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## GLOBAL GOVERNANCE FROM AMERICA, CANADA, AND THE RESPONSIBLE REST

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The post-American world arrived with a shock within America itself in the autumn of 2008. On September 15 in New York City, Lehman Brothers collapsed, catalyzing a global financial and economic crisis, unprecedented in its global scale, speed, and scope. A mere two months later, on November 14–15 in Washington, DC, President George W. Bush hosted the first of a series of summits of the decade-old Group of 20 (G20) systemically significant states to cope with this home-made crisis that America alone could not control. The second G20 summit was soon held, on April 1–2, 2009, but now in London, with Britain’s Gordon Brown as host.<sup>1</sup> President Barack Obama hosted the third on September 24–25, 2009 in Pittsburgh. There he proclaimed that the G20 would now serve as the permanent, premier forum for the world. The first test of this new mission came at its fourth summit, on June 26–27, 2010, in Toronto, with Canada in the chair.

The American-led advent of G20-centered global governance showed that a vulnerable America had adjusted to a new reality, the relevant “rest” had responsibly risen to rescue America and the world, and all had acted in a collective, cooperative way. They were driven to do so by the shock that exposed America’s acute vulnerabilities, and by the rising relevant relative capabilities of countries that were largely America’s democratic allies, led by a Canada that had co-invented the G20 with America a decade earlier and contained the capabilities that counted now. This co-operative club of the newly capable will continue to shape a global order defined by the values of democracies in the decade ahead.

America remains number one in several capabilities critical to how the world order unfolds. In military capability, America invests only about 4 percent of its GDP to produce a hegemonic 50 percent of global defense spending. America

appears willing and even able to sustain this for years, with no comparable defense spender in sight.<sup>2</sup> But these inputs are inadequate for America alone to secure the outputs many desire, such as “winning” the war in Afghanistan, preventing Iran from becoming a nuclear power, ending terrorist strikes in the United States, and restoring the American and global economy to full health.

Even if America’s military power can be successfully converted, it may not be enough to define world order as those with different visions rise. America’s ideological or soft attractive, persuasive power, and the resulting low-cost legitimacy of its preferred order, can indeed provide a potent assist, especially in a democratizing age.<sup>3</sup> Some see Bush’s unilateral, militaristic approach as having eroded this centuries-long American advantage, perhaps for good.<sup>4</sup> But Obama’s foreign policy of engagement and expansion, backed by his visible multiculturalism, offer a stronger offsetting force. It is reinforced by America’s leading advantage in demographic diversity – a growing, ever more multicultural population whose new citizens are on the front lines of the higher education, entrepreneurship, and innovation at which America has long excelled.

Elsewhere, however, America’s critical capabilities are crumbling in a continuing, cumulative way. In the overall economic capabilities which can be invested in many specialized areas, and which have long led systemic power shifts in the past, America is in deep and durable decline. Already, the ever more uniting and expanding EU has the largest economy, in terms of GDP, in the world, as measured by purchasing power parity.

Of more concern are America’s compounding vulnerabilities, particularly those increasingly arising from new non-state, non-intentional, non-targeted, but still pervasively destructive, threats. These new vulnerabilities now constitute a component of the structure of the international system, co-equal with the relative capability that realists have long recognized.

The shock of September 15, 2008, in New York City showed America’s acute financial vulnerability at its core. America may recover some of its growth path from the victorious post-Cold War 1990s, and its enhanced reputation from helping rescue the “rest” during the Asian-turned global financial crisis of 1997–1999. But material and ideological power from the long assumed, asserted, and acknowledged unique depth, sophistication, and innovation of American financial markets is gone for good. In the security sphere, the shocks of September 11, 2001, in New York City, the anthrax scare along the Atlantic seaboard in the autumn of 2001, and the failed airplane bomber of December 25, 2009, in Detroit show that America’s vulnerability to terrorism inside America has not gone away.

In energy and climate change, America’s four-decade-long, compounding vulnerability continues with no end in sight. The great faith currently placed in America’s technological prowess cannot obscure the inconvenient truth that the 60-year-old tried and true, American-invented technology of nuclear power still suffers from the political and public death imposed on it when the Three Mile Island reactor exploded in 1979. Americans got a shocking sign of what

uncontrolled climate change could look like when Hurricane Katrina struck in 2005, to materially destroy a city to a degree that only Cold War nuclear planners had socially constructed as a possibility in an earlier age.

