



The Global Foundation

Together, we strive for the global common good

World Peace Forum, Beijing, 9 July, 2019 'Ideology, Identity Politics and International Relations'

Address by Steve Howard, Secretary General of the Global Foundation.

www.globalfoundation.org.au

'Co-operative Globalisation' - a strategy to secure a grand bargain for a sustainable and peaceful global future.

I would like to thank Tsinghua University and the organisers of this 8th World Peace Forum, who have brought together so many impressive international figures to discuss the great issues facing our world today and to propose solutions.

That this forum is convened and held in China is a splendid example of what I will speak about and encourage: China's growing role as a soft power leader for global governance reform and related win-win actions, to bridge the East and West growing divide.

Much needs to be done, urgently, to avoid the growing escalation and demarcation along great power lines, a new and potentially more devastating form of Cold War. We need new and continuing 'coalitions of the willing', incorporating state and non-state actors who share the purpose of pursuing the global common good. China must now be at the forefront of this movement.

The topic as outlined* presumes a kind of uniformity about the current state of Western politics, one that is capable of being described by a new theory from scholars who have had their previous theories at least contradicted, or even discredited.

*'An ongoing puzzle for political science and international relations is to better understand the construction and the role of ideology and identity. The recent movements of populist nationalism in Europe and the United States have brought into questions the rise of identity politics. Francis Fukuyama even argues that global politics are coming to be dominated by identity rather than ideology. What should be attributed to the thriving of identity politics? How is identity politics shaping international relations and world order? Comparably, how ideology will play a role in the emerging competition between major powers? How can we solve, or prevent, the potential conflicts triggered by identity politics or ideological contradiction?'

It is apparent to me that there are several trends in politics at global level at present. Not all are consistent with one another or even coherent when summarised as a whole. This is completely understandable when the form and nature of the new global order does not yet have a clear construction or even a visible pathway.

For example, politics as experienced in Western countries such as Australia, Canada and some European nations, including France and Germany, has very little correlation with present political conditions in the USA and the UK, in which certain anti-global forces are dominant.

Unlikely allies need to recognise each other's strengths and together, seek global economic openness

My organisation has called for and is putting into practice, at global level, a new '*dialogue between civilisations*' and a model of '*co-operative globalisation*', both of which are enjoying increasing global endorsement and involvement from many quarters, including enjoying the moral authority of Pope Francis and his Secretary of State at the Vatican.

It could be argued, for instance, that Australia's view of global economic openness and integration is more closely aligned with that of China than with many other nation states, something perhaps unimaginable 10 or 20 years ago. Both nations, as it turns out, are enjoying prosperity whose benefits flow to their citizens and who, incidentally, have significant complementarity in their economic conditions. Although both have very different political systems, neither seems to be torn by domestic populist political factors.

Even with the turbulent political scene in the UK undergoing Brexit that would undoubtedly damage the British economy, London continues to enjoy immense prosperity. Yet it was the vote from the non-London areas of the UK that thought it would be better off by leaving the European Union and will suffer most if this comes to pass. Fortunately, this an unlikely prospect in political reality.

Global fracturing is real and must be transformed through deliberative action

If we pull back from the specifics of the individual political conditions of Western nations at present, to a more global view, we can see forms of fracturing along certain lines. This is more evident in some countries and societies than in others, not limited to Western compared to non-Western.

These days it is true that we can more clearly perceive the fault-lines of 'haves' and 'have nots' in and across many societies, even if the facts do not always bear this out.

Some Western democracies are also more susceptible to influence or capture by various interest groups and non-majority factions. We need to be careful about the amount of weight we attribute to these forces.

I think we also need to be careful about making assessments from the perspective only of nation states, as if these are the only accumulations of collective public thought and political expression that we should take into account. Today, there are a multitude of actors, global and local, having an impact.

Tectonic shifts, globalism and populism

In my view, the world is undergoing a tectonic geo-political shift that, on one hand, transcends and affects nation states and binds some people into a more substantial form of globalism and economic globalisation. On the other hand, others are retreating behind boundaries, real or imagined, into populist nationalism. The latter form receives far more attention than the former, as do most old orders that are resisting eventual decline.

Yes, it is true that we have experienced forms of global arbitrage taking place across the borders of nation-states, as international cooperation and regulation has been weaker than is necessary. Some of this is quite devastating in its impacts.

Take the Global Financial Crisis, for example, a creation of Western financial arbitrage. Ten years on, it is now Google, Amazon and, worst of all, Facebook, that are achieving an even more devastating impact, with the exploitation of monopolies of data management. As a consequence, taxes that are usually levied and applied by the nation state for the purpose of the common good, are underpaid through arbitrated international tax avoidance mechanisms.

