

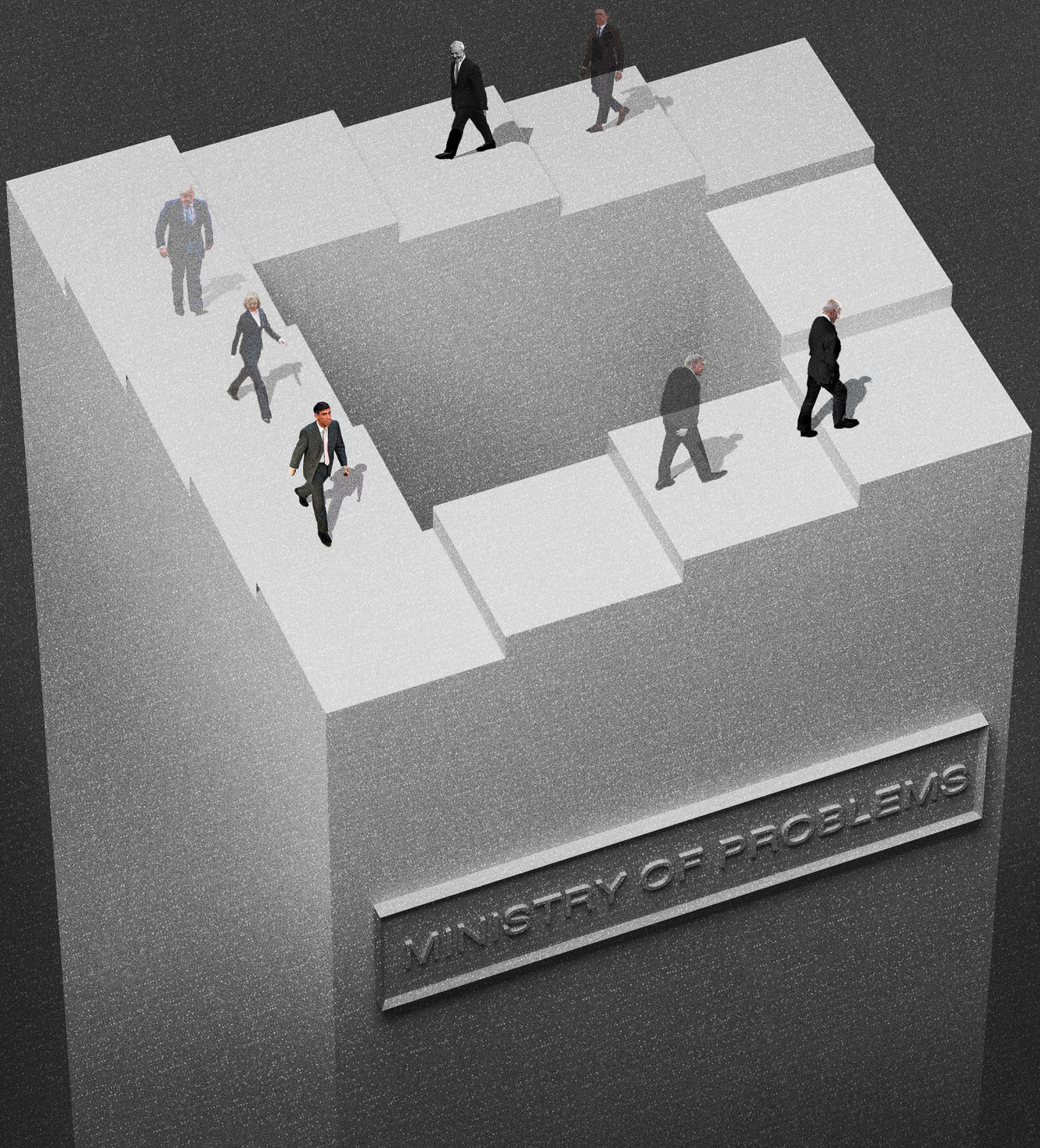
November 2022

Vol. 26

by Taihe Institute

TI Observer

Expectations of Leadership
in a Changing Paradigm



Contents

01	Building an “Alliance of Democracies” Covers up Huge Public Governance Crises Ding Yifan	01
02	The Approaching Death of Democracy Prem Shankar Jha	05
03	United States Midterm Elections: Implications on US Grand Strategy of China Containment Waseem Ishaque	11
TIO Spotlight Talk	<ul style="list-style-type: none">• The World Order Is Moving into a New Zone of Cooperation and Dialogue An Interview with Geoff Raby• The Rise of Populism and the Need of Global Unity: A Controversial World Status-Quo An Interview with Alfredo Montufar-Helu Jimenez	20 27
Youth Voices	<ul style="list-style-type: none">• The Case for Democratic Meritocracy Brian Wong Yueshun• Leadership Is Not About the Next Election but the Next Generation Gulshan Bibi	33 40

Building an “Alliance of Democracies” Covers up Huge Public Governance Crises

Ding Yifan



Senior Fellow of Taihe Institute

The United States seeks to build an “alliance of democratic countries” with Europe, Japan, Australia, and other countries to oppose what it designates as “authoritarian countries” represented by China, Russia, and some others. However, the alliance of “democracies” have been rocked by a series of public governance crises.

In recent years, the rampant partisan politics of Western “democracies,” such as the United States and Europe, has manifested in a balance-of-power stalemate within the parliament and between executive powers. In some cases, the various departments under executive power have engaged in fierce disputes within coalition governments. This causes poor efficiencies and poor effectiveness in government work. The leaders of elected parties are often not experts in public governance and this has caused the “democracies” to demonstrate considerable incompetence in organizing the fight against the COVID-19 pandemic. The members of the so-called democratic alliance ranked very poorly in terms of population infection and mortality rates. The recent resignation of the Prime Minister of the UK, Liz Truss, is another example of how partisan politics can harm public governance. The UK government’s constant flipping of public policy proves that its top administrative decision-makers were at best “amateurs” and prone to making simple yet costly governance mistakes.

The construction of an “alliance of democracies,” which artificially pits “democratic countries” against “authoritarian countries,” is little more than a geopolitical strategy with diplomatic tools. Historically, diplomacy has been able to transcend political systems. For example, during the American Revolutionary War, it was

monarchical France that supported the United States and helped assure the American militia's victory over the British army. However, when a republican revolution overthrew the French monarchy, the relationship between France and the United States deteriorated rapidly with both sides condemning each other. In theory, the French political regime shared similarities with the American republic; should they not have established an "alliance of democracies"? However, the newly established French republic faced a financial crisis, and sought repayment of loans made to American forces during the Revolutionary War. The new US government rejected the French, claiming the loans were made by monarchical France and nothing was owed to republican France. Enraged by such duplicity, France detained American merchant ships, causing the United States to consider sending its navy to attack France.

Throughout history, countries with different political systems have learned from each other. In the 19th century, when many European countries established their representative systems of government, national governance was disorganized and inefficient. Parties that won parliamentary majorities formed the government and rewarded those who had contributed to their victory by appointing them to public office – the gravy train. Parliamentarians were often solely reliant on their oratory skills and without experience in public governance. After assuming office, officials would seek a quick return on their election "investment," and ignore public governance improvements. As a result, the representative system of the European countries and the U.S. became known as the "Spoils System."

In the later half of the 19th century, the Americans and Europeans began to realize that China's professional civil service system could provide stable statecraft. Thus, they introduced the professional civil service system into Europe. Starting in the United Kingdom, the system was quickly imitated by both France and Germany. The United States introduced the system at the end of their Civil War. It was only after the introduction of the Chinese-inspired professional civil service system that public governance in Western countries began to improve and stabilize.

In China, the period of reform and opening up saw the abandonment of the dogmatic practice of "preferring socialist grasses rather than capitalist seedlings" to introduce and learn from the experience of public governance in Western capitalist countries, especially in relation to macroeconomic control. Only after China had assimilated the macro-adjustment mechanisms from Europe and the U.S., did it make significant progress in improving the efficiency of public governance under market economy conditions.

Democracy can be understood as a decision-making or procedural mechanism, in which “the minority obeys the majority.” But is the majority decision always right? Moreover, such a procedure does not guarantee governance competency of elected leaders. The intrinsic problem is that a majority of voters can easily elect incompetent candidates into power. While democratic countries regard “free elections” as the foundational criterion, voters retain no ability to supervise the decision-making of incumbent politicians, thus, forming a “dictatorship of democracy” that French political scientist Tocqueville observed in American “democracy.” Tocqueville realized that the main cause of US governance ineffectiveness was that after an election, when all power was handed to an elected elite, voters became content with being “sheep” until the next election.

China’s emphasis on “full process democracy” reminds democratic alliance proponents that the negative consequences of the 19th century’s democratic procedure, which only focused on preconditions, will lead to poor governance and must be avoided. The great irony of an “alliance of democracies” was seen during the COVID pandemic crisis. Surveys conducted by American pollsters showed that the popular support rate of leaders in countries claiming to be democratic dropped to 30-40%, while the support rate of Chinese people for their leaders was over 90%.

In fact, the world has no pure “democratic country.” Each country has evolved a mixed political system, in which democratic decision-making is limited. Many legacy systems are clearly incompatible with the so-called “democracy” espoused by the democratic alliance countries. For example, the president of the United States has the power to pardon crimes, which is an inherited prerogative from European monarchies. Observers of political systems in Western countries can point to many institutional provisions that completely violate the principle of “democracy.”

The building of an “alliance of democracies” by Western countries is accompanied by growing policy extremes. While liberal “democracies” call themselves “market economies,” they have also treated government regulation of business as normal and subjugated trade to achieve their geopolitical goals, regardless of market rules. A number of “democratic” governments have threatened to not provide government guarantees for the overseas investments of private companies if they fail to invest in accordance with policy guidelines. In the face of these extremist government policies, many companies and individuals dare not speak out for fear of Western media’s “politically correct” narratives and public condemnation. Such situations highlight Tocqueville’s “tyranny of the majority” in Western

democracies.