With America's vulnerabilities outstripping its capabilities in size and in fit, it is reassuring that America has recognized the growing gap. It is adjusting its foreign policy approach to offer a strong, self-confident, internationally engaged America, upon which its closest allies, friends, and family members, and a world order that works for all, depend. Just as America's great realist theoretician and practitioner, Henry Kissinger, helped restore a declining, defeated, and retreating America in the 1970s by creating the Group of Seven and then Group of Eight (G7/G8) club of major market democracies, so both Bush and Obama have done since in bipartisan fashion with the new G20 summit at the core. This approach is now starting to pay off in America's reset relationship, with reduced nuclear weapons, with Russia, if not yet with the far less democratic and nuclear responsible regimes in North Korea and Iran. America's approach has as its firm foundation not the idealist nostalgia of broad UN-based multilateralism nor a primitive realist reliance on unilateralism, bilateralism or even ad hoc, issue-specific coalitions of the temporarily willing, but instead the trusted plurilateral clubs of the newly powerful that all can count for continuing comprehensive, coherent governance for an uncertain, complex, ever more vulnerable globe. At center stage stands the old G8 and new G20 summits that Obama has now chosen as the continuing center for global governance in the new age.

The best method to respond to the new vulnerabilities which may arise from anyone and anything anywhere is not a broadly diffuse, multilevel, or multi-lateral milieu of state and non-state actors. Rather, it is a compact club of the systemically significant countries that contain the collectively predominant and internally equalizing capabilities necessary for effective, legitimate governance of a globalizing world.

The G20 summit is such a club. It contains about 90 percent of the global economy and 66 percent of its people. It will remain predominant, as the relative and absolute declines in some of its members are more than offset by the rapid or reliable rise in others. Moreover, most of the decliners come from the current top-tier members of the G8 and most of the risers from the once second-tier other G20 states. The G20 thus contains the equalizing capabilities likely to produce responsible burden-sharing and a balanced vision of world order produced and supported by all.

In the economic sphere, on current trends China is projected to overtake the United States in the number one spot by 2020, with a PPP GDP of US \$30 trillion compared to America's US\$28 trillion.<sup>5</sup> By then China will have some 19.4 percent of global GDP, whereas the United States and EU will, respectively, account for only 19.0 and 19.1 percent. Yet even should such trends faithfully continue for another decade, as they did not for a once rapidly rising Japan, there is little in power cycle theory to suggest that such a shift will be systemically disruptive.<sup>6</sup> All leading powers have a decade to prepare. The United States

and China will be broadly equal in the bipower lead, rather than facing a unilateral breakout by a challenger. And the durable Atlantic United States and EU together will still have twice as much capability as China, even if the latter should be a challenging still-communist state.

Moreover, as developing countries now account for half of the global GNP and hold the majority of financial reserves, a competitive, Cold War-like bipolar two (B2) or cooperative condominium-like group of two (G2) of China and America would still need the capabilities and consent of the relevant rest to put their vision(s) of world order in place. Here, it is the American-Atlantic group that has all the advantages of a liberal-institutionalized legacy. Moreover, because all but two of its members are democracies, G20 governance is biased toward bringing the intragovernmental accessibility and transparency, and the propensity toward peaceful intra-club behavior that such democratic powers share. If one adds the 27 countries that are members of the EU, and G20 summit participants starting with Spain and the Netherlands, the G20 is an even more inclusive and democratic club, with all the advantages in legitimacy that brings. Although it will continue to face regional and plurilateral summit-level competitors, none of the newcomers are likely to prevail. Even the BRIC summit members are mostly democracies and all G20 members too.

Of central importance is Canada. As Zakaria rightly recognizes, “Canada is becoming a major power,” as a benign neighbor of America with better broadband, health care, and automotive manufacturing, a troop contributor to the American-led, UN-endorsed mission in Afghanistan, and a core part of the global British Empire in its illustrious past.<sup>7</sup>As an emerging energy superpower and an emerging clean energy superpower, as its current prime minister has accurately proclaimed, a conveniently located Canada has the capabilities a vulnerable America most needs, starting with the world’s largest supplies of uranium and oil reserves, second only to those of a distant, non-democratic, terrorism-afflicted Saudi Arabia. Canada has a democratic tradition dating back to the Magna Carta of 1215, and has been unscarred by civil war since 1776. Canada is geographically and demographically an authentic, increasingly Asia/Pacific power. Canada co-created the G20 in 1999, and conceived and campaigned for its elevation to the leaders’ level well before the 2008 crisis struck.<sup>8</sup>

Canada has thus found it easy to join a rapidly rising, democratic, and Asian Korea on the other side of the Pacific to host the G20. Their choice as co-chairs of the first installment of this now permanent summit reflects a broader consensus that the club is centered on Asian and Pacific powers, with Canada and Korea as the great connectors of the old G8 and new G20. The G20, which has already addressed human security and Haitian relief, and served as a stage to send a message to a nuclear-determined Iran, could further expand into the political-security realm. Should it need some help, the proven, all-democratic G8 will still be there to lead from within and support from without.

