

2013: CHALLENGES FOR THE WEST AND THE REST

Hubert Vedrine

2013: Challenges for the West and the Rest

1. The West has nothing but delusion and disorientation since the fall of the Soviet Union in 1991. The world was supposed to witness the end of history and the dawn of an international «community» founded on the universal acceptance of their values and a consensus in favor of democracy and a market economy, or «market democracy». Instead the contemporary world is a place of vast and permanent competition, a muddled melee between regional poles.(1) countries, governments, businesses, banks, financial funds, rating agencies, producers, consumers, individuals, international media, criminal organizations, and others, if not also between «civilizations»(2). This competition continues even in the forums that are supposed to regulate it—the WTO, G20 and others. There is only anxiety, therefore, from a Western, American, European, and French point of view. Beyond the BRICs (which should not, incidentally, include Russia), the rise of dozens of «emerging» countries signals the end of Western control over the management of world affairs and will only expand and intensify over the coming decades. This gigantic reshuffling of the geopolitical deck is spectacular in and of itself. But it is all the more dramatic because it coincides with a number of additional shifts and changes. The first is a considerable increase in the world's population, which is projected to exceed nine billion people by 2050. This dramatic population growth raises a number of serious concerns, including worrisome predictions about its impact on global security, the environment, and food supplies (such as, for example, predictions of a new wave of colonization, this time of arable land). The global redistribution of power will also happen against a backdrop of ecological disturbances, starting with climate change, the rapid collapse of biodiversity and the health consequences of the large-scale use of pesticides and chemicals, which is causing alarm among scientists. Then there is the collapse, beginning in 2007 at its American epicenter, of speculative finance - inventive, risky, irresponsible - and the implosion the toxic asset bubble (even if most of these assets were rated AAA at the time). There is economic turmoil in an already over-indebted Eurozone. And finally, the reshuffling of the geopolitical deck is happening just as we are seeing growing democratic dysfunction in the United States and Europe, of which extremism, populist drift, financial excesses and high abstention rates are only the most obvious symptoms. After the end of the Cold War those in the West with universalist sensibilities, particularly in Europe, strove to promote international exchange. Of course, this exchange was supposed to be one-directional - the projection of their values of freedom and progress and the market economy onto the rest of the world. But, to the consternation of the proselytizing West, the outside world is now being projected onto it. Just as colonized peoples turned colonizer's ideas of political freedom against them, the globalized peoples are using the mechanisms and sheer force of a deregulated global market economy to their advantage and against the globalizers (i.e. the United States for the past several decades). During the 1990s and 2000s, Western countries only viewed «emerging countries» as emerging markets, or opportunities for their businesses. Preoccupied with the «War on Terrorism» (how can you wage war against a tactic?!), it took them more than fifteen years to realize that the primary emerging countries were, in fact, emerging powers (in some cases re-emerging), set on making a comeback or even taking revenge, and in any case determined to follow their own agendas and play a major role on the international scene. Part of the Western elite has taken refuge in denial or fuite en avant (3), always insisting on more openness, globalism, Europe, etc, and falling further and further out of touch with public opinion. Meanwhile, the accumulation of these upheavals is producing a sense of vertigo and even panic among Western populations. All of the world's flows and movements - trade, finance, migration, culture - seem totally unchecked and uncontrollable, at least by the West and the international organizations that have, until now, served their interests. In the United States, the Republican Party is adrift. Unable to accept the end of a John Wayne-esque era, party leaders seek at once to isolate the U.S. and curb the threat of competition from the «rest». This reaction no doubt contributed to the GOP's defeat on November 7, 2012. In Europe we are seeing the rise of utopian and protest votes, quasi-mutinies at the polls, a sharp increase in anti-incumbency, and of course on the flip side, abstention and general distrust. These phenomena are linked not only to the economic crisis and the recession but also to a gnawing feeling of powerlessness that is undermining civic confidence. Hence the demand for protection from this cyclone of social and economic change. Today, use of the phrase «win-win globalization» amounts to provocation, at least in Europe. Europeans have been especially disappointed by the current shifts because many of them desperately wanted to believe they were living in a post-tragic world that had evolved beyond history and identity. It was their «temps de chimères». After much haggling over the level of fiscal rigor to be required of Eurozone governments in exchange for financial solidarity towards the countries locked out of bond markets, on March 2, 2012, the seventeen Eurozone countries and seven other EU member states signed a budgetary discipline treaty of Germano-judicial-technocratic inspiration, with an automatic and almost post-democratic system of sanctions. The ongoing debate as to «who governs the eurozone» and «which way is our economic policy heading» has been settled, for the moment under the iron rule of the penitential Merkelian line. But the crucial parallel debate on growth and the balance between efficiency and democracy in Europe has been reopened with the election of François Hollande and economic downturn in all of the Eurozone countries, including Germany. Now we could imagine a compromise involving reforms that are not overly harsh or hasty and that are gradual enough to be socially and politically palatable. 