

THE QUEST FOR GLOBAL GOOD GOVERNANCE

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Mr.Chairman, Ladies and Gentlemen,

I must begin by thanking the Gamani Corea Foundation for inviting me to deliver the Memorial Oration this year. I welcome this more as a reunion of Gamani's friends and admirers rather than as an opportunity to inflict my views on a captive audience! I have had many occasions in the recent past to pay tribute to the memory of Dr.Gamani Corea—a legend as an economic planner, a towering intellectual and a great Sri Lankan. And so I will be brief in talking about Gamani as a person in the prelude to the main part of my talk today.

Listening to Dr.Gamani Corea as a guest speaker when I was a student in Peradeniya was a joy. His sparkling eloquence illuminated the prevailing economic policies of our country and the global economic situation. Later, as a neophyte diplomat in London on protocol duty, the conversations with one of our premier exponents of economic diplomacy on the many journeys to and from Heathrow airport was an enriching experience for me.

One conversation recounted Gamani's meeting with Che Guevara at UNCTAD I, in Geneva in 1964, and involved a description of the fascinating charisma of that revolutionary icon whose portrait continues to be displayed on many of Colombo's three-wheeler taxis.

Still later, as Ambassador and Permanent Representative of Sri Lanka to the UN Office in Geneva, I basked in the reflected glory of Gamani's stellar performance as Secretary-General of UNCTAD until, at the behest of the US Reagan Administration, his nine-year tenure was not extended. Gamani would revisit Geneva often while I was still there as head of the UN Institute for Disarmament Research. Our conversations in my Quai de Seujet apartment and at his home in Horton Lodge in Colombo cemented our friendship and enhanced my admiration of a man who had contributed so much to Sri Lanka and the international community.

Among his many skills, Gamani was a keen photographer who delighted in showing me his pictures of the many "Interdit" or "Don't" signs in the urbane but firmly regimented Geneva where we both lived for many years. But not even he could provide us with a snapshot of the complex world of today more inter-connected and inter-dependent than ever before.

My academic training and professional experience was somewhat outside Gamani's discipline of Economics. So today I will focus instead on a subject close to both our hearts. We shared a common awareness and appreciation of the framework of global governance within which political, economic and now, environmental norms and strategies must be considered and implemented amid prevailing international trends. Gamani helped to influence that framework in his lifetime and in our current period of rapid change it is useful to pause and take stock.

This evening, therefore, I want to draw upon some of the themes I have recently been addressing in my writing and public speaking, in an effort to identify the enormous challenges that confront us all. In Sri Lanka we are all so immersed in our experiment

in good governance that we fail to see the quest for good global governance of which we are an inescapable part. Global governance and national governance are, after all, interdependent.

The Post Cold War Global Situation

The bipolar Cold War contest between capitalism and communism appears in hindsight to be, frightening as it was, far more simple than the conflicts and tensions of the modern multipolar world. It was a struggle between two clearly identifiable ideological alternatives entrenched in two nuclear weapon armed military alliances wedded to a Mutual Assured Destruction (MAD) doctrine. In this contest successive Governments of Sri Lanka wisely chose non-alignment as our foreign policy.

Today the situation is not as clear-cut. A global revival of nationalism—especially economic nationalism—laced with a complex mix of populism, anti-immigration policies and extremism of various forms transcends national boundaries together with rampant consumerism encouraged by globalization. We are being reminded that the nation state which emerged with the 1648 Peace of Westphalia in Europe, and which we thought was being subsumed within regional organizations and a growing culture of multilateralism, remains the building block of international relations. We are seeing with widely disparate events like Brexit in the UK and the emergence of Trumpism in the USA, Le Pen in France, Orbán in Hungary, of Duterte in the Philippines—a backlash to globalization and the 2008 Wall Street induced global economic crisis.

