

What We Have Learned:
'New Foundations for Global Governance' Conference
January 8-9, 2010 at Princeton University

Who Shall Lead?

Are the Great Powers identified by power solely and how is power distributed and then exercised in the contemporary international system? Is power in turn defined by those raw features – military and economic – alone, or does diplomatic leverage and status have a part in the exercise of power?

Does major power status depend on legitimacy considerations related to collective action and problem solving?

Has greater legitimacy been secured by the expansion of leadership from the G8 to the G20?

- Global governance is about international institutions (rules, norms, standards and organizations) but also about the states character and policy (mandatory goals, regulation in energy investments etc). However, while the nation-state is back in the game, the nation-state is not what it used to be.
- States – whether democratic or authoritarian - are increasingly constrained by their domestic politics. The United States and China for example, are two states that are limited by political efforts to achieve 'consensus' over global governance issues.
- As a result for **economic** global governance at least the outcome/outputs could be dysfunctional leading to: (1) persistent disequilibrium; and/or (2) devolution to regional governance.
- The central **security** pattern appears to have shifted from one of dominance to one of disruption. Many see that 'power' in global governance - with the emergence of new leaders on the global stage – is becoming increasingly diffuse. The dilution of power is more the norm in international politics.
- The key issues that come up relate to state sovereignty (the correct balance of rights and responsibilities), how states can find a basis for acting on shared interests.

The Shape of How They Shall Lead?

Can informal international organizations – Gx institutions - without binding legal character provide adequate global governance leadership? Can they achieve adequate legitimacy of membership? And even if they can achieve a measure of ‘legitimacy,’ can they be ‘effective’?

Can the Gx process be relied upon to create ‘effective’ multilateralism when what it has generated such a plethora of different organizations - what many regard as nothing more than ‘messy multilateralism’?

Does contemporary global governance still demand traditional multilateral institutions such as the UN, the IMF, the World Bank and the WTO?

- Multilateralism is an arduous and inefficient path to global institutions and effective global governance. At best these organizations can be seen as a loose confederal structure where generating collective action is particularly hard. There would appear to be little likelihood that tighter global governance institutions will be created.
- While decried by many – in particular because messy multilateralism can encourage forum-shopping possibilities - messy multilateralism may reflect possibilities for a growing functionality in global governance organizations. Thus we have in climate change, the Copenhagen universal process, the MEF – the largest GHG producers – and even the ‘G2’ – the two largest GHG producers. We have the G20, the FSB and the IMF all dealing with financial regulation and more. The outcome measure for multilateralism is ‘effectiveness’ and this may not be dependent on the simplicity of the global governance structure.
- The UN and Gx process is not necessarily a zero sum game. Though some have urged that the Gx process needs to be embedded in the large Bretton Woods – UN institutions, more likely instead to see more synchronized behavior. Effective commitment can include agreements in one network or club with ratification in another.
- Many see the Gx process as simply the creation of a variety of leader clubs - whether G8 or G20. However, the Gx process is as much about transgovernmental networks, G20 finance ministers or foreign ministers, etc., as it is about Leaders Summits. In fact these transgovernmental networks should provide some of the ‘heavy lifting’ capacity that is unavailable at the Leaders Summits and is required for implementation.

A Fading Hegemon?

Is the United States' role as guarantor of the international order self-serving? Does it provide only minimal benefits to others in a global system where hegemony strongly benefits the US?

To what extent is the current order a Western (or American-made) - as opposed to universal - system?

Has the diffusion of power - not just among different states, but spreading through different actors at different levels boosted the importance of domestic publics as a constraint on collective action?

