



## No One's World: The West, the Rising Rest, and the Coming Global Turn

### Public Affairs Program

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### **Introduction**

**JOANNE MYERS:** Good afternoon. I'm Joanne Myers, director of Public Affairs Programs, and on behalf of the Carnegie Council, I would like to welcome our members, guests, and C-SPAN Book TV to our Public Affairs Program.

Today we have the pleasure of listening to one of our country's leading international scholars, Charles Kupchan. Professor Kupchan can always be depended upon to offer a clear and distinctive voice to any discussion about foreign affairs, especially now, as he weighs in on the future of the emerging world order and how best to manage global change.

Our speaker began to explore these issues almost a decade ago, first in his widely acclaimed book [The End of the American Era](#) and now in [How Enemies Become Friends](#). In many ways, these are both companion pieces to [No One's World: The West, the Rising Rest, and the Coming Global Turn](#), which he will be discussing shortly. To revisit his earlier presentations about these two books, I invite you to visit our website at [www.carnegiecouncil.org](http://www.carnegiecouncil.org). [How Enemies Become Friends: The Sources of Stable Peace; The End of the American Era: U.S. Foreign Policy and the Geopolitics of the Twenty-First Century]

You may be surprised to learn that there is one foreign policy issue that many pundits seem to agree upon of late. That is, as emerging powers rise, the preeminence of the United States is slipping. Many are saying that since the unipolar moment created by the [collapse](#) of the Soviet Union in 1991 has passed, the United States can no longer be called the world's sole superpower. In fact, within many circles it is already acknowledged that a new global order is rapidly appearing.

While the United States will no doubt remain a very important player, there will be others who want to revise the current international order erected during the supremacy of the West and are now demanding to be noticed. China is preeminent among them, but there are others—Russia, India, Turkey, South Korea, and Brazil—all who have very different views about the foundations of political legitimacy and are following their own paths to modernity.

As history moves along, the future will have very little in common with the immediate past. Although we would like to believe that America is the indispensable nation, we need to prepare for what is the unthinkable—the decline of American power. In *No One's World*, Professor Kupchan does just that.

In anticipating a world where America is no longer paramount, he writes that the best strategy for coping is for America to recover its own domestic political and economic strength, and not insist that the rising rest acquiesce to Western values and institutions. He eloquently makes the case that America should stop trying to impose a philosophy that only liberal democracies can work. Instead, we should show respect for the sovereignty of others and accept that responsible governance is enough.

If you agree with Professor Kupchan and believe as he does that soon we will be experiencing an interdependent world without a center of gravity or a global guardian, I am confident that you will find that his strategy for striking a bargain between the rising powers and the West is unbeatable.

To hear more about where we are headed and what we need to do to succeed in this very diverse world, please join me in giving a very warm welcome to one of our favorite returning guests, Charles Kupchan.

Thank you for joining us.

## Remarks

**CHARLES KUPCHAN:** Thank you very much, Joanne. It's a pleasure to be back at the Carnegie Council, a pleasure to be back in New York. I guess we're both gluttons for punishment in the sense that I keep coming back here and you keep asking me to come back, so I guess it's a good team.

If you step back from the headlines of the newspaper of the last few years and say, "What's the undercurrent? What's the flow of events of the last few years?" I think you would come to the conclusion that in our part of the world—and by that I mean the West, North America, Europe, and let's sneak Japan in there; although not geographically part of the West, Japan has geopolitically been part of the West since [World War II](#)—this zone has been going through a rough patch.

Our economies have slowed. We are facing debt crises, and we're not sure how to get out of them. Perhaps most worryingly, our political systems have gummed up, seized up, and they don't seem as fleet-footed as they were during the balance of the 20th century.

If you pan out to other parts of the world, what we call the developing world, in some ways you would see the opposite. They are enjoying unprecedented rates of economic growth. They have a new wind in their sails, in a political sense. They are fast ascending the pecking order.

As we saw just a few days ago at the fourth [BRICS summit](#), they are beginning to organize themselves, the BRICS—Brazil, Russia, India, China, South Africa. They don't know exactly what they want in terms of world order, but they know what they don't want, and that is a world in which they continue to feel as if they are operating in the shadow of Western power.

I don't think you would be wrong if you saw this—a West that is having a tough time, emerging powers that seem to have wind in their sails—and concluded that something fundamental is going on here. I think something fundamental is going on. What we are witnessing is one of those rare moments in history in which the globe's center of gravity is starting to move. The last time that happened was about 300 years ago.