Meanwhile, the ‘underclass’ is protesting their exclusion, as the unemployed and the dropouts of societies—who lack the capacity to participate in the global feast of the good things of life advertised so gaudily by the mass media—are claiming their space. The unethical and unsustainable contradictions of opening borders to goods and services while closing them to people come into sharper relief. This is causing a loss of faith in democracy leading to the “illiberal democracy” now being preached in Hungary, Poland and other parts of Eastern Europe as a likely prelude to fascism. Fear of the refugee and migrant influx from Syria and other countries in 2015 brought about immigration controls despite a clear demographic need for an increased work force in European countries. Traditional reservoirs for left wing support are moving right out of fear and a need for security and jobs.

Demagoguery flourishes in this political climate. The over promise of liberalism and the losers in the globalization process have led to a mood of disenchantment and mistrust. The impact of this in Asia has not yet been as pronounced as in Europe, the USA and Latin America. Yet we are seeing terrorism, fuelled by religious extremism, spilling over national boundaries. Its impact on international relations is widespread. Climate change also hangs over us all and even the fulfillment of the 2015 Paris Agreement and the recent Kigali Amendment will still not be sufficient to avert adverse consequences. Estimates of refugees from climate change could engulf Asia and Latin America as well. The faith in regional organizations and trade pacts is also weakening.

At the same time there are indications of a new Cold War between the USA and the Russian Federation arising from containment policies of the USA, the expansion of NATO and from Russia’s annexation of the Crimea and its policies on Ukraine and Syria. With the USA’s pivot to Asia in recognition of China’s rising power and the territorial disputes in the South and East China seas, a new Cold War between USA

and China remains incipient. Proxy wars—a hallmark of the old Cold War—have reappeared in Yemen, Syria and other places especially as the Big Powers decline to have boots on the ground except as “special forces” or “advisers”. Intra-state wars also continue with a heavy toll of human life. In such a climate, it is small wonder that as we observed in 2014 the centenary of the beginning of World War I, many commentators saw parallels between the global situation of 1914 and 2014.

The organizers of today’s event wanted the text of my talk two weeks ago for printing. As I speak today, it is only two days since the sole surviving super power elected a new President who takes office in January 2017 with the results being announced barely 24 hours ago. I will not rush to speculate on what policies will be pursued thereafter except to say that whether we like it or not and irrespective of the fact that Hillary Clinton won the popular vote, we have to respect the verdict of the US Electoral College an arcane construct from the 18th century that Donald Trump is President –elect. His domestic policy is certain to be conservative especially with Supreme Court judges being appointed during his tenure of office. His foreign policy however, isolationist as it may be, could surprise us all, in the same way that Nixon did, with its pragmatism improving relations with Russia with agreements on nuclear disarmament and with China despite the risk of trade wars.

Drawing upon his own scholarly and diplomatic experience, Dr. Henry Kissinger’s latest book on World Order has provided us with a historical analysis of a quest for a rule-based global order. His special focus was the European Congress of Vienna after the Napoleonic Wars. That quest has now to be undertaken in a world where, in his words,

Chaos threatens side by side with unprecedented interdependence; in the spread of weapons of mass destruction, the disintegration of states, the impact of environmental depredations, the persistence of genocidal practices and the spread of new technologies threatening to drive conflict beyond human control or comprehension.

Thus in this Kissingerian vision of our world today, a rule-based world order seems even more remote, especially considering the diversity of emerging players and problems with no apparent centre of gravity.

The Multilateral System, Disarmament and Development

It seems hard to believe that 27 years have passed since the Berlin Wall fell, symbolizing the end of the Cold War. Yet here we are, approaching in 2020 the 75th anniversary year of the United Nations with a new Secretary-General unanimously elected for his professional track record, integrity and dedication to the ideals of the Charter—a pleasant surprise in the context of prevailing US-Russian tensions. I will not venture into the area of UN reform since every new Secretary-General spends his first year on reviewing the UN system and making recommendations for reform. Nor will I address the issue of revisiting the Brettons Woods institutions which must be left to more competent experts.

