

THE BROOKINGS INSTITUTION

THE FUTURE OF THE INTERNATIONAL ORDER:
AMERICA'S WORLD, EVERYONE'S WORLD OR NO ONE'S WORLD?

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P R O C E E D I N G S

MR. IGNATIUS: So, ladies and gentlemen, I am David Ignatius. I am a columnist at *The Washington Post* and it's my pleasure to moderate this discussion. Washington often is described with some justice as a place of little ideas where we talk about tactics and not strategy, where we focus on gotcha politics. And this afternoon we have the anecdote for this. You are going to be treated to big ideas, big thinkers, and big, important books; happily not big in size. They can be read and indeed purchased after our event.

So this is a Washington rarity. For once we're not going to focus on the trivial; we're going to focus on genuinely consequential ideas and the subject of our proceedings is the future of the liberal international order.

Each of our book writers and speakers is going to give a brief, up to 10 minute summary of his basic argument about the future of this American liberal international order and then we're going to have a brief period of conversation in which I'm going to ask them questions. I may interrupt them as well as they're making their presentations. And then we're going to turn to you in about an hour and ask you for your questions and brief comments for our speakers, and then we'll wind up at 5:30 with everybody lining up to buy multiple copies of these wonderful books outside.

So let me introduce the speakers. We held a raffle beforehand -- actually, we asked Bob Kagan what order we should go in, and so our first speaker will, in fact, be Bob Kagan. Bob is our host here at the Brookings Institution where he's a senior fellow. His book is called *The World America Made*, and it opens imagining much as in the movie "It's a Wonderful Life," a world without us and the consequences of that.

Second, although this is not the order in which we're lined up, will be John Ikenberry, who is a professor at Princeton University whose new book is called

Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order, which argues that the roots of this order are deeper and stronger than we might think. And not just American.

And third, Charles Kupchan, who is a professor of international affairs at Georgetown University, who is author of *No One's World: The West, the Rising West, and the Coming Global Turn*. That's a pretty good summary of what the book argues but it's about a world that's moving to kind of radical multipolarity. And I'll let Charles and all the authors give you their accounts.

But let's turn first to Bob to start us off.

MR. KAGAN: Well, thank you so much, David. And the reason I wanted to go first is because I am the Brookings representative up here and so I want to welcome all of you to Brookings and I want to thank, first of all, David very much for taking time out of his busy schedule to moderate this discussion. And of course, my colleagues here.

This discussion of world order can sound like a pretty abstract theoretical notion but I think that every foreign policy decision that a politician or a president makes is really grounded in some understanding of how the world works. Whether it's acknowledged, whether people are even aware of it, we all make policy judgments based on how we think the world operates what we would like the world to be; even the smallest issues in foreign policy I think are ultimately grounded in that. So this discussion about what the future of the world order is is not a purely theoretical discussion. I think it's actually a quite important discussion.

My view is essentially as follows. First of all, world orders are transient. Certain characteristics of the international system arise usually because of the largest, most powerful nations or entities in that system effectively, by virtue of their weight,

impose their values, their norms, their principles, and this can be collective as well. So we've had numerous orders in the history of mankind, you know, a Roman order, a Greek order, more recently a European order. And just as these orders come into being, they also fall and they generally fall or are changed into some other order when the powers that created them and sustained them lose their power.

The world order we have enjoyed since the end of the Second World War I think very much bears the stamp of American power. It's characterized by three fundamental and I think historically unique qualities. I think we have been living in a golden age. Even though we are aware of all the horrors, we certainly think that there's plenty to be worried about, there's plenty to be upset about, terrible things have happened in this era but in terms of human history it has been something of a golden edge. One obvious element of it has been the enormous spread of democracy. There were 10 democracies on the eve of World War II. There are over 100 today. And if you look again at the grand sweep of human history, democracy has been a rarity, not the norm.

There's been enormous economic prosperity during this period. Throughout recorded history as far as economists were able to tell, global GDP, up until about 1500, rose maybe one percent a year. From 1500 to 1950, it may have grown one percent a year. Since 1950, it's grown at four percent per year, which if you think about the entire globe is a massive increase and the wealth has been distributed outside the transatlantic space which is why we see countries like China and India and others, Brazil and others enjoying economic prosperity. And during this period four billion people have moved out of poverty into some middle class, which is again, from a world historical point of view unprecedented.

And finally, it's been a world order without great power conflict. There

have been many wars but the kind of seismic wars among great powers -- World War I, World War II, and in previous centuries the almost constant warfare among great powers has been absent from this. And I would argue that the leading cause of this is not the evolution of mankind because I'm very suspicious that mankind actually evolves. Human nature seems to be pretty static over the course of time. The reason we've enjoyed this kind of world order is because the most powerful nation in this system has been the United States. And it's not simply because Americans are virtuous in many ways. They're not any more virtuous than anybody else, but the world order reflects American characteristics both in terms of its domestic politics, its economic preferences, and the lack of great power conflict is a consequence of America's overwhelming power which has actually been a source of enormous stability in the system.

Were American power to decline, this world order, the attributes of this world order would decline as well. If other powers rise with other preferences, those preferences will have an impact on what kind of world order we have. If China becomes the most powerful nation in the world, the world order will affect Chinese preferences and Chinese characteristics.

Another alternative is that the world simply falls into disorder and chaos. And we've seen that, too. The collapse of the European order did not lead to a smooth transition into another liberal order. It led instead to total collapse on the economic front, on the political front, and of course, in terms of the two world wars of the 20th century. And so my argument is if we want to maintain this world order it is going to have to be based on American power in the future as it has been in the past.

MR. IGNATIUS: So let me turn to John Ikenberry, skipping Charles and we'll come back to Charles.

MR. IKENBERRY: First of all, thank you Bob and David for putting this

together and hosting us here.

I, too, like Bob, am taking the long view. I'm looking backwards. I'm looking forwards. And trying to grapple with the nature of international order today and the American era, the 20th century has just been an extraordinary period for those of us who think about world historical developments, the rise and decline of states, the rise and decline of order. And my book, which has flags on it, this is Childe Hassam, an impressionist American painter from the 1920s and it's a rainy day on Fifth Avenue and it's mean to provoke a kind of sense of reflection on the American era, the wither America. What has it accomplished? And it's a book that really argues that the United States has done quite special things in the world and this is where I start to part company with Bob. Things that are semi-permanent and embedded in universal values that are not simply dependent on American power. But I am looking at, again, the long period of American power and the kind of order it built and what we can draw from that about the future.

So the book is really asking two questions. One question is really about what was it all about? What happened? How did the United States use its power? It did not just once in the 20th century but after World War I, after World War II, after the Cold War, and even today had more power than any other state to imprint itself on the global system. It still does today. It clearly did after World War II. So how did it match power and purpose? What was its vision? What did it create? Was it an empire? And how is it different from past orders?

And I give a very optimistic view. I argue that the United States built a type of liberal order, what I call a liberal hegemonic order, that is to say it inserted itself somewhat reluctantly into the running of the system. A liberal order I think for purposes of discussion we can call it open and rule-based order and one that has been incredibly

successful as Bob suggests. In my book I argue if you can line up orders in world history it's the most successful that we've seen measured in terms of metrics, of physical security, wealth creation, and the promise of justice. And then I asked the question what comes next? And here I asked the question to the extent the United States loses power, weakens, relative decline, not absolute, but relative decline, what does it mean for that order? When the world becomes less American will it become less liberal?