In the final analysis, the creation of an “alliance of democracies” not only obscures the institutional weaknesses of the so-called liberal democracies, but magnifies their hypocrisy. As such, the alliance of democracies is slipping further down the road of public governance failure that leads to a vicious circle of worsening economic, fiscal, and social crises, increased violence, ethnic divisions, and partisan confrontation, which may ultimately divide and destroy the legacy of liberal democracies that constitute the members of the U.S.-led “democratic alliance.”

The Approaching Death of Democracy

Prem Shankar Jha



Journalist
Former editor of the Hindustan Times
Media advisor to Prime Minister V. P. Singh
Visiting Fellow at Harvard University

In 1991, Samuel Huntington's book, "The Third Wave: Democratization in the Late Twentieth Century," celebrated the triumph of democracy over authoritarianism across the world. Between 1974 and 1990, more than 60 countries across every continent adopted one or other forms of democratic government. Huntington considered this democracy's final triumph over authoritarianism. Francis Fukuyama echoed this sentiment a year later in his book "The End of History and the Last Man."

Barely twenty years later, the euphoria evident in these books had completely vanished. In 2011, Freedom House, which publishes an annual index of democratization across the world, reported that the number of electoral democracies had been declining continuously for the previous five years and had reached its lowest level since 1995. Another democracy watcher, the Bertelsmann Foundation, echoed this conclusion, pointing out that the number of "defective" democracies doubled to 53 out of a total of 128, between 2006 and 2010.

Seven years later, the decline of democracy had reached a critical level. According to the Economist Intelligence Unit, the decline began in 2006. By 2017, 71 countries had seen a regression into authoritarianism against 35 that had moved the other way. The retreat was more marked among developing countries in every region, but right-wing populism had gained ground in the advanced industrialized nations as well, notably in France, the Netherlands, Austria, and Germany, but most markedly in the U.S., as witnessed by the unexpected victory of Donald Trump in 2016.

In the last five years, the retreat from democracy has speeded up. Nowhere is

this more apparent than in India, once the cynosure of democracy in developing countries. The two largest developing countries after India, Brazil and Turkey have seen a similar retreat from democracy, and the rise and entrenchment of authoritarian regimes.

What none of the democracy watchers have been able to pin down is “why”? Why simultaneously, and why now? What global changes took place in the mid-2000s that reversed the rise of democratic governments that had taken place in the previous three decades? In what follows I have attempted to give an answer.

I believe that democracy is in retreat because the social and economic conditions that gave birth to it, and in which it thrived, have been all but destroyed in the past two decades. What is more, their erosion is still gaining momentum and is most visible in the low and middle income developing countries that emerged from colonial rule after the Second World War.

For democracy to become the accepted mode of decision-making, there has to be a consensus among all interest groups in a society, that they will not resort to the use of force to change policy. To endure, this consensus has required several pre-conditions to be fulfilled. The most important among them is a softening of the lines of economic and social conflict in society. Throughout human history, these have centered around race (or tribe), religion and economic status. Democracy gives us a way to reconcile conflicts in all three areas. But for the consensus to survive, the intensity of these conflicts have to be reduced and contained.

The building of democracy

Conflicts originating in ethnicity and religion long pre-date the birth of modern democracy. The Industrial Revolution made a new addition to the mix. This was class conflict. In Britain, the birthplace of the Industrial Revolution, the Luddite and Chartist uprisings against industry in the early 19th century gave the ruling class an early warning of the need to find a way to soften the conflict between the gainers and the losers from the rise of industry. Beginning with the Great Reform Act of 1832, the ruling classes responded by progressively widening the franchise to include the working class in parliament and by enacting with their help, the comprehensive social security legislation in 1909 that created the welfare state.

In Germany, Chancellor Bismarck took steps to soften the emerging conflict

lines even before Britain. Despite Germany being a relatively late starter in industrialization, he not only extended the voting franchise to all adult males, but introduced old age pensions, accident insurance in industry, and a form of socialized medicine, in the 1870s. His avowed aim was to keep the German economy operating at maximum efficiency, *and to stave off calls for more radical socialist alternatives*. France and the United States followed Britain, albeit with a substantial time lag, under the spur of the Great Depression, in the 1930s.

To sum up these changes, the Industrial Revolution created nation-states. Within them, the need to minimize class conflict created the welfare state. Both developments were graduated responses to the class conflict that the rise of capitalism was unleashing in industrializing countries. To contain it, nation-states erected progressively higher barriers to imports to reserve their home markets for domestic producers. This allowed the fruits of technological progress to be retained within tariff walls and raised living standards across the board within the country. Between them, therefore, tariff protection and the welfare state created Social Democracy. As Karl Polanyi highlighted in his classic analysis of the rise of Britain, social democracy prevented the creation of the “Stark Utopia” that Polanyi had identified, which could not possibly have endured.

Trade unionism tamed class conflict and channeled it into collective bargaining. Protection of the gains from technology allowed incomes to rise steadily. In Europe, and with a generation’s delay in the U.S., this progressively broadened the middle class, and gave birth to an *Haute Bourgeoisie*—an “upper-middle” class that lived on the returns from inherited or accumulated wealth and therefore had a strong vested interest in moderating social conflict. The Hundred-Year Peace in Europe that preceded the First World War, gave ample time for this class to develop, take over a leading role in shaping intellectual discourse, and become a powerful moderator of domestic social conflict.

As Nation-State Capitalism matured, the ever-growing scale of production also created an expanding white-collar middle class, consisting of salaried employees in the service industries who were neither bourgeois nor proletariat. The automation of production progressively increased the size of this class in relation to blue-collar workers and turned it into yet another buffer against class conflict.

These were the multiple converging social, political and economic developments that went into the making of the three decades of unsurpassed prosperity and growth – *Les Trente Glorieuses* – that followed the end of the Second World War and validated democracy in the eyes of the newly de-colonized world. It was also

a period of profound social peace caused, as Paul Krugman pointed out in a trail-blazing book, “Peddling Prosperity,” by near-full employment in the industrialized democracies and a uniform rate of real income growth across all five quintiles of the American and Western European populations. It was this extraordinary surge of growth without conflict that discredited socialist and other autarchic models of economic growth, and brought the Soviet empire crashing down in ruins.

The onset of Globalization

And then, in the 1980s, even as the democracy wave was gathering strength across Eastern Europe and the developing world, all this went into reverse gear. The reason was the onset of economic globalization. Beginning in a small way in the 1960s, enterprises located in the industrialized nations found that revolutions in transport and communications had made it possible for them to make more money by manufacturing their products in Asia and Latin America and shipping them back to the markets in Europe and America, than by continuing to manufacture them at home. That was the beginning of de-industrialization in the industrialized economies. This brought on a phenomenon that the Industrialized countries of the West had not experienced before – chronic as distinct from trade – cyclical unemployment.

This had never happened before because while mass production and automation had been reducing the quantity of labor needed in production since the early days of capitalism, it had been increasing the number required to distribute the product because of the much slower growth of productivity in the distribution industries. So the decline of demand for labor in manufacturing was more than made up by the increase of demand for labor in the distribution of its products. But when there was only a shift of *existing* manufacturing out of the country, the demand for labor in the service industries did not rise. That was when unemployment, which used previously to rear its head only during the downward phase of a trade cycle, became chronic.

Chronic unemployment has destroyed the bargaining power of trade unions. As their capacity to check the rapacity of employers has dwindled, all the humanizing safeguards created during a century of social democracy – union-negotiated wages, collective bargaining, job security, fixed working hours, the 40-hour week, the mid-week half day, guaranteed pensions, designated annual vacation periods and the like, have evaporated. Even unemployment benefits have now been

limited to two years in the U.S. and somewhat less in Western Europe.

Companies now hire and fire workers with no notice and without attracting any penalty. Except in high-tech fields, LIFO (last in, first out) has become the new norm. This is inhumanly cruel to young job seekers. With no job security, they are unable to plan a future, unable to marry, unable to invest in a home or even a car, and most tragically, unable to plan on having children. As Eric Hobsbawm wrote in his penultimate book, "The Age of Extremes," today's youth are being forced to live in a constant present, because they no longer have a future they can look forward to.

Nor are we even close to the end of this road. While automation and robotization of manufacture continue to attenuate the blue-collar working class, the computerization of administrative and financial transactions is driving the white-collar working class out of work as well. The resulting "race to the bottom" has been hugely accelerated by economic and financial deregulation. Both have been demanded by the principal beneficiaries of globalization – transnational enterprises, and international banks and financial institutions.

The naked rapacity that financial deregulation, and the merger of commercial with investment banking unleashed, led to the foreclosure crisis in the U.S. that destroyed an entire generation of new entrants into the middle class, and the near-destruction of the Greek economy so vividly described by Yanis Varoufakis in his book "Adults in the Room." In both Europe and America, not only did the banks get away scot-free but they forced governments to bail them out in order to prevent the total ruin of the depositors with whose money they had been playing.

Then they administered the *coup de grace*: not only did they force governments to bail them out, arguing that if they became bankrupt, millions of small depositors would lose their savings, but they argued that economic revival required a lowering of interest rates. They brought down their deposit rates to as low as half a percent, and in a few extreme cases to a negative rate of interest. Depositors then had to pay for the privilege of keeping their savings in a bank.

Since the financial crisis, therefore, the *haute bourgeoisie* has been forced to live on its capital instead of its earnings therefrom. With every passing year during the past 15 years, therefore, this last, most influential buffer against social conflict – the class that had the greatest stake in peace – has been wearing thinner and thinner. With this, the stark lines of conflict that Capitalism has produced in the early phase of every cycle of its rebirth since the rise of city-state capitalism in

Italy in the 15th century, have reappeared.

These four developments – the end of job security, the death of the blue-collar working class, the end of work for the white-collar and lower middle classes, and the melting away of the *haute bourgeoisie* – have created the Stark Utopia in global capitalism that Britain, thanks to the Elizabethan Poor Laws and the Church, had so narrowly avoided during the birth of nation-state capitalism. In 1965, the income differential between the lowest-paid worker in an average American enterprise and its CEO was about 20 times. In 2018 it was 278 times!¹ In that year, 10 percent of Americans owned 70 percent of the wealth of the country, while 50 percent, at the other end, owned 2.5 percent! In just 30 years, globalization had converted Krugman’s “picket fence” pattern of real income growth in American society into an unclimbable stepladder.

