

## The Shifting Sands of the World Order



**By the Right Honorable Sir John Major KG CH**

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## Foreword

*This Scowcroft Paper was written as a presentation, and read by Sir John Major on Friday November 22, 2019, at the Bush School of Government and Public Service on behalf of the Scowcroft Institute of International Affairs. Sir John Major served as Prime Minister of the United Kingdom from 1990 through 1997. Prior to that, he served as Chancellor of the Exchequer and Foreign Secretary. He was the Member of Parliament for Huntingdonshire from 1979 until his retirement from politics in 2001. He is currently one of the Presidents of Chatham House, and serves as chairman for a number of Advisory Boards.*

It's always a pleasure for me to come to America. My father was brought up in Philadelphia in the 1880s, when my grandfather was helping to build the Carnegie Steel Works. It's an especial pleasure to be here at Texas A&M, and I'm most grateful to the University, the Bush School of Government, and the Scowcroft Institute, for their kind invitation.

It was easy to accept, for George and Barbara Bush – so much a part of this University in life and beyond – were much treasured friends of mine for the last 30 years of their lives: and so, still, is General Scowcroft. And, of all the politicians I know, George – with his innate decency and civility – was the leader who looked into the future with the shrewdest eye, and the greatest concern for those who would follow him. George Bush was an internationalist – a true citizen of the world – but he would, I believe, be concerned at what he would see today. As am I.

And so, in homage to George, here in his final place of rest, I'd like to set out those concerns – before inviting your questions. For years, our life has been bound by our liberal-based international order, which was

built on the agreement of the UN Charter at the San Francisco Opera House in the mid-1940s. The overall purpose was to establish rules-based organisations to monitor and channel international behaviour after the chaos of a World War. It was led by America, and was visionary. But many of those organisations have now lost – or are losing – the authority that once they had. They are seen as out of date, and in need of reform. Some are also facing attack from populism and growing nationalism.

Certainly, the United Nations is out of date. It has five Permanent Members of the Security Council, each of which has a Single Nation State veto on policy. These Members – America, Russia, China, France and Britain – may have been the dominant nations of the world in 1945 but – 74 years on – it is unrealistic to argue that is still so. Nations such as Japan, Germany and India are growing powers that believe they should also be Permanent Members. And they have a strong case. And where – as our world evolves – is the representation of Africa or the Middle East? So far, that too is missing.

Yet, if the UN is to perform its function –

and, in particular, “to save succeeding generations from the scourge of war” (and one look at Syria or Yemen shows how vital this is) – then it needs the authority to act, which cannot be ensured without a legitimate structure in place that is acceptable to all members. A welcome advance would be to enlarge the number of Permanent Members, and abolish the Single Nation veto that can so often make the UN seem irrelevant. Russia, for example, creates mischief in Eastern Europe and the Middle East, yet can veto any UN policy designed to rein her in. That is in no-one’s interest but Russia’s. Sadly, none of the Permanent Five is arguing for a reform that would limit its own influence and, unless such reform is demanded by, ideally, America – or another Member of the Permanent Five – I cannot see it happening. But, for the sake of good world order, it should be.

The World Trade Organisation was only established in 1995, yet already faces impotence as a number of Member States undermine it – including America and China. America was always wary of the concept of a trade body. In the 1940s, attempts to form an international trade organisation failed, being beaten back by opposition from Congress. Today, President Trump refuses to approve the appointment of Judges to serve on the Dispute Resolution Panel as their predecessors become statute barred, and yet that Appellate Body is the cornerstone of the dispute resolution system. By December, only one Judge will remain in post and, unless America's policy changes, the adjudication of disputes will cease altogether. At a time when America and China are engaged in a trade dispute that is adversely affecting many third countries, it is disappointing to

close down an internationally agreed dispute resolution system. But that is the Alice-in-Wonderland world in which we are currently living.

We are right to worry about trade. If trade is disrupted, no-one wins. The US National Bureau of Economic Research warns the risk of protectionism is greater now than at any time since 1945. They estimate that, last year alone, new tariffs cost the American consumer and firms a simply astounding \$688 billion. Moreover, the fact that the US – the world’s predominant economic Nation State – now has higher tariffs than any other competitor, raises the risk of other countries turning to protectionism. Where America goes, others follow. China and America are in dispute and – as global supply chains are disrupted – Japan, Singapore and Hong Kong all suffer from falls in exports. Europe, too, is affected – notably Germany, with her export-oriented economy, and her motor manufacturing outlets in the United States.