- The tacit acceptance of the United States as the global hegemon leaves ambiguity over its structural role and ambivalence about its international support. While there isn't any effort underway to displace or replace the US in its role of political, security, and economic guarantor, the "rest" aren't offering support and help either.
- There are particular features about the US that makes accommodation and change harder than it has been for other powers historically. Specifically, the deep-rooted revisionism of US foreign policy (buttressed by exceptionalism) and a general unwillingness to share power will make power transitions more difficult as well collaboration in global governance decision-making.
- The US – in the recent past - exhibited a growing ambiguity over its leading multilateral role, especially during the last administration. Though the new administration has made a significant effort to return to multilateralism, the 'bad taste' of the US unilateral efforts and the building of 'coalitions of the willing' leave many bitter, or at least skeptical, of the US return to multilateralism.
- Obama has stressed rights and responsibilities of all the great powers in global governance. Obama has insisted that responsibility is collective and cannot be built on American action alone. All states must shoulder responsibility. This insistence has been quietly received especially in the face of long standing American hegemony.
- The return of US 'declinism' especially in the face of the global financial crisis and also in part the early revival among a number of rising states but also the evident exhaustion from the US fighting two wars leaves many questioning continued US leadership. For those who see great power politics as purely a reflection of the distribution of power, there appears to be a strong misalignment in global leadership.
- Domestic political incentives suggest the difficulty for the US in leading and overcoming the collective action problems that bedevil multilateralism and global action. There don't seem to be broadly shared concepts of the global common

good or public goods that garner strong domestic support. The challenge of securing domestic support strongly identified in the US system is also evident in many of the new great powers, whether democratic or authoritarian.

Rising States

Given the “blocking power” that enables states to assert their influence through obstruction, what are the incentives for playing a more constructive and civic-minded role?

Does the fact of ‘democratic character’ – some rising states are democratic, some are authoritarian further challenge global governance?

- Their characteristics – big and poor - do not recommend themselves to providing public goods
- The rising heterogeneity of policy preferences and ideas will also make global governance more difficult.
- Just a few years ago, liberal institutionalists and neo-conservatives called for democratic clubs and transgovernmental networks. Many experts maintain that democratic transformation – in the long term – is the best insurance for reducing violence in the international system. In the shorter term, diversity is undeniable and global governance leadership will by necessity deal with democratic and authoritarian states. Achieving collaboration across the global governance agenda will be challenging.
- Even democratic character fails to reflect the diversity of the enlarged club of global governance leadership. India and Brazil – both democratic regimes – lean to developmentalism – call for greater equality for developing states – insist on non-interference and are far more skeptical over humanitarian intervention than traditional states.

The ‘Peaceful’ Rise of China?

Is China taking a leadership role in global governance, or is China failing to pull its weight as a leader in the G20?

What is the character of Chinese leadership – a status quo power? a revisionist or even a revolutionary power?

IR theorists have traditionally focused on the dynamics of balancing and bandwagoning. Does the current shape of the international order point toward the importance of the concept of hedging? Is the prudent course – for the current leadership in the United States, especially - to engage with China but nevertheless to hedge against a future and possibly more aggressive China?

In assessing China’s behavior three questions are posed: (1) Has China accepted international order as a reformer rather than challenger? (2) Is China’s acceptance

of existing international order a tactical maneuver or a strategic choice? and (3) If China has accepted international order as a strategic choice, is China a passive receiver or an active contributor to existing international system?

- All agree that a 'Power Transition' is under way in the international system. The debate is over the seriousness of it. How much challenge and how much potential conflict should be anticipated? Is the 'China Threat' lens the appropriate one for understanding great power relations?
- Hedging has been counterproductive. Hedging is cautious safe – feeds the Washington military and strategic establishment - but frames the relationship in a more immediately negative way. Such hedging may lead to the outcome both the US and China would prefer to avoid. The framing of “China against the West” is counterproductive and may not reflective of reality.
- At least with respect to economic global governance – and in the context of the global financial crisis- China wants to focus on the regulation of financial markets and the highly risky behavior of New York and London financial institutions. The United States, on the other hand, wants to focus on imbalances – trade imbalances and the yuan-dollar exchange rate. These hold the 'seeds' of much bilateral and global governance friction.
- For China – the government and the Party – rapid growth remains an overwhelming goal/priority. This is a bottom-line imperative in China and defines the limit to policy collaboration in such crucial policies as climate change, energy security and macroeconomic policy. As Barry Buzan has written recently, China's approach to global governance is rather an inward-looking type of national exceptionalism. China is absorbed with domestic economic development and reluctant to take on great power leadership.¹
- While China has reservations about the contemporary world order, and remains wary of what China calls US hegemonism, China does not wish to overthrow global system or eliminate the US from the Asia region. China appears to welcome the expansion of the G8 to include the rising powers through the G20.
- On balance experts argue China's current policy is strategic rather than tactical because *it is in China's interest*. China, unlike other rising powers, is deeply integrated into the global economy and is part of the international order at this stage of its rise. This integration has: (1) given China an increasing stake in international stability and prosperity; (2) allowed China to adopt basic principles of current international order; and (3) established

¹ Barry Buzan, “China in International Society: Is ‘Peaceful Rise’ Possible” *The Chinese Journal of International Politics*, 3 (2010) pp. 5-36.

the only sensible option to attain rapid economic growth – the bottom line for the bargain in this authoritarian China.

