Deutsches Institut für Entwicklungspolitik

German Development Institute

Global Power Shifts

Global Governance in flux – Arising perspectives through ‚new drivers of global change‘

19 June in Maastricht

.

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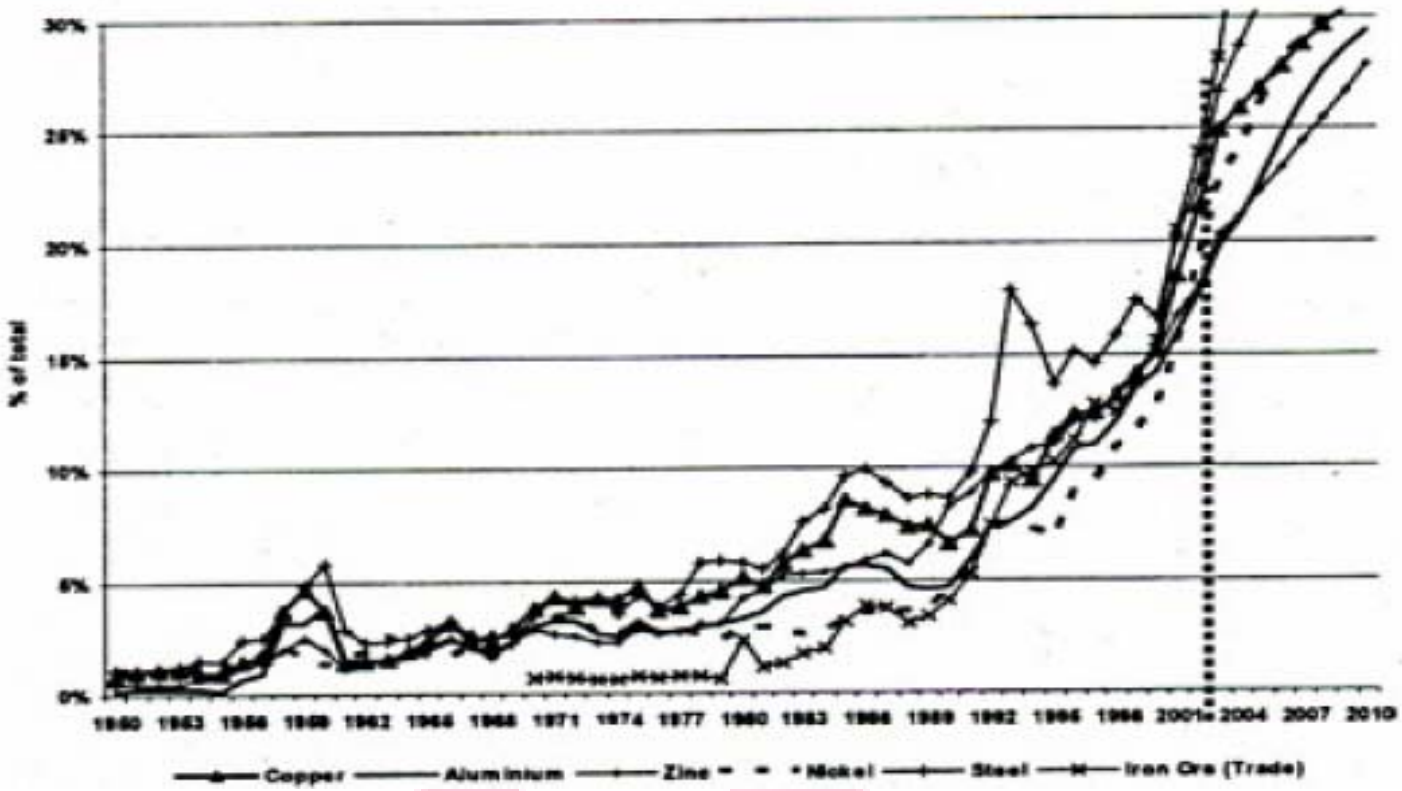
www.die-gdi.de