Let's pick 1800 as a nice round date to demarcate the time at which the West pulled ahead of the rest. If we went back to, say, 1600 or 1700 and took a snapshot of the distribution of power in the world, we would see that it was broadly diffused: the Holy Romans in the West, next door to the Ottomans, next door to the Mughals, the Qing to their east, and, finally, the Tokugawa shogunate. Each of those different imperial zones had a different view about how to order itself, how to deal with politics, how to deal with commerce, and power was broadly diffused across those main imperial zones.

But if then we took a snapshot in 1800, we would have noticed that something very interesting had happened, and that is that one zone in the North and the West had pulled ahead of the rest. Northern Europe, northwestern Europe, over the course of the 1700s and then further, over the course of the 1800s, started to dominate the globe. The pendulum swung from Asia and the Mesopotamian Valley north and west to Europe, and then it spread across the Atlantic to North America.

For the last 200 years, that zone, North America in partnership with Western Europe, has been at the front of history. It has enjoyed ideological dominance, material dominance, and it was able to send out its tentacles to most of the world. By the end of the 19th century, 90 percent of the world was either a European colony or a former European colony. So there really was a period in which one relatively small zone of the world was able to extend its dominance and its ideological primacy to other parts of the world.

But what I would like to argue is that that long run, that 200-year period of Western hegemony, is starting to end. It's not over yet. The West still represents about 50 percent of global GDP. It used to be 75 percent, so it has come down several notches. But it will continue to come down.

What I would like to argue tonight and what I argue in the book is that this moment that we're entering, this new swing of the pendulum, is going to lead to a world where no one will be dominant. It won't be a new American century. It won't be a Chinese century. It won't be an Asian century. It will be no one's world. This will be unique and historically unprecedented, in the following sense.

We have had moments in history in the past in which power is broadly diffused across different zones. I mentioned one earlier, the 1700s. But it didn't matter that each of those different imperial zones had its own approach to order, because they weren't intermixing with each other. They were largely self-contained and compartmentalized. So the fact that the Qing and the Mughals and the Holy Romans had very different views about religion, about commerce, about hierarchy, about markets didn't really matter, because they lived their own lives.

We don't live in a world in which different zones of power live their own lives. We live in a world in which what Beijing decides matters for Brussels, and what Brussels decides matters for Washington, and what Washington

decides matters for Brasilia. In other words—to use a very technical term—we're all smushed together now. That means that we are going to be moving into a world which is globalized and interdependent, but without a political center of gravity, without an anchor. That's because globalization and Westernization coincided. That's because the West made globalization happen.

But I think the challenge for those of us who think about and practice world politics is how to manage a world that is globalized, interdependent, smushed together, but is no longer anchored by the West's material and ideological primacy.

That's the core of the argument, the core question that I would like to discuss with you tonight. I'm going to put some flesh on the bones, in the following way.

First, I'm going to spend five or ten minutes talking about how the West became the West. I want to run through that historical exercise because I think the question before us is twofold. One is, is power shifting from the West to the rising rest? I think the answer to that is undeniably yes, and I don't think that many people argue with that. I'll share a few numbers with you in a few minutes just to make that case.

Where I think the real intellectual work needs to be done is on the question of order, on the question of ideology, because I think most people in the United States—Europeans probably share this view—think that even though the West may lose its material primacy, the order that we built, the institutions that we have put in place will long outlast our material dominance.

That's because the Western version of modernity is not the Western version of modernity; it's a universal approach. Therefore, as China rises, as Brazil rises, as Indonesia rises, they are going to start looking more and more like us. They will therefore take their place in the order that we have built, even though we are no longer as dominant in a material sense as we used to be.

I think to understand that issue—is that right, are they going to slip into the berth that we've assigned them?—the first question we need to ask is, who are we? How did we become us? Are emerging powers following that same path to modernity, meaning that when they modernize, when they have a major share of the global GDP, they are going to slip into the order that exists today?

I don't think that's going to happen. I want to share with you why I don't think that's going to happen and then offer some thoughts about what we do about it. How do we manage a world in which emerging powers are going to bring to the table their own views about how to organize political, social, and commercial life?

My story starts in the early part of the modern era, what you might call the late Middle Ages, the early modern period—essentially, Europe around 1300, 1400, 1500. That's the time at which the stirrings of Europe's rise were visible. I want to make the argument that in many respects Europe was able to pull ahead of the rest of the world because it was weak, because it was fragmented. Europe's strength was, in many respects, its political weakness.