This is a global phenomenon. There are more than 700 billionaires in the U.S. But at the last count a year ago, there were also 144 in China and 141 in India. Mukesh Ambani, one of the Indian billionaires, owns or controls \$748 billion worth of assets.² This is 26 percent of the GDP of India which contains a fifth of the world’s population.

The industrial world is divided now between the very, very rich, for whom a \$644 million hydrogen-powered yacht (unveiled at the 2019 Monaco Yacht Show) is a plaything, and the unemployed poor, more and more of whom beg on the pavements of our megacities and sleep inside cardboard cartons at night. Is it surprising then that more and more people of the world feel betrayed by democracy, and are turning to strong men in search of shelter, in search of hope? Today these are creations of the Right. But how long will it be before they become the Messiahs of the dispossessed and turn on their makers?

1 Council on Foreign Relations: The US Inequality Debate. <https://www.cfr.org/backgrounder/us-inequality-debate#:~:text=Income%20and%20wealth%20inequality%20is,slavery%20and%20racist%20economic%20policies.>

2 Mukesh Ambani, the head of Reliance.

United States Midterm Elections: Implications on US Grand Strategy of China Containment

Waseem Ishaque



Senior Fellow of Taihe Institute
Professor of International Relations,
Director of China Study Centre, National
University of Modern Languages (NUML),
Islamabad, Pakistan

Introduction

The populist phrase U.S.-China competition got impetus soon after Donald J. Trump assumed the office of the US President in 2017. His rhetoric against China was quite distinct during his election campaign, which earned him a great election victory. Thereafter, to formalize his “Tough on China” policy, the National Security Strategy of 2018 specifically added a portion on major powers’ competition with China to change China’s behavior. His four years saw tumultuous U.S.-China relations as the U.S. unleashed a trade war and often undiplomatic rhetoric against the Chinese system of governance, Hong Kong, Taiwan, and several other human rights issues contrary to the facts and ground realities. However, it was expected that President Biden would take a rational and pragmatic approach toward China. While he has demonstrated a less rhetorical approach to China as compared to his predecessor, the National Security Strategy of 2022 reinforces the unrealistic competition with China. President Biden has himself uttered on several occasions his desire to be “tough on China” as such behavior would help him in local constituencies. It can therefore be discerned that both Democrats and Republicans have adopted an identical anti-China policy. This opinion article analyzes the implications of US midterm elections on U.S.-China policy, comprehensively examines China’s competition and containment saga, and suggests viable policy options for enduring relations between the U.S. and China and overall regional peace and stability.

United States Midterm Elections: Implications on U.S.-China Policy

The outcome of the midterm elections has helped President Biden with improved stature domestically and globally. No change is expected in China policy. Instead, it would rather empower President Biden for adopting a more aggressive approach. Despite the change of faces and parties in the past more than six years, the anti-China policy has been a constant in US policy circles. The controversial visit by U.S. House Speaker Nancy Pelosi to Taiwan on August 2, 2022 was a well-planned election bid for domestic audiences, which created unwanted diplomatic and military tension between U.S. and China. It, however, played a role in Democrats' midterm election results. During ASEAN Summit in Cambodia, President Biden in a reply to a question by a journalist on November 13, 2022, stressed that the U.S. wants competition and not conflict with China. While the tone was a little softer, the content was almost the same. The landmark meeting between President Xi Jinping and President Biden on the sidelines of the G-20 Summit in Bali on November 14, 2022 was momentous, especially against the backdrop of the successful completion of the 20th National Congress of the CPC in China and the US midterm elections of November 2022. While both the presidents showed great optimism during the meeting, hoping for constructive engagement, and avoiding conflict, however, the track record proves otherwise, as the U.S. has generally demonstrated a demonizing posture and tried to bring conflictual issues to the forefront to advance US hegemonic agenda and China containment policy. A mere change of faces and parties through elections in the U.S. has not helped in the change of US policy toward China.

Strategic Construct of China Containment

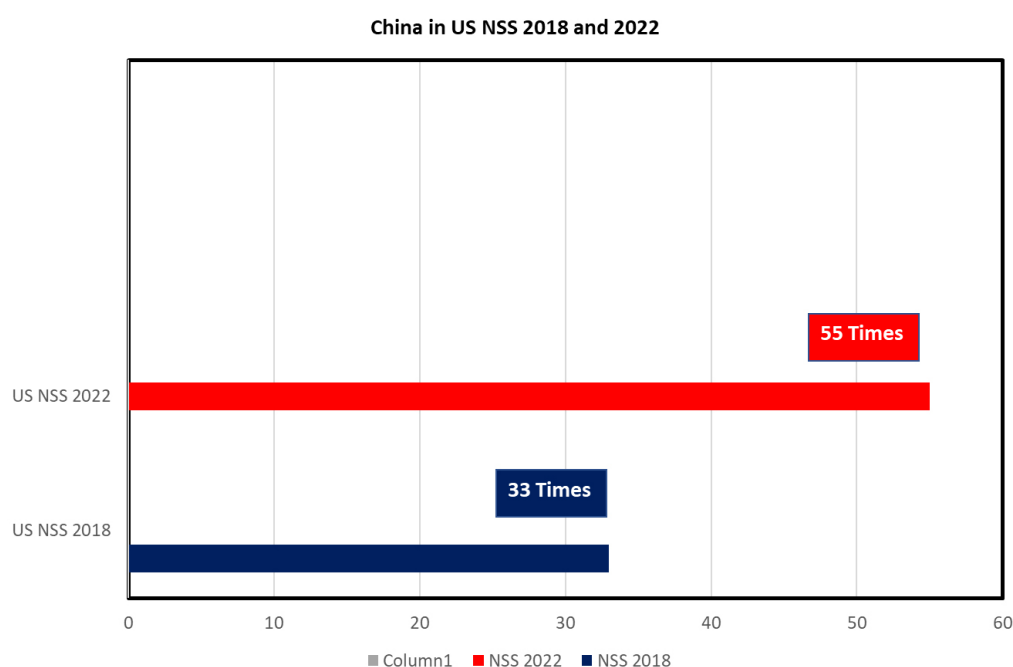
In the recent past, the U.S. has begun to recognize the strategic importance of Southeast Asia by realizing the need for a "Pivot to Asia" or "Rebalance." Hillary Clinton, former US Secretary of State described this region as the "fulcrum" of developing a regional economic and security architecture. Another important aspect is that US arms sales and technology transfers are assumed to be essential factors for maintaining a balance of power and dissuading China from cooperative engagement. Washington has indicated that it does not recognize China's sovereignty over several islands including reefs in the Nansha Islands by stating that for the sake of retaining hard-earned freedom of navigation, the U.S. Navy will endure operating here. This policy shift implies the shifting of diplomatic, military, and economic resources to the region from other parts of the world.

In Southeast Asia, a dominant manifestation of the pivot includes developing relations with these countries and reviving close US links with the Philippines, Vietnam, Malaysia, and Thailand. The previous administration of President Obama also elevated defense cooperation with most of the regional countries with an emphasis on port and basing of combat ships in Southeast Asia. The pivot had several constituents: mainly shifting of US foreign policy orientation from Afghanistan and the Middle East to the Asia Pacific (later refined as Indo-Pacific), relocation of naval assets and new dispositions of U.S. Marine Corps to other locations, and forging treaties with allies and partners. It elucidated the plans for the military relocations as “modernizing basing arrangements with traditional allies in Northeast Asia while enhancing our presence in Southeast Asia and the Indian Ocean.” These activities reinforce deterrence, help to build the capacity and competence of the U.S., allies, and partner forces for internal and external defense, strengthen alliance cohesion and increase US influence in the region.

The US “Pivot to Asia” strategy, military posturing, and basing of its forces in China’s near abroad in the Indo-Pacific region have contributed to a large extent to creating mistrust, instability, and anxiety in China. That unprovoked US military posturing involving a large number of allies was aiming at containing China. Such developments have not helped in building trust at bilateral and multilateral levels, and it is widely perceived that Obama administration’s “Pivot to Asia” has interrupted the course of joint development and needlessly strewed dissatisfaction by bringing the conflicts to the center and creating haze among the neighbors regarding China’s future intentions, despite China’s outreach and assurances of settling disputes through dialogue and peaceful means. It is also worth mentioning that the Air-Sea Battle element of “Pivot to Asia” is offensive in outlook and manifestation and perceived to be directed toward China. The frequently discussed preservation of hard-earned freedom of navigation by containing surveillance of China undermines trust and harms China’s core security concerns, and impinges on China’s sovereignty. With above stated empirical evidence, it can be concluded that the “Pivot to Asia” appears to be a self-fulfilling prophecy of the U.S. by depicting China as a competitor rather than a partner in regional and global affairs and keeping the trumpet of “China-threat” theory alive, thus retaining legal grounds of enormous US military presence in the region. The aspects of “China containment” are aptly exemplified by offensive military doctrines, posturing, and joint military exercises by the U.S. and its regional allies.

Examining the U.S.-China Policy in the Context of National Security Strategy (NSS) 2018 and 2022

The US NSS 2018 brought a fundamental shift in US policy towards China, where after almost two decades, the U.S. announced China competition and containment as an explicit national security priority. President Biden's long-awaited NSS 2022 even advanced the notion of competition with China by building an alliance of like-minded countries of the Indo-Pacific. The graphical analysis highlights China in US policy calculus, where the emphasis is on China containment by creating a set of alliances of regional countries ready to embrace US obligations.



Some important excerpts of US NSS 2022 will give a clear picture of US future policies on China and the wider Indo-Pacific region.

“We are in the midst of a strategic competition to shape the future of the international order.”

“We have deepened our core alliances in Europe and the Indo-Pacific.”

“We are doing more to connect our partners and strategies across regions through initiatives like our security partnership with Australia and the United Kingdom (AUKUS).”

“We are with the European Union, the Indo-Pacific Quad, the Indo-Pacific

Economic Framework, and the Americas Partnership for Economic Prosperity.”

