

Tackling global challenges, despite great power rivalry

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India could nudge the US and China towards a win-win rather than zero-sum relationship on the critical issues we all face

Way back in 1972, a study on ‘The Limits of Growth’ commissioned by The Club of Rome had issued a dire Malthusian warning that without significant curbs on the observed pattern of resource consumption, both economic activity and population growth would encounter a sharp collapse by around the middle of the 21st century. Repeated validation checks, most recently by Gaya Harrington in the Journal of Industrial Ecology in 2020 (Volume 25, No. 3), have unfortunately confirmed that there has been no significant change in patterns of resource consumption. Fifty years later, the Global Commission has now issued a similar dire warning in its recent report, which overlaps with but is quite distinct from ‘The Limits of Growth’ study.

The Commission, a group of eminent global citizens drawn from across the world, including Montek Singh Ahluwalia from India, has highlighted the key challenges facing the world today. A sad message of their report is that while technical solutions to these challenges are known, the global institutions and governance priorities necessary to deliver these solutions are missing.

The most urgent challenge, of course, is the continuing covid pandemic. Several vaccines are now available, a great achievement of scientists. But the distribution of vaccines in most developing countries has been very limited. And the global response in making vaccines available adequately and affordably in these countries has been woefully insufficient. This provides time and space for new variants to emerge and for the pandemic to persist.

Consequences of the prevailing pandemic, supply bottlenecks, rising inequality, demand constraints and massive public debt in developing countries are hobbling economic recovery. Deep uncertainties arising from the pandemic are preempting

business decisions as well as government policies that would enable the massive private investments and public spending on infrastructure, health and education that are necessary to extricate the global economy from its current crisis.

Underlying these immediate challenges is the long-developing climate crisis. Once again, the technologies required to replace carbon emitting fossil fuels by renewables are known and commercially viable. But most developing countries lack the resources to finance the massive investments required to make the transition from fossil fuels to renewables within the time available to prevent catastrophic global warming. And misconceived national interests in advanced countries have clouded perceptions about the negative global externalities of not financing such a transition in developing countries. Witness the just concluded CoP-26 Glasgow summit.

The asymmetry between key challenges that are global and policy responses that are national, especially those of major countries, is itself a key challenge. There is no global institution, not even organizations of the United Nations, that has the clout required to override the priorities of individual countries, especially major powers. Indeed, these institutions are typically controlled by the most powerful nations. The Commission attributes the failure to seriously address the big challenges of our times to this missing global institution. In particular, the Commission has identified increasingly fraught relations between the two most powerful nations, China and the US, as the most dangerous challenge we face today.

That warning is welcome. Rising tensions between the US, with bipartisan support for a more aggressive China policy, and an increasingly assertive China under President Xi Jinping can lead to disastrous consequences not just for these two countries, but the whole world. Such an outcome is not inevitable, though. During the Cold War, the fear of mutually assured destruction held back the US and Soviet Union from the brink for nearly 50 years. Today's leaders in China and the US must have the same fears.

Besides, as Harvard economist Dani Rodrik has recently argued, a positive-sum strategic perspective offers better outcomes than a zero-sum approach. Taking that

positive path is not easy, with many risks of misinterpreted actions. But a robust framework of communications can pre-empt misunderstandings and accidental conflict (Mint, 12 November 2021; bit.ly/3oBQcxG).

There are some signals that the leaders of both countries are indeed seeking ways to avoid accidental conflict. On the day that the Chinese Communist Party recognized Xi as one of the tallest leaders of the party, alongside Mao and Deng, he issued a warning against the risks of a new Cold War in Asia. On the same day, China and the US, the two highest carbon emitting countries in the world, also reached an agreement to increase their cooperation in speeding up action on the climate front. This was perhaps the most significant outcome on the sidelines of the CoP-26 summit, which was itself disappointing, as had been expected. Presidents Biden and Xi have since had a bilateral virtual summit with frank discussions on many outstanding issues. No agreements were reached and no outcomes were expected. The purpose was to establish lines of communication to pre-empt accidental conflict through mis-understanding or miscommunication, very much along the lines that Rodrik has suggested.

So where does all this leave India? Like most countries, India will mainly be a passive recipient of what great power rivalry throws up. However, along with its partners, India can seek to nudge both China and the US towards positive-sum outcomes that address the key global challenges of our times.

Such a shift in strategic perspectives would greatly benefit not only the two countries, but also the rest of the world.

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