Drivers and trends of Global Change: Western debates after 1989

- Fukuyama: End of history – spread of western style democray and market economy: „Westernization“
- Mearsheimer: re-emergence of conflicts between nation states, proliferation of WMD: „re-securitization“
- Huntington: clashes of civilizations: „culture“
- Kennedy/ Kaplan: „The West against the rest“: North-South as major axis of conflicts“
- Nye, DIE: Globalization, global interdependencies and Global Governance: global market forces, technology, private actors ... Transformation of the nation state and new patterns of global cooperation
- Kagan: unilateral dominance of the US for many years to come ... The only superpower as main driver

Power Shift 1: China

Figure 6: Actual and projected global share of China's consumption of base metals 1950–2010



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China‘s rising importance as an emerging driver of global change cannot be overestimated

- **Dynamics and size matter: 1990 - 2006**
- since 1978: 7 % growth per year (pulling 350-450 million people out of absolute poverty)
- Exports: 50 billion $ - 1000 billion $ (1990 – 2005); second export nation
- foreign currency reserves 1000 billion $ - major pole of the global financial markets (1990: 70 billion $)
- contribution to increases of global GDP 2007 - 2020: 25 - 30 %
- demand on energy and raw materials: impacts on ToT
- Contribution to global CO2 : 15 % ... impacts on global climate change ... 30 % in 2025

Power Shift 2: The Asian Drivers of Global Change

China and India 2005: Still different, but ...

	China	India
GDP (current US$ trillion)	1,9	0,69
GNI per capita (current US$)	1500	630
X + M goods and services (% of GDP)	65.4	40.0
FDI, net inflows (US$ billion)	54.9	5.3
Per capita energy consumption (million btu/person)	34.9	13.2
Share of global CO_2 emissions	15	5

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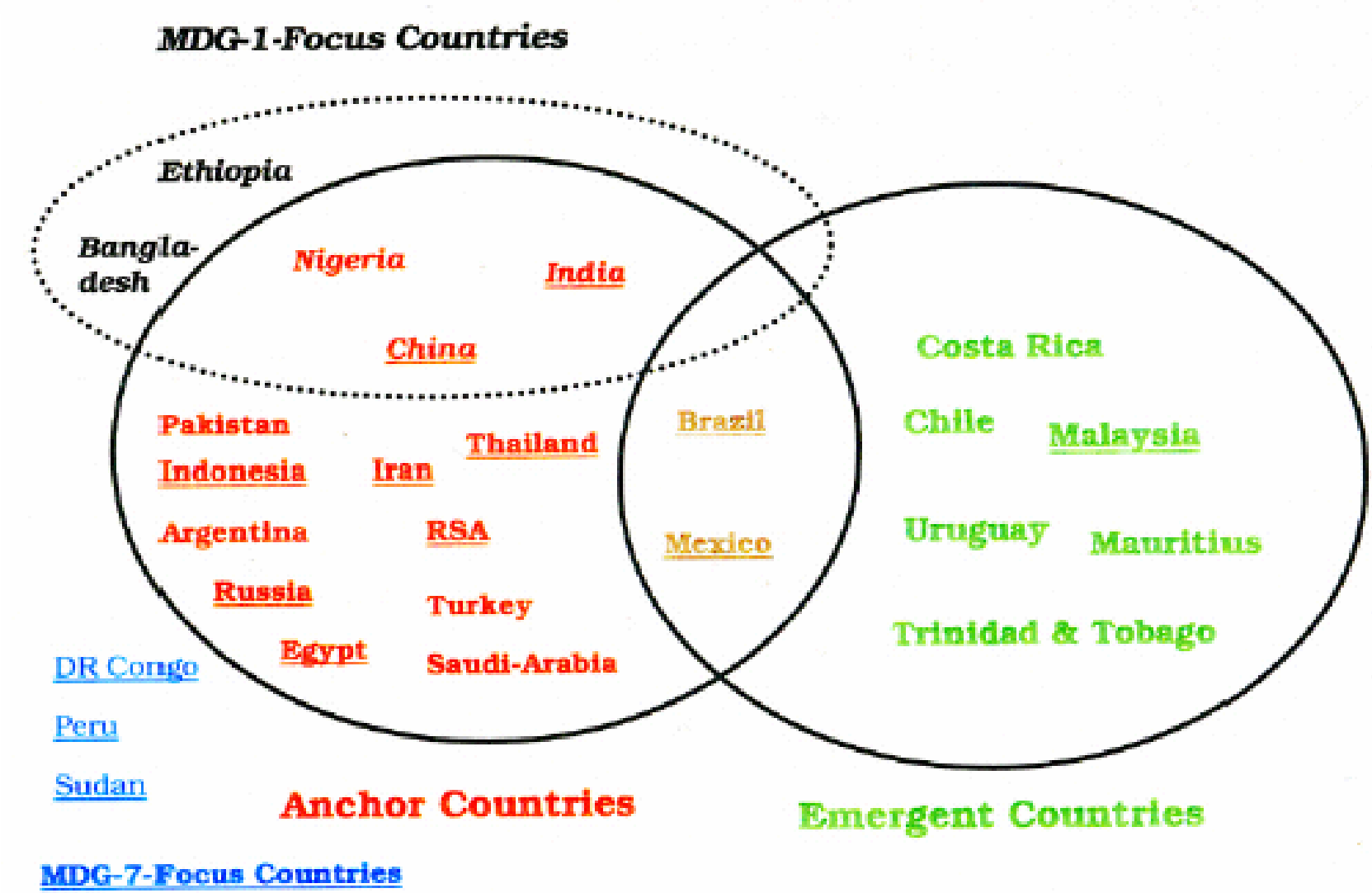
Power Shift 3: The Anchor Countries