The UN itself lies at the interface between idealism and realpolitik where the structural tilt in favour of the five veto-equipped permanent members of the Security Council supports their interests and those of their allies. However the 17 Sustainable

Development Goals provide a credible framework for economic and social development for the world over the next fifteen years.

In his valedictory 2016 Annual Report on the Work of the Organization of the UN, here is how Secretary-General Ban Ki-moon described the state of our world today and the UN as a multilateral institution:

This rising level of demand upon the United Nations is in keeping with the dramatically changing global landscape and the growing number of challenges that no country can confront alone. It reminds us anew of the enduring value of the United Nations as a forum for problem-solving and a tool for burden-sharing. This was a decade of tectonic turbulence and exponential change. Globalization ushered in many opportunities for prosperity and for a sense of shared global community and humanity. But with greater opportunity emerged greater risk and unforeseen challenges. Just as goods and people moved seamlessly across borders, so too did diseases, weapons and extremist propaganda. Events in one part of the world reverberated all over the globe. The decade was marked by a series of crises with global repercussions, from the financial, food and fuel crises to the wave of unrest in the Middle East and North Africa. These setbacks diverted resources away from development towards crisis response and magnified fear and anxiety in many quarters.

His somber words speak volumes about both the indispensability and limitations of multilateralism—the chosen post-World War II tool for global problems, with the United Nations vested with the task of maintaining international peace and security. The Cold War obstructed the full realization of that historic mandate. Even thereafter, despite the US being the sole super-power making the biggest investment in its military security (\$ 596 billion or 36% out of a total global military expenditure in 2015) it is unable to enforce world order.

The Stockholm International Peace Research Institute's (SIPRI) current Yearbook has rendered the following verdict on the year behind us:

From a wider perspective, the totals of 60 million refugees and displaced people and a further 10 million stateless people were the highest such figures since the foundation of the United Nations High Commissioner for Refugees (UNHCR) in 1950. At the same time, tensions between North Atlantic Treaty Organization (NATO) member states and Russia increased in the face of continuing disputes over Ukraine and policy differences over Syria. From all this and more, it was not difficult to characterize 2015 as one of the darkest years for international stability and human security since the end of the cold war in 1991.

In such a climate, one can only wonder why some countries continue to invest heavily in weapons of war, including nuclear weapons, which have no value whatsoever in combating global problems, while actually making them worse. It is, after all, more likely that in a skewed world of nuclear “haves” and “have-nots”, we are going to have increasing proliferation of weapons, including nuclear weapons by terrorist non-state actors. Scientific evidence is proof that even a limited nuclear war, say in South Asia—if those confines are at all possible—will cause irreversible climate change and

destruction of human life and its supporting ecology on an unprecedented scale. We the people have a “Responsibility to Protect” (R2P) the world from nuclear weapons by outlawing them through a verifiable Nuclear Weapon Convention overriding all other self-proclaimed “R 2 P” applications.

I have noted elsewhere that an international conspiracy of silence on the part of mainstream economists hides the essential symbiotic link between disarmament and development. NATO countries especially resist military expenditure being discussed in economic forums. As an exception, two Western-based NGOs—ICAN and PAX—have painstakingly researched the money behind nuclear weapons and have revealed in their recent “Don't Bank on the Bomb” report that since 2012, 382 different banks, insurance companies and pension funds have invested an estimated US \$493 billion in the nuclear weapon industry. The nuclear-armed nations spend a combined total of more than USD 100 billion on their nuclear forces every year. Since the publication of the results of these research findings, some companies have been compelled to withdraw their investments. The anti-apartheid divestment campaign in South Africa contributed to the dismantling of apartheid and one can only hope the anti-nuclear weapon movement will be equally successful. The International Campaign for the Abolition of Nuclear Weapons (ICAN) has examined these expenditures and reached the following conclusion about the huge opportunity costs involved:

The production, maintenance and modernization of nuclear forces diverts vast public resources away from health care, education, climate change migration, disaster relief, development assistance and other vital services. Globally, annual expenditure on nuclear weapons is estimated at USD 105 billion—or USD 12 million an hour.

