

Interview with Frank S. Jannuzi, President and CEO, the Maureen and Mike Mansfield Foundation

I ssues & Challenges for Global Governance in 2016

By Japan SPOTLIGHT

As the G7 Summit in Ise-Shima in Japan in May 2016 approaches, now is a good moment to think about what issues and challenges the current global governance schemes are facing. In this interview *Japan SPOTLIGHT* has an excellent guide to give an overview of these issues and challenges in Frank Jannuzi, president and CEO of the Maureen and Mike Mansfield Foundation, an NGO promoting understanding and cooperation in US-Asia relations since 1983. He is a distinguished foreign policy expert in the United States. From 1997 to 2012, he was policy director of East Asian and Pacific Affairs for the US Senate Foreign Relations Committee, where he advised Committee Chairman Joe Biden and John Kerry on a range of security, political, economic, and human right issues.

Overall Assessment on Global Risks

JS: What is your overall assessment on global geopolitical and economic risks?

Jannuzi: Right now we hear political candidates in the United States talking about how the world is more dangerous and chaotic than ever. I think this is a gross exaggeration. Thankfully, the world is more peaceful today than it has been at any time during the 20th century, even with the terrible destruction of the war in Syria. I think this is because we forget about things like the Iran-Iraq War, which cost hundreds of thousands or even millions of lives; the North Korean famine, that took maybe a million lives; or the war between Burundi and Rwanda, whose ethnic and tribal violence claimed a couple of million lives. So my first message would be that the world is not in such bad shape overall. Globally good governance is increasing, not decreasing, especially in Africa, and civil wars and deaths from violence are decreasing.

So why do we have this feeling that the world is a more dangerous place, because I also share that emotion? I think the reason is that global systems are under stress. For instance, in Europe, EU and NATO solidarity are weaker today than they used to be. Or looking at Asia – during the Cold War there was a certain stability to the danger. We had the Soviet Union and the Western bloc, and the situation was



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very dangerous; you had the risk of nuclear annihilation. But at the same time it seemed more predictable and stable. In Asia today we face growing nationalism, multi-polarity, and a less stable regional order: the rise of China, the decline in the relative power of Japan, and the emergence of a North Korean nuclear threat that is unpredictable and dangerous.

So my overall assessment is that on the one hand, the world is more peaceful and prosperous, with less poverty, death and destruction; and yet, our perception is that world systems and global norms are under stress. I think both are true, and that is why I think it is very important for the US to work with partners to shore up and reinforce those global rules, norms and institutions, whether it is trading regimes like the WTO and Doha Round, or the World Bank and IMF, or the TPP, or norms against proliferation and for human rights.

JS: So current global governance schemes ought to be strengthened in the face of those risks?

Jannuzi: Yes, I think that their membership, their priorities, have not fully adapted to the new global economic realities. The reason that China created the Asian Infrastructure Investment Bank (AIIB) is not so much that they want to defy the global system, I think, but because they were not given a full seat at the table. In other words, the World Bank has usually been chaired by the US, the IMF by a European, and

the ADB perhaps by a Japanese; China wants a seat at the table. The global institutions have to adapt to the emerging economic powers and create space for them to participate in global governance.

JS: How should we strengthen those global norms and institutions? Perhaps we could take advantage of regional integration frameworks such as the East Asia Summit?

Jannuzi: There is a very smart Singaporean bureaucrat who talks about East Asian regionalism, to whom I was complaining that there were too many organizations: ARF, ASEAN, ASEAN+3, ASEAN+6, the East Asian Economic Community, and so on. And he said, no, Frank, you should welcome these regional and sub-regional organizations. Each one serves a slightly different purpose, and overall they create a fabric, a network of institutions that reinforce the global norms, and they do it in a way that does not cause nations to fear bullying by the superpower. One of the problems with trying to have *global* governance is: who has a seat at the table? Is it going to be a G2? G7? G8? G20? We always have some difficulty deciding. But if we focus on the regional level, then we can create a space where even the smaller countries can participate and have a voice. And together we reinforce global norms.

