

Global Policy Council 2009 Conference Report

Berlin, March 12-13, 2009



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Introduction



Josef Janning: "At the Bertelsmann Stiftung, we are convinced that globalization can and must be managed politically. To this aim, I welcome the contributions from our GPC participants as experts, discussants and multipliers of solutions for the manifold challenges facing us in our common global future."

The Global Policy Council (GPC), which the Bertelsmann Stiftung created in 2006, is a brainstorming meeting of leading global affairs thinkers. The GPC aims to identify and discuss the components of a truly global agenda and to develop a fresh approach to global governance that is more holistic and more inclusive than previous efforts.

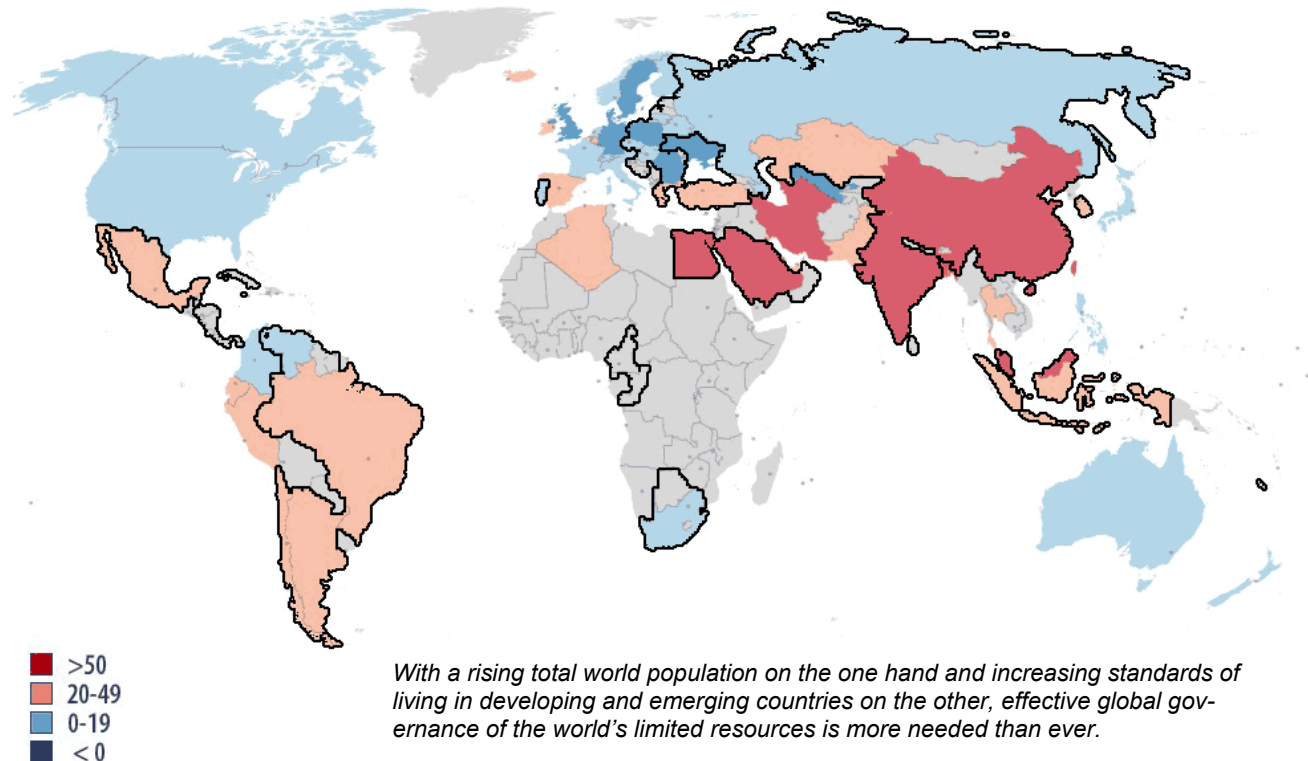
How urgent a more global response to both the immediate and long-term challenges of a globalized world has become apparent throughout last year. Even before the financial and economic crisis hit the world, extreme

food shortages, soaring oil prices and the severe implications of climate change were adding to the feeling of global insecurity. The way in which all these developments unfolded illustrates the tremendous difficulties encountered when trying to provide concerted answers to global crises.

Rather than comprising a set group of experts

from year to year, the GPC brings together both experienced and new members, depending on their expertise in the currently most relevant issue areas in which challenges require a global response. During the GPC meeting, various gatherings fostered exchange and discussion among members. Convening on March 12-13, 2009 in Berlin, the GPC used gatherings ranging from panel

Energy Consumption Change '97-'07 Middle Class Newcomers '87-'07



discussions to dinner debates and the presentation of expert reports. All participants were given inspiration in an opening dialogue and address between former German Chancellor Helmut Schmidt and former United States Secretary of State and Nobel Peace Prize Laureate Henry Kissinger. Additionally, several participants gave recorded interviews on their observations of the globalized world published on the Bertelsmann Stiftung's YouTube channel¹. At the GPC 2009, experts gathered from all 6 inhabited continents to debate and craft the emerging agenda for global governance in the following issue areas:

Session 1: Crafting an Inclusive Global Agenda: Issues and Priorities

Session 2: Approaching Global Governance: Principles, Instruments and Actors

Session 3: Regulating Markets: How to Deal with the Financial Crisis and its Implications?

Session 4: Expanding Opportunities: How to Reduce Poverty, Promote Equality and Stimulate the World Economy?

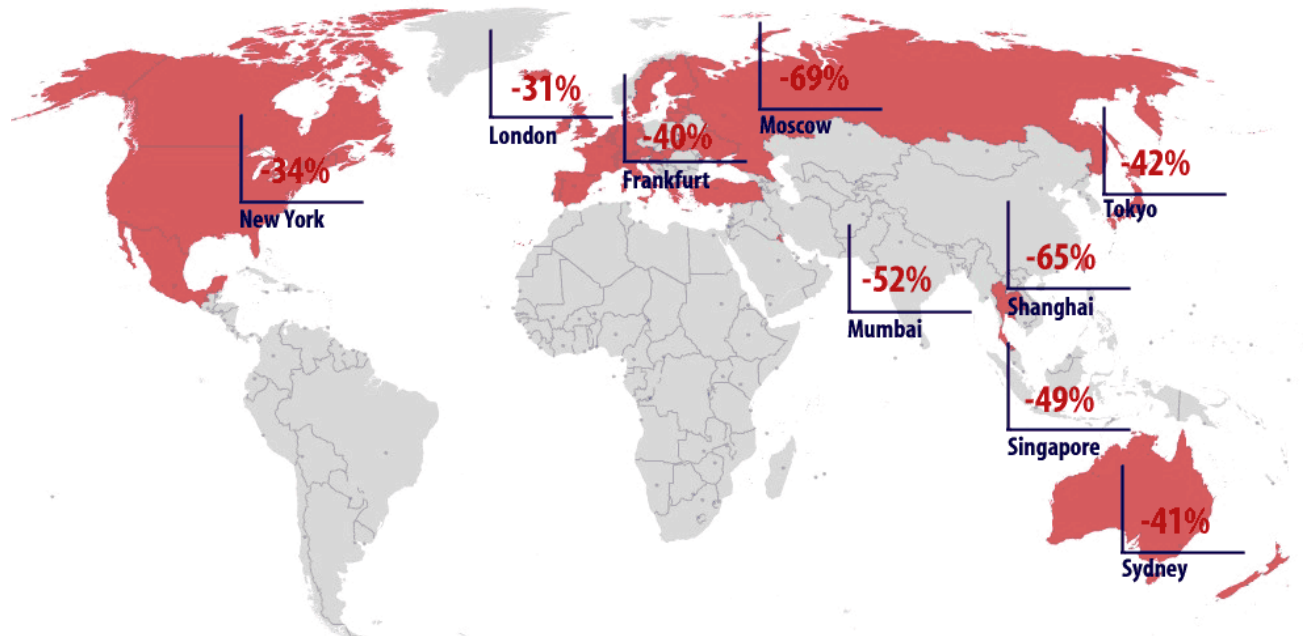
Session 5: Building Global Governance: How to Deal with Climate Change and Energy?