And here I suggest that there are reasons to think it won't. That developing states, rising states that are non-Western are in fact very much not just profiting and developing because they're in that order but they are in various ways within the broad expanse of the liberal spectrum of states and markets and power and so forth, are very much inside of that world, not outside of it. So it's another optimistic view that liberal internationalism, one that may be less American but that nonetheless is a world order we would identify with, we could recognize and in fact, the United States can continue to have a prominent role in is what the future holds.

So I am arguing there's a crisis here, a crisis of liberal internationalism, but it's a crisis of success. The rise of China, Brazil, India, other rising non-Western states are, in fact, growing and becoming an issue for the global order precisely because they are rising up and this order has performed so well over the last 60 years. So in that same sense the relative decline of the United States is not due to its failure but it the success of the order that it created. If the architects in the 1940s who thought about order in terms of openness and loosely rule-based order could imagine what has been done, they would be quite overwrought, I think. But you would expect them to want this kind of order because it's the kind of order you will get when you have an open, rule-based order. The flow of technology, knowledge, trade, the dynamism that liberal orders create would expect you to see that there will be a changing distribution of capabilities

that follow from power and wealth.

And so I argue that the most striking aspect of liberal world order over the last decade is its durability. There have been great upheavals in this system, global financial crisis, economic downturn, bitter disputes among allies over U.S. military policy, but despite all that attractive alternatives do not lie on the horizon. And China, which is the swing state so to speak, where China finds itself in this liberal order will say a lot about the future. I argue that it faces not just the United States but it faces an entire world order in effect of liberal democracies, east and west, north and south, the OECD world if you will, that creates a more formidable system than any kind of world order in the past has presented rising states.

Bob has talked about kind of a repetitive pattern in history of powerful states rising up, creating order, and then declining in power and the orders disentangle and unravel and what I'm suggesting here is that because of the logics of liberalism, of capitalism, of democracy, of the nature of nuclear weapons and what that says about great power war itself has created an order that is different from any that has existed in the past. It's thicker, it's heavier, it's more integrative. To use a bumper sticker, it's easy to join, it's hard to overturn. And that is the reality, I think, for rising states -- China for sure and the other non-Western rising states that have been rising up within this system.

Two specific points about China -- and I know we will talk about this if I can -- because that really is the drama I think that we want to focus on when we talk about the future. China, I think, has reasons to -- and already is inside and ratifying this argument -- has reasons to be the inside rather than the outside of this liberal order. As I mentioned earlier, it is precisely where it is today because it's able to trade and invite in foreign investment and have a rule-based system that it can use. It's a member of the WTO. It is in the Security Council. It's the second largest shareholder in the IMF. This is

an order that has open doors and escalators. China can, in effect, buy itself into this order and gain authority, privileges, and a right to be a leader in the system through this operation. It's a much more liberal hierarchy -- that's why I call it a liberal hegemony and not an empire -- than past political formations.

Secondly, China doesn't have new ideas about international order. And Chinese will admit this. They have ideas about sovereignty but that's part of the existing order. They have ideas certainly about trade and about rules that will protect them but those again are aspects of the current system that they find attractive. And as they try to integrate and modernize they will move further into this order rather than away from it. There isn't an alternative. To the extent we can talk about a Chinese model it's a mercantilist, a kind of statist capitalism, Sino-capitalism as some people call it, but it is based on opportunism and some would say predatory behavior within a liberal order. It depends on a liberal order. It's not a model that it can be aggregated at the global level. It's the Chinese century that we are now using Chinese principles. That is called global protectionism and everybody loses, including China. So it only works if the rest of the system is open and rule-based which is again a liberal order.

So to summarize my position, for 60 years the U.S. has been the kind of operator and owner of the liberal order. The world contracted out to the United States in effect. The weakness of Europe, the rise of the Cold War and the Soviet Challenge put the U.S. in the middle of this system. The dollar rather than Bretton Woods; NATO rather than the U.N. became the center of economic and security order. But in this new era rising states are not trying to purvey new ideas about order; they are engaged in what I will call an authority struggle. That's the crisis of liberal order. How do we share? How do we create seats at the table? It's in effect moving from a world that the U.S. owned and operated, American incorporated to a world that we can call World Co. That is to say

there are other owners and shareholders. The U.S. is still at the table. It's still first among equals in many, many ways, certainly on the security side, but it is a more integrative open system and it's one that if the United States plays its cards right and continues to pursue what I'll call a grand strategy of deep engagement with the world, is one where the U.S. will have its interests protected going forward in a very attractive way that I think bodes well for the future even as power transitions shake the system up in many, many other ways.

MR. IGNATIUS: So just to intervene for a moment to draw a word picture of John's idea of World Co., if you've ever had the opportunity to attend the World Economic Forum in Davos, and that's not something I necessarily would wish on anyone, you would see, I think, a version of John's world of shareholders, stakeholders. That's a phrase that Klaus Schwab, the founder of this organization likes to use, and increasingly I found that it's a world where America, with the exception of a few powerful corporations, is largely absent. American officials tend not to go there. The animating spirit increasingly is Indian, Chinese, you know, these new stakeholders in John's World Co. And so I guess a question that I think about is whether that little snapshot of an interdependent global order, the world of globalization could survive absent American military power and power of other sorts to buttress the framework in which this gathering meets. So that's just a brief intervention.

And let me turn now to Charles.

MR. KUPCHAN: Thank you. Thank you, David. It's a pleasure to be up here with both Bob and John with whom I have on numerous occasions crossed swords. So I feel quite at home up here engaging in this debate with two good friends.

Let me do two things. One is quickly summarize the main arguments in *No One's World* and then end by trying to delineate and put light on what I think the key

similarities and differences are between our three books since that might help clarify the discussion.

The core argument in *No One's World* is that we are at the beginning of what I call a new global turn. And by global turn I mean a historical intersection in which the globe's center of gravity moves. And the last time that happened is between 1500-1600 and 1800 when a world that was broadly multipolar with wealth and military power distributed from the Ottoman to the Holy Roman Empire, the Moguls, the Tokugawa shogunate, the Quing. Everything changed by about 1800 and Europe pulled ahead of the rest of the world. And then the United States came online soon thereafter. And ever since roughly 1815 to pick a date, the end of the Napoleonic Wars, the Western world has enjoyed a rare, by historical terms, era of ideological and material hegemony.

And I think that period of roughly 200 years is now coming to an end and that's because the West has already fallen to roughly 50 percent of GDP and will soon fall well below 50 percent. And so the book says where is that pendulum now swinging? Who is going to inherit that era of material and ideological homogeneity that the West has enjoyed for 200 years? And my answer to that question is no one. That is to say that we are heading toward a world that for the first time in history will be globalized and interdependent but without a geopolitical anchor.

And why do I think that's new? Because, as I said before, we've had previous eras in history in which we had a broad multipolar distribution of power and there were different imperial zones that had their own views about how to govern and how to run the world but those zones weren't smushed together. They generally were compartmentalized. So how the Holy Roman Empire and the Ottomans and the Moguls and the Quing thought about governing didn't really matter to one another because there was very little interpenetration.