“The People’s Republic of China harbors the intention and, increasingly, the capacity to reshape the international order in favor of one that tilts the global playing field to its benefit, even as the United States remains committed to managing the competition between our countries responsibly.”

“The PRC, by contrast, is the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to advance that objective.”

“The PRC’s assertive behavior has caused other countries to push back and defend their sovereignty, for their own, legitimate reasons. The PRC also retains common interests with other countries, including the United States, because of various interdependencies on climate, economics, and public health.”¹

Other China containment strategies include the US Indo-Pacific Strategy, US Indo-Pacific Economic Framework, AUKUS, QUAD, and bilateral US engagements with countries of the Indo-Pacific region. US overt support to alliance partners in the region is also contributing to instability and trust deficit between China and the U.S. Notwithstanding US firm partnerships with the ROK, Japan, and several other regional countries are understandable and much appreciated, US security treaty and enormous arms sale to Taiwan, Japan, and the Philippines with offensive posturing demonstrated during joint military exercises with the U.S., witnessed as regular yearly feature, are considered as China-specific, which degenerates prospects of enduring stability and trust building. The visit by US House Speaker Nancy Pelosi to Taiwan was aimed at provoking China to seek justification for the military standoff while getting a favorable response from US voters during midterm elections.

US Over-Commitment to Alliance Obligations

To keep the “China-threat” theory alive, the U.S., with help of allies is propagating China’s peaceful development as a threat. The U.S. professes that the foremost challenge the nations of the Indo-Pacific region face is the emergence of China as a dominant military power and its efforts to continue to control Taiwan, the South China Sea, and the Diaoyu Islands. There is also a threat that Beijing will continue to subvert the political systems of countries in the Indo-Pacific region. Therefore,

¹ The White House, “National Security Strategy,” The White House, October 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

the countries which can play a significant role in this region besides the U.S. are Japan, South Korea, India, and Australia. The Indo-Pacific strategy, therefore, relies on strengthening relations with these countries. The priority areas are: improvement in defense cooperation, reducing external military threats, promoting economic assistance, and looking at threatening environmental issues such as ozone depletion and greenhouse gas emissions. The key actors identified to counter the Chinese challenge along with the U.S. are India, Japan, Australia, South Korea, Indonesia, and Taiwan, while Singapore, the Philippines, and Vietnam are also significant. The US Indo-Pacific strategy emphasizes “modernized alliances, flexible partnerships, including an empowered ASEAN, a leading India, a strong and reliable Quad, and an engaged Europe; economic partnership; new US defense, diplomatic, development, and foreign-assistance resources; sustained focus on and commitment to the region at all levels of the U.S. government.” The empirical evidence amply highlights that the U.S. along with regional countries embarked on the containment policy of China at multiple levels of engagement and incentives. The U.S., India, Japan, Australia, South Korea, the Philippines, Indonesia, and Singapore are ready to embrace the new assignment, while keeping a balanced posture towards China.

Recommended Strategy for China – Avoiding Confrontation and Contributing to Enduring Peace and Stability

1. Trust Building Between China-U.S. and Regional Countries

Both the U.S. and China must develop a comprehensive understanding of the relationship following the principles of “managing differences for common development,” avoiding confrontation, and taking steps for further trust. Against this backdrop, the following measures are recommended.

- The first aspect is that Chinese President Xi Jinping’s offer of building a “New Type of Major Power Relations” should be formalized and vigorously pursued.
- The second aspect is the constructive engagement with the U.S. to convince the United States of explicit commitment to removing the prevailing haze and perceived containment of China, and reassurance for the respect for China’s territorial integrity and national sovereignty as well as its political system. US over-commitment to alliances in East Asia should take

contemplation of the sensitivities of non-allied countries to avoid a new cold war.

- The third aspect is that China and the U.S. should refrain from demonizing each other and take measures to enhance communication on policies and actions to avoid misunderstanding. The use of media or press conferences to some extent has impacted negatively on bilateral relations. Therefore, dialogues and exchanges of education, positive assurances, and joint training in addressing non-traditional security threats should be formalized and implemented.
- It is also suggested that China should proactively engage with the regional countries, especially those which are vital for the US Indo-Pacific strategy, to keep communication lines open and also at a bilateral level involve in common development and investment projects.

2. Managing Tensions and Crises Situations

In the region of heightened tension, the following is recommended for managing crises arising due to perceived miscalculation by any side:

- The first and foremost aspect is the policy of robust engagement between China, the U.S., and regional countries at bilateral diplomatic and military levels to keep channels of communication open. Through military exchanges and joint military exercises, countries can be partners in major international issues concerning non-traditional security. The template of the anti-piracy cooperation in the Gulf of Aden is a good starting point that is recommended to be capitalized on and enhanced for mutual benefit and the world at large.
- Secondly, enhancing bilateral cooperation on a host of global issues like the DPRK nuclear issue, the Iranian nuclear issue, non-traditional security issues like disaster relief operations, anti-piracy operations, etc., counter-terrorism and transnational crimes, cyber-security, environmental challenges, the steadiness of international economic system and ensuring uninterrupted energy supplies.
- Thirdly, conflict prevention, risk management, and mitigation. A few

suggested measures are: establishing hotlines between the two militaries and formalizing the mechanism of notifying each other's military maneuvers, major exercises, and routine training events for trust building and avoiding any miscalculations and stimulating better synchronization.

3. Prioritizing the Completion of BRI-Related Projects

China-Laos high-speed rail has been hailed by the regional countries as it provides a template of cooperation on the regional integration prospects. Such engagements at bilateral levels with relevant countries in the Indo-Pacific region should be given priority for completion as they provide alternatives to the much-trumpeted US Indo-Pacific Economic Framework strategy. Another aspect is managing geopolitics on account of the debt burden and enhancing the Chinese sphere of influence. Capacity building of relevant countries in terms of skilled manpower, job creation, and management of those mega developmental projects with their human resource would make them stakeholders and indispensable partners.

4. Optimization of Multilateral Forums

The Regional Comprehensive Economic Partnership (RCEP) is one such platform where 15 Indo-Pacific nations including China are its members. Most of the countries happen to be part of the U.S.-led alliance against China. Therefore, cooperative economic engagement would disincentivize any negative competition. China may also consider free trade agreements (FTAs) with the members of this grouping or any other regional countries willing to embrace the Chinese initiative. Additionally, regional organizations like ASEAN, the SCO, and BRICS, to name a few, should also be energized for economic engagement initiatives for the benefit of all countries through a model of win-win cooperation.

5. White Paper on China's Cooperative Engagement Within the Region and Beyond

Along the lines of the White Paper on "Belt and Road Initiative (BRI)" or "China's

Peaceful Development,” it is suggested that a new White Paper on “China’s Regional Approach and Engagement” is long overdue. Such undertaking would alleviate any avenues of exploitation and misrepresentation by Western scholars on China’s role in regional and global affairs. Additionally, through various joint conferences, seminars, and media talks, China’s benign intentions should be projected. Otherwise, the Western influences on predicting the U.S.-China war and conflict, and portraying China as a hegemon would continue to gain wider acceptability, which is considered detrimental to China’s interests.

6. Increasing China’s Soft Power

China is blessed with vast geography, a diverse population, 5,000-year-old civilization, and enormous potential for rich culture and traditions, and therefore, must pursue a proactive policy of demonstrating soft power in the countries of the Indo-Pacific. Chinese operas, cultural shows, TV programs, enhanced people-to-people contacts, and academic exchange programs are suggested to be a priority. Additionally, the visa regime should also be liberalized to attract more tourists from these countries. As it is well known, “seeing is believing.” Therefore, their visit to China is incentivized and facilitated. The strong friendship bond at the people level would help in forcing policymakers to take a cooperative course.

Note Most analyses are based on the author’s own peer-reviewed published article on “USA’s Pivot to Asia: Cooperation or Containment – an intrusive analysis from realist perspective.”
Ishaque, W., Anjum, S., & Shah, S. J. (2017). USA’S PIVOT TO ASIA; COOPERATION OR CONTAINMENT-AN INTRUSIVE ANALYSIS FROM A REALIST PERSPECTIVE. *Margalla Papers*, 21(1).
<https://margallapapers.ndu.edu.pk/site/issue/view/12/6> page 254

TIO Spotlight Talk



The World Order Is Moving into a New Zone of Cooperation and Dialogue

An Interview with Geoff Raby

Geoff Raby



Former Australian Ambassador to the People's Republic of China (2007-2011)
Chairman and CEO of Geoff Raby and Associates

TIO Recently, many countries around the world are going through, or just have finished, a leadership change. It is clear that voters in many democracies, for example, the United States and Brazil, are expecting that a change of leadership can facilitate the governments to solve their longstanding issues, like the pandemic, economic issues, as well as social division. Is it reasonable?

Geoff Raby That's the nature of democracy. After all, democracies provide their citizens with opportunities to change the government if the citizens are unhappy with their performance. And it's one way of looking at the large number of changes that have happened in the course of the last year in political leadership. I think that's quite reasonable to say that there seems to be a pattern or a trend here. But there's another way of looking at it and one has to be careful not to, if you like, over-aggregate these things.

For example, the UK has had three prime ministers this year, but they are all from the same party. All that happened is that the leadership of the party has changed, but the party is essentially the same. Its policies are pretty much the same. No one, for example, is advocating going back into Europe to reverse Brexit, which would be a momentous political event, even though a large majority of the people in the UK now think Brexit was a mistake. And then if you look at the most recent midterm elections, you can interpret it as a country that's evenly divided between Republicans and Democrats. The vote was very, very close, both in the Senate and in the House.

But on the other hand, you could look at this as a convergence back to the political center ground, because the extremists that have rallied around Trump, the types of people that are very unhappy with globalization, with income inequality resulted from that, and with pandemic lockdowns, you name it, are no longer in the center of the stage. The populist right wing did not do well at all and was voted off the stage. So, in many ways, we see a convergence to more centrist politics. And then again, in Australia's case, yes, we changed the government in May of this year. We had one government for ten years, and that's a long time. So, all I'm saying on this is there are a lot of political changes. It's extremely important to take note of it. But it doesn't necessarily mean that there's any great turbulence in the politics of these countries. In fact, I would say, if you look at the United States, we may be now entering a period of less turbulence.