China is complicit, too. When China joined the WTO, it was expected she would conform to international rules: thus far, she has not. She is widely believed to appropriate other countries’ intellectual property; their technology transfer; as well as favouring and subsidising her own – often State-run – industries. Her defence – that she behaves properly – is unconvincing, and hard to credit. But her behaviour does illustrate the importance of the example America sets, because China excuses her own actions by pointing out that – over the last 30 years – America has imposed three times as many non-tariff protectionist measures as China.

In the spirit of “America First” and “China

First”, both countries tend to oppose multi-lateral trade deals because – being so economically powerful – they are able to dominate the terms of bilateral deals. Despite that, elsewhere, multilateral deals still being made. The 28 Member State EU has reached trade deals with Japan, Brazil, and the MERCOSUR \*\* countries of Latin America. And, in Africa, a Continentwide free trade area has been agreed to bring together 1.3 billion people in a \$3.4 trillion economic zone. This could, say the IMF, “be an economic game-changer for Africa”. But, as yet – in our world of relentlessly negative news sensation – this remarkable and positive development has gone largely unnoticed.

The international order also faces challenges to the authority of governments, and the concept of democracy itself. Many people thought the advance of democracy – that is, Western-style democracy – was unstoppable. They were wrong. Democracy has been in mild retreat for some years. The United Nations has reported that 89 countries have seen a reduction in democracy and human rights, while only one-third of that number had seen positive improvements. There is a more widespread antipathy to Government today than I have ever known. The 2008 financial crash led to a disregard for conventional Western democracy, as the growth in living standards faltered after decades in which – year on year – they had improved. Figures from my own country – the United Kingdom – illustrate the point. In every decade since the 1930s, the majority of people was up to 20% better off at the end of each succeeding decade than at its outset. Since 2007, the improvement is tiny – and the beneficiaries are mainly restricted to the higher paid, or the elderly in retirement. So

it is not surprising that the majority of people feel Government has failed them – even though it was the action taken by Governments and Central Banks that prevented a systemic collapse in our financial systems – and ruin for many. This perceived failure runs alongside – and has probably done much to fuel – the growth in populism, and the acceptance of populist governments often led by so-called “strong men”.

I have little regard for populism. Typically, the populist:

- makes promises that cannot be met
- thrives on creating division
- magnifies discontent
- undermines the judiciary and the rule of law
- attacks the structure of Government;
- condones violent opinions;
- penalises minorities
- condemns unpopular views
- by-passes long-established and legitimate authority.

Populism is popular only until it fails – as it always does – because it is founded on dishonesty and self-interest, and fuelled by exploiting grievance, exercising malice, and encouraging dissent. But a time of disillusion is fertile soil for populist leaders, because they promise to deliver “hope” – the most potent of battle cries. This promise is never kept, of course. But that only becomes clear when they have been elected to govern – and their failure becomes apparent. By which time, much damage has been done.

One only has to look around to ask oneself: are we moving towards an era of illiberal democracy? President Putin attacks democ-

racy; President Xi ignores it; President Erdogan abuses it. Its unquestioned primacy can no longer be taken for granted. And consider the policies in Hungary; in the Philippines; in Venezuela; or in Nicaragua. One could easily add to this list. The question arises: does policy in those countries enhance democracy, freedom, or human rights? I think not. The reverse is true: in order to accumulate power, they undermine opposition and independent organisations; violate established practice; dismember familiar rights; ignore checks and balances; and weaken the Judiciary. Whatever else this may be – it is not liberal democracy.

We might also look with similar concern at volatile leaders in, for example, Brazil or Guatemala; or across much of the Middle East. None is delivering mature democracy, or stable and contented societies. Why are such leaders, such regimes, supported? Putting aside false support in corrupt elections, it may be because some autocratic nations – most spectacularly, China – achieve high growth without democracy: and to those living in dire poverty or stagnant economies that is an attractive proposition. It is easy to understand their choice, but important to reject it. History warns us that absolute power has been misused too often to be complacent about it.