It is relevant to recall that the 1996 Advisory Opinion of the International Court of Justice, to which another distinguished Sri Lankan Judge Christopher Weeramantry made a significant contribution, stated unanimously that, and I quote –

There exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control.

While US/Russian relations have continued to deteriorate, this is not to say there has been no progress whatsoever in addressing nuclear weapons threats. We have witnessed the successful negotiations between Iran and the “P5 plus one” and the conclusion of the Joint Comprehensive Programme of Action (JCPOA). A deal to curtail the Iranian nuclear programme in return for a lifting of economic sanctions is a significant foreign policy achievement for President Obama, allowing him to follow up the welcome rapprochement with Cuba with a reconciliation with Iran winning Iranian co-operation in the solution of many of the problems in the Middle East. What is still missing however, are the legally required negotiations on nuclear disarmament.

Decline of Democracy and the Rise of Populism

This brings me back to the theme of democracy, which has the potential to contribute significantly in meeting great international challenges. Sir Winston Churchill said it most famously in a House of Commons speech two years after his historic electoral defeat in 1945, “Democracy is the worst form of government, except for all those

other forms that have been tried from time to time." Sir Winston, who led Britain in World War II in its triumph over the fascist dictatorships of Germany and Italy, was referring here to the well-known weakness of democracy in the efficient delivery of goods and services to the people. However supporters of democracy consistently affirmed that the basic freedoms and fundamental rights of that system more than compensated for this deficiency.

The late Samuel Huntington, the Harvard political scientist better known for his "clash of civilizations" hypothesis, saw three waves of democracy—first a surge in the early 19th century till about 1922 when fascism emerged; next, the period after World War II (to which the emergence of a democracy in Sri Lanka can be traced); and finally, the much celebrated third wave after 1974, and especially after the Cold War ended, with more countries becoming democracies. Some talk, unconvincingly, of a fourth wave with the Arab Spring (which turned into a winter of discontent in most places) and developments in Myanmar.

Several decades after Churchill, Francis Fukuyama reached his controversial conclusion about the end of the Cold War. "What we may be witnessing," he wrote, "is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government."

Today we see a very different global landscape from that which Fukuyama had predicted. Fukuyama later suggested that good governance and democracy are not synonymous. For a political scientist who saw liberal democracy and free market capitalism as the final phase of the evolution of human society, this is a major act of apostasy. Writing in the March 2013 issue of the journal "Governance", Fukuyama focused on the need to measure good governance as the ability of governments to make and enforce rules, and deliver services irrespective of whether a country is democratic or not. So we are back to the old argument that if the trains run on time and the people are provided with the essential services then indeed all will be well.

This argument that democracy is neither a necessary nor a sufficient condition for good governance is supported by that high priest of the Singapore "model" Kishore Mahbubani in the discussion of Fukuyama's article in the columns of the journal "Governance". Interestingly a Chinese scholar from Tsinghua University makes the point that even where low quality governance exists in democratic countries and high quality governance exists in "non-democratic" countries, trying to measure governance has not been easy.

The common definition of good governance—a term that originally emerged in the literature on economic development—is the enlargement of the choices before the people and providing efficient delivery of public services meeting their political and economic needs. Good governance must be sustainable and only accountability, transparency and predictability can ensure this.

It is perhaps true that the dynamism and unpredictability of democracy make it vulnerable to periodic or recurring crises. Yet ultimately, democratic institutions—including the independent Commissions—are what guarantees good governance. This is very relevant to our own brand of good governance or "Yahapalanaya" in Sri Lanka. Good governance is not possible without democracy. Lack of accountability

ultimately renders it unsustainable. But bad governance will destroy democracy very quickly. Inequality, corruption and poor public services erode legitimacy.

