

# THE NATIONAL INTEREST

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# *A World Without the West*

Naazneen Barma, Ely Ratner and Steven Weber

FOR THE first time in a century, a set of large, populous and increasingly wealthy states—this time China, India and Russia—are on the cusp of achieving great-power status. The most important and most uncertain foreign-policy question facing American decision-makers over the next decade is simply this: What will be the relationship between these rising powers and an international system still governed by “Western” conceptions of order and based on the primacy of post–World War II U.S.-sponsored rules, drawn from liberal models of capitalism and democracy?

International-relations theory and American foreign-policy analysis alike portray rising nations as spokes to the hegemon’s hub, forced to make a simple choice: They can directly challenge the United States for international leadership, leading to conflict, or they can integrate into the existing liberal order, leading to a peaceful evolution in which rising powers adapt to the American system, rather than make fundamental modifications to it. The future of world politics then is either systemic conflict or eventual assimilation.

An example of the typical analysis locked in the binary paradigm comes from Aaron Friedberg in *International Security*: “What is likely to be the character of the relationship between the United States and the [People’s Republic of China] over the next two or three decades? Will it be marked by convergence toward deepening cooperation, stability, and peace or by deterioration, leading to increasingly open competition, and perhaps even war?”

By this logic, the high level goal of

American foreign policy is to structure the choice facing rising powers so that integration and assimilation are heavily favored, while hedging against the possibility of conflict, without allowing the hedge to become a self-fulfilling prophecy. That has practically become a Washington, DC mantra, with bipartisan support. The disagreements among China hawks, China doves and China “realists” are not really about logic, they are about how much hedging is enough and how much is too much.

If only it were that simple. Rising powers are not bound to this set of strategic choices. The wishful mythology of a single and flattening world is convenient for Americans to believe, but wrongheaded. The technologies of globalization empower connectivity, but do not dictate equal terms of connection. The post–Cold War period is not a story of gradual modernization and progressive integration that connects the world uniformly to the benefit of all. Instead, it enables a distinct alternative to conflict and assimilation, whereby rising powers are increasingly “routing around” the West. By preferentially deepening their own ties amongst themselves, and in so doing loosening relatively the ties that bind them to the international system centered in the West, rising powers are building an alternative system of international politics whose endpoint is neither conflict nor assimilation with the West. It is to make the West, and American power in particular, increasingly irrelevant.

What is emerging is a “World Without the West.” This world rests on a rapid deepening of interconnectivity *within* the

developing world—in flows of goods, money, people and ideas—that is surprisingly autonomous from Western control, resulting in the development of a new, parallel international system, with its own distinctive set of rules, institutions and currencies of power. This system empowers those within it to take what they need from the West while routing around American-led world order. The rising powers have begun to articulate an alternative institutional architecture and distinct modes of governance that form the skeleton of their own, and very real, sustainable and legitimate (in the eyes of much of the rest of the world) political-economic order.

Wishful thinking and conceptual blinders together prevent Americans from seeing the emergence of a World Without the West for what it really is. Our foreign-policy choices are going to be made tougher than we think.

**I**N 2005 Robert Zoellick used the term “responsible stakeholder” to lay out a positive view of how and why a rising China would assimilate to the American-led world order. The underlying story is familiar: As rising powers integrate their economies with the West, the benefits of connectivity rise and the opportunity costs of conflict become too high to bear. The Chinese will come to recognize their stake in the status quo (the “stakeholder” part) and ramp up their contributions to global public goods needed to sustain it (the “responsible” part). The story often goes on to suggest that eventually the growth of the developing world’s middle class will drive escalating demands for domestic democratic change. Mixing elements of 1960s-style modernization theory with 1990s-style democratic peace theory, the assimilationists expect rising powers to evolve in a direction that makes them want essentially what the United States wants out of international politics.

The endpoint of this argument is a reasonably functional, moderately adapted,

but essentially familiar liberal world order where today’s norms and rules have evolved somewhat, to take account of the new distribution of power, but have not really been overturned. In this view, the tensions in today’s world—around offshoring and protectionism, intellectual-property debates, carbon emissions and who pays to reduce them—are stresses and strains, not fundamental cleavages. They are more like the burden-sharing squabbles that NATO allies suffer than anything else. They are simply the growing pains of a new global political economy still structured basically around American-sponsored rules.