- (From Jia Qingguo and Richard Rosecrance²) Examine the historical power transition cases – Spain versus Holland, 16th century, Holland versus England, 17th century, Britain versus France in the 18th and 19th centuries, US versus Britain at the end of the 19th century, France and Britain versus Germany in the 20th century, Germany versus Russia in 1914 and then again (as the Soviet Union) in 1941, and the Soviet Union versus the US at its allies after 1945. Six of the seven resulted in conflict if not outright war as the rising power approximated or surpassed the other power. The only case where this was not the case was the emergence of the United States as a great power in the late 19th century. The most important factors that explain an outcome other than war include: (i) acceptance of the existing international arrangements; (ii) abandonment of overseas territorial acquisition as a principal means to acquire international resources and international status; and (iii) reliance on trade for national welfare. Trade for the US was the principal means for the US to acquire the resources and markets needed to sustain economic growth. In addition Britain and the US shared basic values – here liberalism and democracy. For these two powers this sharing of basic values, according to the authors, “... helped communication and lessened conflict between the US and the Britain.”³ In addition these basic values facilitated the forging of an alliance in the face of threats from other countries in several wars and then the climactic Cold War with the Soviet Union.
- As a result of these historical reflections, the question is, whether we are likely to see the US and China in conflict - possibly at war - in the foreseeable future. The answer from both authors is, “no,” “or at least not likely.” Reviewing the factors it would seem that the two meet most conditions for avoidance of conflict. Notwithstanding disagreement over the operation of the international system, there appears to be no prospect that China, as noted above, is seeking to over throw the current international arrangements. China appears to have accepted the current order. Indeed it has become a supporter of it, signing many of the most crucial international organizations and agreements. China has become an advocate for multilateralism. As with other major powers China rejects territorial expansion as a means to advance national interest. Moreover China has become increasingly integrated into the global economy – reliant on trade and foreign investment – for maintaining its rapid economic development. The current context of international relations is significantly altered from that of earlier contests between rising powers and hegemonic leaders. The

² Jia Qingguo & Richard Rosecrance, “Delicately Poised: Are China and the US Heading for Conflict?” *Global Asia*, 4:4 (Winter 2010), pp 72- 81.

³ Jia & Rosecrance, at 78.

Cold War established nuclear stability among the major powers. Recourse to great power conflict, in the face of nuclear weapons seems remote. War, as a means to settle great power conflict, seems increasingly unlikely.

Furthermore economic interdependence and globalization makes trade and investment the primary, possibly only means to achieve greater prosperity. Though intended situations of conflict and confrontation cannot be ruled out – most particularly in the situation of Taiwan - there is little appetite for military confrontation between these two great powers. In summary the great power rivalry, and its focus on military and power balancing that describes the landscape of international relations in these historic cases of power transition appears to be increasingly inapt.