TIO Do you think that the United States, the United Kingdom, as well as some European countries facing the rise of far-right wing parties, like Sweden, are experiencing similar circumstances, considering their political trends?

Geoff Raby I think all countries are seeing a growth in populism, both on the right wing and left wing. In Europe, the trend manifested itself around issues like immigration. Growth slows, income inequality increases, and then you get a backlash against immigration. You make it into a backlash against the elites who seem to be benefiting at a time when more people are suffering. But this could come both from the right and the left.

TIO Another question is that when facing current international problems, like the Ukraine crisis and worldwide inflation, as well as growing social division, do you think that the current international institutions and mechanisms are still strong enough to solve these problems and unite the world?

Geoff Raby That's a really excellent question. And it's very hard to answer. For sure, the current global institutions very much need reforming. They need to be brought up to date with the modern world. The big Bretton Woods institutions like the IMF and the World Bank still don't reflect the weight of China, as well as the East Asian economies, in the world economic order. About six years ago, China created the Asian Infrastructure Investment Bank, and that was a real indication that the existing institutions need to change.

Having said that, all of the issues you have enumerated, whether it's pandemics, global inflation, the energy crisis, or climate change, above all, all of these issues require global solutions. None of the things you or I have just mentioned can be dealt with at the level of a national economy or a national government. They all require global

arrangements. So, it is important for all the major countries in the world to recognize that we now have a multipolar order instead of a unipolar order. And then that really puts a responsibility on many more countries. In the past, we nearly all looked to the United States to provide global leadership on these matters and to solve essentially global problems on our behalf, and it did so by creating multilateral institutions. I think we still need those institutions, but it's incumbent upon many other countries, like China, obviously. We see Asians standing to show more leadership here. For example, India, to some extent, and the African Union. We really need all participants now in the global system to do their bit, pull their weight, and recognize that none of these problems that are causing so much concern within domestic economies and domestic politics can be solved by any country acting alone. It requires a much higher level of global coordination and much greater commitment by countries to work for our global public goods.

TIO

As you mentioned, we need global unity to solve long-term questions and provide long-term solutions. And I had a discussion with Mr. Alfredo Montufar-Helu from Mexico on the topic. He pointed out that the current international institutions require a transition or modification, but different parties have different views on how to modify it. The Europeans and the United States have their own ideas, and also China has our set of mechanisms and international and regional organizations. The opinions of different parties are somehow divided. What's your perception towards such a division?

Geoff Raby

I think that's exactly right. And I agree that that's a big challenge. But in international relations and diplomacy, everything is a challenge, and that doesn't mean we don't try. In the course of events, things change for the better. For example, the WTO, which I was once the ambassador to, is one of the most important major global institutions. And I would point out to every reader that since the GATT, which was formed in 1947 and is the precursor to the WTO, which was established in 1995, there has not been one war fought over economic and commercial matters. History before then had seen many global and regional conflicts fought over economic and commercial matters. So, the WTO is not only a major contributor to open markets, stronger economic growth, better income, and opportunities for all countries around the world, but also a major institution contributing to world peace.

Now, disappointingly, the United States has decided to substantially reduce its involvement in the World Trade Organization, and has caused great damage through its refusal to appoint judges to the dispute settlement mechanism of the WTO. But that doesn't stop the institution from evolving and changing. The Director-General of the WTO Ngozi Okonjo-Iweala is from Nigeria. This is the first time that an African has been the head of the WTO, and the first time a woman has been the head of the WTO, which

shows change is possible.

This week, she's in Australia talking about it's time to move on from multilateral trade negotiations like the Uruguay Round, the big, complex, decade-long negotiations, to more what they call plurilateral, issue-specific negotiations, as a way of continuing to strengthen the WTO. And I think most countries now will support that. I think we are seeing a transition and a reform of this very significant institution. Equally, as I said, I mean the fact that in 2014, China created the Asian Infrastructure Investment Bank with Australia's support. It did so because it could not reform the IMF and the World Bank for the Americans and the Europeans would not allow it. I think that the system will evolve in this way. But I'd come back to my fundamental point. You can't have a system without these major institutions, because the problems the governments are to address require global solutions.

TIO

So, we're having more and more regional involvement, but we also need global mechanisms to unite countries together to solve international problems. So, given your rich experience in economics and international relationships, what do you consider is the best way for countries, both internationally and domestically, to address the current set of issues?

Geoff Raby

That's a huge question. I might be a diplomat, but I'm not God! That's a challenge. First of all, I think, always, when dealing with problems, you need to disaggregate them and not let them all come together and assume that they're all one and the same thing, or come from the same cause. And once you start to disaggregate them, you'll find that there are smaller, solvable problems that you can use as building blocks. No one can deny that the most pressing problem we have to deal with is climate change. Wherever you go, wherever you look, there are extreme weather events. And everyone, it doesn't matter if you are rich or poor, from the First World or the Third World, the Global North or the Global South, everyone is experiencing this. We've just been through the COP27 at Sharm El Sheikh in Egypt. It was difficult, but an agreement was found whereby developed countries should compensate the developing countries for their efforts to take measures to reduce their carbon emissions. This is something that should have happened a long time ago, and it's now happened. For sure, the details must be worked out, but that will come given that there is a threshold agreement. And this is a moral obligation and now a political obligation on the wealthier countries to help the poorer countries address the transition to a low-carbon economy.

That's a very good example of what can be done. It may not be fast enough, given the climate change emergency we're facing, but it gives me confidence. I mention the WTO Director-General's visit to Australia, and she's talking about, I think, finding new ways

to move forward with trade agreements on the multilateral level with global support, and certainly the support of Australia. We've also had two weeks of quite significant summits in East Asia, including the G20 Summit, the ASEAN Summit, the ASEAN+ Summit, and the APEC meetings. And it was great to see the leadership of China, the United States, Australia, Japan, and all other nations of the whole region present, and the leaders talking about these issues. And that gives you a real sense, I think, that there is a vitality still in these institutions, and leaders do understand that they need to work together to find solutions. And I think more of that is very important as well. And also, countries like Indonesia, as a result of the chairmanship of the G20, have stepped forward on the world stage and established points of consensus at a very difficult time. So again, it shows you what can be done, but it needs to be done patiently and deliberately, and it's important not to lump everything together, but to find specific, achievable things that can move the whole system forward.

TIO

Taking the environmental problem as an example, we are facing geopolitical tensions and all kinds of domestic concerns that endanger the world environment. For example, Germany is reopening their coal fire plants. But now we have this COP27. And also, we had the G20 Summit, when President Xi and Biden had a meeting. And also last week we had the talk between the Prime Minister of Australia and President Xi. These geopolitical tensions seem to be easing, and a better international environment will surely facilitate domestic development. Do you consider this a good signal that the nations and countries across the world are uniting together again, and the geopolitical threats and the extreme concerns are fading?

Geoff Raby

I confess to being ever an optimist about these things. And I'm an optimist because all the alternatives are much worse, so it's worth being optimistic. And yeah, that's my reading and I would share your view. I think there is some stepping back from the geopolitical tensions that have been a significant factor in the past five years. I think that there's a recognition that in the new world order, there has to be strategic space found for everyone. It doesn't mean the transition from where we are today, or where we were yesterday to where we will end up is going to be without friction or tension. But I do think there's a greater recognition that the order has changed. We're not going back to what existed in the past, and we now have a multipolar world where there are many actors that are significant and are a part of the solution. As I mentioned, I think as a result of the last two weeks, Indonesia has emerged as a very key player in geopolitics. I think ASEAN as a whole shows a very important way to position itself, in the geopolitical contest between the United States and China. Now, this is a fact of life. China is an ascendant power, and the ascendant power, whether it wants to or not, by definition, challenges the dominant power. And as we've seen all through history, the dominant or status-quo power will find ways to resist the ascendant power.

But it doesn't mean that over time, you can't find accommodation between an ascendant and a dominant power.

And it's even possible for an ascendant power to see that it's in its own interests to support the dominant power's position of dominance. China, for example, has got tremendous strength. Its economy, although has some issues now, still has great potential in the future, once it works through COVID and the leveraging property sector and a few other problems. It has tremendous potential still for the future, in my view. And of course, China has built a very big and powerful military. But does China really want to take the leadership role to provide global public goods in the way the United States has? Or maybe it's a more comfortable position, and better for China's interests to support the dominant power in areas where there are common interests, for example, climate change, financial disruption, and energy security.

I think too often this discussion gets reduced to binary positions – one's up, one's down, one's right, one's wrong, whereas I think there are a lot of grey areas. And to your question, which I think is a very astute and good observation, my sense is we are moving into a new phase in terms of how the global order is managed, and, hopefully, into a much less confrontational one. Now we have a very concrete, clear example of that, with the new Australian Prime Minister at his meeting with President Xi. We've had five or six years of confrontation, as you know. I've been very critical of the confrontation between Australia and China. We have no historical problems. We have no contingent borders. We have big numbers of Chinese who live happily in Australia, and China is our largest export market. It makes no sense that we have been through this in the last five years. However, what happened is that after the meeting between President Xi and Prime Minister Anthony Albanese, the conversation has fundamentally shifted from confrontation to cooperation, to dialogue, and to valuing dialogue, above all else. That's a concrete example of, I hope, this new zone, or space, that the world order is moving into.

The Rise of Populism and the Need of Global Unity: A Controversial World Status-Quo

An Interview with
Alfredo Montufar-Helu Jimenez

Alfredo Montufar-Helu Jimenez



Head of the China Center for
Economics and Business,
The Conference Board

TIO

Around the world recently, many countries are going through, or have just finished a leadership change, e.g., the U.S., the UK, Italy, Sweden, Brazil, etc., and are facing their own problems. In the midst of the current global turmoil, it is clear that voters in many democracies across the world expect leadership changes to solve their long-standing issues. But is this reasonable? What are the political and economic realities and can these issues be solved by changing administrations?

Alfredo MHJ

The assertion that voters in democracies expect leadership changes to solve long-standing issues is not 100% accurate – it lacks context.

