

The Case for *Global Realism*

An assessment of the Mahbubani-Summers thesis.

BY HILTON L. ROOT

First Brexit, then Turkey. The EU exit referendum and Turkey's descent into authoritarianism have one thing in common: Both defy mainstream views, as expressed in such leading venues as *The Economist*, the *Financial Times*, and *Foreign Affairs*, about the relationship between domestic and international politics. In each of these venues, global policy experts either ignored the likelihood of a Brexit win or warned of its negative consequences while mocking exit supporters as xenophobic nationalists or Old England dreamers.

For years, the same mainstream venues praised Turkey's economic performance and ridiculed the old-fashioned secularism of the military, even as the country grew increasingly autocratic under the AKP's leadership.

How did the experts become so complacent? In large part, they based their confidence in the belief that economic integration would harmonize diverse cultures; and that countries joined in global prosperity will invariably experience a sociopolitical "convergence." This is the same narrative that has generally dictated Western global development and defense policy, and global diplomacy, since the Cold War. It was confidence in this narrative that persuaded UK Prime Minister David Cameron and his advisers to believe they could not lose at the polls.

Hilton L. Root is Professor of Public Policy at George Mason University, an Affiliated Scholar at the Mercatus Center, and the author of Dynamics among Nations: The Evolution of Legitimacy and Development in Modern States (MIT Press, 2013).

THE INTERNATIONAL
ECONOMY

THE MAGAZINE OF INTERNATIONAL ECONOMIC POLICY

220 I Street, N.E., Suite 200
Washington, D.C. 20002

Phone: 202-861-0791 • Fax: 202-861-0790

www.international-economy.com
editor@international-economy.com

In the May/June 2016 issue of *Foreign Affairs*, two influential global thinkers, Kishore Mahbubani and Lawrence Summers, argue this theme, explaining that globalization creates a homogeneous world view embodied in the social and political aspirations of a rising global middle class with common aspirations and common tastes. A byproduct of globalization, this fulfillment of global consumer preferences is leading to the “increas-

*Mahbubani and Summers are
proselytizing a rosy version
of a fading story.*

ingly overlapping areas of commonality” and causing a “fusion of civilizations” that ensures “the progressive direction of human history.” This has made the past three decades “the best in history” and will continue to lift “the human condition to heights never seen before.”

This is the same mistaken and misleading notion, shared by both the ideological left and right: that prosperity would lead Britons to empathize and identify with European institutions, norms, and culture; and that economic integration would lead Turks to embrace European enthusiasm for political pluralism.

Yet this fallacy—that social and political institutions and affinities naturally follow economic ones—renders the Brits who support exit and the Turks who rally behind President Recep Tayyip Erdogan’s repression—into phenomena that the global political elite find inconceivable.

Could it be that constructing an identity according to the logic of consumer interests is instead an illusion of the global elites?

The general public, Mahbubani and Summers assure us, is suffering a disillusionment with globalism, as it is defined and dramatically disparaged by populist demagogues on the right that exploit the plight of refugees, or those on the left that play on anti-austerity sentiments. There are, the authors concede, three reasonable sources of pessimism: turmoil in the Middle East, China’s economic slowdown, and stagnation of the world’s economies. Yet they dismiss each of these scenarios as transitory and manageable, and certainly not a cause for dim prognoses of globalization.

But Mahbubani and Summers fail to acknowledge why globalization is fertile ground for populist challengers. Democratic liberalism and the rule of law—the social change processes with which globalism is associated—have failed to achieve legitimacy in much of the world.

Here is the fundamental issue that they ignore: During the past decade, during which incomes in the developing world grew at rates that far exceeded anything previously recorded, governance indicators receded. Autocracies became more autocratic, democracies became less democratic, the quality of public-sector management deteriorated—and the corruption and impunity of political elites troubles populations in emerging and developed countries alike.

True, examples such as Spain, Chile, and South Korea seem to confirm that authoritarian countries tend to democratize as they join in global production. But a tendency to think in terms of linear extrapolations can mislead us into believing that global development will lead all nations toward a common destination.

“This has already happened in cuisine,” they write, “where global influences have thoroughly penetrated Western kitchens, and something similar should happen across cultural sectors.” Other examples they note are that 36 million Chinese are studying the piano, 50 million are learning to play the violin, and that 15 new opera houses have opened. The creation of universities around the world in which the curriculums of the Western university are being replicated enables the spread of “best practices and good ideas from the West to the rest and increasingly from the rest back to the West.”

A globalizing world has found many overlapping areas of commonality, but households that may have the same aspirations for physical well-being could also seek to attain those goals according to ethical codes based on very different ideas about the meaning of life, the role of the individual, and the separation of church and state. Here is the paradox as a Chinese saying puts it: “Same bed, different dreams.”

In short, the progressive direction of human history, which has lifted the human condition to heights never seen before, is set to continue. And the presence of large, well-educated middle classes in countries around the globe will help keep governments on the right track (Mahbubani and Summers project this class to increase from 1.8 billion in 2009 to 3.2 billion in 2020 and 4.9 billion in 2030).