What a paradox! On one hand, many citizens are angry and express their frustrations of relative powerlessness and inadequate service delivery by national governments at the ballot box while, on the other hand, they continue their consumption of these monopoly data-capturing and non-taxpaying services. Where are the international cooperation and global governance mechanisms that will help to protect the global common good, of all citizens?

In parallel, an antidote is rising

In parallel, however, as a refreshing antidote, new coalitions of actors, governments, citizens, corporations, investors, non-government bodies etc, are coalescing and shaping effective possibilities of co-operation, seeking to out-run the old ways of the world order in search of the new. They are bound by an increasing sense of a win-win philosophy for the global common good.

The roles of key actors are changing, in some cases, inverting. China only recently has recently embraced economic globalisation as a *modus operandi* for the coming years. The US has, at the same time, under the current administration at least, turned away from this model, one that it had championed for the past 70 years. We should be mindful of the relative and ongoing rise and fall of great civilisations in history.

India has also selectively turned away from globalisation. It appears that India is undergoing a form of populist nationalism akin to that occurring in the US. For a society as unequal as India's, we will see if this form of political governance leads to fairer share of the benefits of economic growth, or even to economic growth as a whole, compared to what would be likely through a more open and liberal trading regime.

We are certainly seeing some disturbing impacts on critical systemic institutions in many economies. Central banks, for example, are in many places under increasing political pressure, to both deliver economic outcomes for which they were never designed and, to be more responsive to day to day political intervention by leaders of their nations. This systemic undermining of institutions, whether national or intergovernmental, is unsustainable. It will lead, if not checked, to a world in chaos.

What are we doing to change the course of history? 'Co-operative globalisation' as a unifying method for a new age.

Cooperative Globalisation is the rationale behind the global roundtable series convened over recent years, under the auspices of my organisation, most recently in London and Paris last month. These roundtable meetings follow on from our long-standing tradition of bringing together people of goodwill and in leadership positions from around the world, to discuss and address global challenges through concerted and practical action.

The London and Paris meetings followed on from a succession of other global roundtable meetings convened by the Global Foundation, in Rome (on 3

occasions), Kuala Lumpur, the Pacific Islands and in Sydney, along with previous international roundtable series our Foundation has held over the past 20 years on most continents, including in China on several occasions, also in Washington, as elsewhere. In all of these meetings, we have ensured strong Chinese participation, as we have been committed to working with China as it goes global since our formation 21 years ago.

Encouraging China's rise and emerging global role

Ten years ago, China was not ready to assume roles of international leadership, even with positive encouragement.

Much has changed over the past decade and now China accepts that it has no other choice but to be a leader, or at least a co-leader, in shaping the world in which we will live for the years ahead.

China has moved from being perceived as a 'villain' in global climate action 10 years ago, to today being an admired world leader. I know, because I saw this shift take place, at first hand. It was quite something to see China rise to the challenge and embrace a new model of sustainably managing its economy and accepting its international responsibilities.

Five years ago, China took a further step, a milestone moment, when its President proposed the formation of a new, multilateral institution, the AIIB, the Asian Infrastructure Investment Bank. Today, the AIIB has nearly 100 nation states as its members. I will travel to Luxembourg in Europe in the next few days, to join its 3rd annual general meeting, in my capacity as a founding member of its International Advisory Panel.

China still has a long way to travel in assuming its global role commensurate with its international economic weight. This is made more difficult due the vacuum that presently exists in modes of international cooperation and also the deliberate actions of some who are pulling in the opposite direction.

The Belt and Road Initiative is a brilliant vision of China's intent to work globally. Many good projects have been launched, yet there is a still an important adjustment process going on, by China and the international community, to ensure true partnership and win-win by all involved. The encouraging news is that China learns quickly and is recalibrating the way in which it implements Belt and Road, even as the international governance systems that would make such a vision more effective are still lagging some way behind.

A grand bargain should be struck between willing parties in the West and the East

Let me come to the centrepiece, the conclusion of my presentation.

At the Global Foundation's most recent global meeting, the *Paris Roundtable*, building upon our similar meeting two days earlier in London, a grand bargain was proposed.

What if willing parties from the East and the West, including non-state and then state actors, could agree to a simple proposition:

'We in the West will offer to embrace China and 'the East' in partnership in our evolving models of best practice in operating globally; in return, we will offer to support China and 'the East' in the necessary reforms, balancing and strengthening of global governance systems'.