Concluding Session: Global Responsibilities: Building New Inclusive Partnerships

Not only during the GPC, but in preparing the session topics, the project team invited think tank representatives from around the world to contribute expert reports on the essential challenges of the globalized world from the perspective of their particular country or region.

Financial Crisis 2008-2009

Market Falls Bailouts Recession



¹ Bertelsmann Stiftung YouTube channel:
www.youtube.com/BertelsmannStiftung

The impact of the global financial crisis demonstrated the extent to which regulation on an international level has become essential in an interconnected and interdependent world. Without enforced international standards, crisis in the future will only become more frequent and devastating in scope. For this reason, one of the GPC 2009 sessions tackled the question of how to implement a new international financial policy.

Moreover, they outlined the long-term preferences of their political elites for meeting these challenges². This input shaped the thematic focuses of the GPC sessions.

As the expert reports and ensuing debate at the GPC made very clear, a truly global agenda must be concerned with reconciling interests, understanding all actors as having an equal footing and pursuing the global good.

This report offers a session by session account of the major obstacles hindering effective global governance in the respective issue areas from diverse international perspectives. It furthermore portrays suggestions and proposals on how to overcome the challenges of a globalized world.

Interplay

Helmut Schmidt and Henry Kissinger discussed³ the implications of the current global economic crisis as well as the long-standing challenge of nuclear proliferation and sketched out new structures for its management in international politics. Having borne responsibility during a period in history in which global political structures also faced fundamental change, the two experienced, former statesmen offered their insights for managing global structural challenges.



Henry Kissinger and Helmut Schmidt address the GPC in a reflection on global power and order.

Concerning the role of the Global Policy Council in this solution process, Henry Kiss-

inger stressed the importance of such study groups that can assist in “find[ing] the road from where one is to where one wants to go [...and in] accumul[at]ing new answers...” to emerging challenges of a globalized world.

The current economic crisis will be more serious than any economic crisis of the past century. At the same time, it can also serve as a catalyst for achieving the most significant changes of recent times. Both politicians also agreed that the outfall of the crisis will be more international and more extensive than any of the economic downturns of the 20th century. In contrast to the past, the post-Cold War world has undergone 20 years of globalization and is now home to markets that are truly global in scope. As a result, the crisis induces global consequences that require international solutions.

Despite economic globalization, both Mr. Schmidt and Mr. Kissinger regretted that political systems have not kept pace with economic markets, maintaining their predominantly national orientation. Precisely for this reason, the outbreak of the financial crisis surprised many politicians and the proper institutions needed to solve the problem still do not exist. While the G20 has come together to tackle the implications of the crises, they still lack a common strategy in terms of stimulus reactions and for repairing the banking sys-

² Expert reports are available at www.shaping-a-globalized-world.org

³ Phoenix transmitted the conversation, now available under: http://www.bertelsmann-stiftung.de/cps/rde/xchg/SID-B7746891-1E27F61D/bst/hs.xsl/media_93982.htm

tems. A failure to find global political solutions in coordination will inevitably lead to constant crisis, Henry Kissinger argued.

Mr. Kissinger furthermore expressed doubt that the G20's current structure will prove adequate to meet global international challenges. Nevertheless, he contended that, with the help of study groups, the G20 could in the future institutionalize solutions on a global basis.



Helmut Schmidt: "We need an authority that brings bank supervision, financial supervision, and supervision over financial instruments in the world up to harmonized standards."

Similarly, Mr. Schmidt called for a better representation from the Islamic world within the group of 20. Also, in the financial realm, he indicated that the International Monetary Fund (IMF) must play a key role on two fronts in order to improve multilateral cooperation.

Firstly, it should continue to assist countries in financial trouble to reinstate macroeconomic stability. Secondly, it should become the authority for ensuring the harmonization of standards on an international level.

In addition to the urgent problems brought on by the financial crisis, long-term, interconnected issues must remain on the international agenda. In order to address the crisis, leaders cannot ignore long-range goals. In this vein, Henry Kissinger reminded today's leaders of their obligation to sustainably combine both solutions to immediate and long-range problems.

For the two discussants, one of the most pressing challenges resulting from globalization and the current crisis is the growing threat to world peace. Undivided both expressed strong support for serious attempts to achieve across-the-board reductions in nuclear arms. In particular Mr. Schmidt called for a drastic reduction in the nuclear arsenals in the United States and Russia saying that: "they both still have 20,000 warheads ready to fire which is completely insane".



Henry Kissinger: "If the statesmen are farsighted, this period could be marked as one of the great transitional periods of history."

Mr. Kissinger, on the other hand, pointed out that the use of nuclear weapons is much less likely from the side of the United States or Russia than from the newer nuclear powers. As such, he called for a reduction from the side of today's nuclear powers and a continuation of the agreement from non-nuclear powers not to develop these weapons.

Mr. Schmidt concluded with a reference to German philosopher Immanuel Kant in describing both current threats and current opportunities, saying "humanity will in fact experience world peace in the future - either as the result of reason and consensus or as the result of catastrophe."

Debate

Session 1: Crafting an Inclusive Global Agenda: Issues and Priorities

The first session of the Global Policy Council focused on the common issues and challenges of the globalized world. It was chaired by the former President of the Republic of Chile, Ricardo Lagos. Three authors of the expert reports, Vladislav Inozemtsev (Russia), Terence Corrigan (South Africa) and Sundeep Waslekar (India), participated in that panel. They elaborated on the priorities of a common global agenda from the vantage point of their respective country and region.



Ricardo Lagos: "No matter the crisis we have today, globalization is here, and it is here to stay – before, during and after the crisis."

As President Lagos stated in his introduction, the session sought to broaden the under-

standing of what different countries in different parts of the world think about globalization and to identify priorities that should be tackled collectively. Quite a number of issues in today's world require a coordinated international response, because no country is able to act on them alone. That is the reason why the objective was to explore whether there is a common global agenda through the entire spectrum of perspectives or whether perceptions of issues and priorities are too diverse to arrive at a common understanding. Crafting an inclusive global agenda may seem an ambitious undertaking, but against the backdrop of the current state of international affairs, it is both important and opportune. This view was echoed and emphasized in the presentations of the three panelists.

For Vladislav Inozemtsev from the Centre for Post-Industrial Research in Moscow, the essence of globalization is the emergence of a single global economy that is not regulated in the traditional sense by national governments or by supranational institutions. Against this background, he argued that the single most important problem of the globalized world is uneven economic, political and social development. This global inequality manifests itself in several ways, mainly, in the unequal distribution of wealth both between North and South and within each society (both devel-

oped and developing). In addition, Mr. Inozemtsev mentioned the consequences of the current financial and economic crisis as the most important short-term problem. Among the medium-term challenges he gave the highest priority to international security, with a special emphasis on failed states and the non-proliferation of weapons of mass destruction. In a long-term perspective, in his view, climate change is the paramount problem because its solution will require an unprecedented coordination of efforts by countries with opposing economic interests.