And then we get to the 19th century when globalization begins on the back of imperialism, but that era also corresponded with the rise of the West to a hegemonic position. And therefore, ever since we've had a globalized world. We've also had Western hegemony. Now we're going to have a globalized world without a hegemonic power and that's why I think we need to think hard and long about how to arrive at a new set of principals, a new set of institutions, that can forge a consensus, that can forge what John says is important to order -- and I agree with him -- a rules-based system in the absence of a global guardian, in the absence of a provider of last resort.

So let me briefly run through the sequence of intellectual steps that I follow in the book to make that argument. The first half of the book is about the rise of the West, when it happened, how it happened, what socioeconomic and cultural conditions were present when the West rose to global dominance over the course of the 17th, 18th, and 19th centuries. And the reason I tell that story is to try to stress if the rise of the West was a unique historical development. It was based upon certain Western conditions that are not being replicated elsewhere. And that's a critical intellectual step because it speaks directly to John's question as to whether we are seeing historical convergence toward a Western package of ideas or whether in East Asia, in the Middle East, in Latin America, and Africa we are seeing pathways of development that are unique to those regions and those cultures, in which case the 21st century will not enjoy a universal culture or a universal form of modernity but multiple modernities based upon different regional cultures and different regional approaches to governance.

And so I tell the story of the rise of the West so I can then go on to tell the story of how is China rising? What's happening in the Middle East? What's happening in India? What's happening in Brazil? To try to get some purchase onto whether we are seeing the development of these different roads or convergence toward

one road ala Ikenberry.

In the second half of the book I make the case that we are, in fact, seeing divergence, not convergence. But in the case of China, for example, the Chinese are following a path of development that is very different from the West. The West rose on the back of its middle class. In China the middle class has been co-opted by the state. In the case of the West the global system was fragmented and slow. Change had to come from below. In the case of today's world it's fast, it's fluid and interdependent. More centralized states have advantages that more laissez-faire states do not. And therefore I think China's approach to globalization, China's approach to markets and autocratic capitalism has certain advantages over the free market approach that is embraced in the West.

In the Middle East, I chart the relationship between church and state or mosque and state as a critical difference. And I think what we're seeing in the Arab Spring may well be the spread of participatory democracy. But we will not get a secular nationalism or a secular politics similar to the West. What I think we will get is a surge in political Islam, and that's because the rise of the West was in part about the reformation, the separation of church and state, Christianity being a relation of faith rather than law, fundamentally shaped the nature of the Western world.

The opposite is happening in the Middle East where there is no separation between mosque and state, where there isn't even a language to connote a sacred world and a secular world. And there's nothing wrong with that in my mind but it suggests that the kind of modernity that we will see emerge over the 21st century in the Middle East is not going to look like the kind of modernity that has emerged in the Western world.

And then finally I look at countries like Brazil and India and push back

against the argument that democracies, because they look like us from a domestic institution perspective will follow our lead. And I think we're seeing in many respects just the opposite. Turkey, Brazil, India, rising democracies are following in their own paths based upon in some cases socioeconomic conditions. In some cases the rise of Islamist parties and the Turkish middle class. But in the end of the day they are not lining up and buying into the Western liberal order; they are following their own paths.

At the end of the book I spell out what we can do about that and I basically make the case that the West's agenda should focus on two things. One: rebuilding our own economic and political solvency, doubling down on the Western order, but at the same time realizing that the Western order will only be one of multiple orders which must contend in the marketplace of ideas with different versions of modernity. And that means, I think, celebrating diversity, tolerating pluralism, rather than assuming that America's vision and version of the world is going to be universalized.

Let me end just by highlighting where I think we agree and where we disagree. I think the key difference between John's book and where Bob and I are is that in our world ideas and power are intimately intertwined; that the American world or the world America made, I would call it the world the West made because I think Pax Britannica and Pax Americana are to some extent of a single piece but this era of 200 years is intimately tied to power. And our ideas have done extremely well for 200 years, not because everyone loves them but because those ideas have been packaged and attached to power. And as our power wanes, alternative ideas are going to have much more appeal than they have. And I think that's a key difference with John.

Where I think Bob and I disagree is on the trajectory of power. Bob believes that American primacy is alive and well. I believe that American primacy is alive and well but much less durable than Bob thinks. I think we're at the beginning of a turn

and that by 2030, 2035 the United States and GDP will be well behind China. In 2040 to 2050, of the five top economic powers in the world, only one of them will come from the developed world and that's us. And the other four will come from what is today the developing world. So I think we're headed into a period of global change. I think it's coming much more quickly than Bob does. And here I think John and I are more in agreement but the big difference between John and myself is he thinks the ideas that we've put out there are durable; I think they're not. And that's why it seems to me we need to think long and hard about what comes after the world that America made and not try to extend it as long as possible because I think in some ways that would be the most dangerous way to approach this coming turn.

MR. IGNATIUS: So those are wonderful basic annunciations of these big ideas about where the world is and how it's changing. And I want to begin the kind of debate part of this by asking the basic Washington political question. We are in a presidential campaign year and you can already see a debate shaping up between the republican nominee -- let's guess it'll be Romney -- and Obama about the future of American power in which the republicans will make an argument about American exceptionalism, the special unique role that we have in the world and recovering it. And Obama will make an argument that we -- I'm going to ask you how he will make it.

So let me, Bob, let me ask you to start. Put yourself in the role of presidential candidate advisor and, you know, the candidate says, look, Bob, I've got to go --

MR. KAGAN: That'll be a stretch by the way.

MR. IGNATIUS: Well, we'll see. We'll see, folks. Come back to this space.

So the nominee candidate says, you know, I need some talking points for

tonight's debate and I want you to help me talk about American power and the American future. And what's the Kagan basic top of that speech?

MR. KAGAN: Well, I'm going to disappoint you, David, in the sense that whatever these -- whatever the two candidates say. And I predict that they will say largely the same thing one way or another. I thought, you know, after all Obama is not going for the "we're not exceptional, we are in decline, we don't have a special role to play in the world" approach because that's not what Americans want to hear and it's not what he believes. So I think, in fact, the challenge for republicans is going to be to find exactly what the niche is where he's going to disagree with Obama. I'm sure that maybe at the beginning of the Obama administration Republicans felt like they had an opportunity to say "he's betraying allies, he's cozying up to our enemies, he is trying to manage American decline, he accepts American decline." I think that Obama has made it much harder to make that case, even though I'm sure that the case will try to be made.

MR. IGNATIUS: Would you advocate a republican candidate making an argument that American power as we've known it through our lifetimes, can be restored if only the right policies are followed? I think that's the part of your argument I'm not clear about.

MR. KAGAN: My argument is that we are not actually suffering a decline that we're not able any longer to sustain the world order that we've been sustaining. I mean, this gets to the heart of our disagreement in many respects and I can elucidate on that. I think that the United States continues to enjoy unique advantages in the international system, not the least of which actually is geographical. There's a very terrific article from years ago that we all know by William Wolforth called the "Stability of the Unipolar World," which makes a very simple point which is that every other power in the world is surrounded by other great powers. China is surrounded by great powers;

Russia is surrounded by great powers; Germany is surrounded by great powers. Only the United States is not with apologies to Canada and Mexico, but it doesn't really have any great threats of a traditional geopolitical nature which means that the United States has been able to act as balancer in these two spheres. No one else is really capable just to take one example.

