Heinz Nixdorf Stiftung | ZEIT-Stiftung Ebelin und Gerd Bucerius

THE BUCERIUS SUMMER SCHOOL ON GLOBAL GOVERNANCE 2005

Conference Report

Problems without Passports
Challenges to the World Community in the 21st Century

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Bucerius Summer School on Global Governance

Problems without Passports – Challenges to the World Community in the 21st Century

The ZEIT-Stiftung Ebelin und Gerd Bucerius helds its fifth Bucerius Summer School on Global Governance from August 7th to August 21st, 2005 – for the second time in cooperation with the Heinz Nixdorf Stiftung. This report by Cornelius Adebahr (Berlin) summarizes the two week discussions.

Since 1971, the ZEIT-Stiftung Ebelin und Gerd Bucerius, one of Germany's largest private foundations, has been involved in the funding of projects in various fields of science and research, education and training, as well as arts and culture. The ZEIT-Stiftung was established by Gerd Bucerius, the late founder and publisher of Germany's leading quality weekly, DIE ZEIT. Among the foundation's trustees are former German President Roman Herzog, former German Chancellor Helmut Schmidt, and Theo Sommer, Editor-at-Large of DIE ZEIT. Chairman of the Board of Trustees is Manfred Lahnstein, former German Minister of Finance.

The Heinz Nixdorf Stiftung was established by the IT entrepreneur Heinz Nixdorf who died in 1986. The Foundation promotes education, scientific research especially in the field of information technology, and projects devoted to the advancement of the liberal and democratic governmental system and of public health. Its Heinz Nixdorf MuseumsForum (HNF) in Paderborn is the largest computer museum in the world.

The Bucerius Summer School harks back to Henry Kissinger's renowned International Summer Seminar at Harvard University. In the nineteen-sixties, Dr. Kissinger brought together emerging leaders from all over the world for a summer course of debates and lectures. Many of the seminar's alumni went on to become ministers, renowned academics, prominent journalists; others held internationally important positions.

Out of some 300 applicants we have invited 60 promising junior business executives, politicians and academics from 29 different countries – young women and men between 28 and 35 years of age who have already acquired some professional experience but have not yet reached the peak of their careers.

The overall aim of the Bucerius Summer School is to foster leadership qualities in young professionals by involving them in an international dialogue on current political, economic, social and juridicial questions. Participants are inspired by – and learn from – high-profile speakers who are well-known public figures in politics, business, academia and the NGO sphere.

Theo Sommer, Editor-at-Large of DIE ZEIT, chairs the sessions of the Bucerius Summer School. This year, lectures and workshops were held at the Steigenberger Hotel in downtown Hamburg, at the German Foreign Office and the German Development Agency GTZ in Berlin, and at the Heinz Nixdorf MuseumsForum in Paderborn. Theo Sommer, Dean of the Bucerius Summer School, and Oliver Gnad, Director of the Bucerius Summer School, are responsible for the two-week program.

The list of keynote speakers for the 2005 Bucerius Summer School included Lord Ralf Dahrendorf, former Rector of the London School of Economics and one of the leading sociologists of our time; Charles A. Kupchan, Professor for International Relations at Georgetown University; Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy in Singapore and a former career diplomat; José Ramos-Horta, Minister for Foreign

Affairs and Cooperation of East Timor and Nobel Peace Prize Laureate; Olli Rehn, EU Commissioner for Enlargement; Shashi Tharoor, U.N. Under-Secretary General for Communications and Public Information; as well as many other distinguished speakers from all over the world.

The Summer School's topics touched upon the most urgent cross-border challenges of our time: terrorism, the proliferation of WMD, migration induced by civil wars, ethnic cleansing, starvation and enduring poverty, pandemics as HIV/AIDS or Malaria, climate change and the demographic problems of post-modern societies. It also investigated the impact of Asia's rise on the present power balance in the world. This year's Summer School was particularly interesting, as debates dealt with the reform of the UN Security Council and the wider institutional framework of global and regional governance; the European Union between enlargement and disruption; energy security and the need for environmental sustainability; limits and criteria of military intervention on humanitarian grounds; global justice and the right to develop – to mention just a few.

This year's Bucerius Summer School was the fifth in a series that the ZEIT-Stiftung offers on an annual basis. In order to celebrate this anniversary, the ZEIT-Stiftung and the Heinz Nixdorf Stiftung have invited alumni and alumnae of all five Bucerius Summer School classes to a big reunion in Hamburg. More than 280 young leaders from 35 countries participated in this unique home coming event that took place from August 18 to August 21, 2005.

Global governance in the 21st century is about building networks and enhancing cross-cultural cooperation of actors from all sectors of public life. This is what the Bucerius Summer School is trying to achieve in the long run. To follow up on the annual meetings, the Bucerius Summer School runs an active alumni network. Roughly a dozen alumni chapters have sprung into existence worldwide. With the support of the ZEIT-Stiftung, alumni arrange regional follow-up seminars (so-called "Bucerius Governance Talks") to discuss current developments. The most recent example of alumni networking was a conference held in Brussels on "Strengthening Global Governance – Europe's Role" on the eve of France's referendum about the European Constitution.

Hoping that this report may be inspiring and enlightening to all who share an interest in Global Governance, the ZEIT-Stiftung Ebelin und Gerd Bucerius and the Heinz Nixdorf Stiftung want to thank everyone involved in the organization and who contributed to the success of the Bucerius Summer School 2005.

Prof. Dr. Michael Göring

Managing Director
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Dr. Gerhard Schmidt

Director of the Board
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INTRODUCTION

The Bucerius Summer School on Global Governance in its fifth year focused on the challenges to the world community in the 21st century. "Problems without passports," a term coined by UN Secretary-General Kofi Annan, are those that are global in nature, that cross borders uninvited, and that can hit all of us anywhere: terrorism, war, and armed conflict; proliferation of deadly weapons; drug trafficking, organized crime, and money laundering; poverty and diseases like AIDS or SARS; environmental degradation and rising competition over oil and other resources. They are the underlying sources of global insecurity and therefore the common enemy of humankind. To realise that we are all connected and interdependent, is the first step to a comprehensive understanding of security.

This is roughly the *tour d'horizon* that was presented to the 56 Summer School participants from 24 countries in their two-week program, comprising lectures, discussion rounds, working groups, case studies and simulations with roughly three dozens of speakers. This report tries to provide a picture of the main lines of the discussions at the Bucerius Summer School 2005. It would go beyond the scope of a – readable – paper to try and present the plurality of the debates in their entirety. These are not the minutes of the proceedings; for concrete reference to the speakers' talks, the ZEIT foundation can provide the manuscripts.

To the benefit of a comprehensive understanding, the lectures and discussions are clustered around four elements of global governance: at first, the (more theoretical) concepts of global governance; secondly, the (visible) institutions providing global governance; thirdly, the (more invisible) rules and norms governing our global system; and, finally, some of the major challenges and risks that dare to cross our borders without a passport.

1 CONCEPTS OF GLOBAL GOVERNANCE

1.1 The academic perspective

The term 'global governance' was created as an antithesis to the idea of a 'global government', *John Ruggie*[1], Professor of International Affairs at Harvard University, said in his introduction into the topic. Governance comprises norms, institutions, rules, and established practices guiding collective action. The (state) government thus appears as a subset of governance. At present, there is no world government and no simple domestic analogy should be drawn: "Governance in the absence of government" is what is needed

[1] The names of the speakers of the Bucerius Summer School 2005 will appear in *italics*, whereas other persons' names will quoted in normal font.

at the international level. International treaties, customary international law, formal institutions, as well as embedded norms constitute a system of global governance.

In the past, two core elements formed the essence of global governance. Firstly, the traditionally state-centric view of international relations, bred by the Peace of Westphalia, putting states both as subjects and objects at the centre of analysis and action. At the international level, there were, in the absence of any discernable 'international public interest', only the concerted national (public) interests. Secondly, external and internal spheres were perceived as clearly differentiable. On this basis, the UN Charter considered "external aggression" the prime threat to peace, and at the same time forbade any interference in "internal affairs".

After World War II, both the concept and practice of global governance evolved significantly. A broad array of subjects has come on the international agenda, dealing with mainly domestic affairs like human and women's rights, environment, diseases etc. At the same time, external wars have become less and internal wars more frequent: In the 1990s, one third of all countries were affected by internal war. In fact, a "spatial transformation" (*Ruggie*) has taken place where decision-making is no longer always with the nation state: the influence of civil society organisations as well as multinational corporations leads to new ways of defining (national) interests. State power remains important but will further change, while the transgovernmental and transnational levels will gain significance, *Ruggie* predicted.