What do I mean by that? By the time you get to about 1200, 1300, you see the traditional institutions of imperial power in Europe fighting each other—the church, the monarchy, and the nobility. The popes were fighting with the emperors, the abbots with the bishops, the emperors with the nobility.

What that meant was that there started to be political space in Europe for some new actor. That new actor was the nascent bourgeoisie, the emerging middle class, that moved out from the feudal territories, moved out from the fiefdoms, and began to build small towns, principally in Germany, in the Netherlands, in England, and began to sell things and build things.

Over time, by 1400, 1500, you began to see the world's first bourgeoisie—smiths, scientists of sorts, lawyers of sorts, bankers of sorts. Europe was really the only place in the world that began to develop instruments of debt, contracts, so you needed a professional class. What you began to see was that this professional class started to ally with itself, and that gave them new power.

Some of you may know a group that was called the [Hanseatic League](#), one of the most important commercial leagues in modern history. What was that league? It was a league of different commercial cities from Belgium, the Netherlands, pulling over into Germany, Poland. It linked together the bourgeoisie that had emerged in these different parts of Europe, and it allowed them to punch above their weight and to push back against the nobility and the monarchy and the church.

I would argue that it was this emergence of the bourgeoisie, the vanguard of change, the middle class, that was really at the heart, the engine, of Europe's rise. That rise went through two phases: one, the [Reformation](#), in which it was the commercial class that really greeted enthusiastically the message of [Luther](#) and [Zwingli](#) and others—[John Calvin](#)—who were preaching an alternative to Catholicism. If we drew a map of Europe behind us here, we would see that the commercial parts of Europe generally went protestant, the agrarian parts of Europe generally stayed Catholic, and that there was a clear correlation between commercialism and entrepreneurship

and a desire to break out of the traditional mold.

I think the second turn, after the church was to some extent pushed out of politics, the Catholic church, with the [Peace of Westphalia](#), was the bargain that monarchs struck with the middle class to pay for the wars of the Reformation. What was that bargain?

That bargain was, if you want our money for a new bureaucracy, for an army, you need to give us a voice. The bourgeoisie got that voice, and that was the beginning of constitutional monarchy—first, 1688, the [Glorious Revolution](#) in England and that basic bargain. Money from the bourgeoisie, power from the monarch set the stage for the West pulling ahead religiously, in the sense of engaging pluralism, politically, in the sense of embracing constitutionalism rather than absolute rule.

That then set the stage for the [Industrial Revolution](#), which enabled Europe to pull ahead very quickly of the rest and to penetrate the rest with its battleships, with its telegraph, with its submarine cables, with its quinine, which allowed Europeans to penetrate much more deeply into the interior than ever before because they no longer got malaria when they colonized others.

That, I think, is the story, the rise of the middle class, the ability of the middle class to overturn absolute power. It is in many respects the story of how we became we, the West—middle-class societies enjoying political liberties and enjoying a standard of living much better than the rest of the world.

That's obviously a quick and dirty version of the rise of the West. I'd be happy to discuss some of the details with you in the Q&A. But now let me switch to where we are today. That was 200, 300 years ago.

I think where we are today is, first of all, in a world in which power is beginning to move. As I said, the West still represents 50 percent of global GDP, but that is not going to last very long. By 2025, the World Bank predicts that we will be in a three-currency world. The dollar will no longer be dominant. It will be roughly a third of global reserves—the dollar a third, the euro a third, and the Chinese renminbi. By 2032, the BRICS, the main developing countries of today, are expected to equal in GDP today's G7 advanced, industrialized countries.

What I think is in some ways the most impressive piece of data in this respect is that today, in 2012 (actually, in 2010, because the tables have already turned a little bit) four of the top five economies in the world are still Western. There is only one developing country that makes the cut, and that's China.

In 40 years, of the top five economies, only one Western country is going to make the cut, and that's the United States. The rest of those countries in the top five, at the top five pecking order, will all be from what is today the developing world.

So you look at that data—the internationalization of the renminbi and the euro, a world in which today's developing countries equal today's developed countries, in not much more than 10 years, a world in which China is expected to surpass the United States as the world's leading economy in 2027 and then pull rapidly ahead. By 2040 to 2050, it will be double the size of the United States in terms of GDP.