And I guess where I disagree with Charlie is Charlie wants to look at the world in terms of geography and cultures in the sense that there is an Asia that is rising and there is a West that consists of the transatlantic space. And I don't look at the world that way. There is no Asia. There is a China. There is a Japan. There is a Korea. And as it happens strategically, they are all allied to the United States. I mean, China is isolated and they are all allied to the United States, which means that China faces great obstacles.

When I look at Brazil, I see the West. Why is Brazil not the West? When I see India -- if you define the West not as a geographical concept but as a value concept, why is India and Brazil somehow different from us? It seems to me that the world order that the United States has supported is strengthened by the rise of an India, by the rise of a Brazil, and also by the rise of Turkey as long as it remains fundamentally democratic. So I think where we disagree is this effort to divide the world into these segments is misleading ultimately.

MR. IGNATIUS: So Charles, there's a direct question for you and then John, jump in as well. But Charles, what's the answer to Bob's question? Why isn't Brazil -- this rising Brazil part of the West? What's different?

MR. KUPCHAN: Well, unlike Bob, I just don't believe that regime type is a good predictor of foreign policy. I think that Brazil and India and Turkey and other countries will follow their interests, that their foreign policies will be determined more by

their geographic location and their geopolitical trajectory than it will be by whether they are liberal democracies or not.

MR. IGNATIUS: But what's non-Western about Brazil?

MR. KUPCHAN: Well, it's just a question of terminology.

MR. IGNATIUS: Right.

MR. KUPCHAN: I use the West to refer to geographic space of North America and Western Europe that has been in alliance for the last long period of time. And I would just point out in looking at India -- let's take an example. How often do they vote with the United States and the U.N.? Twenty percent of the time. The biggest national security threat to the United States right now is Iran, who is dispatching a trade mission to Tehran, India, Afghanistan. We are completely at odd with India. And to say that India is a democracy and therefore it's going to follow us on foreign policy and it's going to take the same trade policies with us, I see no evidence.

MR. IKENBERRY: But the difference -- I would ask both of you and in some sense Bob's last point, his intention with the thesis in the book, which is to say the world that America made has American values that will give way to other people's values when American power fades. But you just made the right point that the world is increasingly populated by liberal democracies -- Turkey, crossing civilization al boundaries -- Turkey, India, Japan, crossing obviously geographical boundaries, post-colonial states, Brazil, South Africa, old rivals Germany and Japan, hemispheric neighbors, Canada, obviously, but also Mexico and Argentina and Brazil. What is most striking to me about this world is the diffusion of shared values.

When we talk about the American world order, yes, at one point democracies were precarious, were few in number, but they're now plenary in many ways. So in some sense the U.S. is less exceptional and less indispensable. I still think

it has a hegemonic role to play so I'm not entirely arguing that the U.S. is simply one of many, particularly on the security side, but we now live in a world where almost all the dominant states are liberal, democratic, and capitalist.

And this is my complaint really about Bob and when he comes to his target China. For me the most important thing we can say about the rise of China is that the story will end up well for us. It's most likely to if we hold our partners closely; if we reaffirm the kind of vision of order that I described in my talk. It's built around multilateralism, international institutions, America's role in promoting free trade. That's not an American value; that's a value that's shared in every part of the world. Democratic solidarity, that's shared as well across the east and west, north and south. Multilateral cooperation to address global problems? That's not an American vision. That's a global vision.

So for me what's most striking about the current moment is that there aren't alternative visions of world order out there. And that brings us back to David's question about the presidential campaigns and foreign policies, I think the candidate who stands up and says American power matters in the world. We are a special country. Our history tells us that we did think that no other country could do or would do. And we still live in that world. But that it's increasingly a world that is populated by other countries that have values and have capacities that we should share. And so that standing up and saying we are number one, that we are the unipolar state and everybody needs to kind of be within our hierarchy is counterproductive.

American, we talk about power. Well, what are the characteristics of power? One characteristic of American power is that it does alliances. It does partnerships. In my book I take three countries -- China, the Soviet Union, Russia, and the United States. And I start with 1945 and I list the number of alliance partners they

have. The U.S. starts with about 18. China with one. Russia with nine. And then at every five-year increment the U.S. goes up 28, 30, 40. Today the U.S. has 64 alliance partners defined in terms of one side or the other willing to go to the defense together. China over those five-year increments is one, one, one, one, two, two -- that must have been Burma in addition to North Korea. Then one, one, one. China doesn't do alliances. It doesn't know about partnerships. Russia still has nine but they're a different nine. They're now former republicans that are now separate steps. They lost Eastern Europe. The United States does partnerships. The key inside I think that Obama had was evidenced in an interview he gave to I think Roger Cohen in the International Herald Tribune when he was a candidate. He said yes, American has a special role to play but part of being powerful is exercising restraint. And several people e-mailed me and said hey, Ikenberry, he must have read your book. This is the earlier book on strategic restraint. That is to say being powerful is partly willing to tie yourself to other states to accommodate other states, the acknowledge that there are shared values. They aren't American values. They come out of the enlightenment and they existed before America became a global power. The U.S. innovated, found new practices but they are not uniquely American. They're attractiveness is based in their legitimacy and in their functionality, not just in the power behind the country that purveyed them.

MR. KAGAN: But can we get back to the key point where we disagreed before the speech?

MR. IKENBERRY: It was a comment, not a speech.

MR. KAGAN: And you're arguing with someone else because no one is arguing for a unipolar primacy. We're talking about a world order that the United States is critical to. But here's where I think we have probably the key differences. When you look at the world today you see these evolutions that have occurred and you assume that

these evolutions are now independent of the global power structure. And what --

MR. IKENBERRY: Semi-independent.

MR. KAGAN: And what I'm saying --

MR. IKENBERRY: It's a combination of powerful states. Power matters but India, Brazil, Europe, even in its current state, coalitions -- a power configuration is important for sustaining international order but it doesn't have to be one state.

MR. KAGAN: I'm not saying it's one state. I'm saying that we don't know.

MR. IKENBERRY: Power matters. Resources matter but also legitimacy and does the order solve problems that states care about? Functionality. I'm sorry.

MR. KAGAN: We don't know what the order looks like in the absence of American power. That's the question. We don't know what the decisions of nations and peoples across a whole range of issues from the economic -- we are speculating now. Okay, let's be clear about that. You're trying to suggest that it's a certainty that all these nations which have chosen a particular course will continue to choose that course because it just happened. We've arrived at a brand new period in human history. We know from history that there have been waves of democratization in the world that have been rolled back.

At the turn of the 20th century there was a flourishing European economic liberal order, which was creating the greatest prosperity that humankind had ever known. And the number of democracies went from five at the end of the 19th century to by the end of World War I something like 25. Okay? And what happened in the 1920s and '30s? Well, the liberal economic order unraveled; democracy was rolled back so that there were only 10 at the end -- at the dawn of World War II. These things don't all move in one direction. I think what we saw very clearly was the collapse of the European order

which produced all the goods that both you and Charlie and I also agree were goods. The collapse of that order led to the collapse of those goods until they were re-established. Under an American power.