Before January 8, 2015 Sri Lanka showed trends towards authoritarianism and populism around a leader who had undoubtedly brought relief to a nation by ending a brutalizing 30-year conflict. The parallels to populism in Sri Lanka are there in places as varied as Europe, Latin America and Africa and at different periods of history. It has typically arisen when socio-economic conditions are stressful and emerged around charismatic leaders. But it has also been anti-pluralist. Populism offers simplistic solutions to complex problems. It is based on an antagonistic relationship between “we” and “they”, which sometimes translates into “we the genuine patriots” and “they the foreign funded agents of imperialism”. Political scientists do not regard populism as an ideology but see it as a strategy. Peron in Argentina was the archetypical populist leader.

Populism, being inherently anti-institutional, challenges the institutional safeguards of democracy beginning with the Constitution itself, which has to be amended if it cannot be flouted. It seeks, cleverly, to conflate authoritarianism with leadership while ensuring the ascendancy of the individual at the expense of the Institution. The separation of powers, so fundamental to any democratic system, is blurred if not eliminated as the Executive emerges to be the dominant branch of government on the basis of being the elected representatives of the people who are indisputably sovereign. Similarly, parochial political interests of the party in power are articulated and projected as the national interest without attempting consensual approaches through compromise.

Thus the independence of the judiciary; human rights safeguards; a free media; and independent Commissioner of Elections; civilian control of the military and other well-known features of the modern liberal democratic state must give way. Bureaucracy is partly to blame for not ensuring that initiatives are encouraged from the people, especially women and youth, rather than from the leaders. The staff of public institutions and independent commissions have a special responsibility to observe the rule of law by upholding the Constitution and rejecting illegal orders.

The defence of democracy in the face of populism depends ultimately on public vigilance. Political parties must also play a crucial role in educating public opinion against the undermining of democratic space. A similar role can be exercised by non-governmental organizations, university teachers, professional leaders, the clergy of all religions, women’s organizations and other traditional leaders of society. Social media which has recently empowered the youth has a vital constructive role. The challenges to democracy arise from new sources and not always from the more conventional coups d’état, revolutions, terrorist attacks and other extra-parliamentary sources. Democracy contains the seeds of its own destruction although, at the same time, it is a system capable of renewing itself. Over eight decades after 1933, it is important to recall that Hitler’s assumption of power in Germany was achieved through democratic elections.

We are caught in a cusp of change. Our institutions—whether democratic or otherwise—are incapable of capturing the new currents of opinion and new voices, especially the voices of the youth, released by digital technology. Political parties misread signals; do not anticipate grassroots resentments; and are trapped in codes of

political correctness, originally instituted to maintain a floor for free discourse but which is now increasingly viewed as hypocrisy and dissimulation. In many developing countries, a new middle class uncertain of identity, and a new media that seeks to entertain as much as to comment, finds ballast and profit in hyper-patriotism and populist enthusiasms. There is little patience for critical debate or alternative thinking. The real guarantors of good governance are a shared prosperity, public education and accountability under law. Equitable service delivery is a key element in a rapidly urbanising and articulate world.

Franklin Roosevelt had it right when he said, “Democracy cannot succeed unless those who express their choice are prepared to choose wisely. The real safeguard of democracy, therefore, is education”. Populism, ultimately, is counterfeit democracy.

The Fourth Industrial Revolution

Let me now address another factor that is changing the entire global scene and making us more of a global village—namely, the rapid pace of technological change. Gamani Corea was an avid follower of modern technology. When I arrived in Geneva in 1984 as a computer illiterate, he was already one of the few using a computer with child-like enthusiasm visiting his local shop to inquire into the latest models that were on the market. He was certainly well ahead of his time. Almost a year ago Dr. Klaus Schwab, of the World Economic Forum which organizes the annual Davos meetings, published an article in *Foreign Affairs* on “The Fourth Industrial Revolution”, which was later expanded into a book. Defining the various stages, Schwab wrote—

The First Industrial Revolution used water and steam power to mechanize production. The Second used electric power to create mass production. The Third used electronics and information technology to automate production. Now a Fourth Industrial Revolution is building on the Third, the digital revolution that has been occurring since the middle of the last century. It is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.