Role of US in Future Global Governance

JS: What do you think about the decreasing US presence in international politics and its role in the future of global governance?

Jannuzi: Let me challenge that a little bit. President Barack Obama has a leadership style that is somewhat unusual for an American president. Although I think he believes that American leadership is essential, he also believes very strongly that the US should not dominate, and should look to its friends and partners to shoulder their share of the burden of global leadership. I think he even believes that there are times where if the US takes one step back, it will create space necessary for other nations to step forward, and that if the US is always leading from the front then the outcomes will be less desirable. This is not a normal presidential view. I think it is fair to say even that Obama does not really believe in American exceptionalism; that he believes the US is also a nation that makes mistakes, and that has sometimes failed the international community by behaving badly. And this is something that most American leaders do not like to talk about, which is why Obama is often criticized by his political opponents as “apologizing” for America.

But just because Obama looks to Angela Merkel to lead the European response to the Syrian refugee crisis, or to President Park Geun-hye to lead on Korean North-South relations, I do not think this is the same as America retreating or withdrawing from the world. I think we are right there, but that under Obama we are often playing

the supporting role instead of the leading role. And I think this is part of Obama’s political philosophy. He is more humble about the American role, and more skeptical about the wisdom of having America always in front.

JS: What is your view on that as an approach to security? Many people are saying such a passive attitude may have allowed, for example, ISIS to take power in the political vacuum in the Middle East.

Jannuzi: I think it is a fair criticism. It is unrealistic to assume that someone else is going to step in to defeat ISIS; it probably requires American leadership and involvement. Having said that, many Americans believe that the situation in a country like Syria is a civil war, that the Syrians have to sort it out, and that it is not worth American blood to try to resolve it. Now I think Obama also believes that he inherited a situation he did not create in the Middle East, and has been trying very hard to limit America’s direct military engagement there, because it has been very costly. We have spent maybe 2 trillion dollars, and lost thousands of men and women, in the Middle East over the last 10 years; and if this is a global problem then where are the other nations of the world? Where are their soldiers or their money, and how many refugees are they taking?

So I agree with you that the US uniquely has the military capacity to intervene anywhere in the world, at any time, with decisive military force. But just because we have the ability, does it mean it is our responsibility? I think Obama looks at what is happening in Libya, and he says: well, that is a tragedy, but is it a tragedy that will be made better if America sends ground forces to Tripoli and Benghazi? Probably not. So I think he brings a very healthy skepticism to the use of combat forces, and I think this is partly because of the lessons that he has learned from the Iraq War.

JS: How do you think the outcome of the US presidential election will affect the geopolitical situation?

Jannuzi: When leaders change, it does not change national interests. So the biggest change would be in two things: style and priorities. But whether we have President Donald Trump, President Hillary Clinton, President Ted Cruz or President Bernie Sanders, the interests of the US will not change. The next president will still need and rely on friends and allies, more and more, because even though US power is huge, our relative share of power will be declining as other powers rise. We will still confront a violent Islamist terrorist threat that has to be dealt with through a combination of military power and attacking the root causes. We will still face a global economy that must remain open and integrated to remain prosperous. Just because Trump and Clinton have campaigned against the Trans-Pacific Partnership (TPP), for example, it does not mean that if either of them is president then the TPP agreement will fail; in fact, although it is dangerous to

predict, there may be a strong likelihood that the TPP would eventually be passed by either of them, though perhaps only after some face-saving side agreements.

