

# INTELLIGENT GOVERNANCE FOR THE 21ST CENTURY

A MIDDLE WAY BETWEEN WEST AND EAST

NICOLAS BERGGRUEN

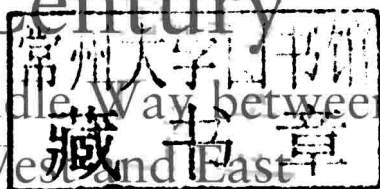
& NATHAN GARDELS

Nicolas Berggruen  
and Nathan Gardels

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polity

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## Praise for *Intelligent Governance for the 21st Century*

“Berggruen and Gardels offer an unconventional take on what good governance should mean in the 21st century, going beyond exasperated accounts of East versus West to offer something far more compelling and pragmatic.”

– Eric Schmidt, Executive Chairman, Google

“Berggruen and Gardels seem to be everywhere – from Beijing to Rome to Mexico City – and know everyone, cross-pollinating ideas beyond all kinds of boundaries. And they have the determination and resources to put their highly original and worthy ideas into action.”

– Nouriel Roubini, Roubini Associates

“With existing structures of democracy producing widespread alienation, there is an urgent need to reconsider governance in the 21st century. Berggruen and Gardels propose hybrid institutions that combine accountability with expertise, inclusiveness with meritocracy. Bringing together Confucian traditions with a European sense of history and American pragmatism, this is that rare book that combines radically innovative thinking with extensive practical knowledge. It should be on the reading list of anyone – politicians, CEOs – concerned with good governance in a time of globalization.”

– John Gray, Emeritus Professor, London School of Economics, author of *The Two Faces of Liberalism*

# Intelligent Governance for the 21st Century

# Acknowledgments

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While the authors are solely responsible for the contents of this book, we have been privileged to draw from the truly remarkable array of leaders and thinkers around the world who have been active members in the three main projects of the Nicolas Berggruen Institute: the Think Long Committee for California, the 21st Century Council, and the Council on the Future of Europe. They are all listed, respectively, in Chapters 6, 7, and 8. Their insights as well as their broad experience in practical governance of their societies have been invaluable in shaping our ideas.

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## Acknowledgments

prime minister of the UK during the financial crisis of 2008–9. Mario Monti's labors as prime minister in the "depoliticized space" of a technocratic government in Italy have been in many ways a test of our approach to governance, and we have deeply appreciated the opportunity to exchange ideas with him in the European context.

We particularly value what we've learned from our Chinese colleagues – Zheng Bijian, Wu Jianmin, Zhang Yi, and Feng Wei in Beijing – and have taken Zheng's strategic theme of "building on a convergence of interests to create a community of interests" as a guiding light of our global endeavors.

The powerful cross-pollination of ideas between the Eastern and Western scholars whom Li Chenyang and Daniel A. Bell gathered together at Singapore's Nanyang Technical University in January 2012 to discuss political meritocracy was almost mind-bending. There is far too little of that kind of in-depth engagement of worldviews today. We benefited from it greatly.

Our association with Google's Eric Schmidt and Jared Cohen has opened wide a window into the impact of the information revolution and social media on governance. Our proximity here in California to Silicon Valley has enabled us to hold several discussions to delve more deeply into these subjects. We are highly grateful to all the participants in those meetings in the Bay Area, which included Microsoft strategist Charles Songhurst, MIT Media Lab director Joichi Ito, e-Bay founders Jeff Skoll and Pierre Omidyar, YouTube creator Chad Hurley, Twitter founder Jack Dorsey, and Google.org's Shona Brown and Matthew Stepka. At various times those discussions were also joined by California Governor Jerry Brown; Francis Fukuyama; the US State Department's top digital diplomat, Alec Ross; *Transparent Society*

## *Acknowledgments*

author David Brin; and Singapore's former foreign minister, George Yeo.

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# Introduction

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In this book we examine how the best practices of governance in East and West, developed over centuries under very different historical and cultural circumstances, might be brought to bear on the common challenges wrought by globalization.

We focus on China and the United States, not as literal alternatives, but as a metaphor of the trade-offs that must be considered in constructing a mixed constitutional system that incorporates the signature elements of both – respectively, guidance by the long-term perspective of meritocratic elites and the popular sovereignty of democracy.

In the first chapter, “Globalization 2.0 and the Challenges to Good Governance,” we contrast the geopolitical and geo-civilizational outlooks of West and East as they face the transition underway from American-led globalization to an interdependence of plural identities. We also introduce the concept of “intelligent governance” in response to the political and cultural awakening that is part and parcel of the global shift. Our argument is that good governance must *devolve* power and *involve* citizens more meaningfully in ruling their communities while legitimizing

the delegation of authority through *decision-division* to institutions that can capably manage the systemic links of integration.

In Chapter 2, “America’s Consumer Democracy versus China’s Modern Mandarinate,” we analyze the contemporary strengths and deficiencies of both systems.

Chapter 3, “Liberal Democratic Constitutionalism and Meritocracy: Hybrid Possibilities,” revisits the debates over the qualities of political meritocracy versus electoral democracy as forms of good governance, touching on topics from the origins of the examination system in China to the deliberations of the American Founding Fathers over the pitfalls of direct democracy.

We further muse over some of the affinities of Western classical and Enlightenment thinkers with Confucian precepts and ponder what the building blocks of a hybrid form of governance might be where rulers are selected on merit but checked by popular elections.

Having revisited the old debates, in Chapter 4 we place them in the context of the newest challenges and opportunities of the 21st century – social networks, the emergence of the megacity, and the global scattering of productive capabilities – to which all systems of governance must respond.

Taking all of the foregoing into consideration, Chapter 5, “Intelligent Governance: Tenets and Template,” is an exercise in political imagination that proposes an institutional design for a middle way between West and East – not a one-size-fits-all blueprint, but an ideal suggestion, the principles of which would have to be molded to particular circumstance.

In Chapters 6, 7, and 8 we report on our efforts to do just that – adapt the principles of intelligent governance in widely varying conditions, from California to the G-20 to Europe.

## *Introduction*

Chapter 9 puts our discussion in the broadest possible historical context of the potential emergence of the first truly global civilization – if we figure out how to make our different operating systems compatible. Our title, “Survival of the Wisest,” says it all.

Since the book is about live, ongoing projects, the reader may follow the activities of the Nicolas Berggruen Institute at <http://www.berggrueninstitute.org>.

*Nicholas Berggruen  
Nathan Gardels  
Los Angeles/Paris, June 2012*



Part I

Globalization and  
Governance

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# 1

## Globalization 2.0 and the Challenges to Good Governance

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### *Introduction*

“East is East, West is West.” But, today, the twain are intertwined.

Everyone knows the contrasting traits that distinguish these broad civilizational spheres: authority versus freedom, the community versus the individual, the cycles of the ages versus the progress of history, and representative democracy versus, in China’s case, rule by a meritocratic mandarinstate. Yet, we also know that China has become the factory of the world and the largest creditor of the United States.

In this book we revisit the twain that Rudyard Kipling famously said “never shall meet” in this new historical context where China and the West are as tightly tethered as they remain highly distinct.

As the West recedes from its centuries-long dominance and the Middle Kingdom regains its solid foothold in history, we are obliged to look out on this changing landscape with Eastern as well as Western lenses.

If the reader will permit the reduction of some essential truths, the modern Western mind tends to see contradiction between irreconcilable opposites that