This development of global governance coincides with and relates to a parallel phenomenon, that of globalisation. Some academics, among them Joseph Nye and Robert Keohane[2], define 'globalism' as "networks of interdependence at multicontinental distances." Globalisation, they say, is the rise of globalism, whether in economic, military, ecological, or socio-cultural terms. *Manfred Lahnstein*, Chairman of the Board of Trustees of the ZEIT-Foundation and former German Minister of Finance, gave a different definition of globalisation: He saw the economy as the real mover behind what he defined as "gradual unfolding of all productive processes on the global level."

Ottfried Höffe, Professor of Philosophy at the University of Tübingen, provided some clarifications on globalisation from his perspective. Globalisation is not one-dimensionally economic in nature, as both Marxists and capitalists believe. Instead, we can observe a plurality of globalisation. Moreover, many deliberate (political) decisions have formed globalisation, like trade liberalisation, use of the internet etc. This makes it again a man-made product and not an inescapable evil. He shared this view with *Manfred Lahnstein* for

[2] In their Introduction to Joseph Nye/John D. Donahue (eds), Governance in a Globalized World, Washington 2000, p. 4.

whom the implosion of the Soviet Union was another “man-made factor” driving globalisation.

Pouring more water in the wine of some globalisation critics, *Höffe* insisted that globalisation is neither something new nor something unique. The first phase of globalisation took place in mediaeval times and is symbolised by the Silk Road, the rise of world religions, and the invention and spread of gunpowder or the printing press. The second phase was marked by industrialisation and colonialism, while the third phase is currently ongoing. Nor is today’s globalisation unique as not every generation surpasses the preceding one. *Höffe* claims with reference to the world of finance that the current degree of globalisation has merely reached the pre-World War I level. Finally, there are already counter-agents, counter-arguments, and counter-trends emerging, like regionalisation, mega-cities, or re-nationalisation in young democracies.

“Globalisation is reversible,” *Steven F. Szabo*, Professor of European Studies at the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University in Washington DC, added. The era of globalisation in the 19th century was followed by wars (colonial wars and World War I). The ongoing globalisation phase, which for him started in the 1970s, is much more intense or “thick” than its predecessor, and it has already created emerging great powers like India and China. It remains to be hoped that it does not end in a war, too.

1.2 The philosopher’s perspective

How should humanity respond to the challenges posed by globalisation? Based on his analysis that not anonymous powers, but political decisions rule globalisation, the philosopher *Höffe* proposed a political vision: a world republic where public power takes over on the international level. The world republic need not be “a monster” as Kant said, since a great country with 50 states like the U.S. could also be governed. Based on the empiric evidence that liberal democracies are peaceful against their likes, all nation states in the world republic would need to be such liberal democracies. The republic would be formed by large intermediary regional units and be organised as a subsidiary, de-centralised entity, leaving decision-making to lowest level possible. Only the major important global rules would be decided by world republic: for example obligations to disarm, the rules of the markets or about environmental protection.

In order to get as close to a global public sphere as possible, those holding office in the world republic would need to speak three to four languages. While the proficiency of languages facilitates communication, it need not do harm to the cultural diversity of the world

republic. Each community has the right to difference, to national particularities – as long as they stay a liberal democracy, that is. The republic would not claim to be the "ideal global legislator", the Solon of today, but leave the definition of concrete laws to the lower level. All this, *Höffe* conceded, would not come about in the next years or so. Yet the European Union has by now reached unprecedented levels of co-operation and integration, which were inconceivable some decades ago. A similar timeframe would apply to the world republic. Indeed, some elements of it were already in place – the republic's eventual establishment was therefore not a utopian, but "realistic vision", *Höffe* asserted.

1.3 Global governance: the "European way"?

Lord Dahrendorf, Member of the House of Lords and a former Rector of the London School of Economics and Political Science, portrayed a similar vision, which he called a "cosmopolitan world order." Yet his was somewhat different, claiming – with Kant, too – that a world government was desirable but unlikely.

For *Dahrendorf*, the European Union could, in the period to come, serve as a model for international governance: by setting the example for co-operation between states and, at the same time, remaining open for further co-operation. While, in agreement with Ruggie, he claimed that there is no international (or European, for that matter) analogue to nationally based democracy, Dahrendorf enumerated three principles of democracy that could be applied to the international level: firstly, change without violence; secondly, checks and balances; and thirdly, popular input. The final point, being one of the most contested when talking about global democracy, would find a "third-best solution" in the role non-governmental organisations (NGOs) could play. The application of modern technology, for example, in voting techniques would be a second-best start, given that there was no perfect solution.

Yet even within the EU, let alone at the global level, the nation state is the only institutional framework that can guarantee a liberal order, and, thus, will remain a main actor in the international scene. Confronted with the proposition of Europe becoming one major pole on the globe, whether or not as a counterweight to the United States, Dahrendorf vigorously defended universalism against the idea of a multipolar world. The latter would be a setback towards the times of balance of power, with war as the same probable result.

1.4 Enter the global century

It was along similar lines that *Eberhard Sandschneider*, Executive Director of the German Council on Foreign Relations (DGAP) advocated the beginning of a "global century," dismissing claims that the 21st century would be Chinese or Asian. He acknowledged that it would simply by "beyond today's imagination." No one today is in the position to assess future developments in information technology, communications, genetic manipulation, or nanotechnology, let alone the resulting increase in soft risks to our societies. What is worse, *Sandschneider* bemoaned, is that we are still thinking in the Cold War terminology of balances, enemies (old and new ones) and the like, but balancing and deterrence do not work any more if the counterpart is "irrational."

The world will therefore be asymmetric, marked by non-linear developments, and not centred on nation states. The major challenges ahead are the balancing of the negative effects of globalisation and the reinvention of a post-Cold War international order – efforts that emerging powers like China will have to be an integral part of.

2 INSTITUTIONS OF GLOBAL GOVERNANCE

Institutions are the most formalised among the rules and norms that constitute a system of governance – and they are the most tangible. The nation state is the oldest of today's institutions, and it is the basis for all other post-World War II organisations. Though it has become less dominant over the years, the nation state is still the most important single institution as show the world-spanning reach of the United States and the rise of states like India and China. Non-governmental organisations (NGOs) are younger, more modern actors, and the "Alliance of Democracies" is yet unborn.

2.1 The United Nations

The United Nations as *the* institution of global governance deserves detailed discussion both in the Bucerius Summer School and in this report. In a first part, the role of the UN in a system of global governance is looked at. Then, the ground-laying report of the UN Secretary-General is introduced, while many of the principles it touches upon (development, human rights, intervention) will be dealt with in the third section of this report. Finally, Kofi Annan's part on the reform of the UN system itself is also the last part of this piece on the UN.

The Role of the UN in Global Governance

The UN's role in global governance is partly defined by the lack of any other institution comparable to it, *Shashi Tharoor*, the UN Under-Secretary-General for Communications and Public Information, explained. Today's global problems are too large for any single state to deal with. Countries have to come together to solve them, and there simply is no globe-spanning institution other than the UN. Regardless of the current crisis, the UN will be needed to tackle those "problems without passports" and to care for human development. For its best and its worst, *Tharoor* continued, the UN is a mirror of the world: "It is only as good as the member states want it to be."

Under the auspices of the UN, a wave of democratisation and liberalisation marked the second half of the 20th century; the UN had proven to be the only possible alternative to the century's disastrous first half. And, with a view to a perceived incompatibility of world-views, pitting Kant against Hobbes, Venus against Mars, *Tharoor* recalled: The UN itself was not created by starry-eyed Kantians but in response to a Hobbesian world. The United Nations having won the war envisaged the new Leviathan not as a single power, but as a system of international rules.

The "i-word" question for *Shashi Tharoor* was easily answered: The UN had not become irrelevant in global governance, but clearly indispensable. The world organisation was not just about bureaucratising our consciences, but about making a real difference to people in the world. The recent tsunami relief was the largest humanitarian operation ever, combining the work of various UN agencies for the same humanitarian cause. This could not have been done by any other organisation, in particular because its intergovernmental nature gives the UN more clout than NGOs: the UN is neutral, not national, and they receive legitimacy from universality. Yet this benefit could also be seen as a disadvantage, some participants disagreed, when UN staff acted more like diplomats than aid workers.

Proposing a new Strategy for the World

The basis for the current discussion about an overhaul of the international system is the report "In larger freedom – towards development, security, and human rights for all" of the UN Secretary General, Kofi Annan. This report, *Shashi Tharoor* explained, is built on previous work of three commissions, namely the High-level Panel on Threats and Challenges, the Millennium project, and the International Commission on Intervention and State Sovereignty (ICISS), co-chaired by *Gareth Evans*, President and CEO of the International Crisis Group and former Australian Foreign Minister, While the High-level Panel has written something similar to a Security Strategy of the United Nations, the centrepiece

of the ICISS-report was the emerging doctrine of 'responsibility to protect,' i.e. a framework for action against genocide, crimes against humanity etc. Finally, the "old challenges" like poverty, famine, and diseases ought not to be forgotten, of which the report on the Millennium Development Goals is a succinct reminder, given that more people die from diseases than from terror and war.