China illustrates the risk. For over 30 years, her double-digit growth benefited the whole of Asia. Millions were lifted from poverty. Her GDP now matches America and Europe. To combat the impact of the financial crisis, China launched a massive investment programme, twice the size of America's stimulus. It was bold, confident, magnificent – but risky. So, as China took action to halve her deficit, debt soared and growth slumped:

even as the economy re-balanced, internal problems arose. When car sales fell, it was domestic Chinese models that no longer sold, which cost manufacturing jobs. At the same time, advances in technology destroyed white collar jobs. The risk of social and political unrest increased. Such a situation is uniquely risky to China because the ruling Communist Party has no electoral legitimacy: its sole legitimacy is improving the quality of life for its 1.4 billion people. If the Communist Party were to fail badly in that, then it could fall as well as fail – Chinese leaders have not forgotten the fate of their neighbours, the Soviet Union. This fear also explains China's refusal to extend electoral democracy to Hong Kong. For a governing party that no longer has a Communist ideology, democracy could be a virus that kills – and China's leaders know that. To the autocrat, democracy is dangerous because it threatens their power. For the democrat, autocracy is the enemy of liberty of mind and action.

China is not alone, but since she is the most powerful autocracy, I use her as an illustration. That said, I don't believe that China is an aggressive military power – unless provoked – but I do note her military capability is growing as she prepares to protect what she regards as her own. In 1995 China had only three submarines; now she has 60, with plans to expand to 80. Last year, China had more warships and submarines in service than America (317-283). In the last decade alone, she has built 100 warships and submarines. China is flexing her muscles and becoming more than an economic rival. George Bush, once Ambassador to China, would have understood that very well.

Why does the international order matter? It



matters because a purely nationalist policy of self-self-self is profoundly unattractive. Might isn't always right. It isn't even sensible. Most importantly, the politics of self-interest betrays the future – because we face problems that cannot be solved by Nation States alone, however rich or powerful they may be.

Climate change is an obvious example. The Arctic is warming twice as fast as the rest of the planet. There are fires above ground in hundreds of thousands of acres, from Eastern Siberia, to Alaska, to Greenland. The Amazon is shrinking. Since the 1970s, nearly one-fifth of Brazil's Amazon has been destroyed by development – an area bigger than France. De-forestation slowed in the early years of this century, but in one year alone – 2018 – Brazil lost one billion trees. The oceans cover 70% of the earth's surface. Sea levels are rising. Can we ignore this? No. Can any one nation overcome this alone? No, again.

So, the international order does matter. Cooperation does matter. If, later this century, low-lying islands (such as Singapore) sank below the waves like a modern Atlantis – and did so because others polluted while they waited for the world to agree on climate action – then how could the world forgive itself? We need to work together. We need rules for fair trade, common standards, and collective action against threats – whether those threats be rogue nations, or pandemics, or economic collapse, or global warming. In our global world, without common standards, we will retreat behind national borders – and international co-operation, so vital to our future, will diminish.

The 16th Century poet, John Donne, once

said “No man is an island”; nor, today, is any country – however powerful it may be. In our search for future peace and wellbeing, we stand – or fall – together. Within this maxim, America – with her remarkable self-sufficiency in so many areas – is the nearest thing to an exception. When America speaks, the whole world listens. When America sets an example, others will follow. When America acts, the world reacts. In economic crises, the world buys US Dollars – not Euros, or Roubles or Renminbi. It is impossible to overstate the power and influence of America. And, dependent upon how that power is exercised, she is either admired and respected – or feared and distrusted. What America does – or does not do – shapes our world for good – or for ill.

We are going through a challenging and turbulent period in our history. We need a nation, a leader, to bring our world together: – to update the post-war ambition of unity; – to promote and fight for the free market and the rights of free peoples to democratic control; – to be that “City on a Hill” that Ronald Reagan talked of; – those “thousand points of light” that George Bush aimed for; and – the nation that “would pay any price” and “never fear to negotiate” as set out in that most famous of all modern inaugural addresses by President Kennedy.

You may think I ask too much of your nation – but Presidents Kennedy, Reagan and – most especially – George H.W. Bush, would not have thought so. No other nation – not China, not Russia, not even a united Europe – can do what America can do for this generation and the next. The burden is heavy. but it must be borne. And, if borne, it may even secure a future that, right now, perhaps

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seems unattainable. All my adult life I have seen your great country – primus inter pares, first among equals – lead the Western world towards greater security and prosperity and freedom. That is not a job for one President, or one Presidency. It is a job for many.

From my perspective of years, I know that time moves more swiftly than we believe, and the past governs the future more profoundly than we imagine. All around the world, it is your generation – those soon to leave education – that will govern, with many problems still to be overcome. Your success will determine the way of life for the next generation – and generations yet to come. The point I am making is this: Government is not for others. It is for you. And how that government is conducted here in America will have an effect on the lives of many millions of people far beyond your own shores.