This is a world that is dramatically changing. That's why I would argue, as I said at the outset, that this is the beginning of a new global turn in which the pendulum is swinging and in which the material hegemony enjoyed by the West is going to gradually slip away. And, I would add, I think it's probably going to slip away more quickly than we think. That's because we live in a world in which digital technology has speeded up history, in which global GDP, productivity is moving much more quickly than it did the last time there was a major global turn.

Let me now switch to this other issue: What does all this mean for how the world works? What are the implications of a world in which the developing countries have the dominant share of GDP and the dominant share of global product?

As I said, I think the core question is, are those countries, as they modernize, going to follow our path, and therefore slip into our harbor, or are they going to follow their own path and arrive at their own version of domestic and international order, meaning that we're going to have to sit down at the table and negotiate with them about how to govern no one's world? Let me share with you why I think it's the latter and why I think what we will see as the 21st century emerges is a world of multiple modernities, not a world in which developing countries converge towards the Western way.

Let's start in East Asia. What are some of the key differences between Chinese models of development and the Western path? For starters, China's middle class, at least for now, is not the vanguard of political change. That's because the Chinese state, unlike the European states, is smart enough to open its doors to the middle class. When the middle class in Europe emerged, the monarch and the pope got together to hold it back, to beat it down, to clamp down on it. That's why they ended up overturning those institutions.

The Chinese state is smarter than the Holy Roman state. The Chinese state, beginning in 1979 with [Deng Xiaoping](#)

and a decision to let businessmen join the Communist Party, has essentially been co-opting the middle class ever since the Chinese began to privatize the economy, about 30 or 40 years ago.

What that means is that you now have a big middle class in China, but it's not a middle class that is doing the same thing that our middle class did. It is a middle class that is essentially a defender of the status quo and an investor in state capitalism. In that respect, yes, China is becoming a middle-class society, but, no, its middle class is not having the same political impact as the middle class of Europe and the middle class of the United States did.

It may be that sometime down the road, when China continues to modernize, continues to develop, continues to urbanize, you might get a middle class sizable enough to push for democracy. I actually think that will probably happen. But when is that going to happen? A long time from now.

How long does it take these transitions to work themselves out? Well, Britain became a constitutional monarchy in 1688. When did it become a democracy? 1884.

Germany began to become a constitutional monarchy in the mid-1800s, after the [Napoleonic Wars](#). It became a liberal democracy after [World War II](#). In other words, these things take time.

So the operative question in my mind is, is China going to be a liberal democracy by the time it becomes a world power? The answer is no. It will be a world power long before it is a liberal democracy. I would also point out that in the world that we live in today we no longer need change and entrepreneurship to come from below, as we did during the rise of the West, because we live in a globalized world in which huge amounts of capital and services and goods are sloshing through the global economy on a daily basis.

That has meant that state capitalism has its advantages. What are those advantages? Mainly keeping a hand on the tiller. And I don't think it's accidental that China and other countries that have control over their currencies and over their capital accounts and over state-owned businesses have actually ridden out the global financial crisis better than countries that are more open and more free. That confounds what we believed. We were originally told that globalization would advantage countries that are most liberalized and most free. I don't think that that has actually proven to be the case.

Russia, Saudi Arabia, United Arab Emirates [UAE]—there are lots of other state capitalist economies out there. I also think that they have enormous staying power.

Do I think that [Putin](#) is about to fall? Do the [protests](#) in the streets suggest that it's the end of what Russia calls sovereign democracy? Don't bet on it. How big is Russia's middle class? I don't know, maybe 25 percent. How much of that middle class is really in the middle class? Less than 10 percent. Most of that middle class is state [apparatchiks](#). Most of them get their paychecks from the state. They have no interest whatsoever in overturning Putin's rule, because Putin is sugar daddy.

Might Russia be a democracy sometime in the 21st century? Yes. When? It's going to take a long time. I would make exactly the same kind of argument in countries like Saudi Arabia, Kuwait, UAE, where you have very strong tribal structures and you have the money to disburse to the middle class that makes them investors in the status quo, not the vanguard of political change.

Let me quickly pan to the Middle East. You may be thinking, "Well, this guy Kupchan doesn't know what he's talking about, because the Middle East is finally breaking America's way. What are the Arab uprisings, the [Arab Spring](#), but a reconfirmation that the Western version of how to organize society is winning out? We were told Islam and democracy are incompatible. Not so fast."

I think there is truth to that argument and that one can only be uplifted by what has happened in the Middle East over the last couple of years.