By bringing all these strategies together in a coherent framework, Kofi Annan's report thus recognises the mutual interdependence of security, development, and human rights and proposes concrete action in each of theses fields. The so-called first basket (*"freedom from want"*), in essence, summons the developing countries to be more responsible ("each developing country has primary responsibility for its own development"), and at the same time demands that developed countries live up to their commitments ("in the form of increased development assistance, a more development-oriented trade system, and wider and deeper debt relief").

The second basket (*"freedom from fear"*) builds heavily on the mentioned ICISS report. It calls in particular for a definition of terrorism to be included into a comprehensive Convention against terrorism, a plea that was supported by the German ambassador to the United Nations, *Gunter Pleuger*. Undersecretary-General *Tharoor* was optimistic that, even without agreeing on a precise definition of terrorism, a Convention could be passed. The two main objections to a definition, often put in front by Arab countries, were the notions of freedom fighter and state terrorism. The latter, Tharoor explained, is already ruled out by international law, such as the Geneva Convention. This leaves, however, the "freedom fighter" controversial.

Moreover, the rules governing the use of force are also still debated. While, in principle and other than in self-defence, the UN Security Council should have a monopoly on the legitimate use of force, practice shows that legitimacy does not only come from a Security Council decision. One of the participants highlighted this point by comparing the war over Kosovo to the war against Iraq. *Shashi Tharoor* admitted that, in its whole history, the UN Security Council had only authorised "two and a half wars": the Korean War in 1950, the 1991 Gulf War to liberate Kuwait, and – only somewhat implicitly – the war in Afghanistan after the 9/11 terrorist attacks. The open and unanswered question therefore is two-fold: What should the international community do when a country or a coalition of countries bypass the Security Council to fight an illegitimate war, and what should it do when there is a legitimate cause but the Security Council is unable to approve military action?

Legitimacy is a major question also in the third basket (*"freedom to live in dignity"*), where the principle of 'responsibility to protect' is taken up with regard to human rights and the

rule of law. For an intervention in another sovereign state today, both legality, i.e. usually a Security Council resolution, *and* legitimacy, which almost naturally comes with a decision of a universal body, are needed. With regard to legality, there are two alternatives in case of a Security Council logjam: a 'Uniting for Peace' resolution from the General Assembly, or action by a regional organisation according to Chapter VIII of the UN Charter. However, further instances of Security Council inaction in a situation where the use of force is deemed legitimate, would further delegitimise this important body. It would therefore be of utmost importance, *Tharoor* urged the group, to make the Security Council work, part and parcel of the ongoing reforms.

A remarkable novelty from this section of the Secretary-General's report is that it asks for a greater effort in establishing and promoting democracy in countries around the world. Kofi Annan has taken up a proposal originally from the United States and proposes the creation of a democracy fund "to provide assistance to countries seeking to establish or strengthen their democracy."

Moreover, a Human Rights Council is meant to replace the existing Human Rights Commission, a body notorious for bringing in the violators to judge their own and other's behaviour. Human rights' groups have for a long time lobbied for a permanent body that should react in a preventive, ongoing, and corrective manner, *Lotte Leicht*, EU Advocacy Director of Human Rights Watch in Brussels, explained. The Commission has become a victim of its own success by producing results, which in turn has led the abusing states rallying to be in the Commission in order to prevent further action. While generally supportive of this proposal, *Gunter Pleuger* nevertheless cautioned against taking the few teeth the Commission has when establishing a new Council.

The 'fourth basket:' Institutional reform at the UN

The reform of the United Nations is an ongoing theme, ever since this was an agenda item for the General Assembly meeting in 1948. In reality, change so far has been enormous, *Shashi Tharoor* claims: From running elections in various countries over judging war criminals to multi-dimensional peacekeeping operations, the UN has proven to be a highly-adaptable institution. The point of departure for much of today's discussion about reforming the UN was the split in the world community over the Iraq war. The UN happened to be criticised from both camps: from the one for not authorising a war fought allegedly in support of its own resolutions, from the other for not preventing a war unauthorised by the Security Council.

Yet both in its political actions and its reform efforts, the UN is no better than the governments constituting it. More often than not, the highest aspirations could only be implemented at the level of the lowest common denominator, *Shashi Tharoor* regretted. The proposals from the fourth basket ('Strengthening the United Nations') for a reform of the UN Secretariat, the Security Council and other UN bodies like the Economic and Social Council are, however, not a wish list but doable reform steps.

The current reform efforts were the topic of a public panel debate at the onset of the Bucerius Summer School as well as a resurfacing red thread for the whole two weeks. One specific aspect discussed was the reform of the UN Security Council. Panellists agreed that this is an important reform element, stressing at the same time that it is only one of four major points in the fourth basket. The Security Council needs to be made more representative in terms of membership not only because it decides on questions of war and peace, the German UN ambassador recalled. It is equally important because in recent years, this body has taken up an activity largely outside of the UN Charter, i.e. the setting of globally binding rules. Thus, the present constellation excludes 176 countries and 191 national parliaments from the creation of international law, *Gunter Pleuger* stressed.

The reform proposal by the 'Group of Four' (G4: Brazil, Germany, India, Japan) is based on the reports of the High-level Panel and the Secretary-General, Ambassador *Pleuger* continued. It covers much more than the mere enlargement of membership, which should already make the Council more rational and reliable. In this respect, *Ramos Horta*, Foreign Minister of East Timor and Noble Peace Prize Laureate of 1996, mentioned the importance of a Muslim representation on the Security Council, proposing Indonesia as another Asian country that ought to sit permanently on the Council once membership is enlarged. Going beyond these questions of representation, the G4 plan also covers work procedures, proposing regulation on the use of veto (it shall never be cast in case of genocide, for example), and includes even a review conference after 15 years, thus advocating a reform that is neither immutable nor inflexible.

Turning from an early opponent to a recent supporter of a German seat on the Security Council, *Harald Müller*, Executive Director of the Hessian Peace Research Institute, gave two arguments for his new position: On the one hand, Germany with its in-bread multilateralism could counter the egos of current (and maybe also of some of the future) permanent members; on the other, Germany is the most explicit non-nuclear weapon country and would, through its membership, symbolise that possession of an atomic bomb is not an entry ticket to this body. He nonetheless pointed to an important deficiency in all reform proposals, i.e. the question of a juridical review of Council decisions: Where is the Rule of Law concerning their lawfulness, he asked.

At the other end of the spectrum, former German Minister for the Economy, *Manfred Lahnstein*, was a fierce critic of how the broader issues of UN Reform had been narrowed down in Germany to the question of a permanent seat for the country. This had created tensions and frustrated many of Germany's partners. To go against some of the permanent members by invoking the "democratic principle" of the – not so democratically oriented – General Assembly was no hour of glory for German diplomacy. He, *Lahnstein*, truly hopes that the German bid does not succeed. In the long run, an EU seat should by wished for, but in the short run, one should not try to attain an unattainable goal.

John Ruggie, former UN Assistant Secretary-General, detected one major difficulty in the reform in that it does not give any reward other than the collective good to the "losers" it produces. There are regional competitors for every serious aspirant, providing for a "classic clash between individual benefits and collective return." He therefore saw "a blessing in disguise" in the recent setback on Security Council reform, giving the matter more time and directing the focus to all the other issues on the agenda.

People's views differed again on the urgency of the current debate. Some favoured to raise expectations in order to get at least something out in the end, while others urged to lower them in order to be realistic about the outcomes. *John Ruggie* stressed, "Reform is not an event, but a process." *Shashi Tharoor* thought it "high time" to reach agreement now, fifteen years after the end of the Cold War, stopping short of calling it a "make-or-break" year for the United Nations. A meeting of the Heads of State to discuss the reform proposals will take place in mid-September, merely four weeks after the Bucerius Summer School 2005.

2.2 A global system of economic governance

Turning from political to economic governance, participants had a closer look at three global institutions, the World Trade Organisation, the World Bank, and the International Monetary Fund.

The World Trade Organisation (WTO) is at the core of global economic governance, *Heribert Dieter*, Senior Research Fellow at the German Institute for International and Security Affairs (SWP) in Berlin, began his speech. He praised the organisation for some major achievements: the WTO is the most elaborate and democratic regime regulating global economic activity, in which all 148 member countries can veto decisions; the dispute settlement mechanisms, introduced in 1995, have proved very successful; and the developing countries themselves have started to use their power in the WTO – part of today's controversy.

Dieter detected also four major challenges to the WTO. The first is to establish the organisation as a platform for global governance and to expand a rules-based system of international trade when both the U.S. and the EU show less inclination to promote free trade. "Political support for global governance is a function of the perception of globalisation," he warned, and today's paradox is that people in the North as well as in the South perceive free trade as a threat.