This cooperative G20 club of the newly capable will continue to shape a global order defined by the values of Asian and Pacific democracies in the

decade ahead. An already adjusting America is unlikely to suffer a 1970s-like defeat and retreat, even as its deficits, debts, and domestic preoccupations soar. A China whose rising capabilities are matched by growing vulnerabilities in many spheres is already opening to its G20 partners and searching for cooperative solutions from the G20 club.

## Notes

- 1 Fareed Zakaria, *The Post-American World*, New York: W.W. Norton, 2009, p. xxvii.
- 2 Zakaria, op. cit., p. 182; John G. Ikenberry, "The Rise of China and the Future of the West: Can the Liberal Order Survive?" *Foreign Affairs*, 87, 1, January/February 2008, p. 37; John G. Ikenberry, "Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order," *Perspectives on Politics*, 7, 1, March 2009, p. 83; Michael Cox and Nicholas Kitchen, "Illusions of Empire and the Spectre of Decline," in Inderjeet Parmar, Linda B. Miller, and Mark Ledwidge, eds., *New Directions in US Foreign Policy*, London: Routledge, 2009, p. 246.
- 3 See E.H. Carr, *The Twenty Years' Crisis*, New York: Palgrave, 1981; Michael Mann, *The Sources of Social Power, Vol. 1: A History of Power From the Beginning to A.D. 1760*, Cambridge: Cambridge University Press, 1986; Adam Watson, *The Evolution of the International Society: A Comparative Historical Analysis*. London: Routledge, 1992; Michael Mastanduno, "Preserving the Unipolar Moment, Realist Theories and US Grand Strategy after the Cold War," in Michael E. Brown, Owen R. Cote Jr., Sean M. Lynn-Jones, and Steven E. Millar, eds., *America's Strategic Choices*, Cambridge, MA: MIT Press, 1997, pp. 310–49; Martha Finnemore, "Legitimacy, Hypocrisy, and the Social Structure of Unipolarity: Why Being a Unipole Isn't All It's Cracked Up to Be," *World Politics Special Issue*, 61, 1, January 2009, pp. 58–85; Robert Jervis, "Unipolarity: A Structural Perspective," *World Politics Special Issue*, 61, 1, January 2009, pp. 188–213.
- 4 For examples see Robert A. Pape, "Soft Balancing against the United States," *International Security*, 30, 1, Summer 2005, pp. 74–5; Michael Cox, "Is the United States in Decline – Again?," *International Affairs*, 83, 4, 2007, pp. 643–53. Christopher Layne's argument in he and Bradley A. Thayer's *American Empire: A Debate*. New York: Routledge, 2007; John G. Ikenberry, "Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order," *Perspectives on Politics*, 7, 1, March 2009, pp. 71–87.
- 5 Economist Intelligence Unit (2006) "Foresight 2020: Economic, Industry and Corporate Trends," Online. Available at <[http://www.eiu.com/site\\_info.asp?info\\_name=ei\\_Cisco\\_Foresight\\_2020&rf=0](http://www.eiu.com/site_info.asp?info_name=ei_Cisco_Foresight_2020&rf=0)> (accessed March 29, 2011).
- 6 Charles F. Doran, *The Politics of Assimilation: Hegemony and its Aftermath*, Baltimore: Johns Hopkins University Press, 1971; Charles F. Doran, "Economics, Philosophy of History, and the "Single Dynamic" of Power Cycle Theory: Expectations, Competition, and Statecraft," *International Political Science Review*, 24, 1, January 2003, pp. 13–49.
- 7 Zakaria, op. cit., p. 29.
- 8 Paul Martin, "A Global Answer for Global Problems: The Case for a New Leaders' Forum," *Foreign Affairs*, 84, 3, May/June 2005, pp. 2–6; Lawrence Summers "The Birth of the G20," in John Kirton and Madeline Koch, eds. *Growth, Innovation, Inclusion: The G20 at Ten*, London: Newsdesk, 2008, pp. 29–31.