Schwab went on to say, again in his words—

There are three reasons why today’s transformations represent not merely a prolongation of the Third Industrial Revolution but rather the arrival of a Fourth and distinct one: velocity, scope, and systems impact. The speed of current breakthroughs has no historical precedent. When compared with previous industrial revolutions, the Fourth is evolving at an exponential rather than a linear pace. Moreover, it is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance.

As Schwab makes clear, the Fourth Industrial Revolution, which is already upon us, is multi-disciplinary and encompasses many professions in society. It manifests itself in artificial intelligence, robotics, drone technology, self-driven vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing. The likely impact on labour and in creating greater inequality is of concern as the societal cost especially for countries like Sri Lanka will be

considerable. In military terms, the development of Lethal Autonomous Weapon Systems (LAWS) or “Killer Robots” with no meaningful human control poses problems for International Humanitarian Law on how future wars will be fought. Globally therefore, this exponential technological leap has fundamental social, ethical and economic implications with which we have to come to terms collectively.

Conclusion

Before I conclude, let me refer to another issue raised by commentators on contemporary international affairs and that is the so-called “Thucydides Trap”. In an article in *The Atlantic* in September 2015, Professor Graham Allison of Harvard’s Belfer Centre wrote:

The defining question about global order for this generation is whether China and the United States can escape Thucydides’s Trap. The Greek historian’s metaphor reminds us of the attendant dangers when a rising power rivals a ruling power—as Athens challenged Sparta in ancient Greece, or as Germany did Britain a century ago. Most such contests have ended badly, often for both nations, a team of mine at the Harvard Belfer Center for Science and International Affairs has concluded after analyzing the historical record. In 12 of 16 cases over the past 500 years, the result was war. When the parties avoided war, it required huge, painful adjustments in attitudes and actions on the part not just of the challenger but also the challenged.

Will the USA, the existing super power, and China the rising one, avoid war and make the necessary mutual adjustments in their postures? Sri Lanka has close relations with both and this bilateral relationship is crucial for our own national security as is the India-China relationship.

I cannot under any circumstance accept that war is inevitable while the opportunities for diplomatic negotiations exist. While international affairs experts and diplomats debate the issue, one fundamental aspect that stands out from the 16 cases referred to, is that nuclear weapons, with the single exception of the Cold War, were never a part of the cited historical relationships before. We cannot therefore contemplate falling into the “Thucydides Trap” by design or accident when the contending powers are armed with weapons of mass destruction and when non-state terrorist actors seek these weapons for themselves. Solutions based on international law and negotiated through patient diplomacy, and not war, aggressive containment policies or uncompromising irredentism, are surely the lesson of history to be adopted in this nuclear age.

It is quite possible that 2017 will in fact be an auspicious year. The world will have a new U.S. President—for better or worse. There will be a new UN Secretary-General. And the EU will, hopefully, have adjusted to the exit of the UK.

Ladies & Gentlemen,

I have tried to weave the many strands of the political, economic, environmental and other developments in the international arena together to illustrate the complexity of the world scene today. Amidst this welter of problems the pathway for a small

developing country like Sri Lanka is not easy to chart. Perhaps a redesigned and reinvented non-aligned foreign policy embedded in our history, culture and national interests but adapted to suit the changed global situation is the need of the hour. There is no GPS for us except the good judgment of our democratically elected leaders who will not conflate national interest with self-interest. Let us hope they bend the arc of history towards peace and prosperity for our nation.

Thank you for your patient attention.