You – here at the Bush School of Government and Public Service, and the Scowcroft Institute of International Affairs – could not have two more internationally respected names behind you as you embark on your future life – whatever that may be. The first,

one of the greatest public servants of all time; and the second, not only a distinguished and much decorated General and one of the finest foreign policy advisers I have ever worked with – but also another profoundly wise and good man. Two great internationalists, whose first instinct was always to deploy America's soft power to maximum effect. Only when America was provoked beyond endurance would the world be reminded of her supreme and unmatched military might. Restraint is the most tangible display of power. During these rather challenging and turbulent times in our history – on both sides of the Atlantic – it is a good moment to reflect on how effective a restrained, dignified, and tolerant government can be. And, when that style of government is enacted by the world's most powerful nation – it sets a benchmark for others to follow. Here at Texas A&M, having been tutored in the creed of George Bush and Brent Scowcroft, you are as equipped as anyone can be to ensure that your own benchmark is set as high as theirs always was. And – in the interest of the wider world – I wish you every possible success in that pursuit.

*The Views expressed herein are those of the author and do not necessarily reflect the positions of The Scowcroft Institute of International Affairs, The Bush School of Government and Public Services, or Texas A&M University*

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Sir John Major served as Prime Minister of the United Kingdom from 1990 through 1997. Prior to that, he served in British Parliament in 1979, and Government in 1983. He joined Margaret Thatcher's Cabinet as Chief Secretary to the Treasury in 1987; was appointed Secretary of State for Foreign and Commonwealth Affairs in July 1989; and Chancellor of the Exchequer soon afterwards.

As Prime Minister, Sir John focused his efforts upon securing peace in Northern Ireland and upholding Britain's position in the world community as a political, social and economic leader. He also took a leading role alongside US President George HW Bush in the first Gulf War, and survived an IRA mortar attack on 10 Downing Street.

Sir John retired from the House of Commons at the UK General Election in May 2001. He is currently Senior Advisor to Credit Suisse; Chairman of the Advisory Board of Global Infrastructure Management; Chairman of the Campaign Board of King's College London; and President or Patron of a number of other UK and international charities.



## **The Bush School of Government and Public Service**

*Mark Welsh, Dean and Holder of the Edward & Howard Kruse Endowed Chair*

Founded in 1997, the Bush School of Government and Public Service has become one of the leading public and international affairs graduate schools in the nation. One of ten schools and colleges at Texas A&M University, a tier-one research university, the School offers master's level education for students aspiring to careers in public service.

The School is ranked in the top 12 percent of graduate public affairs schools in the nation, according to rankings published in U.S. News & World Report. It now ranks thirty-third among both public and private public affairs graduate programs and twenty-first among public universities.

The School's philosophy is based on the belief of its founder, George H.W. Bush, that public service is a noble calling—a belief that continues to shape all aspects of the curriculum, research, and student experience. In addition to the Master of Public Service and Administration degree and the Master of International Affairs degree, the School has an expanding online and extended education program that includes Certificates in Advanced International Affairs, Homeland Security, and Nonprofit Management.

Located in College Station, Texas, the School's programs are housed in the Robert H. and Judy Ley Allen Building, which is part of the George Bush Presidential Library Center on the West Campus of Texas A&M. This location affords students access to the archival holdings of the George Bush Presidential Library and Museum, invitation to numerous events hosted by the George Bush Foundation at the Annenberg Presidential Conference Center, and inclusion in the many activities of the Texas A&M community.

## **The Scowcroft Institute of International Affairs**

*Andrew S. Natsios, Director and E. Richard Schendel Distinguished Professor of the Practice*

The Scowcroft Institute of International Affairs (SIIA) is a research institute housed in the Bush School of Government and Public Service at Texas A&M University. The Institute is named in honor of Lt. Gen. Brent Scowcroft, USAF (Ret.), who had a long and distinguished career in public service serving as National Security Advisor for Presidents Gerald Ford and George H.W. Bush. The Institute's core mission is to foster and disseminate policy-oriented research on international affairs by supporting faculty and student research, hosting international speakers and major scholarly conferences, and providing grants to researchers to use the holdings of the Bush Library.

*“We live in an era of tremendous global change. Policy makers will confront unfamiliar challenges, new opportunities, and difficult choices in the years ahead I look forward to the Scowcroft Institute supporting policy-relevant research that will contribute to our understanding of these changes, illuminating their implications for our national interest, and fostering lively exchanges about how the United States can help shape a world that best serves our interests and reflects our values.”*

— Lt. Gen. Brent Scowcroft, USAF (Ret.)