

# A MIDDLE WAY FOR GOVERN- ANCE

**Western governance has transparency and accountability but lacks continuity. Eastern governance has long-term discipline but lacks public participation. Each can improve by learning from the other.**

NICOLAS BERGGRUEN is the founder and president of Berggruen Holdings, a private investment company, and the Nicolas Berggruen Institute, a think tank devoted to addressing governance issues; NATHAN GARDELS is a senior adviser to the Nicolas Berggruen Institute and is the editor of *New Perspectives Quarterly*. He has been a media fellow of the World Economic Forum since 1986. Berggruen and Gardels are coauthors of *Intelligent Governance for the 21st Century: A Middle Way Between West and East*, forthcoming from Polity Press.

**New times require** new methods of governance, and our own troubled era is no exception. The great economic and technological convergence that is the consequence of “Globalization 1.0” has also given birth to a new cultural divergence: the wealthier emerging powers are asserting their individual cultural norms, looking to their respective historical foundations as they define themselves against the waning hegemony of the West. If “Globalization 2.0” is to be successful, it must accommodate both greater interdependence and greater pluralism.

Unfortunately, none of the existing governance models, including Western liberal democracy, is adequate to the task of ensuring a peaceful and prosperous Globalization 2.0. Our world today requires levels of technical expertise, long-term planning, legal and regulatory consensus, and cosmopolitanism that are not consistent with nation-based democracy as currently practiced in the United States and elsewhere. At the same time, the emerging neo-Confucian mandarin state of China, and some similar state-dominated models, cannot hope to remain stable—or to lend stability to the developing global order—without finding ways to attract and channel the free consent of the governed, who increasingly are demanding the dignity of meaningful participation. We need, in short, to find a middle way, both in theory and in practice.

Globalization 2.0 means, above all, the interdependence of plural identities instead of one model for all. The once regnant Western liberal democracies must now contend on the world stage not only with neo-Confucian China but also with Turkey’s model of an Islamic-oriented democracy with a secular frame, a model that has been a beacon for the newly liberated Arab street. Historically, a power shift of this magnitude often ends in collision and conflict. But given the intensive integration that the post–Cold War round of globalization has wrought, this power shift



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The G-20 brings a diverse group of cultures, economies, and political systems to bear on the world's problems.

also presents entirely new possibilities for cooperation and cross-pollination across a plural cultural landscape.

We are thus at a historical crossroads. How we govern ourselves in the coming decades within and among nations will determine the shape of the 21st century.

Much hangs on our ability to balance the need to recognize and respect distinct cultures and the need to embrace intense global interdependence, all while responding to the demands for greater participation in the political process. Our ability to manage those conflicting needs will make the difference between dynamic and stalled societies and determine whether clash or cooperation emerges as the global modus operandi.

That balance might be called “intelligent governance,” a middle way that devolves

power and involves citizens in a meaningful fashion while fostering legitimacy and consent for delegated authority at higher levels of complexity. Devolving, involving, and decision division are the key elements of intelligent governance. These are the factors that can reconcile knowledgeable democracy with accountable meritocracy.

Striving for intelligent governance does not mean imposing a one-size-fits-all template. Different political systems are at different starting points, and each must reboot according to its own cultural preferences and needs. While China needs more citizen participation and meritocratic accountability to achieve balance, the United States needs to depoliticize its democracy, finding a system in which governance for the long term and the common good is insulated from short-

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term populism and a special-interest political culture. China needs to lighten up, while the United States must tighten up. In Europe, the institutional infrastructure necessary to complete integration—a strong but limited political union—must be invested with democratic legitimacy, or it will fail to attract the allegiance of European citizens over the medium or long term.

At the global level, the Group of 20—the main mechanism of adjustment for the global power shift currently under way—must be invested with legitimacy by nations and their publics. Otherwise, it will never acquire the political capacity to provide the global public goods—a reserve currency, stable trade and financial flows, security, nuclear nonproliferation, and a united front against climate change—that no one hegemonic state or club of states can provide in the plural world of Globalization 2.0.