So the notion that, and I guess this is where Charlie and I agree -- the notion that all these things just continue, although it's an act of faith in my view and violates what historical has told us.

MR. IGNATIUS: Bob, let me ask you to clarify one point. Isn't the nature of American power, which you are deliberating, that it is diffused through these global institutions? That it is thick as John said. And the one we forgot about that and tried to go it on our own independent of United Nations Authority, you know, I kept thinking of the early Kosovo years.

MR. KAGAN: Kosovo you must be thinking of.

MR. IGNATIUS: I wasn't thinking of Kosovo. But we got into trouble. I mean, in other words, isn't you world based in part on John's world?

MR. KAGAN: Of course it is. And these are all caricatures if you don't mind my saying so, the notion that we only rented a loan in Iraq when, after all, there were other countries. People say we went alone because we didn't have Germany and France. And by the way I'm unhappy that we didn't have Germany and France, and I want to have as much allies as possible. But the United States -- and this is another place where John and I disagree -- the notion that the United States has consistently since World War II, been a strictly rules-based entity in terms of its behavior in the world is laughable in its face. The United States has always violated principles that itself has argued to international order.

And so when I look at what has kept things together. It's not been the rules and laws that the United States may have claimed to support but in action did not

necessary abide by. It has been predominantly the American influence on the security environment. Most nations look to the United States, not because it admires our fidelity to law in the international system but because they admire our ability to protect them when they are in danger.

Similarly, on the economic front we have upheld the economic order, as John says, which everyone has benefitted from. So I just wouldn't go too far in this notion that because we have behaved according to the golden rule since the end of the selected World War, that's why we have all the allegiance in the world.

MR. IGNATIUS: So I'm holding Charles' book in my hand and there's a particularly pointed passage in which he talks about the notion that the world is going America's way, countries are being more open market friendly and democratic, et cetera. He talks about this hope that a post-American world is going to be stable and going our way as wishful thinking and then goes on with more

So Charles, talk about what you think is wishful thinking in some of what we've been debating and what -- I'd ask you to say what's the darker side of your vision of *No One's World*?

MR. KUPCHAN: I kind of look at this from the *longue duree* and I guess I would just kind of reiterate a couple of the things that Bob just said and that is we know from history that things can get dark pretty quickly. We know, for example, that Berlin was at one time a city that ascribed to many of the values that John just articulated and a few years later was ground zero for some of the ugliest things in history. And so I just think that we have been living through an era in which we assume that its values, that its norms, that is the appeal of the American system. But I worry that it's also a lot about American power. And when those ideas aren't backed up by power we're going to see a bit of a free-for-all.

And you know, John sort of talks about, well, the Chinese are sort of buying into our system and I just don't see that. I mean, when you have a country who has a fundamentally different opinion about legitimacy, about what constitutes how to go about dealing with human beings, that doesn't strike me as a country that's kind of buying into our notion of order. And I also, you know, I look at the coastal waters off of China's coast and I worry deeply about the prospects for conflict because the United States is parked off their coast. They're a rising global power, and I don't think that we should be complacent for five minutes that that is not a serious zone of conflict.

MR. IGNATIUS: That sounds like you're a Kaganite. That you want to -- let me let John --

MR. IKENBERRY: On that last point by Charlie, you know, about the South China Sea, I mean, it seems to me there's a lot of conflation going on here about what are the nature of the clashes between rising non-states, in this case, China, and states in this case in that region. I think you have to distinguish between three types of clash types. One is good old fashioned power struggle. We want to assert our control and another country challenges that. We've seen that decade century in and out. That is not a struggle over world order principles; that's a zero sum realist struggle over -- and it's real and it's going to happen. I think I'm as worried about that as Charlie is. But it's not a struggle over a Chinese world view or an American world view.

A second clash point is over authority. That's what I think the game is all about. It's over distribution rights and privileges within a world that roughly has institutions that we see today but some differences, but it's not really differences that you would associate with different types of world orders. It's over who gets to sit at the high table. It's over vetoes and authority to make decisions and allocate resources.

And then the third type of clash point is over fundamental values which is

what I think you want to argue but I don't see that. In some ways I think the real news about the 21st century is that that is not where the struggle lies. There is not really -- China does not have a different vision of world order. It's a different assemblage really of ideas about sovereignty and interdependence and cooperation that are already in play. So I don't see this as a huge historic shift from an American or Western -- 500 year Western order to something new. It's really to some extent a changing of the guard within an order that we're all in and more or less we all see advantages for being in.

MR. IGNATIUS: Charles and Bob, talk a little bit about China specifically and this week's news. I mean, this week we had the prime minister of China, Wen Jiabao saying I'm worried about our political system and I feel that to maintain order and all the fruits of this new China we need political reform. How did you read those comments this week in terms of your theories? I'd be interested in each of you briefly talking about that.

MR. KUPCHAN: One place where I would agree with John is that I think that the ideological distance that exists in the world today is significantly less than the ideological existence that we -- differences that we've seen earlier. I mean, we're all capitalists now to some extent. But where I think we would disagree is that those ideological differences, especially when you marry them to geopolitical competition, are still significant enough to matter in the world. And that's just a difference in judgment.

But when I look at China, I see a country that has a lot of wind in its sails. Five, six, seven hundred million people have been raised out of poverty. Eighty-three percent of the Chinese public believes its country is headed in the right direction. The number here in the United States is 23 percent. So I see a regime that I think has considerable staying power. Furthermore, I think we are going through a period in globalization in which we should actually take a page from them, and that is to think

strategically about the economy. Our trains and our buses and our roads and our bridges are falling apart and they're just, you know, ramping up the infrastructure. So I think that there are things that we can learn from the Chinese.

Do I think that there will be political evolution in China? Yes. Might China be a democracy within, I don't know, by the end of this century? Yes. But I would say two things. One, it's going to be very slow in coming and that this global turn in the distribution of power is going to occur much more quickly than the onset of Chinese democracy. And secondly, even if China were a democracy, and here maybe Bob and I would disagree, I don't think it's going to matter. I think that there will be cultural differences and geopolitical differences that will make life difficult.

MR. IGNATIUS: Bob, what do you think about China and what we've just been batting around?

MR. KAGAN: Well, first of all, I want to know the 17 percent who said the country is going in the wrong direction are faring. I'm just curious.

MR. KUPCHAN: They're in jail.

MR. KAGAN: Whether they're still around to talk about their views on that matter. You know, whenever I hear, and this is not directed at Charlie because I think Charlie and I agree on this, that China may be a democracy in 100 years and I'll get back to what I think it will mean if China is a democracy. I'm reminded of the idea that, you know, Germany had its economic takeoff in the 1880s and by 1950 it was a democracy. And the only problem is everything that happened in between. And I feel like I think the key point I think Charlie just made is that China's evolution may not be strategically relevant to us. We may have to deal with difficulties that arise long before China is a democracy.

Now, I think that the intersection of power and ideas is extremely

important and I do think that China's behavior does have world order implications. There's a difference between the Chinese having a different view of world order and on one point I think they do have a different view which is they want a genuine multipolar order in which they are hegemonic in their own region as powers and multipolar orders are. And I would argue that if we move to a genuinely multipolar world instead of this kind of uni-multipolar world where you've got one predominant if not dominant -- not dominant but certainly strongest power and then a number of other powers, there are all kinds of world order implications of that. I assume you would agree, John.