Vladislav Inozemtsev: "The most essential problem of the globalized world is [...] the growing inequality on the global scale."

According to Mr. Inozemtsev, globalization has promoted a plethora of positive developments in Russia, such as: dynamism, mobility, prosperity, innovation, computerization, consumption of high-quality products, a European

standard of living, and broadening of intellectual horizons. Despite its potential, however, he argued that globalization challenges the interests of Russian political elites who employ propaganda against globalization as a scapegoat for their own shortcomings. In fact, the problem is not globalization itself, but the inability of a country (and often the unwillingness of ruling elites) to avail itself of the opportunities it presents.



Terence Corrigan: "The key issue facing Africa [...] is the question of development."

In the following presentation, Terence Corrigan from The South African Institute of International Affairs (SAIIA) elaborated on the manifestations of globalization in South and Southern Africa. He contended that Southern Africa's relationship with the outside world is largely one of dependency and subordination.

For example, the region is highly dependent on primary commodities for its foreign trade. For several years it had benefited from high commodity prices, but now faces difficulties with the global financial crisis. Although there are significant differences in the states that constitute the Southern African region, ranging from democratic and constitutional governance arrangements to dysfunctional and highly repressive ones, the region's key priority is socio-economic development. Its engagement with the world in political and economic terms should generally be measured against that background. Thus, development and globalization issues become difficult to distinguish from one another in the region. Solutions to the considerable challenges facing the region in economic terms could only be implemented with extensive changes to the manner in which the region is governed, and with significant infusion of resources and the capacity to use them appropriately.

According to Mr. Corrigan, concerns about climate change and environmental degradation also rank high on the agenda of Southern African states, because of their close link to food security. A significant proportion of people in Southern Africa depend on small-scale agriculture for their livelihoods. Thus climate change has immediate implications on the ability of millions of people to survive. Al-

though most African states recognize the need to cooperate in view of their individual weakness, they guard their sovereignty jealously, which may constitute an obstacle to multilateral approaches addressing these issues.



Sundeep Waslekar: "How can we extend prosperity to the people living in the periphery outside the market, outside the globalized world? This is the crucial issue."

For Sundeep Waslekar from the Strategic Foresight Group in Mumbai, development and poverty reduction are the crucial issues on the global agenda. In his presentation, he argued passionately that prosperity of the periphery is the primary concern in a quickly globalizing world. Currently, half of the world's 6.6 billion population lives in the market while the other half, about 3.3 billion people, lives in the periphery where people are unable to purchase even basic amenities for subsistence. India's

own experience and the experience of other Asian countries provides hope that by 2025-2030, around 2 billion people will join the market, taking the total to 5.3 billion. However, by then the population of the world will increase to around 8.6 billion. Therefore, almost 3.3 billion (the same number as today) will continue to live in the periphery. The critical question is whether new breakthroughs in global governance methods and technological developments will enable a much larger proportion of the periphery to join the sphere of prosperity or whether those languishing in the periphery would turn into a destabilizing force for the global society.

Mr. Waslekar also referred to the issue of water scarcity, pointing out that virtually all emerging economies are in need of more water while most of the developed economies enjoy sufficient water supply. In his view, water is likely to become a major source of conflict in the future and he used this example to demonstrate how the issues of demographic development, poverty and climate change are interrelated and reinforce each other.

Comments made during the ensuing discussion underlined the need and urgency for developing a truly global agenda. Participants in particular affirmed the need for greater social inclusiveness and social justice for all countries, especially those not represented in the

G20 format. While there was no clear consensus on what the items on a global agenda should be, they agreed in principle that climate change and economic inequality definitely deserve the highest priority. Particularly regarding the real danger that these medium and long term challenges can induce if they are neglected in favor of the efforts to cope with the financial and economic crisis. Discussants also recognized that most of the global challenges are interrelated and therefore solutions to each problem would be a solution to all. With respect to this interconnected nature of global challenges there was unanimous agreement that only multilateral action can deliver effective solution to our joint problems.

Session 2: Approaching Global Governance: Principles, Instruments and Actors

Under the chairmanship of former Polish President Aleksander Kwaśniewski, the three regional experts Victor Brobbey (Ghana), Denise Gregory (Brazil) and Stephen Stedman (United States) set out to introduce the topic of session 2 with their respective regional perspectives.



Aleksander Kwaśniewski: "The process of globalization is irreversible. We cannot stop this process. But, we need a democratization of global governance structures."

President Kwaśniewski stressed the fact that globalization cannot be stopped, despite the efforts of anti- and alter-globalization activists, as it constitutes an irreversible civilizational process. What globalization needs, however, is democratization so that its benefits can be shared to a greater extent than it is the case today. Justice as one of the basic values is important in this context, as Kwaśniewski pointed out. Yet, pertaining to the debate on universal and general values, the President also warned against the relativization of values. Moreover, as far as a more democratic approach to globalization is concerned, he insisted on the necessity to better explain it to the people and voters, so as to enable them to fully grasp the evolutions at hand.



Victor Brobbey: "The persisting level of inequality in the world prevents a country like Ghana from taking advantage of globalization."

Victor Brobbey from the Ghana Centre for Democratic Development took a straightforward question as his point of departure, asking, "How can a country like Ghana take advantage of globalization?" The major problem encountered in doing so is the persisting level of inequality in the world. Victor Brobbey offered a very critical assessment of globalization from the perspective of a marginalized Africa. Negative effects of an uneven and exploitative globalization have eroded the economic and financial sovereignty of African nations and frustrated the emergence of a common identity among the struggling poor on the continent. While globalization has theoretically promoted a greater respect for human rights, democratic governance, transparency and political accountability, positive impacts

have been undermined by the selective and subjective use of these principles. Still, Mr. Brobbey argued that many of the positive developments in Africa – such as the spread of democracy, changes in gender relations or an increased awareness of environmental issues – are attributable to globalization. Yet, there still is a need for a higher level of engagement to address both the positive and negative effects of the phenomenon, especially on the part of civil society.

Denise Gregory from the Brazilian Center for International Relations (CEBRI) in Rio de Janeiro began her contribution by pointing out that globalization and the entire system of global governance suffer from a democratic deficit. The system lacks legitimacy, justice and regulation. Against that background, she called for the inclusion of Brazil and other emerging markets as permanent participants of the G8 with full membership, rather than simply being "invited for dessert".

As far as Brazil itself is concerned in a globalized world, Ms. Gregory discussed globalization as an enabler of rapid growth for Brazil through business expansion and trade opportunities. However, the recent financial crisis, also amplified through global connectedness, has begun to unfold with disastrous consequences around the world. She perceived three further essential challenges of globaliza-

tion that require Brazilian as well as international political response: the internationalization of crime and unilateral reactions to it; unequal technological development and competition; and natural resource preservation. In the following, Denise Gregory elaborated a Brazilian perspective on principles and instruments needed for proper international governance of these issues, insisting for the need of democracy and general values.



Denise Gregory: "Globalization and the entire system of global governance suffer from a democratic deficit."

Last to offer an introductory statement was Stephen Stedman from the Center for International Security and Cooperation in Stanford. Mr. Stedman set out by reminding the audience that "where you live in the world determines what threats you see", as risks and priorities differ throughout the world. He identified the main task of global governance as

bringing realism, states and institutions into the 21st century. States continue to matter, although they are not the sole actors that matter and powerful states still matter more than less powerful states. Determining who has power has nevertheless become much more difficult, as power varies depending on issues.