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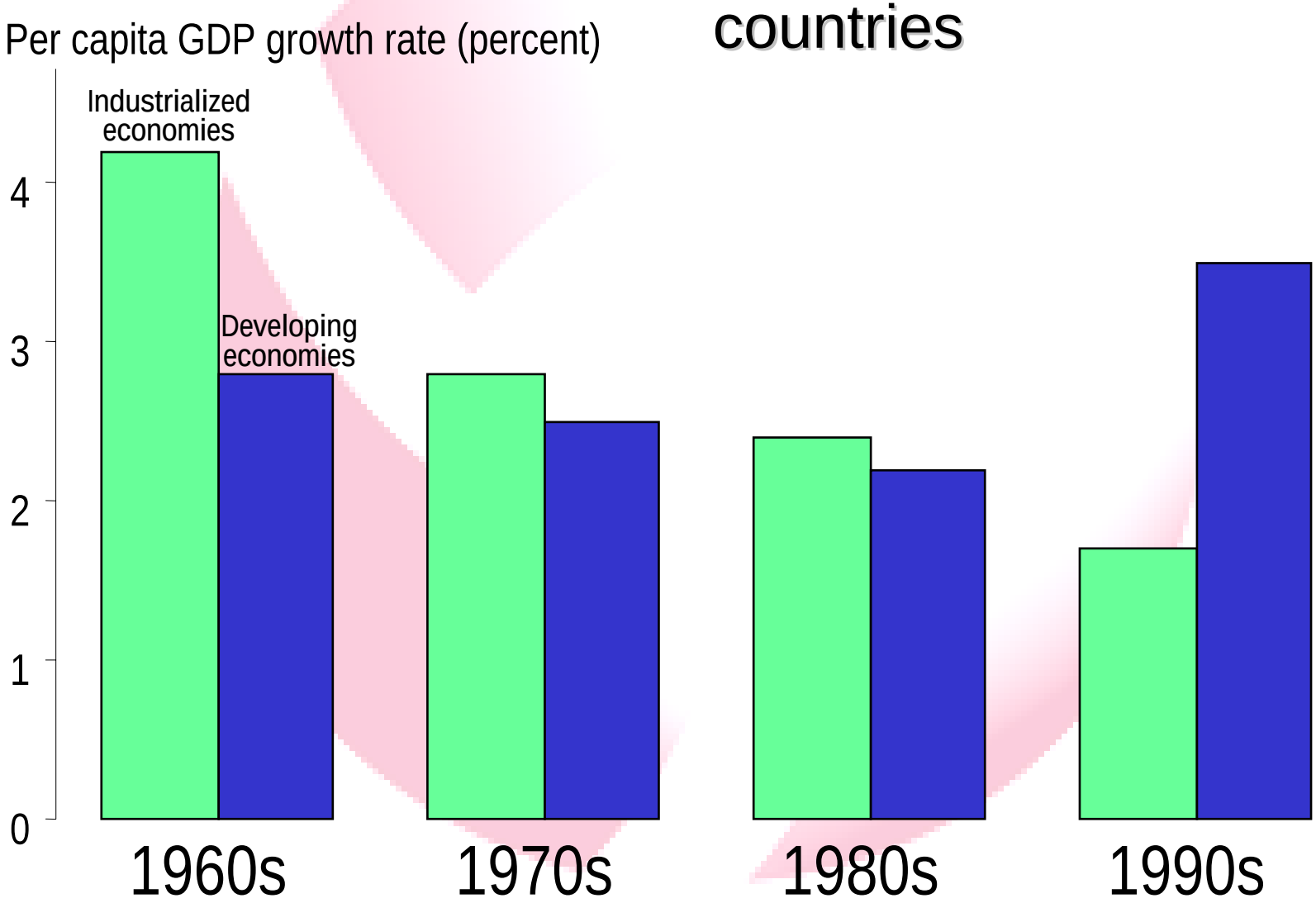
Global growth has shifted to developing countries