In our own work, through the Nicolas Berggruen Institute and its associated councils, we have focused on California, the Group of 20, and the European Union, all settings where the problems are acknowledged and the desire for solutions is shared, but the existing governance structures are inadequate to the tasks.

Californian voters, beginning in 2005, responded to partisan paralysis in the legislature by voting for open primaries, redistricting by citizen commission, and the use of a simple majority vote on budgets. We initially sought to extend this movement through the Think Long Committee, founded in 2010. This was a high-powered group of eminent citizens with broad experience in public affairs, labor, and business. At our first meeting (at Google headquarters), Arnold Schwarzenegger, California's governor at the time, shared the table with Gray Davis, the governor he had ousted. Soon Jerry Brown, the state's current governor, was working with the committee as well. The name of the group

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revealed its main objective: to introduce a depoliticized, nonpartisan, and long-term agenda as a corrective to the partisan rancor and short-term, special-interest political culture that has come to dominate California's political life. The Think Long Committee's "blueprint to renew California," introduced in a report published in 2011, seeks to install a new civic software. Recommendations include incorporating commonsense practices such as a "rainy day" reserve fund and multiyear budgeting; instituting two-year legislative sessions, with one year dedicated to oversight; aligning the skills and educational outcomes of California's educational institutions with the needs of the state's cutting-edge technology industry; and speeding up regulatory approval to foster job creation. Many of these initiatives will be put before the public for a vote in statewide referenda, beginning in November 2012.

The Group of 20, in which Europe, Japan, and the United States—the old G-7—are joined by Brazil, China, India, Mexico, South Africa, Turkey, and others, is, in effect, the mechanism of adjustment from Globalization 1.0 to 2.0. The advanced economies of the old G-7 are unable to provide global public goods such as open trade, stable financial flows, and a global reserve currency, while the emerging economies, with China in the lead, are not yet able to do so. Moreover, unlike the G-7, the G-20 brings together a broad mix of cultures and economic and political systems. Figuring out how to govern these new, interdependent plural identities, in which economic convergence and cultural divergence are taking place simultaneously, is an unprecedented

challenge. To help meet this challenge, we formed a council of former world leaders from advanced and developing countries, top thinkers, and technologically savvy “disrupters.” This group has focused on debating issues of global governance and offering its best counsel to current heads of state—notably a given year’s president of the G-20. It also operates as a bridge between Asian, particularly Chinese, governing elites and those in the West, hoping to ease the transition to an interdependent world from one held together by Western dominance. Such broadened political participation can help ensure that the provision of global public goods will not fall victim to national (and nationalist) rivalries.

In a sense, Europe faces the same set of challenges as the G-20: how to share sovereignty in a way that also promotes national well-being in the long term—notably by providing Europe-wide public goods—and thus garner the support of the public. As with the G-20, greater authority is required for the coordination and management of interdependence at the systemic level, even as citizens at the national and local levels must be able to increase their influence over their own fates. Our Council on the Future of Europe seeks to address these issues by gathering a small group of Europe’s eminent and experienced

political figures to debate and design the institutions that would govern a federal Europe and then plot a way forward. The technocratic management of the euro must be complemented by political reform that brings democratic engagement at the Europe-wide level, rather than relegating it to nations. As Martin Sandbu recently put it in the *Financial Times*, “In Europe, national self-determination can no longer trump democracy.”

Our efforts are at least as much tactical as strategic, seeking to alter by degrees the public debates and private political discussions that are gradually shaping our future, while keeping our eyes firmly on the long term. A certain modesty is required, as the stability and prosperity of an interdependent world will never be secured by intellectual dominance—or any other sort of dominance. The conundrum of interdependence without a common identity cannot really be solved. It is proving difficult enough on a European scale; on a global scale, it must remain a distant idea. What is possible, however, is to use what we know about governance to prevent technocracy from smothering freedom, and to keep democracy from negating political styles and structures that have proved to work. If prosperity and diversity are to coexist, we need to get governance right. ■

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