Stephen Stedman: "The main task of global governance is to bring realism, states and institutions into the 21st century."

The good news, however, is that emerging powers do not qualify as revisionist states as they do not intend to overthrow the international system. In the 21st century, the greatest threats are transnational, such as the economic crisis, global warming and the spread of infectious disease, and these threats lead to interdependence. Even the most powerful states cannot defend themselves unilaterally against such threats. Moreover, unlike in the

past century, the world order can no longer be deduced from balance of power, since power has become too diffuse. The more powerful states consequently put a high premium on international cooperation. Yet, interdependence does not necessarily lead to cooperation. In fact, interdependence automatically engenders conflict – cooperation is a strategy to deal with this conflict. Against that background, Mr. Stedman called for "responsible sovereignty". States' sovereignty should be strengthened and be exercised responsibly in three ways: toward states' own citizens, in states' obligations towards other states and in taking responsibility for the international repercussions of domestic policies and actions. In order to get there, U.S. leadership still matters, acknowledging interdependence and reoriented toward the rest of the world. Cooperation among the major and emerging powers needs to be institutionalized. There, transnational issues can be pre-negotiated and common ground can be found. Such a forum could not decide for the rest of the world, it can however construct shared interest which could be taken to the larger fora providing needed legitimacy – thus creating consensus by concentric circles.

In the ensuing discussion, it was emphasized that there is a window of opportunity for shaping a globalized world – perhaps for the first

time since the end of World War II. The momentum created by the efforts to solve the financial crisis should be preserved in order to enter a new stage of global cooperation.

Session 3: Regulating Markets: How to Deal with the Financial Crisis and its Implications?



Guy Verhofstadt: "Responsibility must be reinvented."

The third session of the GPC focused on how to best cope with the implications of the global financial and economic crises. Chairing the session, former Belgian Prime Minister Guy Verhofstadt offered a list of failures that set the stage for an impending crisis. Failures of control, transparency and responsibility in financial markets dominated the list. These three failures however, emanated from a fail-

ure in policy; while markets, economies and technologies became globalized, political authorities remained oriented toward “old-fashioned” nation-states. Tackling the crises, he emphasized, requires a reinvention of responsibility and a redirection of currently national policies in a globalized world.



Yukio Okamoto: “While this session is about financial regulations, what we also have is a problem of people implementing regulations.”

Regulation failures resounded also with Yukio Okamoto, a former advisor to the Japanese Prime Minister during Japan’s financial crisis of the 1990s. He additionally shared some key lessons from this experience in relation to addressing the global financial crisis. Half-hearted and sluggish reactions by decision-makers in response to the bursting of Japan’s real estate bubble led to the consequence that

Japan continues to suffer from this crisis rather than emerging strengthened from this experience. Because the global crisis far outweighs that in Japan in the 1990s in both magnitude and the rate of its expansion, Mr. Okamoto urged a much more decisive and much quicker action by world leaders. He asserted that the G20 presents the obvious avenue for such collective decision-making on world financial regulation.

Mario Monti, former European Commissioner, echoed his predecessor’s dissatisfaction with regulation failures leading to the financial crisis. However, he reminded participants of the lax enforcement of the rules that already exist. It is not only that the financial system lacked the necessary rules, but also and perhaps more importantly, the enforcement of regulation failed. In this vein, Mr. Monti stressed the indispensability of ensuring the existence of regulatory agencies that are not exposed to political cycles or regulatory capture. While sometimes criticized for their technocratic character, European bureaucracies are less exposed to these problems than in the United States or in most other countries.



Mario Monti: “EU Integration over the last 50 years has proceeded through and thanks to crisis.”

Aside from considering the causes of the financial crisis, Mario Monti elaborated on the outlook for tackling its implications. European integration over the last 50 years has proceeded through crisis. Had it not been for the crisis in foreign exchange markets in the 1990s, he asserted, national central banks would have never given up their monetary sovereignty. In a similar way, the EU may emerge from the financial crisis with a renewed motivation for integration. He underlined the importance of pressure from the younger member states that believe in continued market integration to push this process forward. Signs of further financial integration exist. As an indication of this direction, he cited a heightened level of political will to reach a more integrated financial supervision.

The Commission, for example, not only recently endorsed the de Larosière Proposal for improved macro- and micro-level control mechanisms in Europe, but accelerated its implementation, pushing for completion in 2010 rather than 2012 as proposed.



Adam Posen: "The EU has to stop messing around with making this a transatlantic debate or an intra-G7 debate and reach out to China, Brazil and India and try to build a block across the G20."

Despite signs of integration derived from a scare, indications of disintegration of the financial system also became apparent in response to the crisis. The cross-border banking system, for example, began to waver. Precisely at a time where Europe needs more than ever to integrate financial supervision, mistrust among national bank supervisors is at an all-time high. Cross-border banks reduced their activities in other countries and concen-

trated them in their home country where they feel more protected. Consequently, Mr. Monti added, governments expect them to lend increasingly to domestic markets.

Looking again toward the responsibility of governments, Mr. Monti expressed concern that, to date, government response has been modest in terms of demand expansion but aggressive in aiding banks and large companies. As a result, European governments are spreading unfair competition through protectionist, national subsidies rather than spreading to one another the benefit of increased demand. Whether the current global crisis will spur further integration or disintegration of the financial system remains to be decided.

Like Mario Monti, Adam Posen, Deputy Director of the Peterson Institute for International Economics, sees the global financial and economic crises as an opportunity to change the governance of the global financial system. In particular, he spoke about the role of the United States in both the failure of global financial governance and its role in reform. He also recommended steps for the EU and major emerging markets to lead reforms in the global financial system without the United States, should the Obama Administration decide against the necessary, fundamental reforms. Among these steps, he mentioned block-building across the G20 with the EU

reaching out directly to China, Brazil and India; aiming for a "race to the top" on regulatory reform rather than waiting for universal agreement within the G20; continuing stimulus packages from 1 to 2 percent of GDP; and implementing stimulus and regulatory reform simultaneously. In a list of more specific items for the global reform agenda, Mr. Posen highlighted the importance of pro-cyclical capital ratios, achieving less discretion for supervisors and more disclosure across national borders as well as pre-empting "too big to fail" by breaking up some of the larger banks.



Laurent Cohen-Tanugi: "What we need at the European level is a true strategy for globalization that is not only adaptation to globalization but trying to shape globalization and that involves external common policies and that involves further integration."

In response to a call for increased participation and leadership from emerging markets, representatives of major emerging market

countries, in particular Sundeep Waslekar, criticized the nationalistic reaction by some countries in the West to China's attempt to buy up assets in those countries. Such mixed signals negatively influence increased cooperation. Picking up on this issue, Mario Monti likewise would like to see the G20 agree upon recognized guidelines for foreign investment and state aid in order to avoid further, otherwise very probable disruptions in the global economy. He asserted that this issue must be elevated to a global level because if not, the guidelines and rules that do exist in some countries, particularly in the EU, will fall victim to global pressures and collapse.



Zhao Huaipu: "We need an agreement on non-protectionism among the major economies as an immediate objective."

The extent to which the context of globally interconnected economies sets parameters for national political management of the crisis

was also reflected in the discussion on economic stimulus. Participants and panelists commented that in the same way that global imbalances – both over-consumption in advanced economies and lack of consumption in high-savings emerging markets – laid the ground work for the crisis, imbalances in implementing stimulus policies in some countries but not in others would exacerbate the current situation.