„Power shifts in the global economy ... Winners and loosers of globalization“

Growth GDP 1980-2005

OECD Contries	45 %
MIC (Latina America et al.)	10 %
LLDC (Africa)	5 %
Low income Countries (Asia)	180 %

Power Shift 4: Relative Decline of the „Old Industrialized Countries“

- G 7 does not reflect the major power shift 1 – 3
- From a unipolar world to a multipolar power constellation
- Lack of global leadership
- From the „old Triade“ (US – EU – Japan) to the „new Triade“ (US – China – India)?
- More balanced power structures or a more fragmented world?
- Renaissance of geopolitics?
- From the „western world order“ to what ...?

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Power Shift 5: The future role of Europe?

- All nation states are small ... With limited power resources (like the majority of the the anchor countries)
- The EU is a big economic player ... And could be a major political global actor
- EU as a protagonist of a (fair and effective) multilateralism needs partners in the world
- Complementary to transatlantic relationships: Asian Drivers and Anchor Countries

Chance: climate policy, energy/ resource efficiency technologies (Kondratieff), motor of multilateralism in a multipolar world

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Pre-conditions for a peaceful global power transition

- **reciprocal recognition of old and new actors/ powers as „benign powers“**
- **dense, interdependent interest structures between the old and the new powers/ actors .... common threats**
- **emerging consensus on main principles and pillars of the global order**
- **joint institution building**
- **an international environment that enables cooperation**
- **.... There is no automatism towards a stable, fair and peaceful world order: ...**

Power Shift 6: Beyond the states: ... The private power shifts in global politics

- Multinational firms
- Transnational NGOs
- Global media
- Global scientific community (IPCC)
- .....
- Transnational Terrorism (the dark side of civil societies ...)

Intergovernmentalisation – privatization - ... What is emerging here?

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Power Shift 7: Global Warming will produce power shifts and global instability