There is no doubt that a call for dignity, a call for accountability, a call for people to be respected is part of what is toppling regimes across the region. But I also think that the nature of modernity that we are going to see emerge as the Arab Spring unfolds and the nature of modernity that we have crafted in the West are going to be very different in a critical respect. That is, when we modernized, we effectively pushed the church out of politics. We became the West, in some respects, post-Reformation.

In the Middle East, I think we're going to see the opposite. The more participatory politics spreads in the region, the more Islam is going to come back into political life. That's because there has never been a division between the mosque and the state in the Muslim world. There has never been even a vocabulary in Arabic that connotes the sacred and the secular. There was never a split between the pope and the emperor because the caliph was both, the secular leader and the religious leader merged into one.

Islam is a religion of faith and law. Christianity is a religion of faith only, and it was only when the pope and the emperor were united with each other in alliance that the religious authorities had secular power. That's not true in

the Muslim world.

So what I think we have seen in the Arab Spring and what we have seen in every country in that part of the world that has held elections is that political Islam is the winner, in Iran, Iraq, Lebanon, Palestinian Authority, Tunisia, Egypt. In every country where you have had some kind of participatory election, it is the Islamists that have generally won.

I'm not saying there's anything wrong with that. All I'm saying is it's different. If we believe that what we're witnessing in the Middle East is the emergence of a region that is going to sort of track the Western model development, I think we need to think again.

I would point to Turkey as a prime example of a country that is getting more modern, more industrialized, its middle class is growing by the day, and its long run of secular politics has come to an end. That is, I think, a kind of clear data point that suggests that as modernization moves through the Middle East, what we're going to get is a different kind of modernity than the brand of modernity that emerged in the Western world.

Finally, let me take a quick look elsewhere—India and Brazil.

India and Brazil are liberal democracies. They appear to be emerging as countries that may, to some extent, be closer to us geopolitically than to emerging powers that are not liberal democracies. But I think here, too, it would be a mistake for us to assume that when we wake up in 2025 or 2030, we can count on the Brazils and the Indias of the world to side with us and to dock their boats in our harbor rather than to hedge their bets and play with us sometimes and play with the emerging powers other times.

I think the fact that, number one, Brazil and India are emerging as liberal states, as developed states, not as middle-class societies, but as societies in which the vast majority of their populations are rural and urban poor, means that we're seeing a left-wing populism that is a very different kind of politics than that practiced in the West. That means that they are more skittish about open markets than most Western countries. It also makes them more uneasy to throw their lot in geopolitically with us.

That's why I think if you look at Indian foreign policy or Brazilian foreign policy, you will not see a picture that suggests that their commitment to democracy means that they are aligning geopolitically with the West.

Brazil and India vote with the United States in the UN Security Council less than 25 percent of the time. Brazil took the lead in recognizing the Palestinians, again breaking with the United States. India right now is in the midst of dispatching a trade mission to Iran, at the very moment that strangling Iran's economy is probably the number one foreign policy goal of the United States.

I think these are signs that India and Brazil and other rising democracies are going to chart their own courses, are going to find their own paths. They are not going to slip into the roles that we have assigned them as Westerners.

Let me begin to sum up by addressing two issues. The first is, what about us? What role should we be playing? How should we respond to what I'm calling this new global turn?

Secondly, as Joanne suggested in her introduction, what kinds of compromises and bargains might be out there? What might be the common ground that we can find between a world that is dominated by the West and a world in which the West will only be one version of modernity that competes with others in the marketplace of ideas? Let me first say a few things about the state of affairs in the United States and its main Western partners.

This global turn that I think is taking place has two sides to it. One, as I said at the beginning, is that the rising rest have wind in their sails. The other is that we are having a tough time. I think that relationship is structural. What I mean by that is that our decline in economic performance and our political polarization is a fundamental byproduct of the fact that wealth and jobs are shifting from here to there.

We have lost half of our manufacturing jobs over the last 10 to 15 years. Our middle classes have watched their income decline in real terms for 20 years. The United States is today the most unequal country in the industrialized world. Japan and Europe are more or less in the same boat, with some differences.

It cannot be accidental that the United States, Europe, and Japan are all experiencing this same phenomenon at the same time. Why is it happening? It's happening because of globalization, because 2 billion-plus low wage workers from the developing world are now building widgets. Our guys in Ohio and Michigan are very good widget builders, but they are not able to build widgets as cheaply as the other guys.