A final discussion ensued on how to avoid regulatory capture in the future and create a global financial regulatory system that would circumvent or mitigate a similar financial crisis in the future. Among others, Ngaire Woods underlined the needs for global rules and a rule-making forum within which the rules are forged. At present, the system lacks a single rule-maker with clear responsibility. Additionally, as was pointed out, the system requires robust monitoring of whether national governments are in compliance with globally-agreed upon rules. And because the IMF already conducts financial assessments through the Financial Sector Assessment Program (FSAP), the Fund's capacity to fill this role has to be bolstered. While the refusal of major, systemically important countries like the United States and China to accept the IMF's FSAP in the past undermined this role, Adam Posen commented that the recent decision of

the Obama Administration to finally allow the IMF to conduct assessments in the United States presents a step in the right direction.



Ngaire Woods: "If we look at global regulatory attempts in banking in the previous two decades what we'll see is that putting off regulation until the world has calmed down has always been the weapon of choice of the financial services sector to avoid regulation"

For the IMF to serve as an international regulator, however, it must succeed in commanding the confidence of all countries as an unbiased arbiter and neutral enforcer of the rules. There was agreement that current reform negotiations fall short by discussing only a slight change in voting shares and veto rights, but ignore a key issue for emerging markets, namely that of location. According to Ms. Woods, the IMF reform debate must at the least open its parameters to include the issue

of location or shift the debate to reinforcing and promoting regional insurance pools like that in Asia and looking at how a new IMF could oversee those arrangements. Either way, many remarked that reform should not wait until the financial clean-up of the crisis has occurred, but must come now, while public attention is on reform. Otherwise, reforms risk ending in “light touch regulation”, which has been the case in the past, where everything except for that which matters becomes regulated.

Session 4: Expanding Opportunities: How to Reduce Poverty, Promote Equality and Stimulate the World Economy?

Session 4 focused on the role of financial markets in poverty as well as inequality reduction, first looking at the potential of microfinance and then the consequences of the current financial crisis on developing countries and finally possible remedies.

Jacques Toureille, General Manager of the Aga Khan Agency for Microfinance, offered a grass-roots perspective on poverty reduction and argued that microfinance expansion had served to spread access to financial markets tenfold over the last six to seven years to 500 million people today. This should be considered an achievement. He emphasized that the

difficulty with microfinance is to find the right balance between economic sustainability and lasting support to the poor. Microfinance actors often intervened in “unsexy” markets without competition. Their monopoly could sometimes lead to exorbitant interest rates. Government caps on maximum interest rates would, however, not serve the poor either, as this would reduce incentives for non-charity actors to intervene. In addition, as microfinance works within particularly vulnerable and fragile communities, Mr. Toureille argued that access to the financial market could only be one component of poverty reduction. Bangladeshis have had access to microfinance for decades but large parts of the population still continue to live in abject poverty. Equally necessary is hence access to education, health care or shelter. These services require public infrastructure and state activism. He therefore urged emerging countries to put poverty and inequality reduction at the center of their political agendas. However, an important precondition is the curtailment of government inefficiencies and corruption. Without efficient governments the populations will continue to suffer. In this context, he also argued that civil societies can step into help the development of local governance and infrastructure. One participant in the ensuing discussion warned, however, that civil society actors were not per

se less corrupt or more reliable than state actors.



Jacques Toureille: “It is very important that the governments of the emerging economies are putting poverty alleviation at the center of their preoccupation and that their development agendas have a very broad and comprehensive program for reducing poverty.”

Debating the consequences of the financial crisis on developing countries, Mr. Toureille highlighted the negative impact of remittances reduction, decreases in development aid as well as the high fluctuation of commodity prices. Ngaire Woods, Professor of International Political Economy at Oxford University and Director of the Global Economic Governance Programme, pursued this argument, further detailing the negative consequences of a decline of export revenues, tax revenues, foreign direct investment and of retrenched access to trade currencies. She specifically

emphasized the dearth of reserves for needed imports by most African countries.

Ms. Woods furthermore urged not to forget the direct link between the consequences of the crisis in developing countries and the dwindling support for democratic reform, possibly leading to security threats in terms of violent conflict. This point was later on supported by one participant from Ghana.

Ms. Woods also discussed the policies of the IMF and World Bank as well as the possible reform thereof in order to limit the negative impact of the crisis in developing countries. She firstly criticized the double-messaged IMF policies, on one side urging developed countries to increase their fiscal stimulus packages for economic recovery while sticking to its previous adjustment policies, e.g. “spend less”, in regards to lending to developing or middle income countries in crisis. This old formula of “state reduction”, however, had often led to other (not always benign) actors stepping in for service provision at the community level, often facilitating the engrenage of tribal and ethnic actors. Similarly, according to her, lacking state capacities also facilitated the spread of drug and human trafficking. In order to mitigate the effects of the crisis, a review of IMF lending policies is hence crucial. In reaction, several participants agreed with her assessment of the conflict potential inher-

ent in the double standards currently propagated by the IMF. The pro-cyclical IMF approach towards developing countries was criticized more specifically. However, one participant warned of not overestimating the role of the state, especially in dictatorship-like regimes, either.



Lalit Mansingh: “With the hindsight of five decades of experience we must accept that while caution was justified, our fears [about globalization] were exaggerated. The fact is that those countries that accepted globalization like the Southeast Asian countries and the Pacific countries had a phenomenal growth and those countries that were cautious and joined late suffered.”

While keeping pressure on developed countries to deliver on their aid commitments was important, Ms. Woods argued that more importantly members of the IMF should decide to use the IMF’s Special Drawing Rights (SDR) allocation mechanism. IMF member states could create SDR reserves (2 trillion)

for the central banks of its members, distributed according to the quota share. The SDR mechanism had been created for a world in liquidity crisis – which is the case now. Aware of Germany’s opposition to this proposal given its fears of inflation created by liquidity injection, she argued that the IMF had re-absorption mechanisms in place to counter inflationary risks. In addition, she argued that the IMF and World Bank were too risk-adverse and should be pushed to extend their services in times of the crisis.

Finally, in terms of institutional reform, she argued that poor countries would need to be represented in the emerging modes of governance because responsible and sustainable decision-making would require responsiveness and direct input from the poorest countries, too. Ms. Woods called for a new strategic directorate for global economics, but with a constituent structure that represented all countries, from the poorest, to emerging and highly developed economies. Such a constituency scheme could be formal or informal.

Next to the role of the financial system, Ms. Woods as well as Mr. Toureille and the Chair, Lalit Mansingh, former Indian Foreign Secretary, emphasized the importance of trade. They criticized EU bilateral trade agreements for their detrimental effects on local and regional production. Furthermore, policy ap-

proaches had to be developed in order to get on top of commodity prices and to reduce their volatility. Mr. Toureille urged food aid only to be used in abject emergencies and not to bring subsidized European or American food. Asked about the likelihood of the crisis giving some new impetus for concluding the Doha round, Ms. Woods reacted skeptically and argued that no champions were behind the Doha round as it had only been kicked off by former US President Bush in order to show good will towards developing countries after 9/11. In order to attract the necessary champions for successful completion of the round, its agenda would have to be changed markedly.

Overall, the session highlighted the need to think together the reform of the financial system and poverty reduction goals. The goal of any reform of the financial system should also be poverty alleviation and inequality reduction. While all agreed that more governance and effective regulation is paramount at the international level, the devil is in the detail of such possible structures and regulations.

Session 5: Building Global Governance: How to Deal with Climate Change and Energy?



Sergei Karaganov: "In [Russia] climate change is not a hot issue. So, we will help, we will support, but we will not lead in Copenhagen-related activities."