2. The emergence of certain countries, formerly referred to as «Third World» or by the well-intentioned euphemism «developing countries» (even when they were not), is now an undeniable phenomenon. There is China with its more than 1.3 billion inhabitants and staggering economic growth, the whole of Asia, the «BRICs» or other similar acronyms... Some observers count as many as one hundred emerging countries! This means that we now have the «older» developed countries of the G7 or the OECD (the West and Japan), the emerging or emerged countries (the most important of which are members of the G20), and the pre-emerging countries from the Global «South», most of which are located in Africa. Russia is a separate case, more hovering than emerging. A daily barrage of figures and statistics is painting a picture of this brave new world. With the exception of a handful of Western multinational corporations that have a short-term interest in playing the sorcerer's apprentice and transferring their technology without taking proper precautions, the West remains stupefied, not quite yet realizing what this shift means and the enormous adjustments that will be required in order to adapt to this new world order. The West has lost its monopoly of power not just over the global economy, but also over: 1) currency (China and Japan have decided to trade in yuan and yen); 2) technical expertise (China and India produce hundreds of thousands of engineers each year); 3) industrial capacity, accelerated by technology transfers from the West (Brazil is selling aircrafts while China produces high-speed trains and is preparing to launch a medium-haul plane); 4) culture (former President Hu Jintao declared that China does not yet have the cultural influence or soft power it deserves. The country is opening up Confucius Institutes and creating Chinese news channels in French and Spanish. India, meanwhile, has resisted the penetration of the American cultural industry); 5) Luxury (Young Chinese designers are determined to challenge the European fashion industry); 6) and even agriculture (in Brazil), military power (demonstrated by rising military budgets in China, India and Brazil), and geopolitical clout (in late 2011, India and Brazil allied themselves with Russia and China to block the West on Syria). French analyst Zaki Laidi has described this configuration as a «cartel of nationalist ambitions». Indeed, South/South relations are developing in all kinds of areas. There is no aspect of Western supremacy that emerging countries are not prepared to challenge, in theory or in practice, now or in the future, from the distribution of power within international institutions to the issue of «values». The multipolar world will be a highly competitive one. Zbigniew Brzezinski and Brent Scowcroft were right when they wrote, «for the first time all of humanity is politically active». 3. And yet we are often so stunned by what has been a triumphant decade for emerging powers that we tend to underestimate their weaknesses and handicaps. Political risks, such as the uncertain future of the Russian and Chinese regimes and a limited but growing opposition(4) in many others, could eventually impede their development. Social inequalities are rising to explosive levels (hence pressure in China to increase wages in its coastal regions and advance development in rural areas). Growth rates are dipping slightly (from 10% to 8 or even 7%), and high inflation has forced countries like Brazil to adopt «cooling» policies. Environmental problems, pollution, overexploitation and scarcity are increasingly glaring. Per capita income is still very low and will remain so for the foreseeable future. Demography can be an asset but also a liability: India is weighed down by overpopulation, China by its aging population, and Russia by depopulation. The latter may have oil and gas but is struggling to establish a modern economy. There is also a tendency to overestimate the unity and homogeneity of the emerging powers. They come together to criticize the West and stake claims, but are divided by rivalries between China and India, China and Southeast Asia, Brazil and Argentina, Nigeria and South Africa, etc., not to mention tensions between countries such as China and Japan. Finally, we tend to forget, especially in Europe, that Western countries retain considerable assets. They have acquired or inherited a great deal of influence in all of the world's international institutions. They still enjoy colossal wealth and economic strength, representing, with Japan, 58% of global GDP and 40% of international trade. The American capacity for invention and creation (i-economy, Nobel prizes) remains unrivaled, and its soft power unequalled. What's more, education levels in Western countries continue to be higher than in other parts of the world, and this is unlikely to change anytime soon. The military might of the United States continues to represent close to half of global military spending. France and Great Britain have maintained their military capabilities. The scenario of American disengagement worries neighbors of the largest emerging powers, strengthening the U.S.'s position worldwide. This allowed President Obama to propose the establishment of a trans-Pacific free trade zone that would exclude China. Finally, the West, which of course includes Canada, Australia and New Zealand, can, in certain circumstances, count on Japan and, in the long term, on Russia and even Turkey if it manages to play to its strengths. American cultural supremacy is beyond question - and to that we can add the vitality of Francophonie (even if the French elite is losing interest in it) and Hispanidad. The list of the West's potential assets goes on and on. Of course, the West has some serious handicaps: the excessive weight of public spending, economic anemia, mass unemployment, indebtedness, excessive financialization, and, in Europe in particular, historical fatigue, lack of self-confidence, pessimism, and fear of the future and progress. Nonetheless... 