And the South China Sea is relevant to this because what the Chinese seek in the South China Sea is control. And we take for granted, again, that the liberal economic order that the United States has supported and that Britain supported, they're the only two countries in the history of the world who ever have supported such an order. And they have particular characteristics, I think, which made them support that order which had to do with their internal makeup in part. It had to do with the fact that they were essentially island powers who were able to dominate the seas. It had to do with the fact that they were essentially liberal powers and capitalist powers that benefitted in a special way. China has none of those characteristics. And the interesting thing is China can be a successful predator as you say or a power or a parasite. I don't mean to use such negative terms. They can be the beneficiaries of a liberal economic order. They may not be capable of being the upholders of a liberal economic order. That's the distinction that I would make.

One final point on China as a democracy. A democratic China is still going to pose a geopolitical challenge and other kinds of challenges. I just believe again that history suggests we and they will have an easier time and a safer time managing our potential conflicts than if they are an autocracy and we are a democracy. That is a

source of mistrust on both sides. And there's no escaping the reality that the autocrats of China view the United States simply because of what we consistently stand for as a threat to them, just as Putin views the United States inherently as a threat to his continued rule. That is not a problem that we can blink away easily.

MR. IGNATIUS: John, please jump in.

MR. IKENBERRY: Yeah. I, too, think that China is the big wildcard in terms of future world order and these are all -- we're speculating and there are different grand theories of history, realist, liberal, Marxist, and otherwise that will give you different answers of what's going to happen.

I don't think -- just a couple points that flow out of my perspective. One is that we don't necessarily -- we shouldn't plan on a world where China is a democracy. We should plan on a world where China is in some sense partially in and partially out of this order. And what we know about these kind of states that are partly out and all the way out as the Soviet Union was during the long Cold War is that you are better off if you have built a coalition, a system that's legitimate, that generates wealth, that spreads the spoils of modernity, that has institutional structures that solve problems, that knit countries together, practices of binding the liberal democracies together. So there's a kind of grand strategy of the liberal democratic world which is again, as I've suggested, doesn't even have a label. It's not the West. It's, you know, greater industrial. It's the liberal democratic community. We know that to the extent that is strong, it's knit together through reciprocal agreed upon arrangements for cooperation, all those kind of good things. We know that the balance of power, so to speak that China confronts is larger. That it's important for it not to be a story of China versus the United States in the 21st century but China versus an incredibly expansive integrative system that it will have to come to terms with and it will both be constrained by that order and there will be

attractions of that order that it already realizes.

And so what does that mean for policy? I'm convinced my colleague Tom Christianson at Princeton is correct that if you want to see China evolve in a good way you shouldn't hide the tough issues. You should talk about human rights in Taiwan and North Korea, but that you should also wrap it in an agenda where there are things that both sides will benefit from addressing. And so it's that larger ensemble of issues. So it's not simply a realist story of struggle which will be there. It's baked into this cake for sure but that it is encased in a larger set of issues where more complex relationships can evolve and where China can to the extent it wants to integrate and accommodate and reassure there are institutions that will allow it to do that. So preparing the outside world as opposed to making predictions based on what goes on inside of China is where I would put our energies.

MR. IGNATIUS: So the time has come to turn these great big ideas over to you and your questions. And what I think I'm going to do is take -- I see three hands. Take three questions and then let our panelists respond to the parts of different questions that they want to. So, yes, please, why don't you start off? And the gentleman in the third row and you, sir, yes.

MR. STACEY: My name is Jeff Stacey. I'm a visiting fellow at Center for Transatlantic Relations down the street at SEIS. And I'm sure everybody will agree on my view. This has just been an incredible conversation so far but a couple of questions about wild cards and a comment about China.

I'm of the school that thinks the West isn't over as soon as most people think and that China's rise will happen but will take longer than most people think. You said a lot about China. A quick comment is that China won't attack Taiwan. It won't attack the U.S. in my view. It has a kind of imperial understretch problem. The only

friends it has to buy. It has a rehabbed Ukrainian aircraft carrier it doesn't know how to use. Others that it's developing. It will take some time to learn how to use these things.

But put China to the side and talk about, if you wouldn't mind, the Arab Spring and Europe, two things that you didn't really mention. The Arab Spring may be a wildcard in the sense that if it turns to winter, if Al-Qaeda links up with Iran and starts to operate and plan again, this will have something to do with your big three arguments, I would suggest, and that's where Europe comes in, which doesn't get mentioned much in this town anymore. Europe can contribute to the staying power of the West or it may not. I think it's just starting to have this conversation with itself, determining whether when the Obama Doctrine is fully in place and the U.S. is not as willing as it once was to come to Europe's aid, that scenario develops, Europe will have to defend itself, and if it can, I think the West will stay. If it can't, it probably won't. And what are your views?

MR. IGNATIUS: Good wildcards. Yes, sir.

MR. COFFEY: John Coffey; retired State Department.

Two things seem to be missing to me here. One is our money. The second is Chinese demography. First, Mr. Kagan, if what happens to American power and the world it made if we can't put our fiscal house in order? And then second, generally, it seems to me when China is discussed a common mistake that's made is talking about their ascendancy and making them 10 feet tall. And I submit that demography is destiny and that given Chinese irreversible demographic trends it's going to become old before it becomes rich. And plus a host of other domestic, serious domestic problems. And in short, China's rice bowl is going to be a lot less full in the future and what does that imply?

MR. IGNATIUS: Another good question. Yes, sir. This gentleman here.

MR. CUNNINGHAM: Hi, Storm Cunningham with ReCitizen here in Washington.

There is a brontosaurus sitting in the middle of the table here that we seem to be totally ignoring and that's corporate power. You know, most of the major economic powers in the world now are corporations, not countries. And they're exerting more and more control over the public sector with every passing week. And I haven't heard, you know, other than brief mentions of capitalism I haven't mentioned how that shift towards corporate power and governance since money and power are intrinsically equivalent these days, I'd like to hear a little discussion about how the rise of corporate power is going to change the evolution of a liberal world.

MR. IGNATIUS: Another good question. Let's turn back to our panel and Bob, why don't you lead off but respond to whichever of those interesting provocations you choose.

MR. KAGAN: Well, first of all, I agree very much that Europe is very important. I also think that in addition to America's decline being declared prematurely, Europe's decline is also being declared prematurely. Granted, they have significant problems they have to deal with but Europe still in my view is a very important player and especially in its own near neighborhood which includes this very important part of the world. I do think that how the Arab Spring ends up and probably it's going to end up in no, you know, it's not going to be all one or all the other; it's going to be messy and complicated but it's going to have a big impact. And I also think that the way it ends up will reflect the global balance of power. I think that the fact that the democracies and Europe are still wielding significant influence has had a positive impact so far in the Arab Spring. And it's one of the points that I think, you know, again may differentiate us.

It's interesting for me that Europe and the United States together and

with the Arab League have basically pushed China and also to some extent Russia into positions that they would not otherwise want to take. China is not in the business of helping democracies overthrow other autocracies. And yet on Libya, on Iran, and probably as we approach even on Syria, this sort of unified group that John is talking about has, in fact, pushed China for all its economic power in a direction it otherwise might not have gone. And I would like to see that to be the continuing effort in the future.