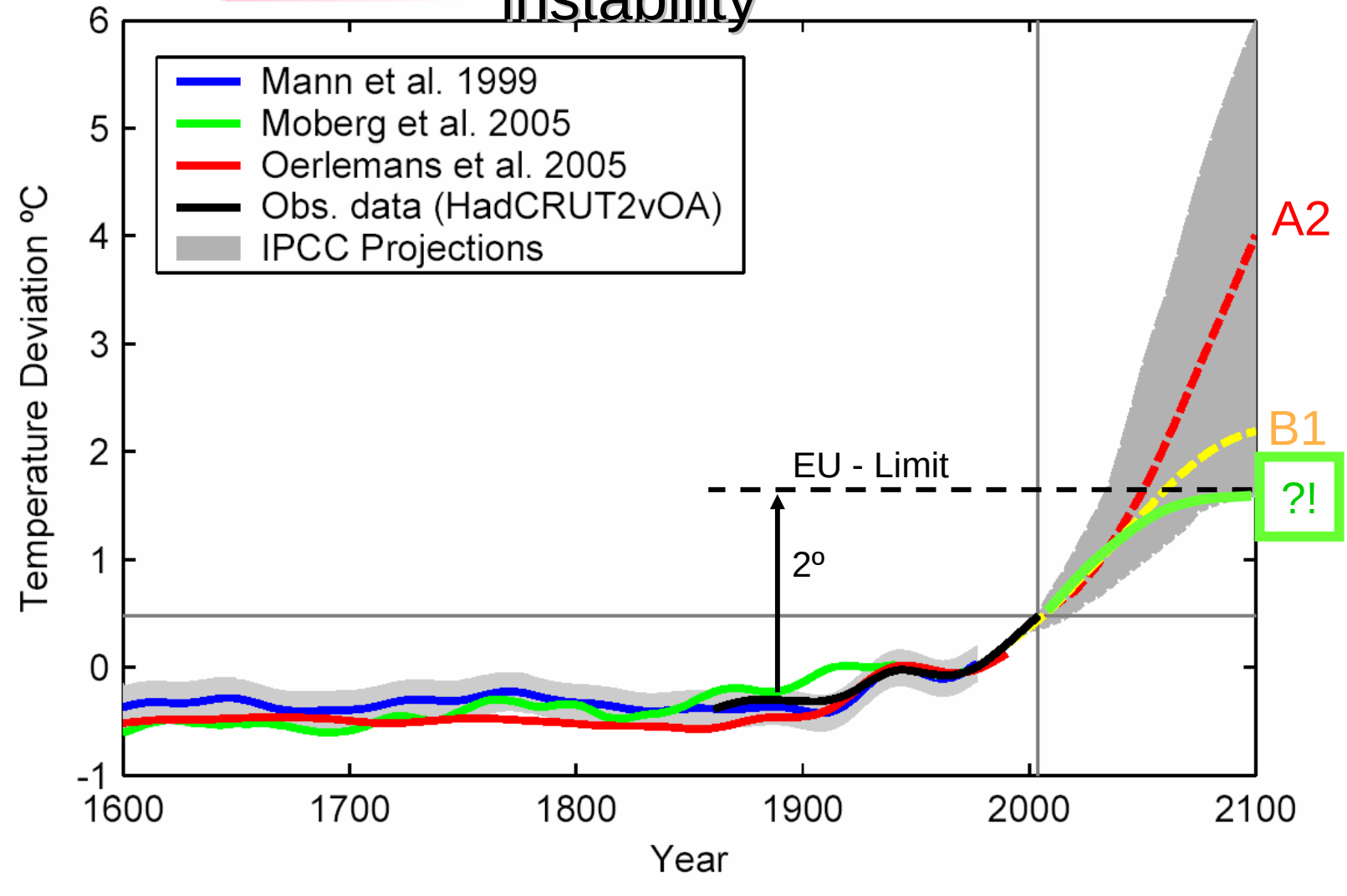

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Table 3.1 Highlights of possible climate impacts discussed in this chapter