The second challenge is related to the first: to stop bilateral deals bypassing the multilateral order. When rich countries become uneasy about multilateral trade, instead of leaving the WTO, they undermine it with bilateral trade agreements, *Dieter* complained. Driven by unilateralism (the U.S.) and regionalism (the EU), the two blocks favoured these asymmetric deals, in which the smaller partners are disadvantaged. In 2005, trade in preferential agreements surpassed that under most favourite nation (MFN) conditions. Quoting the economist Jagdish Bhagwati, *Dieter* said that MFN had become LFN: a 'least favoured nation' treatment. Participants from the field, though, contradicted his fear of the WTO becoming less relevant through bilateral agreements: Bilateral trade deals often have higher standards of trade than those applicable in multilateral trade, they said. Moreover, also with regard to dispute settlement, bilateral arrangements would keep the WTO courts from a case overload.

A third challenge is, again in connection with the second and first, to counter the "protectionist disease" in the United States, much of Europe and Asia. A substantial economic downturn in these countries and regions could strengthen those policy-makers with a protectionist agenda. Remarkable in this regard was the turnaround of economist and Nobel laureate Paul Samuelson in 2004, when he, an early proponent of unrestricted trade and free labour markets, suddenly saw major disadvantages of free trade, including for his own country, the United States.

The fourth challenge is also part of the answer to the first three challenges: to make the Doha Development Agenda, launched in November 2001 after the 9/11 terrorist attacks, a success. Critical components in this endeavour are agriculture and services, where, some proposed, the EU should reduce their agricultural subsidies in return for access to the services markets in third countries. The proposal was controversial, however, as an end to EU subsidies could result in higher prices for many least developed countries (LDC) that are net food-importers. Only the big corporations from Brazil and other countries would benefit and not the LDC, *Dieter* warned.

Two other institutions are key when it comes to economic development: The International Monetary Fund (IMF) and the World Bank (WB). At the IMF, two different schools of

thought were competing at the very beginning, one focusing on monetary stability, the other on development issues. The former prevailed and the Fund was designed to promote an open world economy through monetary co-operation, currency convertibility, and international liquidity. (In-)Famous for its structural adjustment programmes in the 1980s, the IMF had to face serious criticism about the sequence of reforms after the Asian financial crisis at the end of the 1990s. The IMF, *Carlos Braga*, Senior Advisor at the World Bank Group in Geneva, explained, was founded to deal with problems from the inter-war period. It had done so successfully for the first 20 years but with changes over time, and influences by major players, the institution has had difficulties to adjust.

Things are similar at its sister institution, the World Bank.[3] Its original mission was to rebuild Europe after the Second World War, with France as the Bank's first borrower in 1946. By today, the Bank has become one of the world largest sources of development assistance, providing, in 2004, more than 20 billion U.S.-dollars in loans, working in more than 100 developing economies, fighting primarily, as it claims itself, 'for a world free of poverty.' At the World Bank, the dominating theory of economic development has gradually evolved over time: from physical capital accumulation in the 1940s and 50s over human capital in the 1960s and the right policy environment in the 1970s and 80s to the role of institutions in the 1990s. Today's priorities are the provision of basic education and health services, social protection to those who lose from globalisation, rural development and environmental protection, as well as private business development and trade liberalisation.

The World Bank, too, has been successful in dealing with its original tasks, but results are mixed when it comes to adapting to new challenges, *Carlos Braga* admitted. While extreme poverty has fallen and the mean world income has risen, still three billion people, that is half the world's population, live on less than two dollars a day. To eradicate extreme poverty and hunger is therefore the Millennium Development Goals' bottom line. Moreover, "growth is good for the poor", *Braga* claimed, citing 2004 as a record growth year for the developing countries. Integration with global markets is associated with faster growth, as proved by countries with a rising export share of the gross domestic product (GDP) experiencing higher growth rates. Despite these successes, the existing global income imbalances as well as the proceeding environmental degradation remained a special concern for the Bank. With regard to often voiced proposals for radical reform of the World Bank, the German Federal Minister for Economic Co-operation and Development,

[3] The World Bank Group consists of five closely associated institutions: The International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The term „World Bank Group" encompasses all five institutions; the term "World Bank" refers specifically to two of the five, IBRD and IDA.

Heidemarie Wieczorek-Zeul, lend support to the Bank as it is today: it should stay a *World* Bank, i.e. not serve the poorest countries only, and it should stay a World *Bank*, i.e. it needs refinancing from loans to emerging economies like India and China.

2.3 A new Actor: International Civil Society

The so-called non-governmental organisations (NGOs) are also important, though somewhat younger actors on the global scene. The term 'NGO', however, is a "misleading label," *Helmut K. Anheier*, Director of the Center for Civil Society at the UCLA School of Public Policy and Social Research, started out his presentation. Much more than only 'non-governmental', i.e. private and not instrumental of governments, they are formal, permanent, non-profit, and self-governing associations that, in order to be an 'international NGO' (INGO), operate in at least two or three countries.

The number of INGOs increased greatly, for the first time, in 1975 following their formal admittance to the UN World Conferences. They have continued to grow, both in overall numbers, funding, and membership, at two percent annually even after 9/11. At present, *John Ruggie* explained, some 30,000 NGOs operate international programmes; about 1,000 of them have an international membership.

However, they are not spread evenly among the continents, although this is not so much a North-South phenomenon but one of a few hubs in the North: Brussels is one of the "capitals of NGOs" as is the East coast of the United States. While traditional NGOs are headquartered in the North with most operations in the South, modelled after hierarchical bureaucracies with chronic problems of information flows, the new emerging NGOs have multiple headquarters, are virtual organisations using internet technology and boasting operations and stakeholders both in the North and the South, though often facing the same problems of financial dependency as their forebears.

This quantitative expansion and qualitative change is driven by a void that the state leaves and into which the NGOs themselves are pushing. "Civic politics replace state politics," *John Ruggie* framed it. In addition, NGOs have crossed the border to the corporate sector, too: Some NGOs use transnational firms to amplify their claims, whereas some corporations have built their public accountability with the help of NGOs. Thus, in themselves, NGOs display a great degree of complexity.

In particular where non-governmental organisations take over the duties of governments, the legitimacy question is raised. Presenting a to some extent legalistic definition of legitimacy, based solely on the provisions of freedom of association, *Anheier* dismissed this question. As long as NGOs acted within the rule of law, one could only speak of problems

of accountability and transparency, he said. This definition, however, did not find a consensus with some of the participants who questioned the self-proclamation of some NGOs as a 'legitimate voice of the people.'

In their working groups, participants found that NGOs, regardless of their form of organisation, needed expertise, transparency, consistency, and communication in order to be more effective. In the end, *Lotte Leicht* of Human Rights Watch found a fitting analogy for this dilemma: NGOs are "like the free press: There are some good ones and some bad ones." For their overall beneficial effects, they should be left the freedom to operate without formal pre-approval or intrusion.

2.4 European Union

Although the focus of the Bucerius Summer School is global by definition, the European part of the world nevertheless played an important part in all discussions. This is not only due to the geographic background of the participants who, in their majority, came from Europe. It certainly also relates to the fact that, over the past 15 years since the fall of the Berlin wall, the EU has emerged as a new actor shaping – at times unwillingly, at other times less than it would – the global order.

The EU as a Global Player

For *Olli Rehn*, the EU Commissioner for Enlargement, it is not the question *whether* the EU is a global actor. By all it does today, the EU already acts on the global level. The question is much more whether it has the *ambition* to be a global actor – and *how* it can make successful use of its instruments.

The EU aims at a rule-based world order, founded on the belief that "might is not the only right," *Rehn* proclaimed. It is mainly through its soft power that the Union can persuade other countries to integrate into international legal frameworks, serving as an example for other regional groupings, too. Among the EU's foreign policy instruments are:

- Money: the EU is the world's largest donor, providing aid under distinct conditionality,
- Diplomacy, though a common diplomacy is still "work in progress", *Rehn* admitted;
- the Military, including peacekeeping and self-defence, and based on a modernisation of national forces and the European battle groups concept;
- Civilian missions for the Rule of Law, e.g. the training of judges and prosecutors in missions in Georgia or Congo;

- and Homeland Security, or 'security, liberty, and justice' in EU terminology, where European co-operation in police and justice affairs – *Europol* and *Eurojust* – helps preventing terrorism worldwide).

Commissioner *Rehn* called these instruments "screwdrivers" in response to yet another aphorism of Robert Kagan. While it is usually said that if the only instrument you have is a hammer, every problem looks like a nail, Kagan reversed the imagery saying Europeans pretend that nails do not exist because they do not have a hammer. For *Olli Rehn*, the screwdriver is the better metaphor for the European approach to global problem-solving: Screwdrivers work with rather modest force over longer periods of time and, through gentle coaxing, eventually get quite a good hold on their object. Screws tend not to come out again if pressure is applied, while nails need a huge amount of force to get in and then they can still fall out.