And I'll just say one other thing, which is I agree that the Chinese are not 10 feet tall. And we talk about share of global GDP; we really ought to understand at least that some of that is the multiplicative factor of the fact that they have 1.3 or however many billion people. Their per capita GDP remains remarkably low for all the progress they've made. European and American GDP per capita is in the 40,000 range. China is around 4,000. That's the level of Angola. And in 20 years when they have become the world's largest economy they're going to be at the level of where Slovenia and Greece are now compared to the United States.

Now, on the other hand there are people like Arvind Subramanian across the street who have made interesting arguments about forget about all that. The fact is China's vast economy is going to be the dominant economy in the world. So I don't want to go too far in that other direction but I agree that China is not 10 feet tall.

MR. IGNATIUS: Charlie.

MR. KUPCHAN: On the Arab Spring, Jeff, you know, I think that at least from my perspective the United States has been drunk on democracy promotion. And that we, especially in this town people still believe that everybody wants to look like us and we therefore go around and stick ballot boxes on the ground and tell people to go vote. And I think it's a mistake and I think we're finding that it's a mistake in Afghanistan and Iraq and we're finding out the hard way.

But one of the things that I think the Arab Spring is instructive about is, you know, it is democratization. It is uplifting. You can't but be moved by what has been happening but it's also going to lead to a kind of political formation that doesn't look like us. And every country where there has been an election of one sort or another, Islamists have come out on top, whether it's Egypt or Tunisia, Palestinian Authority, Lebanon, Turkey, Afghanistan, Iraq. You name it. Right? And so all I'm saying is that fine, let's promote democracy but let's realize that what we get out at the other end is going to be a very diverse world with people taking different approaches to governance and that may make us think again about our foreign policy and what our priorities are.

On the EU, I mean, we haven't really talked that much about this side of the equation but I think that this phenomenon of the rising rest and the troubles that have befallen the EU and the United States are part of the same process and that is globalization is shifting wealth to other corridors. There was an interesting article in The New York Times I think last week about the alleviation of poverty around the world. It's happened much more quickly than anybody had expected. Well, at the same time that that's happening it has also led to stagnating middle class incomes here in Europe and Japan for 20 years and rising economic inequality. And I think the polarization in this country, the degree to which we don't seem to be able to make tough decisions is part and parcel of this economic slowdown. And coming to your question, the capture of American politics by corporate interests. I don't see our way out of this cul-de-sac right now but it is one of the reasons that I think that the United States with its EU partners may not be as fleet footed and as responsive to these changes as I hope.

And then finally on China, yes, you know, demography is destiny but even as the Chinese growth pattern and demographic slows down -- I think it's around 2027 that they may hit their peak -- they're still going to have a lot of warm bodies.

Right? And that means that over this period of change that we're talking about -- two, three, four decades -- they will be pretty well set as the globe's biggest economy.

MR. IGNATIUS: John.

MR. IKENBERRY: Just on that point, that is true. They will just by sheer size, even though they will be still a poorer country, they won't be a rich capitalist country, they will be poor even if they have a large aggregate GNP. And that will obviously shade their views of their agenda for global issues, agenda for institutions and so forth.

But the demographic trends do suggest that the accounting that we often see in public policy -- the Chinese are rising, the U.S. is stagnating -- are often looking too much at trends and not looking at dynamics and some of these underlying shifts that will put pressure on China to figure out ways to service what will be a very old population. And the United States which will comparatively speaking have a younger profile and that will entail opportunities growth and otherwise.

So I think there will be surprises along the way and those who are making the strong case that China has it locked up, you know, as the leading state that will purvey a kind of Sino-centered world are probably not going to be borne out and it will be much more complex and surprises all the way along. And I think surprises that may favor the U.S. and other countries like it.

Just on corporations, we haven't talked a lot about capitalism but I do think that one of the things that maybe leads Charlie and myself to have a different view about how to think about rising non-Western states, particularly Brazil, India, and the non-China rising states is that these countries do come out of a developmental heritage where suspicion of the West is huge, a more stultified developmental model, anti-colonial rhetoric and ideology, anti-imperial. And in that sense they look like they are countries that are going to bring a different set of values to the global stage. And I think there's an

opportunity for the United States to reach back into its ideological DNA.

I spend a lot of time thinking about the '40s, reading about the '40s, and the post-World War II American vision of a new world order was very much one where not just open markets and free trade were the guiding principles but a wider sense of what security, what economic security is. Some will call it social democratic internationalism. You saw it in the way the U.S. treated Germany and Japan and you can compare it with in this more recent period, more we'll call it neo-liberal period, the way in which we thought about reform in the post-Soviet Union. There's an older I guess more fresh from the New Deal kind of sensibility about a kind of broad gauged notion of capitalism and economic security that built coalitions in the United States. Clearly it was at the heart of the European project and it's a set of ideas that I think resonate with India and Brazil and other developing countries that do want democracy, do want capitalism, but want their own brand. And I think there's more commonality there than is often found in these caricatures of dependent development, rising states with a very different view of markets in the state and the West. And I think their differences are not as great as we sometimes think.

MR. IGNATIUS: So I want to take two more questions with apologies. You've had your hand up and yes, this gentleman here. Let's -- there was a hand way back. I feel I'm discriminating. All the way back there. So if you'd quickly ask your questions and then we'll have final comments from the panel.

MR. RICHMOND: I'm Al Richmond, former State Department.

I wanted to match future possible events to current models. If you're looking ahead looking at China, what would its policies in the South China Sea and beyond strategically or economically -- what would they have to do to say that they no longer want to fit in with the current international order? Or do you think the current order

will restrain them from even attempting to move out of this?

MR. IGNATIUS: Good question. Yes. This gentleman here on the end. Yes. And then the gentleman standing in the back.

SPEAKER: (Inaudible) legal intern at the German Embassy.

So far from my observation we've been talking a lot in bilateral terms. What does it mean for the U.S. in terms when China arises? What does it mean in the Arab Spring for the U.S.? For Europe? I would be interested in a more multilateral aspect on this. What do you think this -- your predictions on how the world will behave and will it have an influence on the U.N.? Will we see a more global statehood? Maybe a judiciary body that will judge individual states and how they act will have a more rules-based system. Thank you very much.

MR. IGNATIUS: That's a good question for John. What's the conclusion of John's world? And finally, yes, sir.

MR. HYDE: I'm Richard Hyde. I'm the principal of the ReligionConsulting Group.

MR. IGNATIUS: Speak up if you would.

MR. HYDE: Oh, I'm sorry. I'm Richard Hyde, principal at the Religion Consulting Group.

A question about Russia. Tell us about Vladimir Putin, how the world looks to him and how should we deal with him?

MR. IGNATIUS: Great. Great question.

Panel, close. Bob.

MR. KAGAN: Well, first of all, I mean, we probably could go on fighting about this for days but I've certain enjoyed the amount of time we have spent on it and I think these are interesting issues. You know, in terms of Russia, Putin's view is very

clear it seems to me. He is worried about holding onto power. I think he has the capacity unfortunately to hold onto power but he's going to be a nervous paranoid ruler. And for a variety of reasons that leads him to be I would say a very suspicious -- very suspicious of the United States. He's constantly afraid of another Orange Revolution. He talks about that all the time. And his view of all these different areas getting back to the Arab Spring is conditioned by that. There are people who think that he fired Medvedev because Medvedev went along with the U.S. and Europe on Libya because, you know, as far as Putin is concerned we snookered them into the overthrow of a dictator, of Qaddafi, which is not what the Russians signed up for. And as they look at Syria right now I'm sure that that, in addition to money, is motivating his concern.