- Global governance increasingly is not over classic great power balancing but over the difficulties and challenges posed by collective decision-making. Rosecrance has written about the dynamics of club-like or concert leadership.⁴ He warns, however, that such concert periods are few and limited. The classic period that followed the end of the Napoleonic period lasted only from 1815-1822. Much of the 19th and 20th centuries have witnessed some form of classic balancing and international relations were built on competitive relations among states. The underlying fundamentals for concert-like relations include: (i) involvement of all; (ii) ideological agreement; and (iii) renunciation of war and territorial expansion replacing it with a collective drive for economic growth and the achievement of national prosperity.
- The above analysis points to China and the United States being able to adjust their relations in the foreseeable future. Beyond the still conflict-possible encounter over Taiwan, the only other troubling feature of the relationship is the question of the sharing of basic values between the two. Jia Qingguo and Richard Rosecrance argue that after the decades of reform that China shares the basic values with US as they see it, “commitment to the free market, rule of law, human rights and democracy.” Though they admit that China sees, “significant differences in terms of how China understands and practices these values,” at a conceptual level Beijing acknowledges that these are good values. Well, maybe, but there are still significant questions over how the current Chinese leadership accepts these values. Though aspirationally some of the leadership might well want more democracy the conditions do not provide for liberal economics, politics or institutions. Moreover there is a ‘values gulf’ (see below) in how China and the US see the operation of the international system and may well pose serious obstacles in promoting collective decision-making in global governance for the foreseeable future.
- In the near and foreseeable future China will be both a passive receiver and an active contributor to global governance. Not too long ago, China’s role

⁴ Richard Rosecrance, “A New Concert of Powers,” *Foreign Affairs*, 87:4 (Spring, 1992), pp. 64-82.

was largely on the receiving end because it was too weak or too distant from 'international relations playing field' to play a leading role. With increasing deep economic integration, China is finding that its economy is becoming too dependent on the world economy to ignore the rest of the world.

Additionally, the world has enlisted China as a "responsible stakeholder" for various issues. While China is no longer a passive receiver, it is not yet an active contributor to global governance. While the world looks to China, China's response is far short of expectations in terms of ideas and resources. This results in frustration.

- But the important question to answer is what explains the variation in Chinese participation- it sometimes active; at other times, it exhibits resistant. Growth policy may explain much of China's variation. But there may be other dimensions as well.

The Impact of Organizing Asia

For many, the 21st century is all about the shift of global economics – and then politics - to Asia with the rise of China and India. Can the major powers in Asia find effective organizations that provide the platforms to effective regional collaboration? Can Asia overcome its endemic bilateralism, furthered in part by US policy, and then weak multilateralism driven by the small powers in Asia? What is the relationship between major powers' roles as regional and global powers? Does that relationship contain opportunities to provide leadership at both levels?

- Asia has a far more fragmented regional governance structure today than say Europe. At the same time Asia is at the crossroads for at least 5 major powers – India, Russia, China, Japan and the United States. The United States in Asia has operated for decades through various bilateral arrangements – Japan, Korea and Taiwan. China in contrast increasingly has accepted regional multilateral arrangements – ASEAN + 1, and 3, ARF, SCO, EAS, etc.
- ASEAN is good as a norms entrepreneur and as a convener for many in Asia. However, ASEAN prevents anything serious from being discussed, so there is a tradeoff from having everyone on the same page and at the table. From the U.S. perspective, ASEAN has failed to be a major focus – it has made protocol errors, for instance, by not sending Secretary of State to all meetings. The Deputy Secretary state has influence, but the optics are not as good if the Secretary of State is absent.
- Asian demands don't go very far because the countries in Asia don't share many things in common. Several states face serious domestic challenges. And there is no Asia *per se*.

- The US probably will benefit from greater adherence to regional multilateralism in Asia. It will allow for win-win outcomes for the United States as long as it can accept that it does not need to be in all regional institutions nor does it have to lead each.
- The region suffers from no regional security arrangement that involves the major powers. The US has favored APEC but it has no security dimension and with Taiwan membership, this is likely to impede such a security evolution. The Australian Asia Pacific Community (APC) may be the best means to secure regional security collaboration. The smaller Asian nations in ASEAN, however, fear marginalization and have opposed this and other regional options. There is growing fear that Indonesia – by far the largest actor in ASEAN – is increasingly less committed to ASEAN, especially now that it has joined the G20 Leaders Summit.
- There are three obstacles to stability in the region: (1) There is no precise form of Asian architecture; (2) the configuration of power distribution at the current juncture is unclear; and (3) divergent approaches of regional powers towards regional multilateralism impede leadership and stability possibly.

If They Lead – How Shall They Lead?

Is legitimacy the key to understanding how the major powers exercise leadership? What other dimensions of leadership are critical to successful global governance? Effectiveness? Like-Mindedness?

If like-mindedness is a key dimension of global governance, does the growing diversity of leadership pose greater challenges to global governance than was the case with the traditional powers of the G7/8?