Charles A. Kupchan, Professor of International Relations at Georgetown University in Washington DC, provided another metaphor with regard to Europe's global ambitions and its relations to the U.S.: "Stick to your guns," he said, and stay with liberal internationalism. Questioned about the often assumed anti-American undercurrent of *contre-pouvoir* in European ambitions, he simply asked the EU to work with the U.S. where it is open for co-operation, and to gently oppose it when it went unilateralist. Easier said than done, he admitted: the question is "how to disagree agreeably?"

Lord Dahrendorf was much more concerned about the degree of anti-Americanism being utilised for the launch of the European identity project, as he saw it. For him, a special relationship with the U.S. of the whole of Europe is the only way to have international influence. Charles Kupchan, on the other hand, felt that the present popular sentiment in Europe had itself shown that being a "counterweight" to the United States is not a defining vision for Europe: The two politicians from the anti-Iraq camp have been punished domestically, one in a referendum, the other in the polls ahead of election day. Apart from Aznar of Spain, all pro-war leaders are still in office, *Lord Dahrendorf* reminded the audience.

On the institutional side of foreign policy, the EU has in the past year undergone more reforms than ever. Getting closer to Kissinger's famous 'phone number', the Union has started to build an External Action Service and shall try to create the post of a Foreign Minister despite the current setbacks on the Constitutional Treaty, the leader of the Free Democratic Party (FDP) in the German Bundestag, *Wolfgang Gerhard*, demanded. However, apart from institutions and instruments, political will is needed badly, he added: the indifference often displayed by national or EU officials just towards the turbulent regions in the periphery of the EU, equals the absence of any global perspective in their policies.

On the economic side, it is a simple fact that the EU is indeed a global player. The European Common Market is the largest trade zone of the world, Wolfgang Gerhard reminded the participants, and the EU has pushed to expand free trade all over the world. There simply is “no alternative to Europe being a global player”, he said. However, politicians have forgotten to tell the people about the chances of the Single Market, now facing growing scepticism *vis-à-vis* globalisation and its benefits. And with Asia set to dominate the world economy in the next decade, European societies themselves should again become more market-oriented in order to make use of the global opportunities.

European Enlargement and the EU Neighbourhood Policy

European Enlargement policy has so far been a success story, converging – through conditionality – entire political systems as the accession into the EU of post-totalitarian countries like Spain, Greece, and Portugal in the 1980s or of the former communist countries of Central and Eastern Europe as recent as in 2004 has shown. In the current debate about “Enlargement fatigue”, Commissioner *Rehn* strongly urged to not only consider the perceived disadvantages of further enlargement, but also the “cost of non-enlargement”: Don't put Turkey down, he warned, and don't make the Western Balkans a ghetto within Europe.

A different opinion came from the FDP foreign policy spokesperson, *Wolfgang Gerhard*. His party was, at the time of the Summer School, in the midst of an election campaign, part of which was about whether Germany should promote Turkish membership of the EU or otherwise offer a ‘privileged partnership’ to the country. He asked for credible support in public of the last 2004 enlargement round, stressing the economic, cultural, and security advantages accession has brought to the EU. Yet at the same time, he demanded that the geographical borders of the EU be defined. Continuous enlargement is not possible to bear, neither for the EU as an institution nor for the European citizens.

With or without the perspective of EU membership, every country should aspire to democracy, the rule of law, a market economy, and an open society, *Gerhard* claimed, referring to both Turkey and the Western Balkans. Concerning the latter, even with the European perspective upheld, the young nation states have to sort out their relations first and do so in their own interest – just like Germany did after World War II. Membership negotiations with Turkey should begin, though, as scheduled on October 3, but Gerhard emphasized their open-ended character. Alternatives, like the proposed privileged partnership, are needed from the beginning in case that either negotiations cannot be concluded or that,

even if Turkey fulfils the membership criteria one day, just one society in a given Member States says No to enlargement in a referendum.

Commissioner *Rehn* was more optimistic about the outcome of negotiations. He claimed that the opening of negotiations would give the EU leverage over Turkey, by asking for achievements up front. Nor was enlargement a decisive issue in the failed referenda of the spring, he said, so it was also question of leadership in the Member States. With regard to legal or moral obligations regarding the opening of negotiations with Turkey, he refused to talk of an “arranged marriage” as one participant had coined it.

Working on a case study on Turkish membership of the EU, participants deplored the so far largely irrational debate, both in the EU and in Turkey. In particular, the non-Europeans among them could not understand the “hype” about the issue. Especially litigious was the question how much this had to do with Turkey being a Muslim country: Some said indeed that Europe is rooted in Christianity, while other invoked the common heritage of Muslims and Christians. Turkey’s bridge-building function *vis-à-vis* the Islamic world, an argument used by some proponents of Turkish membership, was also disputed: Some saw this as a positive symbol of Europe not being a “Christian club” (with Albania and Bosnia-Herzegovina being on the waiting list), while others claimed that Muslim (or, indeed, Arab) countries do not care about Turkey becoming a member of the EU.

“Turkey is a mirror of EU,” one participant summarised: the country confronts the EU with questions the Union has tried to evade for the past years. Europe is now forced to give substance to its own self-understanding: what shall be the *finalité* of Europe? How can the EU provide for legitimacy within its own system? Before Turkey could ever enter, a debate about the future of Europe needed to be lead and concluded. In the same vein, Commissioner *Rehn* called upon the Union to sort out its internal problems first, so that it would fulfil its share of the Copenhagen criteria, i.e. the capacity to absorb new members without losing the integration momentum.

Reforms in Europe

After the failure of the referenda in France and the Netherlands on Constitutional Treaty, centrepiece of institutional reform in Europe, the EU is currently living through the most significant crisis since its inception, *Charles Kupchan* of Georgetown University reckoned. It is, unfortunately, conceivable that Union has hit the high water mark and could, from now on, go backwards, or even unravel. Among his lessons from the referenda turmoil, one was that economic reform is essential: "European integration is the solution to the problems, not the source.” *Olli Rehn* added that economic growth, triggered by reforms,

would also give additional legitimacy, which is why 'jobs & growth' are the EU's primary agenda today. *Wolfgang Gerhard* from the German opposition liberals acknowledged that reforms were going on even in his country. He nevertheless pleaded for further liberalisation of goods and services, claiming that the strongest social net is not redistribution, but employment. Reforms are mainly needed at the national level, where they could then receive support and coordination from the EU. *Gerhard* added that it was necessary to also gear the EU's own budget towards the future, not the past, with more than two-thirds currently being eaten up by the Common Agricultural Policy and structural policies.

It was to the German-British Lord, *Ralf Dahrendorf*, to be more pessimistic about the ability of the EU to thoroughly reform itself. Democracy beyond the nation state is complicated, he said, and one could not simply transfer domestic institutions to a higher level. In particular, the European Parliament is no analogue to the democratic institutions in the member states, so he proposed its abolition as a major reform step.

2.5 The Nation State

"Interstate war is unlikely, but could return," *Steven Szabo* presumed. He continued that we have not entirely left the old world of great power politics behind us. Conflicts among major states look remote, Dmitri V. Trenin agreed, the Deputy Director at the Carnegie Center in Moscow. Though he warned, "War (with a capital W) has been abolished, for the price of war having come back." Russia today, for example, is facing on its own territory and in its neighbourhood, conflicts of the 21st century, but also ethnic violence, tribal conflicts, and instability dating back to the 19th century.

Still global: Russia

Russia may not be the first state coming to mind when talk is of global governance. But a country that boasts, in its "greater periphery," places like London, Paris, Baghdad, Tehran, Shanghai, or Tokyo, by default has to play a role in global rule-making. In this sense, *Dmitri Trenin* presented to the participants the three façades of today's Russia: the Western, Southern, and Eastern façade.

With the West, Russia has largely "demilitarised relations", and war is unthinkable with Europe, though a confrontation seems possible with the United States. There is no longer an ideological value gap between the West and Russia, but a historical one, due to Russia's slow domestic transformation. The country today is not yet a democracy, it may be it

by 2030, *Trenin* suspected. The 'Western front', due to its calmness, is "yesterday's strategic priority".

In the South, Russia has been at war for 25 years fighting the same enemy in the Northern Caucasus and Central Asia: the modern State of Russia vs. local traditional clans. *Trenin* maintained there was a total disconnect between post-modern Europe, modern Russia, and traditional Caucasian societies. Relations with Iran were also in a bad state. Despite the Russian interest in the Iranian nuclear energy market, the country worries about Iran's nuclear ambitions and is therefore close to the EU position in the current negotiations. However, Russia would not support a war even if it were provoked by Iran, let alone a merely pre-emptive strike. The South, it becomes clear, is today's strategic front, and will stay a war zone for some time.