The assimilationists are surely right to presume that the rising powers of the 21<sup>st</sup> century don’t want to fight their way to international stature. War with the United States in a nuclear age is not a viable means for re-balancing international politics. But assimilating to an American-led liberal world order is not attractive either. As that order makes increasing demands on how domestic politics should be configured, it of course becomes less and less attractive to autocratic developing regimes. Today’s rising powers are as different from the United States as Japan and Germany were from Britain in the late 1800s. Communal, rather than individual, traditions are strong. State stewardship of the economy is the dominant ideology. Raw power trumps contract law as the preferred means of arbitrating disputes. These are real differences with deep roots in economics and society, and—the hopeful notions of crude modernization theory notwithstanding—they are not being driven out by consumer goods, the Internet or increased GDP.

The liberal order directly threatens the legitimacy and authority that flows from the rising powers’ ideas about order and governance. It does not mesh with their proposed relationship between individual, state and society. And so it makes sense for these states to use the forces of globalization to gradually revise the terms of their connection with the Western world in ways

that enhance their autonomy.

They are empowered to do this by the same technology that Americans like to think flattens the world. Container shipping and the Internet do connect the world, but they don't have to connect everyone equally. And they are, in fact, not doing so. Consider the evolution of international trade patterns over the last 15 years. Though global trade has been increasing as a whole, the twenty largest and wealthiest countries in the developing world are, overall, preferentially trading with the rising powers that lead the pack—China, India, Russia and Brazil. And the rate at which they are doing so is rising every year. The critical fact here is that this deepening of interconnectivity in the World Without the West is well in excess of what standard economic models of trade (the gravity model) would predict. Given that these models already control for a number of factors thought to affect bilateral trade, including GDP, this means that these patterns cannot be explained away by blistering economic growth in China and India.

The same goes more generally for foreign direct investment and telecommunications. As a result, Chinese foreign investment in large public infrastructure projects has begun to revitalize long-moribund African cities, such as Luanda, Angola. Meanwhile—as part of \$1.9 billion in trade deals between Chinese and African leaders in November 2006—Chinese companies are committed to such diverse projects as building expressways in Nigeria, laying a telephone network in rural Ghana and building an aluminum smelter in Egypt. But this isn't a story just about China. Venezuelan leader Hugo Chávez signed \$200 million worth of trade deals with Iran just days before his infamous 2006 appearance at the UN General Assembly podium and has promised subsidized oil for his Bolivarian allies in Latin America. And in 2005, Russia surpassed the United States as the largest supplier of arms to the developing world, with China, India and Iran as the Kremlin's

most reliable customers.

The landscape of globalization now looks like this: While connectivity for the globe as a whole has increased in the last twenty years, it is increasing at a much faster rate among countries outside the Western bloc. The World Without the West is becoming *preferentially* and *densely* interconnected. This creates the foundation for the development of a new, parallel international system, with its own distinctive set of rules, institutions, ways of doing things—and currencies of power.

**T**HE WORLD Without the West, like any political order, is made up of two ingredients: A set of ideas about governance and a set of power resources that enable, embed and occasionally enforce those ideas. This alternative order rests on wealth drawn from natural resources and industrial production (along with the management expertise applied to those capabilities). And it proposes to manage international politics through a neo-Westphalian synthesis comprised of hard-shell states that bargain with each other about the terms of their external relationships, but staunchly respect the rights of each to order its own society, politics and culture without external interference. Neither of these elements by itself would make for a concrete alternative to the Western system, but together they synergistically stabilize into a robust political-economic order.

Consider first the fact that traditional sources of political-economic power—labor-intensive industrial capacity, natural resource endowments and incremental innovation—give the rising powers at the nucleus of the World Without the West the mercantilist strength in the international system that enables them to attain their interests. Leveraging its enormous human capital, China has truly become the “world's factory”—in the past two decades manufacturing facilities for export goods as diverse as textiles, metals and computers have relocated to China from all over

east Asia, and China's share of global manufacturing output doubled. In becoming this industrial powerhouse, it has moved in less than twenty years roughly 400 million people from poverty into a middle class—a rate and scale of economic advancement that no human economy or society has ever before achieved. Along the way the People's Bank of China has accumulated well over a trillion dollars worth of foreign exchange reserve. Russia, for its part, has brought on to world markets considerably more of its vast fossil fuel resources, transforming that economy from a period of almost unprecedented recession-depression after the fall of the Soviet Union to an increasingly wealthy and self-confident player in the global political economy.