This lively session focused on energy security and climate change and contributed to questioning some of the most recurrent assumptions of this debate as well as a highly qualified debate about the feasibility of international energy regimes and the upcoming Copenhagen post-Kyoto negotiations. Opportunities to combat climate change in times of economic crisis were at the heart of the debate, with some arguing that achieving a decarbonized economy could be the megaproject needed to exit the current economic crisis.

Challenging the terms of the energy security and climate change debate, Sergei A. Karaganov, Deputy Director of the Institute of Europe, Russian Academy of Sciences and Chairman of the Presidium of the Council on Foreign and Defense Policy, argued that the term 'energy security' was delusive. Instead, the true dispute was really about energy prices, which Western powers nicely covered under the term "energy security". Mr. Karaganov emphasized that as most energy sources were no longer controlled by Western companies, Western countries, especially Europeans, were trying to regain control over prices by forging consumer cartels. This would lead to conflict and instability in the long run. Instead, Europeans and Russians should conduct a serious and honest dialogue in order to reach a grand bargain: an Energy Union of Europe with crisscross ownership of production, transportation and distribution, allowing Russians to invest in transportation and distribution in Europe. Stigmatization of such a deal as an attempt to undermine Europe's unity is not useful.

In response, Robert G. Skinner, Senior Vice President, StatoilHydro Canada Ltd. and former Director, Oxford Institute for Energy Studies, argued that while the idea of cross ownership was interesting, Russia had for example still not ratified the Energy Charter Treaty,

which would facilitate precisely such cross ownership. He then focused more generally on the feasibility of transnational energy regimes. Energy must, like labor and capital, be considered as an input into the economy. It is however an input whose consumption and production structure is characterized by asymmetry. The latter is particularly defined by co-dependency between a geographic zone with gas and oil but little to no democracy and the democratic part of the world (and autocratic China) using that gas and oil.



Robert Skinner: "Calls for dialogue between producers and consumers often fail – whenever energy prices are high, producers are not interested in dialogue, when prices are low, consumers are not interested."

An interesting question is to what extent this co-dependency led to further erosion of democracy in oil and gas countries or erosion of democracy in currently democratic states. For

Skinner, the later scenario is the more likely. He argued that chances for transnational energy regimes are rather low as a zero-sum mentality still prevails in this area. Calls for dialogue between producers and consumers, as well as attempts at setting reasonable and stable prices for consumers and producers, he said, are usually in vain – whenever energy prices are high, producers are not interested in dialogue, when prices are low, consumers are not interested. Regarding institutionalized regimes, he cautioned about their effectiveness. The International Energy Forum for example is not really exceeding at its tasks. In the ensuing debate, participants largely supported this analysis. Unlike for other issues, energy does not even receive a rhetorical claim of interdependence. Governments claim and clamor for energy independence. Only some subfields show signs of interdependence, for example in regards to proliferation of nuclear power or the impact of bio fuels on food prices. At the same time, Skinner argued that while markets are bumpy, they do work. Their functioning, however, could be improved by enhanced information and measurement. The Joint Oil Data Information System—showing what stocks are in China—was for example useful.



Nick Mabey: "Energy security cannot be bought at the cost of undermining other peoples' climate security, and there can not be an agreement on climate security unless energy security was provided for all participants."

Nick Mabey, Founding Director and Chief Executive Officer of the Third Generation Environmentalists, responded that ties between energy security and climate change were inexorable: energy security could not be bought at the cost of undermining other peoples' climate security, and there could not be an agreement on climate security unless energy security is provided for all participants. He then urged for action: in order to achieve the two degrees target, the world's economies have to pass the emissions peak in 2015-2020 and to arrive at a de-carbonized, zero emission economic system by mid-century. This might cost two percent of GDP, if oil

prices remain at 120 \$ a barrel. If oil prices rise higher, costs would decrease.

Given this scenario, he identified as main obstacle to a responsible answer to climate change not the costs of transformation, but the institutional and political management of the transformation process. Looking ahead at the upcoming Copenhagen negotiations, Mr. Mabey argued that leaders would have to perceive, first, climate change as a critical security issue; second to understand it as a common and shared endeavor; thirdly to agree that combating climate change was good for the economy, and fourthly to agree that this combat would require radical and not incremental change. While he saw movement on the first three aspects, he deplored lacking agreement on the last condition. Mr. Mabey warned about a “you first attitude” in Copenhagen, facilitated by dying EU enthusiasm and a lack of creative thinking. Negotiations would have to conclude with a) clear targets (how much climate change is too much?) and a system that could at the same time adapt to new scientific knowledge, b) tools and institutions that delineate how much each country had to deliver in terms of emission reduction. Here the main challenge was about per capita or per nation targets, which was not only a question between North and South, but also among Southern and emerging countries, for

example with China preferring a per capita target and India opposing it. Furthermore, what is needed are c) intrusive monitoring mechanisms, which are worrying for some, like US and China, and d) a transfer of around 170 billion from the North to the South for technological adaptation. A global tax regime (for example airline ticket regime) would seem more promising than transfers being tied to national budget lines. In addition, G20 agreements on investment/recovery packages should address climate change. Finally, the justice dimension had to be emphasized: Those most hit by climate change are not even at the table when climate change regimes are negotiated, even though the regime building process is really about those who contributed nothing to climate change but suffer most from it.

Agreeing with this analysis, Pan Jiahua, Executive Director of the Institute for Urban and Environmental Studies at the Chinese Academy of Social Sciences, assessed the link between energy consumption and economic growth from a historical perspective. He showed that during industrialization per capita emission rose from low to high, to then stabilize and then decline in some cases. As a rule thereby, resource rich countries emit on average higher emissions than less resource rich countries. Furthermore, whenever there was

an economic and financial crisis, emissions reduced substantially. In consequence, in order for developing countries to follow the process of development, more emissions will be exposed in all most likely scenarios. For latecomers there is no way for adopting the way of life of Europeans without increasing their emissions – at least not without any major policy and technology shift in place.



Pan Jiahua: “Carbon dioxide emissions need to be limited with a per capita limit.”

Mr. Pan then went on to present the outlines of a possible carbon bargain. The assumption is that while physical basic needs are limited, desires are unlimited. The allocation of emissions priority should go to basic needs and then for desires, restraint is required for desires. Emissions need to be stabilized, with a per capita limit. If developed countries have used up their emission allocations, they need

to engage in transfer payments to less developed countries in order to buy emission allocations.

Mr. Pan urged to lower expectations for Copenhagen. The US, he said, is still unwilling, the EU slow.



Joschka Fischer: "The ecological transformation of our economies can be the megaproject needed to exit the current economic crisis."

Joschka Fischer, former Foreign Minister of Germany, agreed with Mr. Pan that for the Western life style to become the majority model, the present form of consumption of raw materials had to be fundamentally altered. It was up to the developed world to show how to combine a high quality of life with low emissions. Fischer was optimistic: The ecological transformation of our economies could be the megaproject to exit the current economic crisis. He therefore argued that member states

should not talk about climate change per se in Copenhagen, but address climate change as a megaproject, as a tool for global economic recovery. The current crises offered a unique opportunity to create a win-win situation in addressing two crises at the same time. While some participants were more skeptical about the possibility of combining economic growth and emission reductions, others anticipated the emergence of a new paradigm. While in the past the main interest was in a country's per capita income and growth rates, the question of the 21st century could be: what is the per capita carbon footprint of your country? What kind of economy do you have? Nick Mabey similarly emphasized the importance of using the stimulus packages for greening economies: This would show a growth path out of the crisis and also address the next oil peak. While renewables are bad news for Russia and Saudi Arabia, they would be good news for Europe in terms of exporting technology and energy supply.