4. Knowing that history continues to move forward unceasingly and that a veritable international «community» remains an objective, which scenarios and policy options are possible? The West will never recover the unique position it held since the Iberian globalization of the sixteenth century (5), nor will the United States regain the kind of unchallenged power it enjoyed in 1945 or during the hyperpower decade of the 1990s. It will no longer be the only force shaping the world. For its part, it is highly unlikely that China, assuming that it even wants to, will dominate the world as America has done through its hard and soft power. Nor will Asia as a whole, much less the many emerging powers, whose interests, we have seen, are far too diverse to form a permanent bloc. We will not be entering a «post-American world» anytime soon. The most likely scenario is that the United States retains its strategic leadership for a long time yet, albeit a leadership that is relative, contested and challenged, even after China has surpassed it statistically in GNP around 2020 (6). It is likely, however, that China will regularly try to tighten its grip on its neighbors and extend its influence on countries whose economies depend heavily on Chinese imports or investment. In sum, the balance of power between the major poles of the world will continue to oscillate, following Pierre Hassner's prediction of a long chaos, or at the very least a strategic disorder, between: a determined U.S. and China; a Russia with great potential; an amemic but resilient Japan; an ambitious Brazil and India (but how ambitious?); other «emerging» countries in Asia, Africa and Latin America; and a Europe strained by its contradictions. Not to mention all the other actors on the international scene, state or nonstate, interdependent to the point of entanglement. Added to this is the fact that impatience for democracy - or at least for rule of law - is growing stronger everywhere it does not yet exist, and where democracy is already well-established, it is unravelling under the weight of abstention, money and lobbies, and being challenged by populist movements. No one in the developed or democratic world is tempted by the strict Chinese «model» (political control plus growth), but it may seduce elsewhere. It is indisputable that Chinese leaders take advantage economically of their ability to plan, decide, and organize for the long term, while the Occidental-global political and economic system is bedeviled by a short-termism of which only states with real strategic vision can free themselves. After the Lebanese and Iranian precedents, which fizzled in very different contexts, the wave of change running through the Arab world and beyond since the fall of Ben Ali in January 2010 has set off a series of sharply contrasting processes (democratization, civil war, and consolidation of the status quo). The future of the region, which is seeing Islamists come to power wherever there are free elections, is both promising and perilous. This transformation is only just beginning and will most certainly change the Islamists themselves in the long run. Even in the best of scenarios, it will take a long time before the new and less Westernized Arab world that is emerging becomes a pole in the multipolar world. Iran has potential to become an emerging power and will appear more modern than its neighbors when the Islamist regime in place finally collapses. 5. The anxiety that prevails in Europe with respect to the world taking shape (except in Germany, for the moment) has created a new audience for catastrophic predictions. This intellectual current, fed by apocalyptic extrapolations of all kinds, seeks utopian panaceas in the form of rational world government, European federalism, international civil society, and international justice. Such ideals offer a substitute for confidence in the market and the veneration of multilateralism and the international «community». It is a mindset that stands in stark contrast with that of non-European peoples, who brim with optimism and regard the future with confidence and appetite. Nowhere is this psychological distress more acute than in France. Global surveys have found that the French are more worried about the future than Iraqis or Afghans. This degree of pessimism seems ridiculous, pathological even. So where does it come from? From an incurable nostalgia for the grandeur of France? From a sense of having much to lose? From disappointment that France is no longer the primary vector of universal values (when even the United States has lost its monopoly)? From an unease with a global system that seems so «un-French» and a Europe that seems so very German? Probably all of these things, but also from a political discourse that hasn't elucidated anything in a long time, that no longer inspires confidence, and a media culture that sustains a climate of indignation and aggressiveness more than it contributes to reflection and comprehension. The French public is also suffering from a newfound distrust of science and progress and disenchantment with the European dream. But on the last point they are no different from other Europeans. 6. Faced with these challenges, what kinds of policy options does the West have? Can France and Europe bounce back? The reality is that while none of these global shifts is automatically favorable to them, Western countries still enjoy many assets, especially if they are able to comprehend, reflect, anticipate, react, and take action. First, the West must have the lucidity to develop a strategy and the perseverance to follow it long enough so that it can maximize its interests during the redistribution of power that is underway. This means accepting the necessary adjustments within international institutions and coming to agreements with the emerging countries on rules and norms, as well as reasonable timetables for any changes agreed upon. All of this will require Europeans to re-embrace strategic and historical thought, to start thinking of Europe as a power, to put an end to their institutional disputes and focus on broader projects, and to coordinate with each other (at least the largest countries) in order to make Europe a leader in the re-regulation of globalization run amok. Europe should coordinate policies and strategies with the United States as often as possible. And then the West should forge alliances, issue