And the production system, the production line, has shifted from the Atlantic Rim to the Pacific Rim. We are therefore going through a structural economic shift, and not just a dip in the business cycle. We're going through a moment in which we have to figure out how to be competitive in the 21st century.

It's precisely because I think we are seeing our socioeconomic foundations change that our politics seem so out of

step. We now have voters who are saying to governments, "Do something. Help me. My kids are going to have a lower standard of living than I did. What are you going to do about it?"

We have governments, in the United States and in Spain and in Italy and in Belgium and Japan, that are unable to respond, partly because globalization makes it much harder for them to respond. We push a button, an \$800 billion [stimulus package](#), and not much happens. Why? Because our economy is more affected by Standard & Poor's decisions or Beijing decisions or Hyundai decisions than it is by what our Fed does or by our Congress does. We don't have as much control as we used to.

So I think the first challenge for Americans and Europeans and Japanese is to figure out how to be competitive in the 21st century, how to play the game that the Chinese and the Brazilians and the Turks and others are playing. I think we need to be smarter and shrewder, and realize that business as usual will not do and think about investment, education, training. It's, I think, impossible to compete if China is building high-speed rail and bridges and aircraft and rail networks, and all of those infrastructures in our country are falling apart.

For starters, we need to have somebody in Washington who is thinking about the long term and who is doing long-range strategic economic planning. That's what the other guys are doing. Unless we get in the game, I fear that they are going to clean our clock. I think the same goes for the Japanese and for the Europeans.

We can be competitive. I know that we will rebound from this moment. I'm not someone who thinks the United States is in decline. I think the United States is a remarkably resilient country. But we need the right decisions and we need the right politics to get us out of the mess. Then I think the West will be able to manage this transition and provide the leadership that will be necessary.

Finally, I think we should recognize that the version of modernity that we have so successfully crafted over the last 200 years is our version of modernity. Some may embrace it; some may not. But I think the key rule of thumb for the West as it goes into this global turn is to respect and be respectful of alternative versions about how to organize life. I think that we should stand firm in defense of human rights, that we should stand firm against regimes like the [Syrian regime](#) or the [Sudanese regime](#) that abuse and exploit their people.

But around the world there are many countries that are not liberal democracies that are nonetheless responsible governments, that have brought their people out of poverty, that are working to improve the lives of their people. I think that in a world in which power is diffusing as fast as it is, we have no choice but to be more tolerant and more acceptant of countries that may not want to look like us, but nonetheless are prepared to work with us and to govern responsibly.

I think on questions of legitimacy, on questions of sovereignty, on questions of devolving responsibility to regional actors, the key here is to not assume that emerging powers are going to walk through the door at the back of the room and take their seats at our table. It is to recognize that they, like all emerging powers throughout history, will want to change the world in ways that advantage them and advantage their own socioeconomic and cultural conditions.

That in no way, I think, diminishes who we are. It in no way diminishes our ability to stay who we are. But I think managing no one's world is going to be a tall feat, and in many respects, the West today needs to do for the rest of the world what it did for itself 200 or 300 years ago, and that is, number one, accept pluralism, accept that different people have different approaches to how to run their lives. That was key to allowing Protestants and Catholics to live together.

The second thing that we did that was magical was to accept the diffusion of power, to allow power to move out from monarchs towards people, the middle class and the working class. I think that's the trick that we need to do today, to recognize that pluralism can do for the world what it did for us, to recognize and accept that power is diffusing around the world, and to shape it, and not resist it.

The biggest mistake that I think we can do is to pretend either that this global turn is not happening or to pretend that it is happening, but it doesn't matter because, in the end, everyone wants to look like us. If we assume that, we're going to get it wrong. If we get ahead of the curve and move toward the more pluralistic world that I think would be reflective of the West's own values, I think we have a fighting chance of actually getting it right.

Thank you very much.

### Questions and Answers

**QUESTION:** Thank you so much for a wonderful talk. What existing international institutions or possibly new institutions do you envisage as embracing the alternate modernities of the emerging world and the Western world over the next decade or so?

**CHARLES KUPCHAN:** I think our existing institutions, of necessity, have to become more diverse. That's because they do reflect a world that was built after World War II, in which the distribution of power was different than it is

today.

Ultimately, I think that means a larger UN Security Council, more voting weight for emerging powers in the World Bank and the IMF [International Monetary Fund]. That's already happening. The G8 is now the G20, even though it sometimes still meets as the G8 or the G7. So that's happening.