In the end can only the universalism of the UN, the WTO, etc., - not to mention their legality and formal structures and staff - ensure effective global governance?

Does the rising difficulties witnessed in managing domestic politics, only diminish the prospects for incentive compatibility?

Do those existential issues – climate change and proliferation – but all global governance challenges generally overwhelm and make ineffective current structures and their decision-making capabilities? Whether informal or formal does the weak confederalism of contemporary multilateral institutions, the value differences and the lack of incentive compatibility doom global governance collaboration?

- A gap between outputs and what countries need to achieve – a gap between form and function radiates from the Gx process institutions.
- An enlarged leadership circle as reflected in the G20 – raises difficult – diversity questions most particularly – around values – national sovereignty, developmentalism (North-South cleavages), universalism and hierarchy. While there have always been policy differences among the traditional

- powers there were seldom differences over key values and norms that now seem to arise.
- The 'Values Gulf' today between rising and traditional powers threatens to weaken fundamentally the global governance institutions. This poses an overarching problem for great power collaboration.
 - National Sovereignty – the defense of classic Westphalian principles of sovereignty and non-interference in the domestic affairs of states by the Chinese, Indians, Brazilians and others have hamstrung new principles of humanitarian intervention and pressure on the authoritarian regimes of Zimbabwe or Myanmar. But the principle has extended beyond as well with China arguing at the climate change discussions at Copenhagen that verification and transparency violate national sovereignty.
 - Developmentalism – Opposing policies on trade and finance as traditional north approaches as against the demands from the global south for greater equity and participation opens yet another gulf in global leadership. Frequently the rising states appeal to their own status as developing countries and the need to satisfy demands from the global south. This recreation of a divide in leadership only raises the difficulties of reaching consensus and overcoming the problems of collective action.
 - Universalism – the problems created by consensus – e.g. Copenhagen Conference. The demand that uninvited be invited – that only universal decision making be recognized diminishes hopes of achieving collaboration – the Doha Round in the WTO, a climate change agreement. Though universal agencies may importantly ratify agreements arrived at by committee and functional 'heavy-weights' GHG producers, negotiating in a Copenhagen-style environment seems to limit collaboration.
 - The 'values gulf' has posed significant challenges to the effort to tackle and then resolve critical global governance problems – climate change, energy health and food security as well as nuclear proliferation.
 - The challenge is heightened by the prospect that a number of these issues are existential in character. The collective action problem is most acute for climate change due to the need to harness a collective decision from not only governments but also literally, 7 billion people. In general, climate change requires that **“form” should follow “function”**, and there are six functional elements that climate governance needs to provide: (1) provision of scientific information; (2) international coordination; (3) financing incentives; (4) mobilization of funds; (5) monitoring and evaluation; and (6) ensuring compatibility.

The deepening difficulty of managing domestic politics in many states only adds the problems of global governance. While some global governance decision-making does take place at the international level – e.g., commitments on 'shares and chairs' at the IMF – most 'international' decision-making and implementation occurs at the

national level. There legislative approval, or regulatory oversight is the end point for such implementation. International commitment remains embedded in national decision and administrative structures.

Finale – Continuing Questions

The classic contending perspectives in international relations were not banished in these discussions as the participants debated the “New Foundations for Global Governance”. The participants struggled to determine the capacity of the global governance leadership to meet the many policy challenges that face them. The experts found it difficult to gauge the consequences of a US recommitment to multilateralism and an enlarged and far more diverse leadership than was evident for the past several decades. Serious concerns were raised over the rise of new powers especially the rise of China. These and other changes raise doubts over the capacity of the global governance system to overcome its collective action problems.

(i) United States Leadership

Uncertainty arises over the leadership role of the United States. The current administration has signaled a new multilateral engagement. Will the revitalization demand greater collaboration and persuasion with, as Secretary Clinton argues, using US power “to create partnerships aimed at solving problems. ... In short, we [US] will lead by inducing greater cooperation among a greater number of actors and reducing competition, tilting the balance away from a multi-polar world and toward a multi-partner world.” (Council on Foreign Relations July 15, 2009).

