

# ShanghaiDaily.com

Published on ShanghaiDaily.com (<http://www.shanghaidaily.com/>)  
<http://www.shanghaidaily.com/article/?id=492567&type=Opinion>

---

## We're all in the same global boat

Created: 2012-1-18

Author: Kishore Mahbubani

### EDITOR'S note:

This is the second of a three-part article adapted from the author's speech at the Shanghai Overseas Returned Scholars Association's (SORSA) Forum on September 9, 2011. SORSA and the Shanghai Alumni Club of the Lee Kuan Yew School of Public Policy, National University of Singapore, contributed this article.

LET me tell you what happens if there is no global leadership.

One, the global economy will enter very dangerous waters. Now you already saw how dangerous that financial crisis was in 2008 and 2009. In fact, the whole world economy almost went over a cliff.

You know what saved the world in 2009? What saved the world was that we did have global leadership. And you know how the global leadership came about?

In April 2009, suddenly, all the leaders of the G20 countries panicked. They got very worried, so they came out of their cabins on the boat, went up to the top of the ship to the captain's cabin and they said, "Hey, our global boat is in trouble."

So the G20 leaders came together as a group and saved the world economy. And the man who played a very important role was the Prime Minister of the United Kingdom, Gordon Brown who got the world leaders together and said, "We must work together."

We're lucky that the G20 meeting succeeded in April 2009.

But I can tell you that as soon as the crisis finished, the subsequent G20 meetings were all failures.

The reason for this was that while the leaders went up to the top of the boat to take care of it when there was a crisis, they went back to their cabins when the crisis ended.

Back to cabins

When they went back to their cabins, they were only interested in their national interests and not interested in global interest. So when the leaders only take care of the national interests, the world as a whole gets into trouble.

There will be more economic crises coming, I guarantee you, within five years or 10 years.

I'll give you some examples.

Right now one big question is about the value of currencies.

The United States believes that the Renminbi (yuan) is under valued. They say the currency should become stronger; otherwise, it is an unfair advantage for China. They say that it gives China an unfair competitive advantage when the yuan is low.

I guarantee you some kind of struggle between the US and China about the currency value. If you don't have a system of rules, then there will be danger of direct conflict. But if you can create a system of rules that applies to everybody on how to value your currency, then you create stability for the world.

The second negative or bad thing that will happen if you don't have global leadership is that many global challenges will not be dealt with.

Global warming

There is a danger of global warming. With global warming, all the countries over the world will suffer. Maybe not Canada or Russia, because finally they can have a warmer place to go to. But the rest of the world will suffer global warming.

To reduce global warming, we all have to reduce what are called "greenhouse gas emissions," we all have to consume less energy.

In order to consume less energy, everybody must make a sacrifice. But as you know, there was a meeting in Copenhagen and there was no conclusion.

The United States and Europe wanted China and India to sacrifice more, but China and India told the United States and Europe, "Excuse me, we're still poor countries; our people need electricity; we need to build more coal power stations. Don't ask us to deny our people electricity."

The third area where we could have problems is probably the most dangerous area. So far, it has been quite remarkable that we're now seeing the biggest shifts of power ever seen in human history. Power is shifting from country to country.

And yet, surprisingly, there are no major wars. But this is unusual. Throughout history whenever you have major shifts of power, you have conflict of some kind or another.

In fact, it is quite remarkable that in the 20th century in the first 50 years you saw two big wars, World War I and World War II. But since 1945, no World War III. Why? Because the 1945 rules-based order created by the West created some rules for countries on how they should deal with each other.

Rule breaking

The rules of 1945 said, "It is legal to use force only if it is an act of self-defense or it is authorized by the UN Security Council." Most countries want to obey these rules, but one country decided to disobey the rules. Which country was it? Which country has defied these rules about the use of force? Yes, it was America.

In March 2003, the United States invaded Iraq. That was not an act of self-defense because Iraq had not attacked America; and it was not authorized by the UN Security Council; therefore, the

war was illegal.

The 1945 rules were maintained by the West. Now the West stops maintaining the rules. Who will maintain these rules? So my point of view is that you cannot assume that all these rules will continue if nobody sustains them.

The author is Dean and Professor in the Practice of Public Policy, Lee Kuan Yew School of Public Policy, National University of Singapore

Copyright © 2001-2011 Shanghai Daily Publishing House