There are many in the West who are already active in expressing our model of *cooperative globalisation* through many and varied practical and strategic initiatives that demonstrate to the community our genuine commitment to the global common good.

These projects and initiatives range from high-level, such as:

- the Paris Peace Forum, which is evolving new and positive methods of support and collaboration for hundreds of individual programs that support progressive win-win outcomes as a philosophy, by conducting a huge annual expo and global forum, that enjoys the personal commitment of the President of France and other world leaders;
- the World Benchmarking Alliance, that has grown to become an stand-alone entity supported by more than a hundred allies from business, civil society and beyond, that is independently measuring the sustainability performance of the world's top 2,000 companies;

There are also many initiatives that are quite specific, yet lend themselves to global application, all of which have at their core a serious commitment to both the local and global common good.

We are championing those efforts led by business, working with civil society, that demonstrate social purpose and long-term vision for the communities in which they operate, whether they are global mining companies working in South Africa or the increasing number of consumer goods corporations that also have social purpose and community benefit at the heart of their goals.

These efforts are genuine and often difficult to execute, however they achieve lasting benefits all round – a formula for ‘win-win’ by applying the model of *cooperative globalisation*.

We will increasingly see that social purpose and long-term vision that has genuine community endorsement will be at the heart of nearly every successful international corporation.

One can only wonder how different might be the global perception of Huawei, for example which, for all its technical brilliance, has had continuing difficulty in conveying a sense of greater purpose than just its competitive advantages and value for money proposition.

China and ‘the East’ more generally, could contribute to and benefit from this emerging *cooperative globalisation* methodology and it is pleasing to see a growing number of Chinese business and investment entities seeking to be involved with our work.

So here is our grand bargain:

A soft ‘technology transfer’, from corporations and civil society in the West which are doing good things in the right way across the world, and will bring the best of these examples to China for consideration and possible adoption, on a case by case basis.

In turn, these partners from the West will commit to work together, globally, in support of accelerated reforms of international governance arrangements, to more properly accommodate the growing weight and influence of China and ‘the East’.

In fact, that is what we and our allies at the Global Foundation have done for some time now and commit to continue to do. Refer to the Attachment for the Key Outcomes from the *London and Paris Roundtables*. We have ongoing plans to bring together advanced thinkers and actors from many walks of life, through dialogue and genuine understanding, along with commitments to real action, to help to shape the world that we would prefer to live in, for this and future generations.

Thank you for your attention.

ATTACHMENT

Statement of Key Outcomes from London and Paris Roundtables, 19 & 21 June, 2019

A full report of these meetings is available at our website: www.globalfoundation.org.au

'We, as citizens, from many diverse backgrounds, cultures and disciplines, accepted both the responsibility and the opportunity to help turn around a world that is turning in on itself. We acknowledge that a tide of community anxiety, combined with political short-sightedness, risks displacing the more open and engaged global order that has brought benefits to so many and is now under serious threat.

*We endorsed **'co-operative globalisation'** as a crucial strategy, to help build community and political support and involvement for a more open and engaged world, one that operates to much higher standards and for shared benefits than previously..*

We agreed that we must do all we can to avoid the clash of civilisations between East and West, particularly between China and the US. We are deeply concerned about the long-term impacts of the current fracturing.

We supported leadership efforts by enlightened business, working in partnership with civil society and other allies, for positive 'coalitions of the willing'.

We learned about and committed to support many practical initiatives, large and small, that demonstrate 'cooperative globalisation' in action. These are making a positive difference to the sustainability of our planet and the unity of its peoples, in some cases working effectively across all sorts of borders, real and imagined. This is the new model for the 21st Century and we agreed to continue to champion and illuminate these efforts. The World Benchmarking Alliance was a major highlight of the London Roundtable.

Further, we encouraged our partners who lead these initiatives to broaden their scope, to include an East-West component, to go global, to demonstrate in practice that it is possible to bring about harmony through diversity.

We proposed a Grand Bargain – if those is us in the West could welcome the East in to these many and varied practical works and vice versa, then as a corollary, we would offer to work with the East and West for a fast-track of adjustment required to global governance, one that would take better account of new realities of economic and political weight. In this regard, the continuing work of the Paris Peace Forum is a key vehicle.

The Global Foundation plans to maintain continuity of the London and Paris agendas, through communication, such as via this website and engagement with decision-makers and community and business leaders in the world.

Subject to sufficient expressions of support and local partnership, it is also proposed to convene a further Rome Roundtable, in the first half of 2020. A Beijing Roundtable and a New York Roundtable are also under development.'