On style, Clinton would probably be a bit more assertive in foreign policy. While Obama has taken this position of building consensus and even deferring to other countries in certain situations, I think Clinton is more in the style of Madeleine Albright, and considers the US to be the indispensable power. With Trump it is hard to know, because from one day to the next you might get something very different from him. But Trump and Clinton both would be constrained by the American political system: our presidents are not all-powerful, they are checked by Congress and by the courts, which are independent and co-equal branches of government. So our Japanese friends should not worry too much about some of the things that Trump has said about Japan getting a free ride, and so on. These campaign statements will be filtered through the bureaucracy and Congress before they become policy, and the US political system is very resilient.

Risk of North Korea

JS: Turning to East Asia, what is your assessment of the North Korean situation?

Jannuzi: To me the biggest threat is that the leader of North Korea is young, inexperienced, and has shown himself to be impulsive. That makes the situation less predictable, less stable, and more dangerous. They clearly want to have their nuclear weapons and also have their economic growth; so far they seem to be getting it, and the reason for that is China. The Chinese are against the North's nuclear weapons program, but have a fundamentally different attitude about how to bring that about. They have not cut off trade, investment, and technology and until they do there is no reason why North Korea will abandon its current path. Now China's frustration with North Korea is

growing. Clearly they see it as an unstable and dangerous neighbor. I am encouraged by the recent UN sanctions they agreed to. But I do not think China will ever go along with sanctions that are so severe as to threaten the existence of the North Korean state, which China does not want to see evaporate. So the challenge for the US, Japan and South Korea, is to find a way to work with China to change either the policies or the leadership of North Korea. And unfortunately our ability to do that is quite limited.

I am more pessimistic now about North Korea than at any time during 25 years in government. I think the only way to really accomplish denuclearization would be through unification, and that is a long-term goal. The problem is that the policies we support to punish them for their bad behavior – sanctions, isolation, pressure – are not necessarily the best policies to promote peaceful unification. You and I are old enough to remember the fall of the Berlin Wall and the collapse of the Soviet Union: how did that happen? Well, it was a combination of deterrence *and* the Helsinki process of engagement, so that the people of the former Soviet Union gained knowledge about the outside world and encouraged their own governments to change course. Isolation is something that might further prolong the North Korean state, whereas integration, dialogue, contact, trade, commerce, broadcasting and cultural visits might, over time, undermine it. This is a dilemma for us.

So I think we need a balanced approach. On the one hand, we should do everything we can to restrict their nuclear progress. But on the other hand, we have to find a way to bring our soft power into the equation, and promote peaceful changes in the North Korean state. President John F. Kennedy said that we should never negotiate out of fear, but should also never fear to negotiate. Even though North Korea will not negotiate away their nuclear weapons, I do think it is possible to negotiate a freeze – no more production of fissile material, or nuclear testing, or export of nuclear material – as a first step. That would stabilize the situation, and then we might be able to bring our soft power to work over the long term.

Risk of China

JS: China will be a key country on this and any other issue. What is your view of the economic and geopolitical risks involving China?

Jannuzi: My first trip to China was in 1984, as a foreign student at the Beijing Foreign Languages Institute, and I have been going back almost every year since, maybe 30 or 40 trips overall. And for a long time my view of China was kind of the mainstream view, which was that we wanted China to succeed. Reform and opening up was very important for the West as well as for the Chinese people. And for most of the last 30 years, China has been growing more prosperous, integrating with the world, and improving its adherence to the rules. The WTO, the Nuclear Suppliers Group, the Missile Technology Control Regime – step by step, China has joined the international



system. But now that China has become a large, prosperous nation, it wants to amend or change some of the rules and have a bigger voice in the rule-making. This is very natural, but for the US, Japan and the Europeans, it is also very difficult.

I think China today faces six very significant challenges. One is the environment: it is terrible. The second is energy security: their heavy reliance on coal and imported oil, which is further bad news for the environment and climate change. The third challenge is demographic: they are getting older, like Japan and South Korea, and this is a huge problem for them because they do not have a good enough social security system. In the past you had two parents supported by many children; now because of the One-Child Policy you have two parents supported by one child. They marry someone else, and now they have four parents supported by only two people. Soon they will have about 350 million retired people who have to be cared for.