The problem is that that necessary move toward more representativeness and more legitimacy also makes those institutions more unwieldy. Therefore, I think we need to have a double move, one that broadens the circle, opens the door, brings more voices to the table so that different regions of the world and different cultures feel represented, but at the same time, fashion more ad hoc groupings and regional groupings that can actually do the hard work of governance.

If I had to take a guess, I would guess that the most important institutions in the year 2030 or 2040 will be institutions that today are in the shadows to some extent. They are the regional ones: ASEAN [Association of Southeast Asian Nations]; the Gulf Cooperation Council; UNASUR [Union of South American Nations], which is an evolving union in South America; the African Union; the OAS [Organization of American States]. That's because I think if, in fact, we are moving into a world in which power is devolved, is diffused, then so too will responsibility for governance.

I think that that building over there on 42nd Street [the UN] will still play an important role, but we will see more devolution of responsibility to regional organizations, partly, I think, because we, the West, aren't going to be the provider of last resort anymore. We are not going to come with the fire trucks blazing every time there's a problem somewhere.

It's already happening. Europe has come close to melting down in the last three or four years. Normally the United States would have come rushing in with big bags of gold. What are we doing now? We are watching and worrying, because we don't have the cash to bail them out.

I think what that suggests is that we are moving into a world in which responsibility for putting out fires in Africa, South America, Europe is ultimately going to devolve to the people who live there. That's why I think we should be investing heavily in regional capacities.

**QUESTION:** Don Simmons is my name.

Do you expect the BRICS to continue their economic development as sort of a matter of continuing with the existing trends? Do you think, for example, that there will be no need for Russia to diversify its economy or for more democracy to grow in China or for military power to develop in Brazil?

**CHARLES KUPCHAN:** The data that I trotted out about who's going to be at the top and who's going to move down the pecking order—all of those are obviously projections. Nobody actually knows.

But I do think that they are the best guesses that we have based upon current information. I also think it's quite striking how quickly those predictions are being revised to speed up this transition. That is to say, China is catching up with us much more quickly than people believed only five years ago.

I don't think we will see straight-line development in the countries that we're talking about. I do think there will be bumps on the road for all. The Russians remain way too dependent upon energy. They need to diversify. [Medvedev](#) talked about doing so, but it hasn't really happened. Will it happen during the Putin presidency, the new Putin presidency? I'm not so sure.

But I do think that we're moving into a world in which these different approaches to managing commerce in a globalized world are going to be out there and contending with each other. I do think that, especially after the [financial crisis](#) that we have been through, when emerging countries are out there saying, "Whose path are we going to follow? Which model of development makes sense?" right now the answer to that question is unclear.

I think it's a bit up for grabs. Especially if we don't get our act together, especially if we can't find a political system that produces good policies, I do fear that in many respects countries will look to China because it provides competent governance, even if the Chinese government is illegitimate and immoral and repressive.

I think that's one of the reasons that it's so important for the United States to get its mojo back. We need to continue to provide a model to the world that says liberal democracies can function effectively and can produce growth that is broadly shared. If people look at the United States and they see a country that is highly unequal and a middle class that's suffering, our ability to serve as a model for the 21st century is diminished.

**QUESTION:** Ron Berenbeim.

You have essentially, at least in my view, talked about a global rebalancing of power, more countries on the Security Council, and production—more widgets from China, fewer widgets from the United States. Isn't there a

third element of rebalancing that needs to be considered, a global rebalancing of consumption? Doesn't that present a very difficult problem for the United States, Western Europe, and Japan?

**CHARLES KUPCHAN:** It's an excellent question. I think that the imbalances in consumption and in investment are to some extent fueled by globalization. That's because we are able to get away with living beyond our means because we live in a world in which there's a lot of flow of capital and other countries are willing to buy our debt and allow us to live beyond our means.

China and Germany and others have, I think, in some respects, been too focused on export-led growth, don't have enough domestic demand. That comes ultimately at our expense, because it's harder for us to export our goods, and therefore to grow by selling goods abroad.

I do think that one of the issues that can be addressed in a forum like the G20 or in other venues in which emerging powers and Western powers come together is just this issue—how to get a global rebalancing, how to get more consumption in countries like China. I actually think it is in the interests of the Chinese government to increase the value of the renminbi, because that increases the purchasing power of the average Chinese, and probably the greatest threat to Chinese political stability is the inequality that exists within the country.