Towards the East, Russia enjoys good relations with China: border disputes have been resolved, and in the Shanghai Cooperation Council, a first joint military manoeuvre recently took place. Russia now slowly accepts the rise of an economic and demographic power in its East, the region it regards as the strategic tomorrow. Only should there be a conflict between China and the United States, then Russia would be badly caught in-between.

With regard to the global scale, *Trenin* thought it important to assure the audience that Russia itself is no longer a menace: the country had passed the period of messianic expansionism and now lives for itself, in a "post-imperialist" manner. Asked whether Russia has a global mindset, he referred once more to geography, saying that, with neighbours like Norway and North Korea, global thinking in Russia has survived. However, the country has only few capabilities to act globally. As for a global order, Russia is no fan of 'multipolarity;' a short-lived trilateral endeavour with India and China was abandoned also because Russia is not in a position to compete.

Germany ahead of general elections

Germany, too, is not *the* player in global governance. Yet, more than once this country was at the centre of the debate, not only because of its recent bid for a permanent security council seat, but also because of a looming change in government, possibly bringing about a change in foreign policy orientation, too.

"Less Putin, more Bush, less Paris, more London" is what many people inside and probably some more outside of Germany expect from a new government led by the first female chancellor, Angela Merkel. She is a staunch supporter of transatlantic relations and, as someone grown up in the communist East of Germany, "as close as you can get to 'New

Europe'," *Jan Ross* from the German weekly DIE ZEIT explained. At the same time, it was questioned how much of a real change a new government could bring about, both at the home front (with harsh reforms of the social security system in the offing) and in foreign policy (where the political substance might not change much but certainly the tone *vis-à-vis* the United States will).

Dimitri Trenin, for example, felt that the close relationship between Schröder and Putin had worked well. The German chancellor was able to press the Russian president on some fields, like Ukraine, without attempting to influence those matters beyond the reach of any outsider, like Chechnya. A good indicator for German internationalism, *Jan Ross* proposed, is the people's reaction to Pope Benedict XVI: There were no cheers in his home country, Germany, when Cardinal Ratzinger got elected – a sign of a widespread malaise there. With the upcoming visit of the Pope to Cologne, his first trip abroad in this "high-ranking position in global governance," the mood seems to change for the better.

The United States and Global Governance

The United States without doubt is a country that has great influence on how the globe is and will be governed. Many people in this country and around the world see the terrorist attacks of September 11, 2001 as a defining moment for global governance. However, to more subtle observers like Charles Kupchan, it is not the attack itself but the U.S. administration's response to it that has shaped the world since.

Michael Nacht, Dean of the Goldman School of Public Policy at the University of California in Berkeley, quoted from Henry Kissinger's book 'Diplomacy,' in whose second chapter 'The Hinge: Theodore Roosevelt or Woodrow Wilson' the former U.S. Secretary of State described his country's foreign policy as a constant oscillation between idealism and *real-politik*. The present administration, *Nacht* argued, has, in the wake of 9/11, merged the two. The new Bush policy was not about global governance, but about American primacy, attaching no importance to international institutions, he warned. For this administration, foreign policy is a power struggle, not so much about hard or soft power, but to retain both military and economic power.

John Ruggie, on the other hand, still saw a row between "Globalists" and "Americanists" in his country. He admitted, though, that the second Bush administration has already changed, both in tone and in substance: The U.S. had allowed the Darfur case be transferred to the International Criminal Court, an institution fiercely opposed by the government; and a congressional bipartisan commission had urged the U.S. government to engage more, in the country's own national interest, with the United Nations. *Lord Dahren-*

dorf, too, cautioned against taking a "breakdown of liberal internationalism in the U.S." for granted: This country has a long history, he recalled, and may change again quicker than outsiders thought.

Charles Kupchan, again, was not so optimistic. He believes that "the new course of the U.S. is no passing Bush phenomenon but here to stay." The 'grand foreign policy coalition' of the Cold War had started unravelling already during the nineties under President Clinton, when the Kyoto agreement, the International Criminal Court, and the Comprehensive Test Ban Treaty all did not get agreement in Congress. The 9/11 attacks silenced (or converted) the isolationists leaving a close-to-unchecked power position to the unilateralists in Washington.

Also throughout the country, polarisation is enormous, *Kupchan* continued. "Republicans and democrats don't talk to each other," he mourned, given that a geographical separation between democrats and republicans, a "re-segregation" in the words of *Kupchan* had taken root in the country. Moreover, Christianity (the rise of the religious right) and demographic change (the upsurge of the Latino population) will have lasting effects on U.S. policy. What exactly this will mean for foreign policy is more opaque, but could include a shift of focus from Europe and Asia to South America, from thinking in security alliances to talking more in trade terms. Whether or not the last four years were exceptional and anomalous, or the beginning of a new era remains to be seen.

The so-called 'war on terror,' or the 'struggle against extremist violence' as the administration has recently reframed it, is maybe the most defining element of the United States' present policy on global governance. Many speakers and participants alike agreed that, given the current situation in Iraq, a thorough rethinking of the U.S. strategy is underway. The situation there could not be uglier or worse, *Charles Kupchan* admitted, pointing to a real dilemma situation: if U.S. troops stayed in Iraq, the so far vicious insurgency would risk turning into a nationalist uprising; if the U.S. left, the country could unravel. Just like the French were mired in Algeria and the British in post-colonial Iraq, now the United States is caught up in that country.

Lord Dahrendorf, who was in favour of the intervention because of what September 1938 had taught him, said that, in general, Americans are not a good occupying power. They were received well in Germany after the war, but the difficulty with this occupation was that it did not take place after a long and exhausting war, leaving a lot of resentment against outsiders. Moreover, the lesson from Iraq that ground forces will produce civil unrest has made an intervention in Iran or Syria now less likely.

India and China – New Suns in the Post-Westphalian sky?

To symbolise the tectonic shift of perspective, *Michael Nacht* once more referred to Henry Kissinger looking back at the past 50 years of events: "The establishment of the European Union was important, but more important was the unification of Germany; German unification was important, but more important was the collapse of the Soviet Union; the collapse of the Soviet Union was important, but more important is the rise of China." After ancient Greece and Rome, after Mesopotamia and the Moors, after the British, Spanish, and Dutch empires, we could now see the emergence of the next phase of "great powerdom" with India and China on the rise.

Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy in Singapore, claimed that indeed the Asian-Pacific Century had begun. A thousand years ago, Asia was ahead, Europe left in the dark, and the United States was not even discovered. Now, after all progress had emanated from Europe for 500 years, there are new suns in the sky, in particular China and India. Much of this recent rise had to do with a rebirth of confidence in Asian societies, where, for example, young Indians now feel that they can make it and they learn from others' successes.

In 1945, when the U.S. was at the peak of its power, it did not colonise the world but created new rules of the game. Rules that the Asian states, helped by a "tidal wave of common sense," could adapt to, ensuing the rise of Japan, followed by the four tigers in Southeast Asia, then China, and now India. This common sense, *Mahbubani* claimed, was particularly visible in the 1997 Asian financial crisis, when he countries of Southeast Asia, for their diverse history, culture, and religion also called the "Balkans of Asia," experienced the worst financial crisis ever but still did not go to war.

Today, young Asians buy the American Dream, the Dean declared, and not just in talk, but in very concrete ways: many Asian leaders used to, and many Asian students presently do live in U.S., learning not just for their studies, but about the whole ethos of living. In the long run, all Asian states will become democracies, he predicted. The West should only let the Asians themselves decide on their own how and when they will transform.

With all the talk about the rise of China, will the 21st be the Chinese Century? *Eberhard Sandschneider*, a Sinologist by training, flatly answered "No." The 21st century will not be dominated by China, he said, claiming that much of the debate was overexcited and misleading like the talk about 'Japan as No. 1' in the 1980s or of the Asian values in the 1990s. China, he claimed, does not exist in political, economic or social terms any more. It would make an enormous difference about which province you talk, and Western journalists are often influenced by their own emotions or their editors' wishes. In the West, China

is usually described the way we want it: up or down, with extreme excitement or utter despair. What is worse, actual policy is based on these perceptions.

China, indeed, is lot of things. It is a superpower: a permanent member of the UN Security Council, a nuclear power, with a huge military budget and growing regional influence. It also is an economic power, with 60 billion U.S.-dollars of foreign direct investment (FDI) p.a. and a record GDP growth. It is, from a U.S. perspective, a hostile power given its position on Taiwan, but it is also a partner, the latter being also the European perspective. Yet again, China could also be seen as a developing country with abject poverty and lacking infrastructure in the countryside; or even as close to a collapsing power when looking at the instability of China's banking system with 40% of unperforming loans.