We must bear in mind that leadership change is ingrained in democracies because those who hold office are elected, either directly or indirectly, and for a limited period of time, by the people to represent their will. This is why voting is regarded as the most important political right and cornerstone of the democratic system. It defines what it is: the government by the people and for the people.

Despite the many advantages and benefits of the democratic system, one of its major weaknesses is the tendency towards short-termism. This is driven by two key factors:

- The first is the short-sightedness of voters, also called voter myopia. Many

studies have shown that a majority of voters care mostly about what's happening to them right now, and what will happen in the immediate future rather than in five years or a decade. Certainly, this varies across ages as well as education and income levels.

- The second is the short-term objectives of politicians and the interest groups that support them. Specially in democracies that lack strong institutions and/or checks and balances, politicians can take advantage of voter short-sightedness by promising grandiose public goods, as well as specific short-term solutions in order to be voted into office – or to remain in office, in the case of incumbents. The problem is that there is no consideration about the long-term effect of these solutions and public goods – which oftentimes end up being “white elephants.”

What I am saying is that short-termism is one of the key drivers behind electoral results in democracies. The electoral campaigns of candidates are a combination of the political principles of the party they represent, of long-term strategic goals, and of their understanding of key short-term needs of the electorate – especially of specific groups, such as farmers. For many voters, even if they agree with a candidate's political principles and long-term strategic goals, whether they vote for him/her will be driven by their belief in his/her ability to address their more immediate needs and concerns.

There is no doubt that the past few years have been extraordinary given the rising number of economic and geopolitical headwinds, and the magnitude of their impacts. The future outlook does not look good either. Global growth is slowing down, inflation is running rampant, national currencies are depreciating, and the COVID-19 pandemic continues causing disruption. These headwinds have exacerbated domestic structural imbalances and led to a surge in the cost of living across the world, and the impact has been more severe for most developing economies, which lack the financial and fiscal capacity of advanced economies.

One of the key drivers behind the leadership transitions that we are currently seeing in many countries, is the perceived ability of candidates – whether incumbent or not – to address these headwinds.

Is it reasonable to expect that the newly elected governments will be able to address all these issues? Not really: many issues are reflective of economic imbalances that cannot be tackled with short-term monetary and fiscal policy measures – they require long-term structural reforms. In other words, addressing these issues requires time – time that the newly elected governments do not have. Their time in office is constrained by their countries' respective electoral cycles.

TIO Are there similarities between the situations in the U.S., the UK, the EU and Brazil?

Alfredo MHJ I think the current similarities amount to a crisis of democratic systems.

Democratic systems were built under the idea that they would benefit all of society. In reality, they have not benefited all of society and many democratic countries have become polarized. Many countries have witnessed an ever-widening income and wealth inequality. The rich are getting richer and the poor are getting poorer. The segments of the population that are disenfranchised are increasing. And, under the current backdrop of economic slow-down, pandemic disruption, political weakness and geopolitical instability, the trend has been exacerbated.

This trend began several years ago. Think about Trump. Even before he was elected to the White House, there were already rising tendencies of anti-globalization, protectionism, and xenophobia that were taking over politics, policy and public opinion across the world. There was an already emerging trend, and what happened over the past couple of years has only accelerated it. A major reason for this trend is that democracies have not been able to effectively represent the interests of all their people. The gap between beneficiaries and the disenfranchised has led to political polarization. What has really triggered this is the fact that personality politicians like Donald Trump in the U.S., Jair Bolsonaro in Brazil, and Andrés Manuel López Obrador (AMLO) in Mexico, understand and utilize political polarization to take advantage of peoples' short-sightedness. They take extremist positions that target the needs of a particular segment of the population who feel wronged by the current political system.

Trump, Bolsonaro and Obrador targeted their campaigns to disaffected voters, Bolsonaro from the right, López from the left and Trump from whatever his political stand might be. It is not about the ideology, but about understanding what moves voters and targeting those who feel wronged. Against the recent backdrop of domestic economic weakness, unemployment, inflation, etc., everyone felt wronged. The majority of the populations in Latin America, at least, feel wronged by a system that they perceived as corrupt and beneficial only for elites. In the U.S., the question is a little different. The politicians have been very effective at targeting their messages at those who feel wronged by the political system by taking extremist positions to capture votes, which worsens the situation considerably.

TIO As a researcher from Latin America, could you please further elaborate on your perspective on the just-finished Brazilian general elections? According to many commentators, Latin America, including Mexico, is experiencing a second pink tide. Is this the usual democratic seesaw – where parties are removed for not being able to

solve long-term problems – or is it indicative of something more?

Alfredo MHJ We are definitely seeing the emergence of more left-wing governments in Latin America – there is no question about it. But what is driving this so-called “pink tide” is not necessarily an ideological shift to the left from the majority of the population in the region.

Rather, what we are seeing is the result of an increasing anti-systemic sentiment. And this is not exclusive to Latin America. It is a global trend. Large parts of the population – especially those at the bottom of the wealth and income pyramid, those that are unemployed and struggling financially, and those that have been disenfranchised from the benefits of economic growth and globalization – are just fed up with the prevailing political system. Because, irrespective of which party wins and of the ideology it represents, the results end up being the same: elected officials are perceived as not caring about the circumstances of the disenfranchised.

This trend is behind many of the election results over the past couple of decades, such as that of Donald Trump in the U.S., Boris Johnson in the UK, Jair Bolsonaro in Brazil, Evo Morales in Bolivia, Gabriel Boric in Chile, and Andrés Manuel López Obrador (AMLO) in Mexico.

This is not to say that ideology played no part in these elections. But what really determined the election of these personalities is people’s desire for something different to the prevailing political system. Only then can we understand the election of TV-personality Trump as President of the U.S., of Bolsonaro as President of Brazil after years of left-wing governments, and of AMLO as President of Mexico only four years after founding his own political party.

This begs the question: If people’s desire for change is so strong, why were Trump and Bolsonaro voted out?

The answer is that their policies and style of government alienated a large part of those who initially supported them; thus, voters switched and decided to vote against them. People who had voted for them realized that their expectations were not met. The supporters of these leaders, those who held the middle-ground, even those who chose not to vote during the last election, along with the dissenters, found themselves left out during the term, and turned into the majority that voted for someone else. In certain cases, it’s not even about choosing the better candidate, but that voters started to fear what incumbent leaders would do. This led to the victories of Joe Biden in the U.S. in 2020, and of Luiz Inácio Lula da Silva in Brazil this year.

TIO Do you think the changes in Latin America are part of a temporary and/or global political and economic realignment? And what's the role of Latin America in these global changes?

Alfredo MHJ The current government changes in the region are mostly driven by domestic factors. They need to be assessed against the domestic circumstances in which they occur. As I have already mentioned, the "pink tide" that we are seeing in Latin America is not really indicative of an ideological shift to the left from the majority of the population. Rather, these changes: (i) are being driven by a disenchantment with the prevailing political system, and mostly from those who have been disenfranchised, and; (ii) are being facilitated by the short-sightedness of voters. Trump, Bolsonaro and AMLO are all candidates who, in their own ways, represented a break from the prevailing political system in the eyes of those who elected them, and who promised to address the issues that a majority of the population cared about, and which previous governments did not deal with. So, I don't think these government changes are reflective or part of the temporary or global political and economic realignment you mentioned. In fact, I think that Latin America has not had a significant role in the changes to the geopolitical landscape that have been experienced in recent years.

TIO Facing these global shifts, it seems that the world today lacks a sense of priority and direction. What do you consider necessary to bring together the divided Global South and Global North to address the pressing issues of the current financial crisis, climate change, economic disparity and the pandemic? And as you have mentioned, there are still certain populist politicians appealing to the trend of protectionism and xenophobia, which worsens the situation. How can governments get together to address these issues despite all the headwinds?

Alfredo MHJ In my view, peace and stability are the cornerstones of international efforts to address these issues.

All the challenges the world is facing can only be solved through concerted actions of countries despite their political and economic systems. But the problem is that we are living in a world which is becoming increasingly unstable, marked by global economic weakness and deterioration of the geopolitical environment. Nationalism, populism and xenophobia are taking a hold of policy, politics and public opinion, while mistrust and miscommunication between China and the West are growing.

So, the first requirement I would say, is a united leadership in the world. And leadership can only be taken by the largest political and economic powers in the world, which are China, the United States and the European Union. It is time for these entities

to demonstrate real leadership by reverting the ongoing trend of technological and economic decoupling to, more fundamentally, communicating and establishing stable channels of communication.

TIO Starting from the idea that the world needs this global leadership, and the three parties should tackle the world's problems, are the current international institutions and mechanisms still sufficiently capable of sustaining the current status-quo?

Alfredo MHJ No. The international institutions need to be reformed and there is already an agreement on reform to better reflect the realities of the world. You can see it in the conversations between the states within the WTO. International governance has been outpaced by world-wide developments. Right now, the international systems, which were developed decades ago, are not effective in representing the interests of every country. A new global mechanism needs to give more voices to developing economies, and I think that is something that everyone agrees on. The problem, however, is that there are different ideas on how these institutions need to be reformed. So again, we are coming back to what I have consistently promoted: the world needs more and better communication.

Youth

Voices



The Case for Democratic Meritocracy

Brian Wong Yueshun



Ph.D. candidate, Oxford University
Columnist, *Hong Kong Economic Journal*
TI Youth Observer

Discussions concerning political systems often slip into a false binary – that legitimate political systems should either take the form of closed, uncompetitive selection methods, with the disproportionate concentration of power in the hands of the few, or must involve vastly open and indiscriminate elections in which anyone and all could run, vote, and shape the outcomes of the elections. The issue with this false binary, of course, is that it neglects the structural issues underpinning both systems.

Most “electoral democracies” around the world tend to suffer from varying degrees of elite capture by the wealthy growing risks of populism and emotivism in voting, which collectively culminate in misalignment between the preferences espoused by the public in elections, and what is in fact in their interests. On the other hand, systems that jettison elections and favor closed loops of leadership selection and succession, run the risk of slipping into cycles of systemic unaccountability and formulation of interest groups revolving around small cliques of elites. And, as this paper submits, it could not offer a mature, reasonable, and genuinely legitimate system of rule for any country around the world.