Will this multi-power world require a change to US global governance leadership? And if such a change is required will the US be willing to accept a new architecture? A more influence-driven leadership will be created likely by constraining US hegemonic leadership. Are the Administration, the US Congress and the American people ready to accommodate such new leadership architecture? As John Ikenberry has written:

A reformed liberal international order will need to become more universal and less hierarchical – that is the United States will need to cede authority and control to a wider set of states and give up some of its hegemonic rights and privileges. But a “flatter” international order will also be one in which the United States plays a less central role in providing functional services – generating public goods, stabilizing markets, and promoting cooperation.⁵

And even if the United States is committed, are others? If they are not, and others fail to step up to renewed global governance commitment, then have we traded hegemony for ineffectiveness?

⁵ G John Ikenberry, “The Three Faces of Liberal Internationalism,” in Alan S. Alexandroff & Andrew F. Cooper, eds., *Rising States, Rising Institutions: Challenges for Global Governance*, (Washington, DC: Brookings Institution Press, forthcoming, 2010), pp 17-46 at 36.

(ii) The Dynamics of Global Governance

Experts are also divided over the dynamics of leadership of an enlarged leadership club. Some experts remain focused on a realist world where power distribution remains the prime determinant of influence. The critical concern is the continued strength of the United States and the challenge that new powers pose. In particular the concern focuses on the 'Power Transition' – the growing strength and power of China – and its challenge to US leadership. Is the acknowledged growing power of China likely to create rising competition and friction with the United States? In such a competitive world are balancing and bandwagoning the principle mechanisms of influence. And if so, is such an environment likely to produce the necessary levels of cooperation required to overcome the collective action problem.

But the new architecture may not be built around balancing but around a more concert-like environment – a modern-day great power concert. Such a dynamic may produce the structure and behavior more conducive to collaborative decision-making. And if concert-like dynamics govern how can the leadership fashion collective action for the key policy challenges including – the maintenance and extension of non-proliferation, climate change, global financial reform and reform to international institutions?

(iii) Formal vs Informal Institutions

There is a divide, also, over whether international institutions must be formal, treaty-based and legally binding as those of the Bretton Woods-UN system, or whether global governance can emerge – as it has increasingly done - from the Gx institutions – G7/8, G20 etc.? In this world of informally structured leaders summits and a host of transgovernmental networks, the key dimensions are less a function of the distribution of power as opposed to dimensions including, legitimacy, likemindedness, informality, and equalness. Many suggest that only the formal institutions have the effectiveness necessary to generate collective decisions. Gx institutions need to be linked to formal Bretton Woods- UN institutions to produce effective collaborative decision-making. As Stewart Patrick has written recently:

Regardless of which format emerges [Gx process], the Obama administration should be wary of indulging in unrealistic expectations. It is implausible that any annual summit can morph into a true decision-making (much less decision-implementing) body that could substitute for the authority, legitimacy or capacity of formal institutions like the United Nations, WTO, International Monetary Fund (IMF), or The World Bank. Going forward, a priority for the Obama administration and its counterparts abroad will be to design systematic procedures for linking the initiatives launched and

commitments made in these consultative forums with the ongoing work streams and reform agendas within the world's formal organizations.⁶

Diversity and Diffusion of Leadership

Most experts have applauded the enlargement of the G7/8 to the G20. Many regarded this earlier leadership club as increasingly unrepresentative. This so-called 'club of the rich' possessed an increasingly limited share of the world's population and wealth and it was not surprising that in the face of the global financial crisis – the most fearsome economic crisis since the Great Depression – that it was recognized by the G8 leadership that an enlarged group of countries – especially including the rising powers – was required to tackle the economic crisis.

While legitimacy was achieved, at least momentarily, it was also evident that the enlarged leaders club was far more heterogeneous than the earlier G8. Moreover, the inclusion of new rising powers – China and India, for instance – brought big and poor countries into the leadership club. These new rising states were far less likely to provide public goods required in global governance.

Moreover, diversity extends to the democratic character. Unlike the G7, the enlarged leadership includes authoritarian China and near-authoritarian Russia. There are also principles, norm and rule differences that separate the leadership. As a result there is a weaker international society - that is less agreement over the social order – national sovereignty, non-intervention, developmentalism, universalism - as the English School of international relations describes and understands international architecture. Some countries accept norms that extend human rights protections in international relations including the 'responsibility to protect.' Others urge non-interference in the domestic affairs of states and urge hard edge protections for national sovereignty. Rising powers support 'developmentalism' and insist on policy that is more equal and a better deal for the global south and accept an us-them division between traditional states and those of the global south.