Examples the authors give of cultural diffusion are primarily top-down, but this accounts for only a small part of the global diffusion of ideas. Much social learning is peer-to-peer, and national development

trajectories occur in clusters; nations imitate those most like themselves. This does not, however, guarantee the best options will be selected. In fact, it increases the odds that they won't be. As global interconnectivity increases peer-to-peer communication, transformative ideas may arise from horizontal exchanges that

Economic growth and middle class consumption is disconnected from the heritage of individual rights and constraints on government that lies at the core of liberalism.

may pass over the West entirely. The twenty-first century might be an era in which cultural frameworks for reaching ethical judgments can arise from anyplace in the world and from any social strata. This would be a great disappointment to Mahbubani and Summers as representatives of two great universities with ambitions for global ideational hegemony.

Mahbubani and Summers are confident that conflicts caused by religious differences are transient. The vast majority of the Islamic world, they assert, shares common aspirations with the rest of global middle class "to modernize their societies, achieve middle-class living standards, and lead peaceful, productive, and fulfilling lives." They point to Malaysia, where women outnumber the men enrolled in universities, and to satellite universities in Qatar, Saudi Arabia, and United Arab Emirates. Indonesia's largest Muslim organization, they remind us, the Nahdlatul Ulama, has publicly challenged ISIS.

But what about our friends the Turks, among the first Islamic societies to modernize, who fought beside U.S. forces in Korea, and joined NATO in 1952? Today Erdogan instructs the military to turn a blind eye to the passage of jihadists through Turkey. Today, in fact, he is "shaking up" the military. A wealthy and commercially oriented middle-class Turkey does not staunchly defend Western values or interests. In fact, the Western

press have badly misinterpreted the coup as representing a pro-Western, secular, and liberal effort to restore Turkey's Western-looking orientation. It was instead a failed power grab. Erdogan and other Islamists in Turkey's leadership are not alone in questioning the values they have been asked to share with the Western alliance. The secular republican right, his foe, has grown disenchanted with Western sympathy for Kurdish demands of greater autonomy—and these differences with the West threaten to paralyze NATO.

Nor is Erdogan alone among Turkish leaders who advocate a version of democracy that is distinctly majoritarian—in which majorities can do whatever they want. His critics in the West are dismayed by his quest to rewrite the constitution to allow himself to become an executive president. Yet his government delivered on its promises to many voters who still support it.

Erdogan's ambition is regional, to inspire a rebirth of national and cultural pride. The political party he leads, the AKP, emphasizes Muslim identity as the key to defining Turkishness, and criticizes the Kemalists for making Turkey into a little country by its embrace of Westernism. By reasserting Turkey's authentic self, Muslim nationalists envision that Turkey as a leader of the Muslim world can be a major world power. In this way, he can employ globalization in the way of other newly wealthy nations to whom it affords the luxury of promoting their own cultural values. Saudi Arabia, for example, uses its great wealth to foster Wahhabi learn-

The aspirations of the global middle class may be on a collision course with global environmental sustainability.

ing throughout the Middle East and Central Asia. China funds Confucian learning centers all around the world.

What Mahbubani and Summers refuse to acknowledge is that globalization transforms the possibilities of national pride. It promises recognition to people who seek to overturn memories of past humiliation. Thus globalization entails a range of deeply conflicting tendencies, including a preference for cultural authenticity.

The moral, ethical, or cultural values whose protection and expression lie within hard-won nationalist

domains—these are not part of the bargain for modernization. In fact, the material comforts of globalization enable people to live according to their own social values. The Japanese like being Japanese and want to maintain their cultural integrity, even if it means a smaller economy. The British who voted to reconsider EU membership value traditions of Parliamentary government and participation, even if it means a loss of eco-

Households that may have the same aspirations for physical well-being could also seek to attain those goals according to ethical codes based on very different ideas about the meaning of life, the role of the individual, and the separation of church and state.

nomics opportunity. Countless Russians defend Putin to the point of enduring painful global censure.

Much of the history of the past hundred years has been about asserting national claims over territorial claims, and over the sovereign claims of imperial masters. It is not obvious that people want to toss aside those national legacies for which they struggled just to enjoy a supranational identity symbolized by the latest-model SUV or cellphone.

Mahbubani and Summers credit gradual improvements in agriculture, construction, and politics to the lessons inculcated into the global elites who have passed through their universities and can now tackle social optimization problems through scientific reasoning. All it takes is to equip policymakers with the tools to make rational calculations to find the best policy options through cost-benefit analyses.

Again there is much this view overlooks. Powerful coalitions that benefit most from globalization—and

there are more of these than ever, according to global surveys of Freedom House and the Bertelsmann Foundation—may indeed utilize cost benefit analyses, but not in search of the most effective forms of governance for society. The power of economic analysis can also be used to enable leaders to select policy options according to the benefits or rents they themselves derive. Sophisticated schemes for the wealthy that protect global corruption make it difficult for countries to manage the fruits of economic growth according to their own values.