After discussing both ends of this (false) binary, this paper proceeds to outline the tentative case for a democratic meritocracy – a system where leaders are chosen and promoted in accordance with their individual merits, as defined by the public; yet where they are held to account by suitable veto mechanisms that are currently lacking in closed and centralized systems of governance.

The Waning of Electoral Democracies – As We Know Them

It is imperative that one differentiates between democracy in principle and the present state of “electoral democracies” around the world. Democracy in principle remains fundamentally sound and unarguably counts amongst the most legitimate forms of governance around the world – it asks that those who wield executive power over their people, those who monopolize violence in the name of publicly agreed-upon law and order, must come to serve the people’s interests, abide by the people’s will, and be seen as fundamentally resonant with the people. We could simplify this into a trifecta: the substantive, the procedural, and the perceptual.

In practice, however, the ideals of democracy are rarely actualized – this is not to say that democracy is inherently impossible, or that there cannot be flawed democracies that are still preferable to “perfect” non-democracies. The claim advanced here is more modest, that there exists at least a significant number of nominal “electoral democracies” that fail to deliver upon above the criteria of substantive, procedural, and perceptual democracy.

For example, the election of Donald J. Trump and the Brexit vote in 2016 have, respectively, delivered significant disruptions and posed vast liabilities to the peoples residing in the United States and the United Kingdom. As Barbara Walter points out in her *How Civil Wars Start: And How to Stop Them*, the systemic disillusionment felt by a large swathe of white working-class voters who had viewed themselves as entitled to special treatment and privileges, on grounds of their ethnicity and cultural origins (or, for a slightly more skewed take, see J. D. Vance’s *Hillbilly Elegy*), in turn, fueled the surge of Trumpism in swing states, where the zealous ideology vanquished its counterpart in the “liberal metropolitan elite” embodied by Clinton. The Trump presidency brought nothing but turmoil and unfulfilled promises to the American populace, including those who had been prior victims of structural unemployment under the dual forces of globalization and mechanization of labor. In the case of Brexit, voters were deceived by the highly successful propaganda sprouted by the politicians such as Nigel Farage, which saw Britain commit one of its worst economic mistakes just yet by signing away its access to the second largest market in the world. Electoral democracies therefore flounder should their people fail to recognize, understand, or come to rectify the errs in their own cognition and understanding of the world.

As for the procedural – it is eminently reasonable to stand for a system where each and every individual, irrespective of their influence and status, powers,

and origins, can have an equal say over electoral outcomes. The Jeffersonian pronouncement, that “all men are created equal, that they are endowed by their Creator with certain unalienable Rights,” is fair and reasonable. Yet in a world where leadership races are won or lost on the basis of donations – on the ability of candidates to court bankrolling from the mega-rich oligarchs or mega-influential patronage networks (e.g., lobbying firms, political dynasties, and religious groups), as perhaps best evidenced by the recent midterm elections in the United States, or past leadership races in the Philippines – it is not the case that voters in these countries get an equal say over their leaders. Democracy is thus undermined by vast inequalities, blatant misinformation, and – at times – collusion between domestic and foreign authoritarian actors in actualizing their nefarious agendas. It is not elections that are to blame, but the distortionary media-lobbying-capital webs of influence that are most perturbing.

Finally, on the perceptual front. Democracies around the world suffer from unprecedented challenges to their perceived legitimacy. The surge of echo chambers, polarization, and sometimes extreme violence has cast substantial shadows over the willingness on part of staunchly dedicated voters to accept electoral outcomes when things do not go their way. Take the denialism exhibited by Jair Bolsonaro’s supporters over the recently concluded Brazilian elections, for instance, or the pathetic “Stop the Steal” tirade mounted by Trumpists against both Republican and Democratic candidates who stood for a modicum of moderation and pragmatism in US politics today. Electoral democracies are grappling with problems of low approval ratings, skyrocketing mistrust in governments, and significant anti-establishment sentiments – which have all contributed towards the much stifled and hampered efforts against the pandemic.

Yet Centralized, Non-Democratic Institutions Cannot Be the Solution, Either.

Electoral democracies are in crisis. Yet the answer does not rest with centralized, non-democratic institutions where the public cannot participate in running or voting for candidates in elections, either. It is tempting to see the eradication of elections as the solution – after all, doing so eliminates the need for ceaseless leadership contests, incessant turmoil, and partisan infighting, as well as the insidious impacts of powerful lobbyists and money politics.

We must nevertheless bear in mind that these very issues – factionalism, balkanization, domination by a small group of privileged individuals – could well persist in systems even without elections. Elections are potentially an amplifier, but by no means the sole amplifier, of hierarchical power structures. Indeed, the absence of transparent, competitive, and open elections could well lead to the further entrenchment of the power elite and the ossification of the proverbial ladder. Without the prospects of “voting them out,” the public would be bereft of options with which they can respond to derelict, negligent, or downright abusive and corrupt officials.

The standard move here is to appeal to meritocracy. Confucianism makes the case for wizened, sagacious leaders adhering to principles of harmony in governing with demure sophistication. Plato invoked the metaphor of the philosopher-king in advocating rule by the informed and capable. Meritocracy, in theory, could circumvent many of the aforementioned issues, through ensuring that only the *crème de la crème*, who must also espouse values and interests that reflect those of the public, could rise to the very top. Indeed, those who are most meritorious would presumably be capable of servicing the largest number of the public, whilst acknowledging and accommodating the needs of critical minorities concurrently.

Yet the issue with implementing meritocracy via completely closed systems – with no institutionally enshrined opposition – is relatively clear. The first constitutes the nebulousness of “merit.” Philosophers Michael Sandel and Daniel Markovits interrogate this respectively in *The Tyranny of Merit* and *The Meritocracy Trap*, outlining concurrently different ways by which merit has become merely a tool by which the rich and affluent retrospectively justify the inherited advantages they have accrued, or the solipsistic egotism that permeates their reticence to accept redistribution and a modicum of equal access to prosperity. Common prosperity, unfortunately, remains a goal far aloof in systems where “merit” begets more perceived “merit,” and leads to distortionary allocations and flows of capital. Who gets to define “merit”? If the sole proprietor and designer of the question is left to those who are already in positions of power, who get to rewire and workshop rules to fit their own purposes, then this does not seem to be a reassuring basis for a sustainable and cogent method of selection for future leaders to come. Instead, “meritocracy” would only be brandished as an excuse to legitimize existing practices and distributive patterns.

The second is that meritocracy does not guarantee accountability. One could be the most capable nuclear scientist in the world – yet even then, one cannot be granted a unilateral say over how nuclear weapons ought to be used. Similarly,

even if the ultra-competent rulers possess all the knowledge needed for them to govern effectively, there is no guarantee that they would care for their denizens – without robust institutional checks and balances, or the cultivation of strong and sincere internal discipline and devotion to the people. Stability may be preferable to instability – but only if stability brings about positive outcomes that serve the interests of all, as opposed to the few.

The Case for a Democratic Meritocracy

The solution ultimately rests with democratic meritocracy. It is perfectly reasonable to take the basis of government as a rigorous examination and qualification system whose metrics straddle multiple components – exposure to municipal and local governance and communal affairs, a clear and sound grasp of current affairs and political contentions, professional and education credentials commensurate with the positions at hand. These different components may be assigned different weightings according to the level of governance the system is catering to here – local, municipal, provincial, or national, for instance. Citizens' voices must be heeded and reflected comprehensively, through aggregative and processing technologies, in determining what counts as "core indicators" of merit. Yet beyond that, citizens may not need to play an active role, if at all, in the selection and appointment of their leaders.

Where lies the accountability mechanism, then? The democraticity of this system can only be enshrined if citizens have the opportunity to vote out their leaders – and where such "veto votes" are respected and taken seriously by their governments, and enforced by a neutral third party. Perhaps the threshold of veto – as with recall elections in some US states – should be set at two-thirds as opposed to a half; or perhaps a veto can be triggered upon the leaders violating constitutionally defined limits to their power. One way or another, there needs to be ample veto mechanisms that can keep the selected powers in check. Elsewise, absolute power would only breed systemic corruption.

In many ways, the espoused model here mirrors what Joseph Schumpeter envisioned to be the right kind of democracy – one where the people ultimately serve in a vital gatekeeping fashion in eliminating and booting out leaders that have grown out of touch with them, and yet also one where leaders are given sufficient discretion and say to truly work in the interests of the people, as opposed to merely satisfy the transient whims of voters during any particular

election cycle.

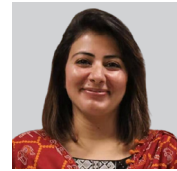
Politicians should be rewarded not just for their ability to govern, issue decisions, or make policies (a part of *substantive* democracy), but also for their capacities to communicate, defend and improve public understanding of their policies (as a part of both *procedural* and *perceptual* democracy). Only through such mechanisms, could true merit be cultivated and sustained amongst politicians over time.

The proposed model here is – in many ways – a hybrid. There are few countries that perfectly exemplify its implementation in their politics, but this is not a reason to deem it thereby impracticable. Even if it were indeed impracticable, we must strive our best to turn democratic meritocracy into reality, through pressing for gradual changes and reforms to existing governments.

Electoral or non-electoral; direct elections or indirect elections – such questions of “form” only matter insofar as answering them enables us to produce a system of governance that works in accordance with the specific geopolitical and cultural context in which the state is situated. We must do away with the notion that democracy and meritocracy are a zero-sum game – they never have been.

Leadership Is Not About the Next Election but the Next Generation

Gulshan Bibi



Ph.D. candidate, School of
International Relations and Public
Affairs, Fudan University
TI Youth Observer

A principal claim of democratic theory is that democracy makes governments responsive to the preferences of the people. Elections are considered the cornerstone of democracy and taking part in decision making is a constitutional right of the people. Moreover, leadership in democracies is generally considered an important means by which collective action problems are overcome by the countries. People are told during every election campaign that their votes matter and casting their ballot could make a real difference. Hence, people believe that their right to vote enables them to participate in decisions that affect their lives and those of people across the country and around the world. People also get convinced that as a result of elections, they will get fresh blood and see new folks coming into power.