Thus the enlarged leadership not only expresses varying policy views but emphasize different norms. Such heterogeneity suggests a rising challenge to collaborative decision-making. Though the new architecture may have improved representativeness and legitimacy, the cost may be growing inability to reach collective decision-making.

Peaceful Rise

The likelihood of the 'peaceful rise' of China raised a significant debate among the experts. Historically, only one rising power – the United States in the late

⁶ Stewart Patrick, "Global Governance Reform: An American View of US Leadership," *Stanley Foundation PAB*, p. 14

nineteenth century – has been able to gain power against the dominant actor – Great Britain in this case - without resort to war. Many experts expect growing competition and conflict between the United States and China as Chinese power grows. In the face of the ‘China threat’ it is only prudent, according to many experts, for the United States and other traditional powers to hedge against a self assertive and more powerful China.

Other experts suggest that the circumstances and behavior of China in the contemporary international system are quite distinct from the other historical circumstances. Most evidently the forces of globalization have led to China being far more integrated into the global system than was the case of other rising powers in earlier historical periods. These experts assert that China has accepted largely the international order, though it does not agree with all aspects of the current international system. China’s focus on rapid economic development has given China an important stake in international stability and acute interest in an open prosperous global economy. Though China is unlikely to assume a consistent role as an active contributor to global governance, it is less likely to remain just a passive receiver. For some this will amount to a ‘responsible stakeholder;’ but for others there is likely to be frustration with leadership expectations that cannot not be satisfied by China.

Global vs Regional Order

The shift to Asia and a more Asia-centric world appears to be underway. The G8 included one Asia power – Japan. The G20 includes – China, India, Indonesia, Japan, Australia and the Republic of Korea.

But there are obstacles to regional stability. There have been active efforts in Asia to build regional economic institutions. They range from the more cohesive – ASEAN, to the broader and less cohesive – ASEAN + 1, ASEAN + 3 and APEC. There is nothing in the security area in Asia that reflects the kind of inclusiveness evident in the economic arena. There is no single institution that brings together the major powers of the region including at least, India, Russia, China, Japan and the United States.

While China has grown more comfortable with regional governance institutions, the United States has remained more committed to bilateral relations including with Japan, South Korea and Taiwan. As a result Asia remains more fragmented and open to competitive behavior between the regional powers – China and the United States, especially. Will Asia build stability at the regional level that will spill over to global governance, or will Asia become a region of instability and competitiveness among the great powers that will undermine international stability?

Overcoming the Collective Action Problem

The rise of the new institutionalism in global governance has not created a new coherent sense of order in global governance. There is a broad jumble of formal and informal institutions that now occupy the global governance space. There is an

expanded leadership with the inclusion of at least some of the rising states – notably China but also India and Brazil. But this widened leadership has created diversity and while there may now be greater legitimacy in the “halls” of global governance, it may have come at the price of diminishing effectiveness.

With a new US administration there appears to be a significant recommitment to multilateralism and collective global governance. And accepting ‘at face value’ this renewed commitment it leaves unanswered the collective will of this enlarged leadership club. As President Barack Obama pointedly declared in his UN General Assembly speech collective, not just US action, will be required:

This cannot solely be America’s endeavor. Those who used to chastise America for acting alone in the world cannot now stand by and wait for America to solve the world’s problems alone. We have sought - in word and deed – a new era of engagement with the world. And now is the time for all of us to take our share of responsibility for a global response to global challenges.⁷

The dynamics of collective leadership remain uncertain. If power, rivalry and competition remain the dominant elements of leadership, then it is difficult to envisage overcoming the collective action problem. Only where a more concert-like framework is operative – where the leaders club acts to fashion collective policy to difficult challenges faces the global community – built on managing and meeting national interests in the context of collective action will there be an adequate context and setting for meeting the challenges of global governance.

⁷ President Obama, “Remarks by the President to the United Nations General Assembly,” (September 23, 2009)