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Reconfiguring the world – a look back to the future

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Bonn, 9 January 2012. Certain years stick in the memory if they are associated with exceptional events: 1989 was the year the Berlin Wall fell, sounding the knell of the East-West conflict, 2001 the year of the 9/11 terrorist attacks, while 2008 will always be associated with the collapse of Lehman Brothers and the crisis of the world financial market. 2011, too, was a remarkable year, although or perhaps simply because it was not marked by one major global event. Last year was characterised more by an escalation of global development trends, indicating, as they interacted, that the whole playing field of global development is on the move. A look back at 2011 opens up a view of the future. The second decade of the 21st century will be a period of profound global change.

The division of the world into North and South, into industrialised and developing countries, into the leading nations of the West and the "rest of the world" is finally a thing of the past. The tectonics of power is undergoing fundamental change. Galloping national debt is the salient feature of the second phase of the global financial crisis. Yet, for the first time since the end of the Second World War, it is not the developing countries that are affected, but above all the OECD countries. Two G7 countries, Italy and France, are having difficulty obtaining money in the international financial markets. The EU is hoping that the emerging economies will buy government bonds from European countries to halt the crisis in the Euro zone. Things are looking no better in the USA. For more than a decade the West's superpower has been going into debt abroad, especially in China. The world has been turned on its head: the IMF, for many years the developing countries' crisis manager and financial disciplinarian, is now denouncing poor governance, unsound budgeting and crises of confidence in the industrialised countries. It is not unusual to hear Asian observers commenting with some satisfaction on the structural weaknesses of the industrialised countries, revealing their deep-seated annoyance that western experts ascribed the Asian monetary crises of the late 1990s to irresponsible "crony capitalism" and simply ignored the disparities and pathologies

in the international financial markets. The whole world is now hoping that Asia will be the growth engine that drags the world economy out of crisis.

The tectonic shifts of power in the world economy are, however, the consequence not only of the debt crises in the industrialised countries but also of more profound dynamics in the global economy. U.S. economist Arvind Subramanian shows that, after the industrial revolution, the gap between the western countries and almost all the developing countries steadily widened. Since the 1960s, however, the trend has gradually changed from divergence to convergence. Between 1960 and 2000 21 developing countries grew more quickly than the USA, and between 2000 and 2007 the number rose to 75, including over a dozen African economies. Furthermore, the growth of the developing countries depends less and less on economic linkages with the industrialised nations: for some years it has been increasingly based on economic relations within the group of non-OECD countries.

The new power constellation remains unclear. Since the Lehman Brothers crisis the G7/8 has given way to the now more influential G20. Many observers consider the interplay between the USA and China in a kind of G2 to be the new centre of the world order. More plausible, in fact, is a G0 configuration, in which a clear leadership structure no longer prevails. The western countries have been weakened by their economic crises. For the foreseeable future China and other emerging economies will be occupied with serious internal economic problems, which will restrict their global governance capacities. In this situation completely new alliances are emerging, as during the climate summit in Durban. For the first time the EU and African countries joined forces to fight for a global climate agreement, but were thwarted in their efforts by the USA, Japan, Russia and Canada, all G8 members. The emerging economies' attempts to form an alliance failed: China seemed prepared to compromise, but India took on the role of climate hardliner. The G77 – as a coalition of developing countries – played no part in Durban, unlike many international rounds of negotiations in re-

cent years. The G20 constellation would thus leave space for creative alliances that bridged old North-South barriers, but it might equally culminate in numerous trade blockades.

2011 was also the year of the Arab Spring. Whether and how it will prove possible in this region so close to Europe to combine political liberalisation and Islam is very important for international policy. What can Egypt, Tunisia and Libya learn from Turkey and Indonesia? Yet the message that people are striving for freedom, human rights and legal certainty is likely not only to bewilder the rulers of Syria, Saudi Arabia and Iran, but also to cause uncertainty in the minds of authoritarian elites in other regions of the world, such as China and Russia. The next ten or twenty years are likely to reveal whether China in particular is capable of stabilising its economic dynamism with processes of political liberalisation or whether that giant nation will slide into societal stagnation and instability. 2011 has also shown that IT and social communication technologies are dual-use technologies. They drive processes of economic innovation and are also the new tools of civil movements. That link cannot be ignored for ever either in Moscow or in Beijing.

"Fukushima" was another world event in 2011. It symbolises that obtaining energy from renewable energy sources is becoming one of the foremost global development issues. It is the only way that

the risks associated with nuclear energy and the consequences of dangerous climate change can be avoided. Leaving behind the era of nuclear and fossil fuels will be far from easy. In 2010/11 such countries as India, Indonesia, South Africa, South Korea, China and Vietnam established highly ambitious programmes for reducing greenhouse gas emissions, but continue to rely on coal and nuclear energy. Germany will have to pursue an active energy foreign policy if it is to persuade others of the economic, environmental and democracy-compatible attractiveness of its development path.

A dreadful tragedy was acted out in Somalia, Ethiopia and Kenya in 2011 and is not over yet. Ten million people are at risk of dying of starvation, yet hardly make the headlines in the world's press, let alone the list of priorities drawn up by the G20 world leaders. The Horn of Africa is a laboratory of the future. It is where state disintegration, weak governance and extreme drought coincide and destroy the foundations of human life. An international community that has again shown itself in Durban to be incapable of effectively combating climate change and is not getting to grips with, or is even ignoring, the harbingers of dangerous climate change to be seen in the Horn of Africa is not well prepared for the decades to come.



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