Temp rise (°C)	Water	Food	Health	Land	Environment	Abrupt and Large-Scale Impacts
1°C	Small glaciers in the Andes disappear completely, threatening water supplies for 50 million people	Modest increases in cereal yields in temperate regions	At least 300,000 people each year die from climate-related diseases (predominantly diarrhoea, malaria, and malnutrition) Reduction in winter mortality in higher latitudes (Northern Europe, USA)	Permafrost thawing damages buildings and roads in parts of Canada and Russia	At least 10% of land species facing extinction (according to one estimate) 80% bleaching of coral reefs, including Great Barrier Reef	Atlantic Thermohaline Circulation starts to weaken
2°C	Potentially 20 - 30% decrease in water availability in some vulnerable regions, e.g. Southern Africa and Mediterranean	Sharp declines in crop yield in tropical regions (5 - 10% in Africa)	40 – 60 million more people exposed to malaria in Africa	Up to 10 million more people affected by coastal flooding each year	15 – 40% of species facing extinction (according to one estimate) High risk of extinction of Arctic species, including polar bear and caribou	Potential for Greenland ice sheet to begin melting irreversibly, accelerating sea level rise and committing world to an eventual 7 m sea level rise Rising risk of abrupt changes to atmospheric circulations, e.g. the monsoon Rising risk of collapse of West Antarctic Ice Sheet Rising risk of collapse of Atlantic Thermohaline Circulation
3°C	In Southern Europe, serious droughts occur once every 10 years 1 - 4 billion more people suffer water shortages, while 1 – 5 billion gain water, which may increase flood risk	150 - 550 additional millions at risk of hunger (if carbon fertilisation weak) Agricultural yields in higher latitudes likely to peak	1 – 3 million more people die from malnutrition (if carbon fertilisation weak)	1 – 170 million more people affected by coastal flooding each year	20 – 50% of species facing extinction (according to one estimate), including 25 – 60% mammals, 30 – 40% birds and 15 – 70% butterflies in South Africa Onset of Amazon forest collapse (some models only)	
4°C	Potentially 30 – 50% decrease in water availability in Southern Africa and Mediterranean	Agricultural yields decline by 15 – 35% in Africa, and entire regions out of production (e.g. parts of Australia)	Up to 80 million more people exposed to malaria in Africa	7 – 300 million more people affected by coastal flooding each year	Loss of around half Arctic tundra Around half of all the world's nature reserves cannot fulfill objectives	
5°C	Possible disappearance of large glaciers in Himalayas, affecting one-quarter of China's population and hundreds of millions in India	Continued increase in ocean acidity seriously disrupting marine ecosystems and possibly fish stocks		Sea level rise threatens small islands, low-lying coastal areas (Florida) and major world cities such as New York, London, and Tokyo		
More than 5°C	**The latest science suggests that the Earth's average temperature will rise by even more than 5 or 6°C if emissions continue to grow and positive feedbacks amplify the warming effect of greenhouse gases (e.g. release of carbon dioxide from soils or methane from permafrost). This level of global temperature rise would be equivalent to the amount of warming that occurred between the last age and today – and is likely to lead to major disruption and large-scale movement of population. Such "socially contingent" effects could be catastrophic, but are currently very hard to capture with current models as temperatures would be so far outside human experience.**					

Note: This table shows illustrative impacts at different degrees of warming. Some of the uncertainty is captured in the ranges shown, but there will be additional uncertainties about the exact size of impacts (more detail in Box 3.2). Temperatures represent increases relative to pre-industrial levels. At each temperature, the impacts are expressed for a 1°C band around the central temperature, e.g. 1°C represents the range 0.5 – 1.5°C etc. Numbers of people affected at different temperatures assume population and GDP scenarios for the 2080s from the Intergovernmental Panel on Climate Change (IPCC). Figures generally assume adaptation at the level of an individual or firm, but not economy-wide adaptations due to policy intervention (covered in Part V).