Political “demagogues” are not alone in stoking fears for the future. Many of the global goals needed for sustainability will require the global middle classes to reconsider the policy positions and entitlements they currently enjoy. In fact, the aspirations of the global middle class may be on a collision course with global environmental sustainability. Scientists warn that current patterns of consumption pose real risks to global resilience, and the passage from one alternative state to another may not occur smoothly, but may involve catastrophic shifts of environmental degradation. No doubt sustainability outcomes will shape future clashes among nations and within nations.

Mahbubani and Summers are not the only analysts today who perceive social change according to global growth dynamics, not realizing that those dynamics may contain the seeds of that prosperity’s destruction. Their exuberance is just as dangerous as the irrational pessimism they decry. It reflects a failure to understand the complexity of the global environment, and will result in a failure to embrace adaptive transition management.

Mahbubani and Summers extoll the spread of modern medicine to the most remote corners of the globe, yet this too misses an important point about sustainability: Vaccines may finally be accepted by most of the world’s populations, but the rapid spread of new virulent pathologies could make those vaccines obsolete. Antibiotics too are globally available, but that only increases the pace of mutations making the pathogens they target more resistant. The microbe populations that may soon cohabit the human environment could be immune to medical remedies that are easily affordable.

At a time when European nations are straining to take in just a few million refugees, global demographic patterns are trending in a catastrophic direction. The most poorly governed and least sustainable regions have the sharpest demographic growth, while birth rates in the most ecologically viable regions are on the decline. In the near future, many millions more are likely to be knocking at the door. If they are not

Continued on page 79

Continued from page 57

welcome peacefully, what is to deter their forcible entry? Large established states no longer enjoy the benefit of asymmetrical warfare, thanks to modern technologies. Indeed, the perennial “nomadic steppes” may once again be the source of global disruptions; and the threat they represent is only likely to magnify in the years ahead as mushrooming populations on unsustainable terrains multiply far beyond the capacity of local economies to sustain them.

Mahbubani and Summers offer the comforting idea that the global threats we face are manageable. Yes, they may be surmountable—but only if they do not all fall on

*Large established states
no longer enjoy the benefit of
asymmetrical warfare, thanks
to modern technologies.*

our doorstep at once. Unlike the gradual social change processes that Mahbubani and Summers identify, catastrophic shifts in social ecosystems can also occur abruptly. The disruptive forces do not make themselves known until they reach a certain threshold, when drastic changes do occur. If there were early warning indicators of the financial system meltdown of 2007 or the Soviet Union collapse in 1989, they were missed by analysts trained to interpret them.

Bankrupt social security systems may be competing for limited government funds at the same time that superstorms are blanketing our coasts, pandemics are spreading, or when actions by an adversary require a concerted military response. Then the capacity to sustain current levels of consumption while dealing with the multiple threat scenarios will strain fiscal resources.

As a more educated, complex, and diverse body politic takes shape, disputes within countries over the form that modernization will take have been intensified by the spread of prosperity. Once fundamental issues like mass poverty are settled, other differences may end up being deeply contested. How to consume wealth can prove more controversial than how to produce it. Today, with more at stake—and more surplus to fight

over—both the local westernizers and the traditionalists are often impelled to use illiberal tactics, such as the formation and support of militant groups, like the Zimbabwe African National Union, the United Socialist Party of Venezuela, or Thailand’s People’s Alliance for Democracy. After achieving a fairly high standard of living, the divergent ambitions of populations in Thailand, South Korea, Taiwan, Malaysia, and the Philippines have produced significant societal friction over practices, such as cronyism and clientelism, that were acceptable or at least ignored during the period of high growth.

This resort to illiberal tactics in an environment of increasing factionalism is reflected in the regular assessments of democracies, which reveal that during the first decade of the twenty-first century many emerging nations have been downgraded to the status of hybrid or “flawed” democracies. In categories such as the treatment of minorities, limits on executive power, and press freedom, many are diverging from liberal standards.

Mahbubani and Summers are proselytizing a rosy version of a fading story. The past three decades may have been the best in history, but the linear projections of their civilizational fusion theory will not predict the next three decades. Not all responses to changing conditions are linear or gradual. Certainly the global system has produced many tendencies that are nonlinear. One need only look at the end of the Cold War, the Arab Spring, the 2007 financial meltdown, and the explosive growth of the Internet.

The belief that consumerism and the growth of the middle-class will produce a unified global value system disregards three powerful sources of divergence: First, economic growth and middle class consumption is disconnected from the heritage of individual rights and constraints on government that lies at the core of liberalism. Second, transnational cultural symbols increasingly vie with national symbols of modernity. Third, although the global middle class is growing, the costs of sustaining it may eventually exceed the productivity gains of doing so.

Should we depend on consumerism to overcome the differences among nations? If the fusion of civilization is to be attained through the fulfillment of consumer preferences of the global middle class, then what happens if liberty is not in their preference function? If we see government as merely a producer of goods and services, then what happens to ethical values and the preservation of freedom? What Mahbubani and Summers fail to see is that the real challenge for global development is not merely to fulfill existing preferences, but to encourage better preferences. ◆