And so, you know, as long as Putin is around, and I think we're talking about at least 12 more years, Russia is going to be another one of these -- another power that is outside in some respect -- I mean, both inside and outside this liberal world order but pushing against major elements of it.

And again, you know, just one word which I'll end on. How nations are behavior today needs to be understood in the context of the power configuration that exists. We look at China and we look at Russia and we say, well, they're not being very aggressive really except for the occasional thing in Georgia if you're Georgian. But we need to understand that one of the reasons that they are not pushing as great powers traditionally do is because they are held in check by an overwhelming American power and this American alliance structure. I think we have to have enough imagination based on history to understand that if that power that checks them retracts, they will be more ambitious and more demanding and more willing to use the tools that available to them including hard power to get what they want. I have no doubt that if the United States were not as powerful as it currently is today China would long since have taken control of

the South China Sea, and I don't think there's any reason to assume that that's the end of Chinese ambitions. When the United States became more powerful it became more ambitious. This isn't even a question of good or evil. It's just the way nations are.

Charlie.

MR. KUPCHAN: On Russia, I generally agree with Bob. I think that Putin will serve out his six-year term. I think he is a little bit chastened. He may engage the reformers a bit more. He has interests in reaching out economically to the West but at oil prices where they are now and maybe higher if things go poorly with Iran, I think that kind of income puts him in pretty good shape. And I would put Russia for historic reasons in the category of illiberal countries that we will be dealing with for a long time to come. I think that there is a staying power to autocratic capitalism. There's a logic to it and that when we move through this decade and the next and countries are out there and looking at who's doing well and who's not doing well, it's not readily clear to me that they're going to sit down, look outside their windows, and say the world according to John Ikenberry is the world that I'm ready to sign up to. They may see alternative models out there that are performing at least as well.

And that brings me to the China thing. John thinks that China is already kind of in the system and then we need to look as your questions suggests for the moment when they might be ready to break out of it. I don't think they're in the system. I think that they are milking the system. That it is in their interest to play by our rules but really they are not. If you look at the exceptions they got in the WTO when they joined, they are pushing them to the hilt. If you look at their economy, I mean, almost 50 percent of their output comes from state-owned companies. That doesn't look to me like a country that's playing by the rules of market capitalism. And so I already think they're not in the system. The question is when will they get to the point in their power trajectory

where they begin to say we would like to export some of these rules that we now use only internally. And I don't know the answer to that. But like Bob, I think the question is not if but when. And that countries turn on at some point in their trajectory and they get geopolitically ambitious and then they, number one, want to rewrite the rules and then number two, are going to challenge us for naval hegemony.

And then finally on the question from our friend from the German Embassies, I'm not particularly optimistic about global governance. I think there is a demand for global governance and multilateralism that will vastly outstrip its supply. And if I'm right that we're moving into a world where there is less hegemony then I think we're moving also into a world in which regions matter more than global institutions in which some of the most important bodies in the year 2030 may well be the EU, ASEAN, Gulf Cooperation Council, UNASUR, and not the United Nations. And I think we're already beginning to see the beginning of that world in the sense that our multilateral institutions, they went from the G-7 to the G-8 to the G-20. They have to do that to be more representative, but I think it's going to be doubly difficult to get consensus in the G-20 because it's awful bit. And precisely because those global institutions are going to be more unwieldy, populated by countries that are democracies and autocracies. I see a world that starts farming out responsibility on a regional basis.

MR. IGNATIUS: John, last word.

MR. IKENBERRY: Yeah, first on China and the South China Sea. I think it's important to see Asia as a region where you have countries in the middle of two powers -- China and the United States, and they are countries that are caught between two logics. In fact, they are all looking to China for trade and they are looking to the United States for security. So they are all looking to the eagle for security and the dragon for economics. It's a kind of double hierarchy. And that leads to a dynamic I think that

creates incentives for China and the United States to look for ways to moderate their geopolitical conflict.

China learned in 2010 that if they push hard, and it may well be that they would like in an ideal world if they had the power and didn't have the pushback, they would like to impose a kind of Finlandization of Southeast Asia but they found out that there's something called self-encirclement that you behave in a way -- a bullying way, an aggressive way -- and there is backlash. The U.S. saw that and it has redounded to the favor of those countries trying to build a security system around China.

On the other hand, the United States will find it very difficult if it wants to pursue a kind of ideological crusade against China because there are a lot of countries that don't want to have to make a decision between China and the United States. There is a competition going on. There is realist style geopolitics going on. The U.S. should be there. It should be building its alliances and building these institutions that allow for moderation. Because while I am giving a vision of liberal international order, it's an order that is built on -- it needs to have a certain level of geopolitical realist style moderation. That is to say you've got to solve the problems of Hobbes before you can work on the aspirations of Locke. And you've got to have great powers that are restrained and accommodated and that's why China is a wild card. But there is theory and history that suggests that these countries have incentives to moderate and that will be good for the region.

Rules-based order and global governance, I don't have a teleological vision. I can imagine -- I certainly don't think we're going to have global governance of a kind of world government sword. We may well pull back in various ways. Certainly, the liberal accomplishment, which is what we've really been talking about today, was premised on states building an environment in which they could realize their goals. After

World War II it was a system of institutions that reinforced the ability of government, sovereign governments to pursue full employment policies and stabilize their economies and get the benefits of both free trade and a kind of modest level of social and economic security that modern democracies need. So that kind of mixed system I think is one that will keep us moving somewhere between sovereignty and interdependence and not toward some kind of transformed global governance.

Finally, when I look into the 21st century I see -- I do see the great problems being ones of managing rising economic and security interdependence, that it's going to be harder and harder for countries in the 21st century to be secure alone on their own terms; that you have to work with others; that you can't build domes or have oceans that are wide enough simply to protect yourself; that you're going to have to work with others to create capacities to solve all kinds of transnational diffuse uncertain shifting security threats that include old threats, proliferation, but also new threats, global warming and pandemics and so forth. So that suggests to me that the problems of the new era are ones that have a solution set that entail complex forms of cooperation and more extensive forms of cooperation that are most likely possible if the world is populated by liberal democracies but will be generated by the uncertainties and insecurities of this rising economic and security interdependence. And that means that the solutions that countries will grope for will auger them in favor of and bend them towards types of liberal internationalism, types of institutionalized forms of cooperation that America does well. We haven't always played by the rules as Bob said but we have been a country that has seen itself best advantaged by operating in an environment that is loosely rule-based. And that is an environment that given these new problems and rising states that are also looking for functional solutions to their problems, are going to want some kind of liberal internationalism that the United States has seen as its brand of world order.

MR. IGNATIUS: So I am sure that I speak for the audience when I say this has really been fantastic. This is what we dream about when we go to think tanks and think about Washington intellectual debates. So thanks to all of you. You can buy books outside. Thank you very much.

(Applause)

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