A major focus of the Chinese leadership is on stability because of the enormous number of risks: from regional disparities, migration, and social unrest over corruption, a failing banking system and public health risks to unemployment, a rising energy demand and environmental degradation – this country has it all. To impose democracy at this stage, *Sandschneider* warned, would be a recipe for instability. Only a very slow and very long-term process could democratise this country the size of Europe with triple its population. This resonated well with *Kishore Mahbubani*'s warning he drew from the Soviet experience: Gorbachev put Glasnost ahead of Perestroika, thus destroying the Soviet Union, he said. Change has to come, but slowly.

Stagnation on this way is a possibility, even a collapse with unforeseeable consequences. Aggressive expansion, though, is unlikely, *Sandschneider* said, as China has never in her history acted this way. The best outcome would be a successful international integration of the Celestial Empire. For this to happen, the West would need to manage the peaceful rise of China (and India) just like Great Britain managed the rise of United States throughout the 19th century.

While China is a politically closed, but socially open country, India already has an open society, an open market economy, and is strategically aligned with the West. India's reforms, which started in 1991 but built on decades of hard work beforehand, as the Indian participant informed the group, continued today despite the recent change in government.

In a case study for 'Euroland,' a fictive mid-sized European country, the group explored opportunities for investment in and reciprocal trade with either China or India. For China, after becoming a republic in 1913, the modernisation project under Deng Xiao Ping was decisive. India, on the other hand, still has a post-colonial history with enormous grievances about suppression, having been a member of the British Empire till 1947.

Concerning trade, participants weighed the advantages of India (English language, low transportation cost, and a good human rights situation) against some setbacks (slow rule of law and low purchasing power). As for China, advantages like a higher purchasing power and a stable currency were set against a bad human rights record and the existing weapons embargo. A similar situation was found in the area of investment: The British model system and an existing, though slow rule of law spoke for a good context for investment in India, even given existing FDI restrictions there. China, on the other hand, has lower tariffs and also lower non-tariff barriers, a bigger market and larger purchasing power. However, some participants could recount from their own experience that, for small and medium-sized enterprises, this market is extremely risky. It was largely seen as a must for global players yet one hardly heard about companies leaving China – so much for perceptions.

Participants also took some non-economic, strategic matters into consideration. As the largest democracy on Earth, India is good partner in promoting democratic values in the region, other than China, where the transformation of the domestic landscape is still ongoing. Closer cooperation with India could also produce a sense of common purpose in EU. The Indian participant from the group buttressed this point by claiming that, as a civilisation, India is closer to Europeans and that Europeans can better understand Indians than Chinese. However, in relations with rest of Asia, nestling to India could also look like opposing Pakistan and thus create tensions with Islamic world, one participant warned.

The Chinese colleague tried to alleviate potential fears by declaring that China will not pose a threat to the world: 2000 years ago, he said, China was already the centre of the world. Now it was only regaining, in a non-aggressive manner, its place. This notwithstanding, participants in their recommendations were wary of arms exports as these, in general, would create imbalances in Asia, and to China in particular they would create frictions over the Atlantic.

With regard to Sino-American relations, who for *Kishore Mahbubani* are “the most important of our time,” *Steven Szabo* spoke of an American obsession to always look at the next big competitor. Things simply are never quite easy between the greatest power and the greatest emerging power. However, China was off the hook for four years after the 9/11 attacks. For *Mahbubani*, neither a conventional war nor an economic war is possible, because the two are too dependent on the other: China needs the U.S. market for its exports, and the United States needs China to finance its bonds. Nevertheless, war is generated by shifts in power relations, *Szabo* quoted renowned scholar Robert Gilpin, and at present, the United States are not willing to accept China as a competitor. In the end, things might also escalate unwillingly, for example over Taiwan.

2.6 The Alliance of Democracies

So far, talk has been of rising, existing, and potentially unravelling institutions of global governance. One speaker, however, *Ivo H. Daalder*, a Senior Fellow at the Brookings Institution in Washington DC, brought with him the idea of a completely new institution, the 'Alliance of Democracies.'[4] He presented this institution as the "only way to get the United States back into multilateralism," admitting that he had a somewhat "subversive agenda" as the Alliance was also a way to constrain American power.

The idea is, as the name suggests, to build an organisation that limits its membership to stable democracies, being principally open to everyone of these. According to the criteria from Freedom House or other NGOs, it would be a culturally diverse organisation, comprising some 56 countries not just from the Organisation for Economic Co-operation and Development (OECD), but also South Africa, Botswana, the Philippines, India, Brazil and others. Their incentive to join is to gain certain influence over American power.

The Alliance would have a broad mandate, strengthening international co-operation on global issues, exercising the force of example rather than of arms. Similar to the role of NATO during the Cold War, it would provide a global collective security framework, but not be directed against a single threat or limited to a specific region. Decision-making is meant to be consensual, as in NATO, with a veto for every member. Ultimately, the Alliance of Democracies should replace the UN, as all UN members should become democracies, *Daalder* said.

Bold ideas often receive criticism, and *Ivo Daalder*'s was no exception. Some participants supported the idea of closer co-operation among democracies, but wanted this to take place inside the UN, in a kind of 'democratic caucus.' Others questioned the operability of an organisation with 56 and potentially 191 veto powers, at a time when the EU was desperately trying – and failing – to arrive at more majority decision-making. Moreover, *Daalder*'s assumption that multilateralist institutions shape the behaviour of states and therefore the veto becomes less and less obstructive, was contradicted by the apparent lack of influence of multilateral institutions on the United States itself.

Daalder countered that, for people in the U.S., the UN was no longer an option because Americans do not believe in the equation that universality brings legitimacy. For them, legitimacy rests with the people, i.e. in democracies. Only democracies could have an influence on American policy. The only alternative to his proposed Alliance, therefore, is American unilateralism.

[4] *Lord Dahrendorf*, in his speech, had proposed the ‚OPCD,' an organisation for political co-operation and development of the democracies of the world, in analogy to the OECD for market economies.

3 The Rules and Norms of Global Governance

Governance at the global level is unthinkable without commonly accepted rules for all. Maybe much more than the actual institutions, a tightly knit web of rules, norms, and established practices shape the behaviour of states, corporations, non-governmental institutions and other international actors. In his report, the UN Secretary-General Kofi Annan put Human Rights on an equal footing with security and development, considering the Rule of Law and Democracy core functions of global governance.

3.1 Human Rights & the Rule of Law

Human rights are, by nature, universal. The body of universally acknowledged human rights has been growing over the past decades, though it is still highly contested in some areas, especially where they conflict with what a community or a state regard as their rights. *Kishore Mahbubani* very clearly dismissed any talk about 'Asian values,' reminding the group that this debate was not started by Asians, but by authors in the West. There is a core group of human rights shared by all, but the question of how to build a society on them is answered differently in different countries. After all, this is also true for 'the West.' So instead of lecturing other countries, the West should better mind its own record, he recommended.

Civil society organisations in particular have been pivotal in advancing human rights worldwide. Lacking proper authority, the tools these organisations work with often rely on an alert public. 'Naming and shaming' is one technique, publishing wrongdoings so that nobody can say 'I didn't know'. Moreover, some – democratic – governments tend to lend their support, on a case-by-base basis, to human rights organisations. This makes peer influence possible, especially in regional settings like the European Union or the African Union, and sometimes even leads to financial pressures on the perpetrators.

One of the major concerns, and also one of the greatest successes of rights' advocacy groups is universal jurisdiction: If human rights violations cannot always be prevented, the violators should at least be punished. The installation of the International Criminal Court (ICC) in The Hague was a milestone in this endeavour, despite all its shortcomings and current difficulties, making a clear statement that State officials do not have immunity. Another example of how civil society organisations can make a difference is the anti-landmines campaign, which led to the 1997 Mine Ban Treaty.

A very particular case is the still ongoing crisis in the Darfur region of Sudan. Advocacy groups like Human Rights Watch had pursued a referral of the situation to the UN Security

Council, because the evidence assembled by NGOs amounted to war crimes and crimes against humanity, *Lotte Leicht* recounted. However, the organisations did not get any government responses on their early warning as the world was engaged in hammering out a peace agreement for the decades-long civil war in the South of Sudan.

The intended protection of civilians had failed blatantly, displaying an enormous impunity with which crimes against the population were carried out. Since Sudan had signed but not ratified the ICC Treaty, the only way to involve tribunal was through a referral by Security Council, a move highly unlikely given the strong objections the United States holds against the ICC. It took from May 2003, when the acting UN High Commissioner for Refugees for the first time recommended the establishment of an international commission of inquiry, to a cliff-hanger UN Security Council session in the night hours of March 31st, 2005, witnessing the near-collapse of a so far firm EU position on the ICC, until a resolution was passed.