However, the leadership change in recent years has become more of musical chairs for those who desire power. The trust that the public put in the politicians eventually diminishes in power and privilege for politicians. It has been observed that once in power, the politicians forget the mass and their problems. As a result, people started believing that their votes were not counted and their voices were ignored. Eventually, it has made citizens lose interest in voting process and challenge the legitimacy of the outcome of elections. For example, the flaws in the American electoral process have become increasingly apparent in recent years and the public trust in both the elections and the federal government has declined. A few years ago, the Electoral Integrity Project (EIP) was established as an independent research project based at Harvard and Sydney universities to assess the quality of elections around the world. The results showed that experts

rated American elections as the worst among all Western democracies, which further weakened public confidence in political parties, Congress, and the US government, depressed voter turnout, and exacerbated the risk of mass protests.

Globally, the possibility of political engineering crafting the institutional rules of the game to achieve certain political objectives has become an increasingly attractive option for influencing the development of the political system in democracies. Election engineering and political dominance of political entities instead of objectively handling the issues have become a new normal. Some political engineering strategies focus on the creative manipulation of electoral systems to achieve certain aims. Central to any democracy is the notion of aiding by the results of the election and an orderly transition of power. However, some institutions of government can be purposively engineered so as to reward particular types of behavior and thus achieve particular outcomes. Voting, since last decade, has merely become a symbolic practice. For example, Donald Trump's attempts to subvert the democratic process and the peaceful transfer of power illustrate the risks associated with populist leaders, who undermine the norms and institutions on which liberal democracy depends. The elections in the second decade of this century also reflected a stark contrast in political sphere of globalization versus populist and nationalistic leanings. The environment favored populist candidates and at the beginning of 2021, there were 17 populists in power. However, equally important has been the decline of the populists during the last two years. In fact, US institutions were strong and held up against Trump's attempts to subvert them. But other leaders in countries with weak democracies have already molded electoral institutions to favor them and they might be much more successful than Donald Trump was. It is feared that in the coming years, these leaders will be more able to rig electoral institutions in their favor.

Musical chairs are an apt metaphor for politics acted out in many democratic states where there is a fight to take over after the previous politician has completed his tenure or is removed. In a musical chairs game, the winner is always one single person seated in one chair, and the others are losers. Likewise, somebody is always left out in the political game of elections. After each political contest, there is a little less democracy to save and the ground for political musical chairs is generally prepared with political parties sparing no efforts to claim their due share of power. There are many democracies around the globe where public interests are put on sale for political interests. This ground is not for right and wrong or good and evil. It is only for power and the rotation of power goes on among the elite. The professed public support serves as a buffer to safeguard their government and political future. The shocking thing is that too

many voters fall for it.

Lately, there has been a list of general elections and leadership changes around the world in democratic politics. Mr. Rishi Sunak became the PM of the UK, Lula da Silva was elected the next President of Brazil, Italian far-right leader Giorgia Meloni formed a new government, and Denmark's center-left coalition won election majority. The 2022 Sri Lankan presidential election was held in July, following the resignation of former President Gotabaya Rajapaksa. The 2022 US midterm elections were also held on November 8. The results will determine the 118th Congress. Simultaneously, elections are underway in other parts of the Global South. But, as the democratic election cycles continue, people are more divided than ever, ideologically, politically, economically and socially. In most of these countries, new or previous leaders with small majorities confront the same political, economic and social issues as their predecessors.

For world leaders, the year 2020 was full of challenges including the COVID-19 pandemic, economic, educational and national security issues. Climate change became another more acute crisis with a record number of natural disasters, including fires, hurricanes and droughts. Many of these challenges persisted in 2021 and 2022. Today, the world even faces more challenges than ever. Politically, the world is now more divided than united. Economically, there are clear gaps between the rich and the poor. Ideologically, faiths and beliefs are being manipulated. Additionally, the world's most urgent challenges are climate change, poverty, migration, chronic diseases, illiteracy, plastic waste in the oceans, and much more. The public and entrepreneurs are looking to their government leaders to help them navigate and emerge stronger from these large-scale, complex problems. Many stakeholders are aware of the fact that things cannot be as normal as they were in 2019. Thinking ahead of 2022, people want a better future. Even though the challenges most of the governments face today are universal, how new leaders go about tackling them or how leadership change facilitates the changes needed might vary significantly. It totally depends on government structures and ideologies.

Do the elections and change in leadership improve a state's performance to deal better with the emerging domestic and global issues is a million-dollar question. Unfortunately, most of the well-intentioned global partnerships to counter these challenges are expected to quietly fail. The idea of a new generation of leadership is at the center of a challenge to elections in many countries and new folks are expected to be the powerhouses for political change, but they themselves have no hopes of taking on that existing gerontocracy. Some simply do not have the

policy expertise to take over a different panel. Most governments do not pivot from traditional operating models to employ the agile, whole-of-government approach required for today's interconnected, rapidly evolving agenda. Ministries and agencies must work together. The current crisis has also highlighted how a lack of clarity about the roles and responsibilities of national versus subnational governments leaves constituents feeling vulnerable.

So, what is the solution for countries trying to cope with surging domestic and global problems? The first step is to identify specific regions where social or environmental conditions significantly affect people's lives and a country's performance. For example, in 2020 and 2021, COVID-19 spotlighted hurdles in almost every element of the healthcare value chain. The second step in this regard is targeted interventions by appointing a team drawn from the leadership of the local units to determine whether the situation is ripe for change by considering the political and economic climate in the region. If the situation seems promising, the team can engage government and private partners to participate in developing a collaborative blueprint for change that defines appropriate roles for each actor to play. The final step is to establish and fund the necessary governance and staffing structure to guide and facilitate the processes. The new leadership in many countries can make the healthcare system more resilient to reduce the impact of future adverse public health events.

The climate crisis also poses a grave challenge. While most of the countries have beat the COVID pandemic, the war against climate change still continues. Though many countries have set ambitious climate agendas, with commitments to creating policies, only a few nations are currently meeting their Paris Agreement targets. For the countries that are not supporting a clean energy agenda, strategies for disaster preparedness and climate adaptation are needed. The new leadership has to show that they are capable of taking bold steps to cut emissions and deliver a sustainable future. For this to happen, leaders need to demonstrate they are serious about raising their levels of ambition and political commitment. Common public also needs to ensure that they are serious about holding their newly elected leaders to account.

Ironically, many world leaders today embrace the doctrines of nationalism and isolationism. They need to acknowledge that effective multilateralism is in their countries' national interests, regardless of size or power. The internationally agreed mechanisms of dialogue among nations are critical to addressing the complex, multi-faceted challenges the world faces today. The United Nations (UN) has failed to live up to its founding principles because the member states have

not lived up to their responsibilities by placing their narrow national interests above common priorities. Despite good intentions by many states, global affairs can be hijacked by domestic politics and perceived national interests can easily trump the larger global good. The UN member states need to recommit to the values and aspirations of the UN Charter, as collective action is the only way to tackle the severe threats facing humanity today like climate change, migration and health crises. These issues demand a collaborative, global approach while other issues like violent extremism, gender and economic inequality, food insecurity and how to adapt to new, disruptive technologies also require a similar approach. The management of millions of Afghan and Ukrainian refugees, and meeting the needs of those fleeing conflicts in other parts of the world, need global attention.

Successful collective action is often attributed to effective leadership. Leadership has received increasing attention in evolutionary models of human collective action, but their application to collective action in international politics has been rare. What is profoundly irresponsible for global leaders, however, is that they agree on the challenges facing humanity but do not agree on actions, though they realize that not a single country, however powerful, will be able to meet these global challenges on its own.

Change would not be easy, nor will it happen overnight. But leaders can begin by finding areas of consensus and moving in the direction of progress. Otherwise the public will resist and try to control the politics, as Kofi Annan once rightly said that when leaders fail to lead, the people will lead and make the leaders follow. This may also lead some to argue that other forms of government are more stable and efficient than democracy.

About this volume

TI Observer would like to thank the following individuals for their time and insights.

Commentators



Ding Yifan

Senior Fellow of Taihe Institute



Prem Shankar Jha

Journalist
Former editor of the Hindustan Times
Media advisor to Prime Minister V. P. Singh
Visiting Fellow at Harvard University



Waseem Ishaque

Senior Fellow of Taihe Institute
Professor of International Relations, Director of China
Study Centre, National University of Modern Languages
(NUML), Islamabad, Pakistan



Geoff Raby

Former Australian Ambassador to the People's Republic
of China (2007-2011)
Chairman and CEO of Geoff Raby and Associates



Alfredo Montufar-Helu Jimenez

Head of the China Center for Economics and Business,
The Conference Board



Brian Wong Yueshun

Ph.D. candidate, Oxford University
Columnist, *Hong Kong Economic Journal*
TI Youth Observer



Gulshan Bibi

Ph.D. candidate, School of International Relations and
Public Affairs, Fudan University
TI Youth Observer

TIO Executive Committee



Zeng Hu

TIO Editor-in-Chief
Senior Fellow of Taihe Institute



Einar Tangen

TIO Content Advisor
Senior Fellow of Taihe Institute
Independent Political and Economic Affairs Commentator



Lizzie Yin Xiaohong

International Communications Officer



Maarten Léon

Cover Artist (Fun Matters)



Alicia Liu Xian

TIO Managing Editor
Deputy Secretary-General of Taihe Institute



Liang Zinan

International Communications Officer



Xiao Xiang

International Communications Assistant



Xie Xuru

Layout Designer
Taihe International Communications Center (TICC)

Please note: The above contents only represent the views of the authors, and do not necessarily represent the views or positions of Taihe Institute.

Taihe Institute

www.taiheinstitute.org/en



太和智库
Taihe Institute



Taihe Institute

Address

23/F, ShunMaijinZuan Plaza,
A-52 Southern East Third Ring Road,
Chaoyang District, Beijing

Telephone

+86-10-84351977

Postcode

100022

Fax

+86-10-84351957