The fourth problem is the growing income inequality: in America our richest state is twice as prosperous as our poorest state per household, but in China the factor is about 10 to one, and it causes social and political instability. The fifth problem is ethnic unrest: even though China is 90% Han Chinese, the remaining 10% of China, which is about 130 million people, are minorities: Uyghurs, Tibetans and others. They are discriminated against, and some, especially the Uyghurs in the northwest, are very angry and even militant in their opposition to the Chinese government. And the sixth challenge is corruption: it is endemic in the Communist Party, and cannot be rooted out without fundamental reforms on freedom of the press and judicial independence, which the Party has shown no willingness to allow.

Even a couple of years ago, people were worried about China overtaking the US in economic or military power. I think that is unlikely, and that China is in for a tough time. I would echo something Gerry Curtis said yesterday here at International House: that if he had to choose between a strong China and a weak China, he would choose a strong China. A strong China will be more self-confident, less likely to threaten its neighbors, and more committed to the global system; a weak China might lash out in anger to distract people from domestic troubles, or drag down the global economy, even send millions of migrants out to neighboring countries like we saw during the Taiping Rebellion when a huge Chinese diaspora fled violence and instability at home.

JS: Would it be a good idea to take advantage of international fora, such as APEC, to get China more accustomed to international rule-making systems?

Jannuzi: I think it is a good idea in general that China should be exposed to international norms, though sometimes we have to be tough – to show them that their bad behavior will be challenged. I think China cares about its international reputation, so if we can show the Chinese that their behavior is condemned not only by the US or Japan but also by other countries, that will have some impact

on their thinking and behavior. But it is a difficult situation; nationalism and pride are powerful sorts of emotions. The China I visited in 1984 was a very humble China. The Chinese I talked to would say, “Oh we are so *backward*.” Well they do not say that anymore; the Chinese today are very confident, and sometimes I would even say arrogant. The young Chinese who have grown up as the only child, they call them the “little princes” because they never have to share their toys. No brother, no sister, four grandparents for one child; and they have grown up after the Cultural Revolution, so they have never known poverty, or political instability, and every year is better than the year before with 10% growth. This creates a kind of a mentality that makes China hard to deal with, but I think that is going to change with the possibility of economic decline coming; they are going to have to reflect.

How to Deal with Nationalistic Populism

JS: What do you think about international governance fora as a means of pressure against nationalistic populism?

Jannuzi: I like this idea. China has tried to be a “joiner”: it wants to be a member of the club. So if you have rules for club membership and stick to them, and welcome China to join on those terms, that kind of peer pressure can be very effective in helping to shape China’s behavior. However, there’s something going on in China with the kind of criticism of its leaders you see on the Chinese Internet. Many Chinese think their leaders are not tough enough, and should stand up even more to Western pressure. You hear this all the time in China. So I think Xi Jinping on the one hand wants to be a member of the club, but he also knows when he looks over his shoulder that there are millions of people who want him to be a strong leader, to show the world that China is *back*. For China to *stand up* was one of the mottos of 1949, but now it is standing up again with leadership on global economic output, trade and investment, and is building a modern military capacity.

So I think we are going to have to be realistic about the influence we can have over China’s leadership through this kind of peer pressure. It is useful, and we should do it, but we also need to reach the Chinese people, not just the leadership: we need more student exchanges and people-to-people diplomacy. Because I think the ordinary people are actually more nationalistic than the leadership: if China was a true democracy, we would probably get a Chinese government that was more assertive than the current leadership, which is perhaps a little scary. I think the leadership is riding the tiger, so to say, rather than driving it. We need to show the ordinary Chinese, the *lǎobāixing*, that the world is not against them; that we want them to succeed, and are not trying to contain them. **JS**

Written with the cooperation of Chaobang Ai, a Tokyo-based editor and blogger.