Many believe that a reliance on such resources is but a stage in development, and countries will automatically leap to more “modern” political-economic profiles once they have passed a certain wealth threshold. This view paints the rising powers' achievements as transitory—the resource intensive outputs of low-wage labor and low-skill resource exploitation. This may have been a reasonable source of growth for the late 19<sup>th</sup> century but surely it is not a sustainable and desirable one for the 21<sup>st</sup>, since “knowledge” and other intangible factors of production are said to be the key sources of wealth in the future. But there is nothing inherently unsustainable about an alternative political-economic order that delivers astonishing growth and the accumulation of material capacities. Indeed, the political economy of the World Without the West actually enables its independence from the globalized knowledge economy upon which American companies base their business strategies.

Factors of production vary in critical ways. Knowledge is non-rival—when one person or country uses a piece of knowledge that does not reduce the supply of knowledge for anyone else. Fossil fuels are rival in the simple sense that when I burn a barrel of oil it is no longer available for

you to burn. Those who own the fossil fuels and those who can manufacture at low cost, by controlling the most rivalrous of economic resources, will have outsized economic power in the foreseeable future, as it has been for more than a century. We used to say oil is different from a macroeconomic perspective. It's fashionable to *talk* as if that is no longer true. But we should be careful of the implicit view that the energy sector, and particularly the production of fossil fuels, is “naturally” or “best” organized within the private sector, and traded as commodities on “global” markets. These are huge up-front investment, high fixed-costs industries that have historically been tightly tied to governments. And so regardless of what they sometimes say, governments continue to *act* as if oil is different. In fact, governments and national oil companies today control about two-thirds of global reserves. And it is the governments of the non-Western world that have most aggressively played this game—in Russia, Iran and Venezuela of course, but also in China, Nigeria, Egypt, Chad, Angola, Azerbaijan and Turkmenistan. Exxon-Mobil is a huge company but only a moderate influence within the global market.

Many of these players will surprise global markets with how well they do. Governments can adequately manage these businesses, because the market for management expertise is far more liquid than the market for physical oil assets. They will have access to needed investment—including from other developing countries, which hold excessive dollar assets and will be looking for alternative investments with higher returns. And they will likely be a magnet for the newest technologies, since at the end of the day the fossil-fuel reserves themselves, and not the technologies to extract and refine them, are the rate-limiting step in the energy value chain.

In addition to the material resources that come with brute manufacturing capacity and resource endowments, developing countries leverage a different manner

of innovation. The global economy comprises comparative advantages that map to different sources of innovative potential. Capital-rich advanced countries have the means to finance the expensive research and development necessary for radical innovation, and they continue to be the main purveyors of technological breakthroughs. But emerging economies can rely on their rich human resources, track record of organizational innovation and huge markets of increasingly sophisticated consumers to make technological advances through processes of learning-by-doing and user-driven innovation. The Indian tech industry and homegrown Indian consumer product suppliers are a key example of this phenomenon. In dynamic terms, these incremental innovations can cumulate over time into a trajectory that matches or even surpasses the impact of innovations on the technological frontier.

**I**F MANUFACTURING capacity, resource endowments and incremental innovation make up the material foundation of this political order, the core idea that cements it together is “state determination” as compared to “self-determination” or individual political rights. Inviolable sovereignty in the World Without the West rejects key tenets of “modern” liberal internationalism and particularly any notion of global civil society or public opinion justifying political or military intervention in the affairs of the state. With the Treaty of Westphalia in 1648, Europe gave sovereign leaders the right to determine what religion was practiced in their territory. The 21<sup>st</sup> century neo-Westphalian synthesis of the World Without the West replaces religious autonomy with economic, social and cultural autonomy.

The bargain here is simple and straightforward: Sovereign states are empowered to set the terms of the relationship inside their borders between the government and the governed. They then deal with each other externally in a market setting and recognize

no real rights or obligations other than to fulfill agreed contracts. International institutions have no legitimate business other than to serve and facilitate these ends. Evolving Western notions of liberal internationalism—particularly ideas like political conditionality on development aid and the “responsibility to protect”—have no place in this framework. Claims about universal human values, the “moral reliability” of democracy and the like that come from Western voices are—self-consciously or otherwise—a power game pure and simple, an attempt to redefine as “universal” what is distinctly the product of a particular culture, and (declining) power base. There’s no need to fight these ideas or assimilate to them; they can simply be ignored.

That many readers will see these notions of political order as reactionary, retrograde and unsustainable in the modern world says more about the mindset of the West than it does about the magnetism of the ideas. It is important to remember that when Alexis de Tocqueville wrote about the relationship between equality and democracy in America, he was commenting on the distinctiveness of America, not its generalizability to the rest of the world. In the post-Cold War era, Western liberal internationalism has started to externalize one particular aspect—the importance of the individual—as the basis of a global political order. In a globalizing world, states should serve people and not the other way around. Accountability, rewards and ultimately power belong to individuals. As a progressive statement of liberal individualism this notion has many attractions. But it makes little sense in much of the world.

