is not distributed fairly and equitably among nation states. Great powers remain. And great powers continue to dominate great power politics. It was therefore wise for the UN founding fathers to give them veto powers in the UN Security Council. This gave them a stake in keeping the UN alive and not destroying it as they did to the League of Nations. Yet, for the Security Council to be credible, it must represent the great powers of today, not the great powers of yesterday. Hence, in my forthcoming book, *The Great Convergence*, I have suggested a 7-7-7 formula for reforming the Security Council: seven permanent members, seven semi-permanent members and seven elected members.

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The notion of semi-permanent members may seem strange. However, the main reason why Security Council reform has not moved an inch is that for every new winner (new permanent member) there is a new loser. For example, look at India and Pakistan, Brazil and Argentina, Nigeria and Egypt.

With this new 7-7-7 scheme, the ‘losers’ will become winners: they will get automatically rotated back into the Council every fourth term. In short, given the complex and messy political world we live in, we have to aim for pragmatic, not perfect solutions where all three constituencies of the UN – the great powers, the middle powers and small states – benefit from the 7-7-7 formula.

Finally, the rule of law is critical. There must also be constraints on great powers. Bill Clinton wisely warned Americans in 2003 to prepare for the time ‘when we’re no longer the military political economic superpower in the world’. And the US is going to become No 2 sooner than it thinks. In 1980, the US share of the global economy was 25 per cent in purchasing power parity terms, while China’s was 2.2 per cent. By 2016, the US share will have declined to 17.6 per cent and China’s will have risen to 18 per cent.

In short, the world is changing faster than we think. The biggest strategic error that the West could make is to freeze existing global institutions. If they did this, these global institutions would lose both their legitimacy and relevance. A better course of action would be to reform them now while the West, especially America, remain No 1 in the world. ●

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