But it's very hard for them to overcome the vested interests of party members who own export companies. I think little by little you will see the Chinese move towards a revaluation of their currency. That will help us. But we need to lean hard on that issue.

**QUESTION:** David Musher.

You've argued eloquently for multiculturalism and for tolerance of other political ideologies. Where do ethics and morality fit in? For example, how do we deal with slavery in other countries? How do we deal with other countries where half the population is behind a veil and kept home? How do we deal with other economies where people work six-day work weeks, 12 hours a day, and where children are working?

**CHARLES KUPCHAN:** I think it's a very good question, particularly given the location of our debate tonight. I think it's not an easy question to answer. That's because I believe that the United States needs to retain a strong moral component to its foreign policy and that the United States has been a moral compass for the world since its emergence as a global power at the end of the 19th century.

But I think we need to find a happy medium. We need to find a happy medium between demonstrating respect for and a willingness to work with countries even if we don't agree with their nature of governance, while at the same time being unabashed in expressing our disapproval for violations of what we would consider to be moral standards of behavior.

I also think that if we are somewhat more tolerant and somewhat more ready to work with regimes with whom we have some discomfort, we will do much better at building coalitions against those regimes that are most flagrant in violating the human rights that you have enumerated. I think that that, in some ways, would give us much more leverage and much more moral persuasion than where we are now, where we alienate the Russians and we alienate the Chinese and we alienate a lot of other regimes, and we make it harder for us to do what we need to do.

Look at what has happened in [Syria](#). I think what the Chinese and the Russians did in vetoing that resolution is inexcusable, but I also think we need to figure out why that has happened, why did they veto it.

One final comment. I think the United States during much of its history was somewhat more humble about its ability to shape other countries and believed that our best way to do it was through example and encouragement and inducement. I think over the last few decades, we have lost, to some extent, our sense of proportion and our ability to draw limits.

I worry that what [Iraq](#) and [Afghanistan](#) suggested is that we came to believe that we could become the fixer of last resort and that we could go into countries very different culturally, very different socioeconomically, and turn them into stable democracies. That's a bridge too far. It is a black hole for the United States. That's why I think we need to find a happy medium.

**QUESTION:** Hi. I'm George Paik.

Perhaps related to the last question and this answer, as we talk about Western interests, it seems there are sort of two aspects, one being the material, geopolitical, economic issues and one being the question of values, as highlighted. I wonder, if we were to actually look at the values and strip them down, if there might not be an essence that perhaps is in common with, if not everybody, maybe some reasonable consensus of these other cultures in the world, and if that might not be something still compatible with how we look at the world.

The second part is and/or/but are these material levers perhaps necessary to even properly voice those values?

**CHARLES KUPCHAN:** The material lever?

**QUESTIONER:** The material power, influence, and whatnot. Are those necessary adjuncts for us to be able to maintain a proper voice and visibility for those values?

**CHARLES KUPCHAN:** Let me start with the second part of the question and work backwards. I think one of the conceptual differences between myself and many other people who are writing about this issue is that they believe that the world in which we live today and the spread of Western values and ideas over the last couple of hundred years is because of the ideas, that they have universal appeal, that they are liberal, transparent, that they are everybody's rules; they are not just our rules.

I believe that it's very difficult to untangle ideas and power and that American ideals and values have spread as widely as they have in the world partly because other people like them, but also because they have been attached to the dollar and to the aircraft carrier.

As a consequence, as our power, in the relative sense, becomes less dominant, our ideas don't travel quite as far and don't have as much appeal, as much staying power. That's why I think, in a world in which power is more diffused, we are not going to see our system, the Western system, universalized and outlast the material conditions.

I do take your point. I think there are fundamental values that are shared. That's why what I would do is try to sort of drop down a little bit to find those shared values and lock them in and work with other countries, let's say, even if they are not liberal democracies or even if they are run by, let's say, the [Muslim Brotherhood](#), and we as Americans have discomfort with a government that is theocratic, to use a phrase that's probably inappropriate, but let's use it anyway.

But if we do that, we may be able to reach common ground on a set of values. They won't be the [full monty](#). They won't be all the values that we as Americans would like Egyptians or Chinese or Indonesians to embrace. But I do feel that if we lower our sights a little bit, we will come home with a deal. If we aim our sights too high, we may come home empty-handed.

**JOANNE MYERS:** As the world turns, I'm just so glad that we have you thinking about it, and I hope those in Washington are listening to you. You will be invited back again.

Thank you very much for a wonderful talk.

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