Concluding Session

Former Prime Minister of New Zealand Helen Clark chaired the concluding discussion on how to build the new inclusive global partnership. The panelists have all been senior practitioners on the international stage, including

former Chilean President Ricardo Lagos, former German Foreign Minister Joschka Fischer, former Indian Foreign Minister Lalit Mansingh, former Chinese Ambassador to France Zhengang Ma and former Swedish Foreign Minister Jan Eliasson.



Helen Clark: "The inclusiveness of the conference has brought the focus on poverty and inequality, which may not have been brought by an exclusively European roundtable."

Ms. Clark praised the good degree of inclusiveness that has been achieved in the two days discussion, and reiterated the importance of including marginalized countries in discussions on any of the world's current crises. She pointed out that further thoughts should be given to find out what form is the most appropriate in addressing issues of the global financial crisis.

The floor was then opened to Mr. Lagos, who argued that globalization requires the global community to act like a nation state, which will work to satisfy the global needs. Thus, the key issue to him in managing the globalized world is how to transfer the sovereignty of current nation states to the global community. Globalization without common rules will not work, according to Mr. Lagos, and rules should be set not just by big players but also smaller players as well. Against the background that the G20 was formed so fast to respond to the financial crisis, he proposed to build an inclusive partnership among countries inside and outside of the G20, to enhance the legitimacy.



Ricardo Lagos: "The global community is going to look very much like the nation state five centuries ago when the power was moving from the feudal lords to nation states."

Mr. Lagos was fairly optimistic in building a global partnership to deal with world challenges with binding principles to all countries regarding global issues. He mentioned public funds appropriation as an example, which to him, should be a result of certain economic activity, and should be dealt with at the nation state or regional level.



Lalit Mansingh: "There are four global emergencies: climate change, energy, poverty and growth. There is no particular order in the list because they are actually four sides of the same problem – four sides of the same cube – and if you want to find an answer it has to be an integrated answer to all these problems."

Mr. Mansingh brought the perspective of an emerging big player and a region that needs more global attention. He emphasized four evolving matters for the globalized world: climate, energy, poverty and growth. He illustrated the extreme problem by presenting a

picture in which there are growing demands but diminishing resources on Earth. In the area of climate, he pointed out the fact that pushing for poor countries is not going to solve the problem because they lack resources and developed countries have the obligation to clean up the CO₂ they emit. Regarding poverty, the poorest half of the world has not really had an active role, and the current international system based on the power structure of 1945 is no longer adequate. Despite all the obstacles, he saw himself to be still an optimist who is hopeful that nations will eventually come together to form a better global governance structure.



Joschka Fischer: "I don't believe in running the UN in an efficient way based on the reality of 1945. Now, to be quite clear, Europe is a major stumbling block because from outside of Europe there is a serious question: Why should Europe have two permanent members and three non-permanent?"

Mr. Fischer warned about the high cost of transformation of the world system and urged cooperation in reducing the cost of the ongoing world transformation. He specifically proposed that the United Nations Millennium Development Goals should be binding goals for all nations in order to improve global governance. "It's not all about money" he said, the rich part of the world needs to commit to invest in development of poorer nations in an environment with improved global governance. Protectionism, he continued to share his concerns, in a world with 6.5 billion people and more than 190 states would be a sheer nightmare and needs to be avoided. Mr. Fischer was also very concerned about the situation of non-proliferation. He thinks that there is a new definition in the 21st century of nuclear weapons as part of national sovereignty. He worries that if the current trend continues, we will end up with many nuclear states and an increased danger of proliferation in the world. He pointed out that the discussion of sharing peaceful nuclear technology in a non-discriminatory way is a necessary tool for improving the current negotiation with countries like Iran. Mr. Fischer thought that it would be a dangerous idea to abandon the UN Security Council as a legitimate body, and encouraged the change in restructuring the power-sharing system at UNSC.



Ma Zhengang: "To a lot of Chinese, to do a good job about China itself is a good contribution to the world governance, because China has a population of one fifth of the world."

Mr. Ma concentrated his remarks on the Chinese perspective. He linked China's fast growth and development in recent decades to its closer relationship with the US and the international community, in addition to the opportunities presented by the globalization process. Mr. Ma dismissed the idea that China's growth only brought economic improvement but not social development. He pointed out that China can contribute best to global governance by governing itself well, as it is one of the biggest countries and it has numerous challenges lying domestically. He also stressed the well felt frustration in a dilemma facing China when becoming involved in more world affairs: if it does not get involved, it is criticized; if it gets involved, it is

treated as a threat. Mr. Ma stayed with the official line that China will do things according to its judgment and it will not ally with anybody. He thinks China, for a long time, will concentrate on its domestic development and avoid involvement in international affairs.



Jan Eliasson: "There is an advantage in using existing organizations and existing mechanism as much as possible."

Mr. Eliasson was put on the spot to be the last presenter after two days of exciting debates. He was very precise and made five key points to answer the question: how do we organize ourselves so that we can effectively and fairly deal with problems which are both global and local? First, the financial crisis presents a window of opportunity for reform and we should use this opportunity to address long-term reform. Second, it is better to use existing systems as much as possible and reform them

effectively. Mr. Eliasson was of the opinion that a constituency-based international structure is necessary in creating a sense of ownership in the other countries left out of the G20. The UN General Assembly is the most legitimate body and should conduct more voting according to him. More representation and effectiveness are definitely needed in the UNSC, which require an enlargement of membership and redistribution of power. Veto-free should be the ultimate goal of the UNSC and negotiation should be the main culture. Third, if we do not produce multilateralism and a system which is fair to the most part of the world, then we will end up with a multi-polar world in which countries try to separate themselves from others. Fourth, today's problems are of such complexity and such a magnitude that we need to have a division of labor. International organizations should work together with regional organizations, governments, the private sector, civil society, academic institutions and media to achieve better performance. Fifth, international cooperation is an enlightened self interest. We have to stress the conclusion that the international interest aligns together with national interest. Only in this way can one bring decision making in global governance into domestic politics.

The Chairwoman Clark concluded the session by summarizing the important agreement

throughout the discussion: we are facing a window of opportunity right now to improve our global governance; we should further strengthen and democratize the existing institutions and tackle global agendas comprehensively.



Main conclusions and recommendations:

- ▶ Build more representative international institutions and avoid marginalization.
- ▶ Development of an integrated approach to international financial market reform and poverty reduction goals.
- ▶ Creation and enforcement of international financial regulation standards combined with an up-graded role for the IMF.
- ▶ Combine economic growth/recovery and poverty reduction with ecological transformation and prepare for meaningful financial transfer from North to South to ensure technological adaptation to lower carbon emissions.
- ▶ Set clear and just emission targets and install intrusive monitoring mechanism.
- ▶ Overcome zero-sum mentality regards transnational energy regimes and facilitate information and transparency on energy markets.