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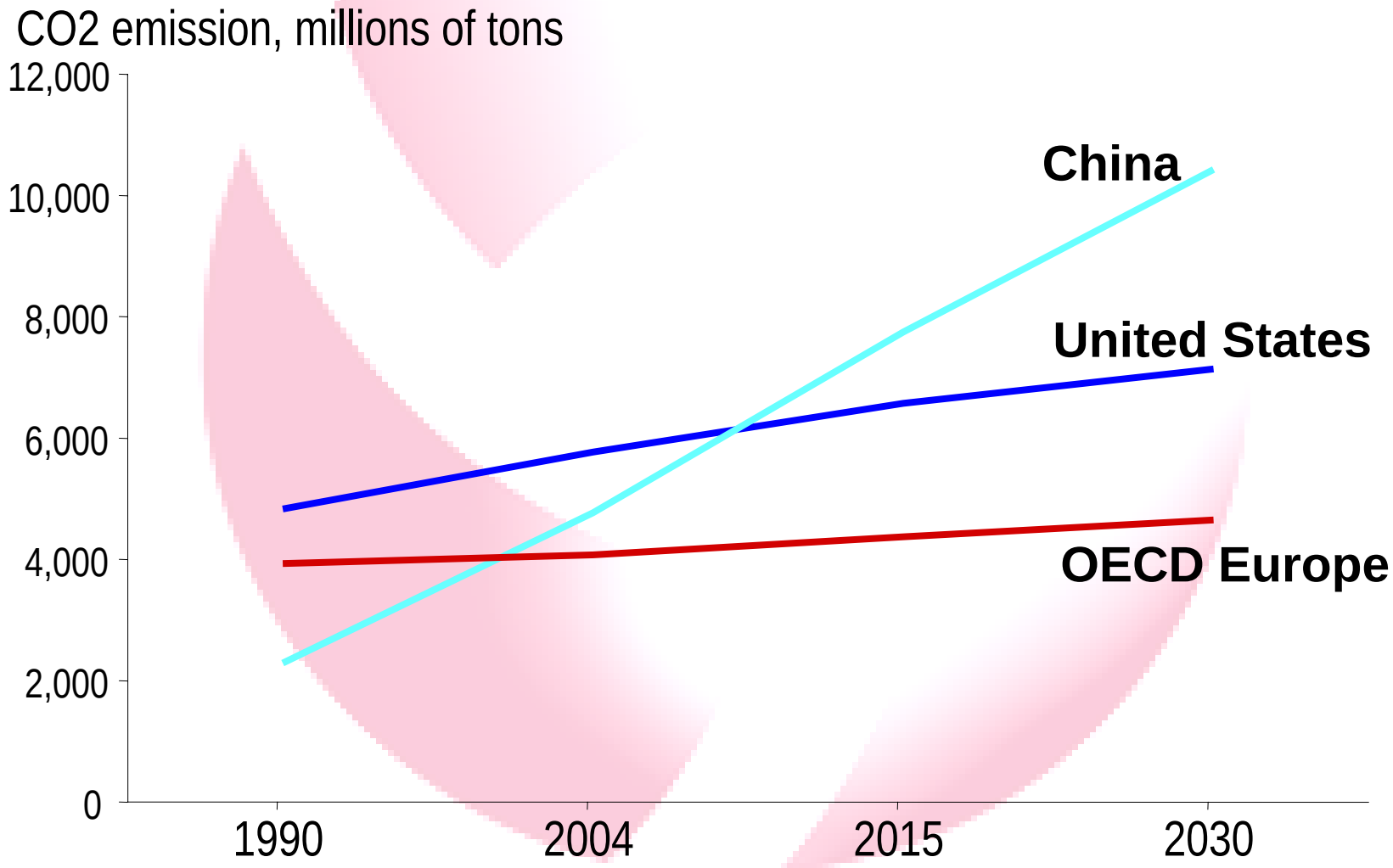
CO 2 emissons … main drivers



Source: World Energy Outlook, 2006, reference scenario.

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Climate Change: Impacts on global stability, security and the global governance architecture towards 2020/ 2030

- Dispersion, spread of fragile/ weak states
- Niklas Stern: destabilization of the global economy (damages of the two world wars 20 century – damage through climate change 21 century)
- Distributional conflicts: motors of climate change and „victims of global warming“ ... Who pays the bill?
- A new human rights debate: climate change undermines basic human rights ... OECD world (but also the AD) will suffer legitimacy crisis and lose soft power capacities
- How to manage transnational migration?
- Military power will not help to solve these problems ...

1) **... not compatible with preconditions for peaceful power transition**
2) **Most powerful nations loosing soft power and legitimacy**
3) **... Global governance system is not prepared ... and will be destabilized**

Power shifts in 2007 – 2030: Flux - contingency

Power Shifts

- China
- AD and Asia
- Anchor countries/ regions
- Relative decline of the OECD world
- European Union?
- Rise of private actors
- Climate change: most powerful actors destabilazing the world, damaging societies and economies globally

Impacts – what is the picture?

- Centralisation, diffusion, decentralisation of power
- Corridor: from the unipolar to a multipolar power constellation (fragmentation - complementarity –cooperation)
- a much more complex world order is emerging ... Strategies of the „old and new“ actors are in flux
- Several causes for tensions in the global system (power shifts, climate, ressources and energy, ...) ... Global interdependencies
- More inclusive global governance needed

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The redefinition of military power: dispersion – decentralisation – the strength of the weak

- Hard power: loosing (relatively) weight for the most powerful nations (Iraq)
- Internationally legitimized hard power is gaining importance (Iraq, Afgahanistan): UN, EU, AU others
- Nuclear weapons/ WMD: transforming less important nations in regional and global players (gaining attention)
- WMD in the hand of private actors/ terror networks: transforming individuals and small groups into global players, challenging the international community of states