The great irony of the “communist” state in the post-Mao era is that the Chinese have essentially adopted liberal individualism as an *economic* ideology in full-blown form. But they have done so without the democratic *political* component that Americans take for granted. “To get rich is glorious”, as Deng Xiaoping said. But it is also being promoted as a means of

individual fulfillment and self-expression in societies with communal traditions and long histories of relative poverty. “One man, one vote” becomes “one man, one cell phone”—with the goal to create wealth and express one’s individuality through consumption. (Russia is arriving at a similar synthesis, albeit in a more tumultuous way.)

Markets and bargains then are the stuff of world politics, not human rights or transcendent moral norms. States appropriately deal with each other over technical standards and trade arrangements. They do not judge others’ electoral or legal systems. They may deal on issues of foreign exchange and monetary stability. They do not evaluate others’ cultural policies and press freedoms.

This evolving synthesis is finding its expression now in new formal international institutions outside the Bretton Woods system. The Shanghai Cooperation Organization (SCO), established in 2001 to advance the shared interests of China, Russia, and the four Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, is an example. In 2005, the SCO declared its central goal to be the advancement of “multilateral cooperation . . . based on the principles of equal right and mutual respect, non-intervention in the internal affairs of sovereign states.” After rejecting the United States’s application for observer status it called on Washington to withdraw U.S. military personnel from Central Asia, backing up Uzbek President Islam Karimov in his quarrel with the United States over the aggressive suppression of domestic protesters. The SCO has served also as a legitimating cover for Russia’s newly forthright view of “sovereign democracy” that treats foreign support for domestic opposition movements via the presence of NGOs as illegitimate external meddling.

China’s burgeoning relationship with the African continent tells a similar story. In November 2006, 48 African leaders traveled to Beijing to participate in the China-Africa Forum. A simple neo-Westphalian deal lay behind the billions of renminbi that China

pledged to invest in infrastructure, development and energy projects: Beijing’s money would be free of the conditionality usually associated with Western assistance and in return, the African nations would offer unwavering support for the One China policy. It is a marriage of convenience that retains no role for the United States or the multilateral institutions it leads.

Concrete manifestations of these self-supporting differences will visibly emerge in several core areas of security and economic policy. Consider, for example, the central role that intellectual-property rules play in the value proposition that major Western firms construct for a globalizing market. The expressed logic behind trade-related aspects of intellectual-property rights (TRIPS), which sought to drive the rest of the world toward a convergent path with American intellectual property law, was that developing countries would benefit (eventually) by incentivizing fundamentally new innovation in their economies, even if they had to pay higher prices for drugs, software and other intellectual product exported from the West along the way. The 2001 Doha revision of the TRIPS agreement recognized *de facto* the existence of a distinct set of developing-country interests, at least when it came to medicines.

But the underlying interest is actually quite broad. A large developing country like India does not need to create new blockbuster drugs. What it needs is to produce and distribute at very low cost a vast quantity of existing drug formulations—particularly for the treatment of modern lifestyle diseases (metabolic disorders, obesity, hypertension, etc.) that its population is acquiring at an alarming rate. China does not need to be the home of fundamental innovation in software code. It benefits more from widespread distribution of basic computing capabilities—using pirated copies of Windows 2000 or freely available Linux distributions. In the foreseeable future at least, the core trade-off within intellectual-property law for the World Without the

West favors distribution over innovation, exactly the opposite of how it works in the West. The future of pharmaceuticals in the World Without the West looks something like this: A Brazilian entrepreneur teams with a Chinese biochemist and an Indian manufacturer with finance from Venezuela to produce generic low-cost treatments for a chronic degenerative disease that people in a per capita GDP \$7,000 setting can afford. This (imaginary) consortium won't have to fight against Pfizer and Merck, nor will it assimilate to their rules. It will simply route around them to create its own pharmaceutical economy, which will be profitable to its firms and beneficial to its customers.

Concurrently, the World Without the West is developing its own channels for the distribution of information and the sponsorship of discourse. In February of this year, Wen Jiabao was credited with an article in the official *People's Daily* newspaper responding to calls for political reform in China. *The Washington Post* led the next day with the headline: "China's Premier Calls Democracy A Distant Goal." Meanwhile, Al-Jazeera declared that, "China's Wen urges more reforms." With the explosion of alternative sources of information and media, it is becoming increasingly difficult for Western narratives to penetrate the developing world—whether they are about Iraq, terrorism or trade. Al-Jazeera's principal rival for the Middle East market is the Saudi government-financed Al-Arabiya, not CNN or the BBC. Baidu, the prominent Chinese Internet search engine, is the fourth most trafficked website in the world and—despite its heavy censorship by government authorities, its placing of advertising as a higher priority than search results and its ongoing battles over links to copyright-violating music sources—it commands over 60 percent of the first-chosen searches in China and continues to gain market share. If the ability to shape narrative is one of the most important power resources in international politics, the World Without the West now controls its own

channels.

