



A Bold Optimist

BY DAVID HALE

A review of **The Great Convergence: Asia, the West, and the Logic of One World,**

by **Kishore Mahbubani**, PublicAffairs, 2013

Kishore Mahbubani is a bold optimist. In his new book, *The Great Convergence*, he envisions a new global order in which mankind achieves both prosperity and peaceful coexistence. In this new world order, the 88 percent of the world's population living in developing countries will acquire much greater political power while the established powers will find a way to accommodate them. There will be a huge expansion of the global middle class and many new opportunities to promote economic growth.

Several factors explain Mahbubani's optimism. First, violent conflict on the planet has declined sharply. The number of wars which kill at least one thousand people a year has declined by 78 percent since 1988. Second, the number of people experiencing poverty has declined significantly while the world's middle class has seen a major expansion. Asia accounts for much of this improvement, and by the year 2020 it could account for half of the global economy's middle class. Third, this economic shift has been accompanied by a huge expansion of the world's university enrollments, especially in China and India.

Mahbubani believes these changes have created a world in which scientific reasoning and logic have become far more important to political decision making than in previous periods of human history. This new way of thinking has helped to promote acceptance of the market economy and a search for multilateral solutions to international conflicts.

Mahbubani wants political leaders to think of problems in a global context rather than in terms of 193 autonomous nation states. He believes that the decision of the Bush Administration to convene a summit of the G-20 heads of government in November 2008 was an important step towards more effective international decision making. In contrast to the original G-7 group which had been dom-

inant since the 1970s, the G-20 includes many important developing countries. It has been difficult for such a diverse group to achieve a consensus on global policy coordination, but the fact that they are even meeting is still a breakthrough in acknowledging the changing balance of power in the global economy.

Mahbubani reviews the inadequacies of existing international institutions. He believes the United Nations needs more money and a new system of governance for the Security Council. The major Western powers, he says, have greatly weakened the World Health Organization with inadequate funding. They have also undermined the effectiveness of the International Atomic Energy Agency despite the important role it could play in stopping the spread of nuclear weapons.

Mahbubani believes one of the greatest challenges in the evolution of the new international order will be the rise of China. He has no doubts that China will have the largest economy in the world during the next decade. China's rise, however, will create problems for both the developing countries and the old industrial powers.

He cites examples of how Chinese firms in resource-rich countries such as Zambia have clashed with their workers, while Chinese capital flows have boosted the exchange rates of some developing countries to levels which hurt their competitive position. He is also concerned about the ability of the United States to cope with the loss of its status as the world's largest economy. American politicians, for example, refuse to acknowledge the changes occurring in the global economy despite the fact that it was American policies which made possible this transformation. He fears that there could be new conflicts as China becomes more ascendant and the United States becomes more defensive. Americans will scapegoat China, he wor-

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ries, while China itself could become smug. Mahbubani is also concerned about the Chinese-Indian relationship. He feels that they should collaborate on issues such as the global trading system and global warming because the old industrial countries want to impose burdens on them despite their relative poverty. While endorsing policies to prevent climate change, Mahbubani wants the old industrial countries to pay more of the cost.

Now a professor at the National University of Singapore, Mahbubani previously served as Singapore's ambassador to the United Nations, so he devotes considerable attention to the UN's role. He wants to radically reform the Security Council by expanding it to twenty-one members and changing how the members are selected. Britain and France should give up their membership and instead have a single member for Europe. Seats would then go to India, Brazil, and Nigeria as permanent members. Mahbubani would also create a second tier of semi-permanent members which would be selected from twenty-eight countries that ranked high in terms of population and economic size. As the UN works on the basis of regional groupings, he would expect the distribution of those twenty-eight seats to be allocated on the basis of nine for the Asia-Pacific, seven for Africa and Western Europe, four for Latin America, and one for Eastern Europe. The final seven members would come from the UN's other 153 members. This new 7-7-7 formula should also be reviewed every ten years to reflect changes in a country's economic performance. Whereas the static list of G-20 countries reflects the world when it was launched in 1998, Mahbubani wants the UN to reflect how the global order is evolving.

Mahbubani also wants to change the rules for how leaders are selected to run the World Bank and International Monetary Fund. At present, the World Bank is run by an American and the IMF by a European. Along with many others, he feels the door should be open to candidates based on merit from all over the world.

One of the problems at both organizations is that voting power still reflects the world after Bretton Woods rather than the current global economic order. In 1950, Europe and the United States accounted for 28.5 percent of the world's population and 55 percent of its GDP. In 2005, the U.S. and European share of the world population was 16.4 percent and their share of global GDP was 46 percent. By 2050, the European and U.S. share of the global population will be only 12 percent, while their share of global output could be well under 40 percent. Asia by then will account for 57.5 percent of the world's population, Africa 21.3 percent, and Latin America 8.6 percent. Asia's share of

global GDP could exceed 50 percent again, as it was before the British Industrial Revolution.

But despite the huge changes occurring in the global economy, the distribution of votes remains unaltered. The United States has the largest quota at 17.69 percent, followed by Japan at 6.23 percent, Germany at 5.81 percent, the United Kingdom and France at 4.29 percent, and Italy at 3.16 percent. The largest quotas for the developing countries are China at 3.81 percent, Saudi Arabia at 2.8 percent, Russia at 2.39 percent, India at 2.34 percent, and Brazil at 1.72 percent. The developed countries have 58 percent of the votes while the developing countries have 42 percent.

If the quotas reflected the new world economy, China would have a larger quota than Japan and Brazil a larger quota than Italy.

Mahbubani believes that the United States abuses its IMF power to serve its own foreign policy goals, noting academic research that shows a clear relationship between a devel-

oping country obtaining a temporary seat on the Security Council and that country being able to qualify for IMF loans. The United States has consistently tried to use IMF and World Bank loans to influence the votes of developing countries on the Security Council.

Many books have appeared recently on the rise of China, India, Brazil, and others as new economic powers. It is widely acknowledged that a major change is occurring in the global balance of economic power that will have profound long-term implications for military power, trade relations, and global economic governance. Mahbubani is unique in his good understanding of large multilateral organizations such as the UN and his clear vision of how they should be restructured to make them more relevant in the new world order.

There are no signs that the United States or other major powers are prepared to contemplate Mahbubani's proposed changes. They are content with the status quo because it reflects deeply entrenched habits of thought. It also is impossible for U.S. politicians to discuss the country's relative economic decline.

Singapore does not have the economic or political power to lead a major reform of UN Security Council makeup or IMF governance. Mahbubani will therefore remain an intellectual voice in the wilderness, eloquent but isolated. The world's leading multilateral organizations will ultimately reform, but only after China clearly has become the world's largest economy while India and Brazil become larger than the leading European powers. Mahbubani has the vision to know where the world is going, but the timing of the change will depend upon the evolution of events that are still many years in the future. ◆

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