Program

Thursday, March 12, 2009

Afternoon: Global Governance in Times of Turmoil: Patterns of Integration and Fragmentation

Welcome and
presentation

Josef Janning

Senior Director, Bertelsmann Stiftung

Interplay: Global Power and Order – Reflections by Henry Kissinger and Helmut Schmidt

Live TV Coverage by Phoenix German Television

Chair

Josef Janning

Session 1: Crafting an Inclusive Global Agenda: Issues and Priorities – Authors' Roundtable

Chair

Ricardo Lagos

President, Club of Madrid

Panelists

Vladislav L. Inozemtsev

Director, Centre for Post-Industrial Researches, Moscow

Terence Corrigan

The South African Institute of International Affairs (SAIIA), Johannesburg

Sundeep Waslekar

President, Strategic Foresight Group, Mumbai



Thursday, March 12, 2009

**Afternoon: Session 2: Approaching Global Governance:
Principles, Instruments and Actors – Authors' Roundtable**

Chair **Aleksander Kwaśniewski**
Founder and Chairman, Amicus Europae Foundation, Warsaw

Panelists **Victor Brobbey**
Ghana Center for Democratic Development, Accra

Denise Gregory
Executive Director, Centro Brasileiro de Relações Internacionais,
Rio de Janeiro

Stephen J. Stedman
Senior Fellow, Center for International Security and Cooperation, Stanford



**Evening: Dinner Debate: Europe's Role in an Interdependent World in the Bertelsmann House,
Unter den Linden 1, 10117 Berlin**

Welcome **Liz Mohn**
Vice CEO of the Executive Committee of the Board of the Bertelsmann
Stiftung; Chairwoman of the Board of the Bertelsmann Verwaltungsgesellschaft
GmbH, Guetersloh

Introducer **Gunter Thielen**
Chairman and CEO of the Executive Committee of the Board of the
Bertelsmann Stiftung, Guetersloh

Impulse **Wolfgang Schüssel**
Member of the Board of Trustees, Bertelsmann Stiftung, Guetersloh; Member,
Austrian Parliament, Vienna



Friday, March 13, 2009

**Morning: Session 3: Regulating Markets:
How to Deal with the Financial Crisis and its Implications?**

Chair **Guy Verhofstadt**
Former Prime Minister of the Kingdom of Belgium, Brussels

Introducers **Yukio Okamoto**
President, Okamoto Associates Inc., Tokyo

Mario Monti
President, Bocconi University, Milano

Adam S. Posen
Deputy Director, Peter G. Peterson Institute for International Economics,
Washington



**Session 4: Expanding Opportunities:
How to Reduce Poverty, Promote Equality and Stimulate the World Economy?**

Chair **Lalit Mansingh**
Former Foreign Secretary of the Republic of India, New Delhi

Introducers **Jacques Toureille**
General Manager, The Aga Khan Agency for Microfinance, Geneva

Ngair Woods
Director, Global Economic Governance Programme, University College, Oxford



Friday, March 13, 2009

**Afternoon: Session 5: Building Global Governance:
How to Deal with Climate Change and Energy?**

Chair **Sergei A. Karaganov**
Deputy Director, Institute of Europe, Russian Academy of Sciences; Chairman,
Presidium of the Council on Foreign and Defense Policy, Moscow

Introducers **Nick Mabey**
Founding Director, CEO, Third Generation Environmentalists, London

Robert G. Skinner
Senior Vice President, Strategy and Commercial Affairs, StatoilHydro Canada

Pan Jiahua
Executive Director, Institute for Urban and Environmental Studies,
Chinese Academy of Social Sciences, Beijing

**Concluding Session: Global Responsibilities:
Building New Inclusive Partnerships**

Chair **Helen Clark**
Former Prime Minister of New Zealand, Wellington

Panelists **Ricardo Lagos Escobar**
Lalit Mansingh
Joschka Fischer
Former Federal Foreign Minister of Germany, Berlin
Ma Zhengang
Ambassador; President, China Institute of International Studies, Beijing
Jan Eliasson
Chairman, Anna Lindh Memorial Fund, Stockholm



List of participants

Al Mahdi, Sadig	Imam of Al Ansar; President, Umma National Party, Khartoum; former Prime Minister of the Republic of Sudan
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Gregory, Denise	Executive Director, Centro Brasileiro de Relações Internacionais (CEBRI), Rio de Janeiro
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Karaganov, Sergei A.	Professor; Deputy Director, Institute of Europe, Russian Academy of Sciences, Moscow; Chairman, Presidium of the Council on Foreign and Defense Policy, Moscow

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Kwaśniewski, Aleksander	Founder and Chairman, Amicus Europae Foundation, Warsaw; former President of the Republic of Poland
Lagos Escobar, Ricardo	President, Club of Madrid, Madrid; former President of the Republic of Chile
Langhammer, Rolf J.	Professor; Vice President, Kiel Institute for the World Economy, Kiel
Li, Shantong	Former Director General, Department of Development Strategy and Regional Economy, Development Research Center of the State Council of P.R.C., Beijing
Ma, Zhengang	Ambassador; President, China Institute of International Studies; Chairman of China National Committee, Council for Security Cooperation in the Asia Pacific; President, China Arms Control and Disarmament Association; former Vice-Minister of the Foreign Office of the State Council, Beijing
Mabey, Nick	Founding Director, Chief Executive Officer, Third Generation Environmentalists (E3G), London
Manchin, Robert	Founder and Managing Director, Gallup Europe, Brussels
Mansingh, Lalit	Former Foreign Secretary of the Republic of India, New Delhi
Monti, Mario	Professor; President, Bocconi University, Milano; former European Commissioner
Okamoto, Yukio	President, Okamoto Associates Inc., Tokyo; former Advisor to the Prime Minister, Tokyo
Pan, Jiahua	Professor; Executive Director, Institute for Urban and Environmental Studies, Chinese Academy of Social Sciences, Beijing
Posen, Adam S.	Deputy Director, Peter G. Peterson Institute for International Economics, Washington

Primatarova, Antoinette	Former Ambassador; Programme Director, Centre for Liberal Strategies, Sofia
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Skinner, Robert G.	Senior Vice President, Strategy and Commercial Affairs, StatoilHydro Canada Ltd., Calgary; former Director, Oxford Institute for Energy Studies
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Zhao, Huaipu	Professor; Director, European Studies Center, China Foreign Affairs University, Beijing
Zürn, Michael	Professor; Dean, Hertie School of Governance, Berlin

About us: Project Description

The forces of globalization are driving change worldwide. Economic globalization, modern communication technology and growing mobility are creating an increasingly interconnected world characterized by growing interdependence and new forms of cooperation that transcend national and cultural borders. At the same time, challenges in areas such as climate change, terrorism, energy insecurity and social inequalities – as well as global financial turmoil – undermine stability, peace and global development. This shows that the current system of global governance is not sufficiently prepared to deal with such challenges.

Against this background, the project Shaping a Globalized World seeks to develop ideas and suggestions on how globalization can be managed politically and to incorporate those ideas and suggestions into an international debate. The project is meant to be a pathfinder and an advisor to policy-makers and the public. Its purpose is to spur participants to think more deeply about the political agenda of a globalized world, about strategies for action and modes of governance.

To this end, Shaping a Globalized World attempts to examine global-governance issues inclusively and equitably. The project aims to do this by gathering minds, experiences and viewpoints from people, governments and non-state actors from various centers of the globalized world. Participants will reflect the diversity of societal actors; they will consult, be consulted and cooperate on the project. They will develop options for political action on global-governance issues and make them available to the general public. By generating ideas and outlining opportunities for political actors and the public, it hopes to contribute to the discussion on creating a fairer and more just globalized world.

The project, launched in the fall of 2008, combines the Bertelsmann Stiftung's in-house expertise and wide-ranging program experience with appropriate resources, initiatives and programs of other internationally active institutions, think tanks and foundations. The project is coordinated by an international project team based in Guetersloh (Germany), Brussels (Belgium) and Washington, D.C. (USA).

For more information see www.shaping-a-globalized-world.org.

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