*What should the United States do about this?*

THE FIRST step in crafting a sensible and forward-looking policy is to *see these developments for what they are*—not for what we wish them to be or what we fear. This means acknowledging two uncomfortable but profound and interconnected realities of the late twentieth century that set the stage for today's power transitions. The first is that the "Western liberal idea" never penetrated deeply into the psychology and politics of much of the world. The second and closely connected reality is that the dirty little secret of globalization is anything but little: At least half the world's population simply did not benefit meaningfully from sixty-plus years of Western-led economic growth and technological change. For those outside the West who did benefit, the vast majority attribute their advancement not to liberal ideology, the beneficence of the West or the post-World War II American-led order, but to state-directed capitalism and resource nationalism run by illiberal states.

So re-surfacing an American commitment to post-World War II style multilateralism with post-World War II institutions is no longer meaningful; in the eyes of the World Without the West it is not much more than a slogan. In any case, the United States has lost many of the old forms of leverage that worked in that setting.

We must face head-on and lean into, rather than away from, the real choices that we confront. Some are gut-wrenching in the sense that they will force us to make truly hard compromises among sets of values, preferences and expectations that we don't want to trade-off. That is no excuse to ignore or hide from those choices.

Here are three conceptual options. They are not exhaustive, but are representative of the kind of thinking we believe is necessary.

The United States can seek to aggres-

sively block the further development of the World Without the West. One way to do that would be to try to deprive the major rising powers of the material resources that have empowered these developments. That would mean an economically gut-wrenching reversal of American dependence on the Chinese industrial production machine and non-Western sources of petroleum. Another option would be to force a set of military engagements and thus divert the energy of this alternative world system toward direct security competition with the West. Either is conceivable, but the costs and risks are likely to be judged prohibitive.

Second, the United States can try to reduce the attractiveness of the World Without the West. One effective way to do that would be to compete for the allegiance of states that are “in play”—those that have not yet *de facto* chosen sides. The challenge here is to re-engineer the liberal world order so that it *actually and visibly* serves the interests of a large, developing, democratic and proudly nationalist country like India, rather than just proclaims that it is its goal to do so eventually. The same could be said for a number of countries in the developing world, including Indonesia, Brazil and South Africa. Consider then, for example, the very different (and domestically difficult) proposals Washington would have to put forward in discussions about the Doha Development Agenda. The end of agricultural subsidies—today. Licensing of significant protected molecules to generic drug manufacturers—in the short term. An equitable arrangement for opening trade in services that levels the playing field for developing countries in areas like telecommunications and finance. Pursuing this type of strategy will require an enormous degree of compromise, even sacrifice, in American domestic politics.

Third, the United States can accept the World Without the West for what it is. There may be some, perhaps many, issue areas in which the United States and the West are simply prepared to let the World Without the West go it alone. In this “live

and let live” scenario the task would be to define the red lines beyond which that is not acceptable—and then to focus on controlling the points of connection, the bridges between the two worlds, the places where interdependence is high and unavoidable. Climate change and international terrorism probably fall into that category; energy supplies and human rights may not. Choosing a “live and let live” strategy would entail the United States backing down, as never before, on some of its democratic liberal ideals.

The crux of U.S. policy in this latter option would be to manage to our benefit the points of interdependence. And to do so without indulging the belief, tempting though it will be, that those points should be manipulated to undermine the viability of the alternative order. It is true that any notion of world order strains to incorporate the diverse interests of the many players that it wishes to attract. The World Without the West is, of course, no more a monolithic bloc than is the West itself. The two could engage in comparable efforts to heighten each others’ internal lines of cleavage. Going down that road pulls us back into something like a traditional bipolar confrontation. But this bipolarity would pit the West against an increasingly pragmatic bloc of countries led by an economic powerhouse, rather than the Cold War’s coerced bloc led by an economically frail and ideologically strained hegemon. It might not end in war, but it also might not end with a Western “victory.”

Doing nothing—or pretending that there is nothing other than inevitable conflict or assimilation for which we need to prepare—is simply no longer a responsible foreign-policy agenda. □

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