by issue, with one or more emerging powers. Another pressing challenge for the West is to re-stimulate growth. Not just any kind of growth, but a sustainable growth, one that will drive a «greening» process stimulated and guided by new economic indicators that are more relevant than the stale and simplistic GDP. Such growth must be based on market economies re-regulated by reasonable rules and safeguards, in which the financial sector is scaled back to reasonable proportions and discouraged from seeking artificial financial gains and engaging in unlimited speculation with no connection to the real economy (7). This will depend on our ability to re-legitimize our democratic systems and make them effective once again, perhaps by redirecting some of the energy produced by protest movements or «direct» democracy, while protecting our political systems from the tyranny of focus groups and incessant polling. There is a striking contrast between the West's current position and the medium- and long-run potential it still maintains, and the atmosphere of anxiety that predominates. Europe is weighed down by pessimism, France by melancholy. But if Europe reforms itself, if it cleans up its finances while reviving a sufficient level of growth, if Europe becomes more efficient without becoming «post-democratic» and too judicial or technocratic, its future will be enviable. Its primary handicap, in the multipolar scuffle that has just begun, is its pessimism. Europe should take a cue from Franklin D. Roosevelt and embrace the idea that it has «nothing to fear but fear itself». The United States, meanwhile, continues to believe in its role, in its capacity for recovery, and in itself. This «American religion» is still intact, even if the structure of the electorate that reelected Barack Obama is a translation to the political sphere of a spectacular and irreversible demographic shift. Also, by giving the incumbent president a second chance, in spite of a number of disappointments, the majority of Americans demonstrated an understanding that the U.S. will not be able to meet the challenges ahead by moving backward. But there are two Americas. From the outside, the psychological gap between the United States and Europe is growing wider. The striking contradiction between the global nature of the problems that must be confronted and the national framework within which decisions are taken is strengthening the resolve of many countries to maintain enough power to impose their will on the international system, or to prevent the system from imposing the will of others upon them. These countries are not putting their confidence in a hypothetical «global government», which will no doubt remain a utopia (though we could see some form of «collective government»). Indeed, the human race is composed of thousands of years' worth of differentiations, and a few decades of Internet will not homogenize it or make it «flat». There won't be a global president or a global nation, nor a democratic framework beyond that of states (nations or not) as we know them. Progress will therefore depend on cooperation. Multipolar competition will occur alongside growing interdependence and mounting pressure from the global environmental time bomb. This situation could lead to confrontation, for example, in relations between the United States and China, China and Japan, India and China, Russia and its neighbors, Israel and Iran, Israel and Arab states, Islam and the West, as well as between net migration and net immigration countries, and many others in Africa or elsewhere. Responsible actors must take action to ensure that such confrontations are avoided and that the choices made favor increased cooperation. But the road to international cooperation will not be straight, smooth or without turmoil, especially since economic and financial competition, even if it is better regulated, will produce unstable and shifting power relations. Each major country, each pole, starting with the United States and then with China, must cede certain claims and parts of their mythology without relinquishing the defense of its legitimate vital interests. These countries must then help their populations understand and accept such shifts, despite the existence of fears and the instinct for power. This will not be an easy task. Governance in China will be more difficult in the future than it has been during the past twenty-five years. And it is unclear whether the American people will learn to accept what their President has clearly understood - that its leadership, if it is to endure, must become more sophisticated, at times exercised «from behind» and at other moments practised by proxy. Will the U.S. come to terms with this and benefit from a clear understanding of the new realities and forces at work in the world? Will it accept that, even if it does this, American leadership will still be «relative»? The way the United States, which increasingly resembles a «global-nation», responds to this challenge will have a major impact on the world of tomorrow, and especially on its European allies. (1)Even if Joschka Fischer points out archly that in physics there are only two poles. (2)The so-called conflict between Islam and the West may be a false symmetry that has more to do with a lack of culture than a clash between cultures, but it remains an object of fetishism and instrumentalization and will likely continue for a while yet. (3) In psychology, fuite en avant refers to an unconscious mechanism that leads people to continue or even intensify the very behavior or problem they want to escape or resolve. (4) Whether on the ground or on the net. (5)Serge Gruzinski gives a remarkable account of this in L'aile et le dragon. Démonstre européenne et mondialisation au XVIe siècle (Fayard, 2012) (6) In per capita income, China will still trail far behind. (7) In 2005, of 2,069 teradollars in interbank transactions, 2,024 were related to the financial sphere (derivatives, foreign exchange markets, stock markets) and only 44 to the real economy! Translator French to English, Jeanette COOMBS http://www.foreignpolicy.com/articles/2012/12/10/decline_is_a_choice



Source: <https://www.hubertvedrine.net>

Homepage > Publications > 2013: Challenges for the West and the Rest



16/12/2012