Even with all its shortcomings, this resolution is, from the point of view of the supporters of universal jurisdiction, a great success. For the first time ever, the UN Security Council had referred a case to the ICC, thus giving legitimacy to the infant institution. Moreover, *Lotte Leicht* emphasised, the supporters of the resolution have proved the cynics wrong by making diplomats lobby around the world for their cause.

3.2 Sovereignty & Intervention

The erosion of state sovereignty, a hallmark of the Westphalian international system, and the criteria for and limits of international intervention were recurrent issues during the Summer School. An agreement about the rules of international intervention, in particular a set of common rules governing the use of force, is critical, participants and speakers alike agreed.

Concerning the criteria of intervention, *Judge Goldstone*, the former Chief Prosecutor for the International Tribunals for Rwanda and the former Yugoslavia, pointed out to some dilemmas. Sovereignty, he said, is violated in any case of outside intervention, be it military or not. Today, the situation of a country's citizens could no longer be regarded as an 'internal affair,' but he saw a gap between law (e.g. the UN Charter) and morality. This trade-off between a moral compulsion to intervene and existing legal hurdles is worsened by the Security Council's inability to act even-handedly in crises: “Intervention always occurs in places that are dear (and near) to us in the West,” *Judge Goldstone* contended.

In the context of the reform of the United Nations, the concept of 'responsibility to protect' has become known. It is not yet a principle in international law, but an emerging norm

about to become customary law, one of its 'inventors,' *Gareth Evans*, told the group. For *Shashi Tharoor* from the United Nations, 'responsibility to protect' signalled the middle way between the self-proclaimed *droit d'ingérence* and a strict notion of sovereignty. This concept is not just a synonym for humanitarian intervention, i.e. coercive military intervention, but encompasses, in a much broader concept, three responsibilities: the responsibility of the states to protect their citizens (prevention); the responsibility of the international community to react, but not necessarily using military force; and the responsibility of all to rebuild and reconstruct shattered societies. A word of caution came from the German UN ambassador, *Gunter Pleuger*, and some participants from the group who warned of the principle being used as a pretext for self-interested intervention. It was therefore important to define who will decide about what measures.

Five instilled criteria can justify an intervention according to this new principle: To begin with, only an extraordinary high degree of human rights' violation can represent the 'just cause' needed for an intervention. Secondly, the proper purpose must be to protect the people and to halt human suffering. The third criterion is that of *ultima ratio*, so that force is used only after every other form of intervention has been tried and failed. Fourthly, means must be used proportionally, i.e. the scale, duration, and intensity of the envisaged action need to be kept at the minimum necessary to reach the humanitarian goals. "With 'collateral damage', you cannot win a war," Major General *Karlheinz Viereck* from the Bundeswehr Mission Command in Potsdam agreed. Finally, the intervention must have reasonable chances of success, where consequences do not get worse after the intervention.

Even though this concept finds considerable support in the international arena, there are also some significant limits to intervention. For some non-aligned countries, this principle is particularly hard to accept as it means giving up on sovereignty so cherished after centuries of colonisation. The international community, on the other side, has in the past often shown a reluctance to assume its responsibility. The UN could only go as far as national governments decide to let it go. The big powers, *Josef Joffe*, Publisher-Editor of DIE ZEIT, cautioned, would not intervene on humanitarian grounds in other powerful states, as the cases of Chechnya or Tibet showed.

For *Joffe*, humanitarian interventions for humanitarian motives only simply do not exist. There are always some strategic reasons behind an intervention; and if they are not, like in the case of Somalia, the intervention is given up after the first failure. He admitted upon a question from a participant that NGOs had raised the stake for states to intervene. But in a democracy, statesmen needed hard facts to justify sacrificing their people. Ideally, only disinterested states should intervene, but in order to intervene, you needed a clear inter-

est other than the global good. This is even more true as interventions usually bind a large amount of financial and military resources for years. “NGOs come and go, but armies have to stay” *Joffe* said, hinting at international troops to stay in the Balkans for more than a decade from today on.

Germany supports the emerging norm of ‘responsibility to protect’, *Peter Wittig*, Director and Deputy Head of the Department for Global Issues, the United Nations, Human Rights and Humanitarian Aid in the German Foreign Office, told the group when welcoming it to the Ministry’s building in Berlin. However, intervention must remain the rare exception and clearly be the last resort.

The German Armed Forces, the Bundeswehr, has seen a paradigm change over the past decade, Major General *Viereck* explained. From the first, purely medical Bundeswehr intervention in Cambodia in 1992 over the self-defensive mission in Somalia in 1993, Bundeswehr operations abroad have been carefully stepped up in Kosovo (1999) and Afghanistan (since 2001). The paradigm is no longer defence in Germany, but defence for Germany, accompanied by the transformation of the Bundeswehr from a static to a flexible army. The current operations in Afghanistan are a blueprint for the future where the Bundeswehr works closely with other actors from development and reconstruction providing not just military, but comprehensive security. The Bundeswehr, he concluded, is today fighting for values, not for geography.

3.3 Development & Trade

An objection often made to both the concept of human rights and of just intervention – that they are basically Western and not universal – has even more validity regarding how the global economy is governed. In addition to what has already been mentioned in the chapter on the institutions of global governance, it has become clear that the fundamental rules underlying global trade and development are in need of a redefinition, balancing views from the North and the South, from the East and the West.

The German Development Minister, *Heidemarie Wieczorek-Zeul*, presented her take on the issue, providing ‘A Self-Critical View from the North.’ She started out by stressing the importance of rules that all people can accept. In this regard, she asked whether the developed countries really took their words serious, and reminded these countries of what John F. Kennedy once said in his inaugural address: “If a free society cannot help the many who are poor, it cannot save the few who are rich.”

A first step towards empowerment in development policy is debt relief, followed by committed work on the Millennium Development Goals, the “eight commandments for more

global justice" in the words of the Minister. Development policy today is not so much about drilling wells but about helping shape globalisation, through broad investments in democracy, education, and the health system. But shaping the economic and social effects of globalisation also includes the opening of markets of the industrialised countries, she demanded. The astronomic sum of 350 billion U.S.-dollars are spent each year on agricultural subsidies, compared to an appalling 78 billion on Official Development Assistance (ODA).

No question, financing for development needs to be raised, and innovative ways of financing need to be found, the Minister said. If ODA could be doubled, then poverty could be halved. In this line, the EU agreed to increase its ODA from 0,33% of GDP in 2006 over 0,51% in 2010 to reach the long-standing 0,7% share in 2015. This is the first time, German UN ambassador *Gunter Pleuger* pointed out, that a clear deadline for development had been set. Moreover, Germany now includes environmental policy, questions of energy supply, and climate change into its overall development policy.

One participant challenged this reasoning of increasing ODA and claimed that, given both capital markets and development banks, access to funds should not be the problem, thus an increase of development aid not necessary. *Shashi Tharoor* replied that, indeed, money is a problem, particularly in countries where diseases like HIV/AIDS or malaria pose an additional predicament. Minister *Wieczorek-Zeul* added that simply throwing more money at the problems could not be the solution, which is why recipient control, including functioning tax systems, is important also for public support in donor countries. It is not acceptable that "the poor in the rich countries pay for the rich in the poor countries," she warned.

By now, core labour standards of the International Labour Organisation have been introduced in development policy, promoting the freedom of association, a ban on child labour, and the elimination of forced labour. This sparked some controversy in developing countries, where, in the lack of education and infrastructure, work sometimes is the only thing children can do. This debate was also mirrored in the group in Hamburg with some participants bringing first hand experience from those countries.

3.4 Corporate Citizenship & Changes to the Workplace

A rewriting of the global rules does not stop before the private sector. Not only have multinational firms become an important counterpart to both national governments and International Organisations, even to some major NGOs. Also the rules governing the internal operations of a company and its interaction with society have changed tremendously.

The term ‘corporate governance’ emerged in the 1980s, at first referring only to the work of board members and audit committees, as a response to market failure. The old view of economist Milton Friedman and his free-market consorts, ‘the business of business is business’ or ‘the only social responsibility is to make profit,’ slowly came in the defensive. More recently, it is a shareholder movement, including some government agencies, that is pushing for more responsibility on the side of the firms. The growing corporate power brings with it also a growing responsibility, in particular where corporations, just like NGOs, take over services from a state in retreat. The importance of corporate governance will grow as long as the corporate role will grow in world affairs, *Georg Kell*, Executive Head of the United Nations Global Compact Office in New York, predicted.

While corporate governance refers to merely, but thoroughly abiding by the law, corporate social responsibility (CSR) is a voluntary activity, based on the assumption that doing the right thing makes sense – if not today, then tomorrow. Often criticised for being nothing but marketing, *Georg Kell* defended CSR as a valuable contribution to transparency-oriented change within companies: “If you say something, there will be someone to check your actual performance,” he argued.

For *Jürgen Fitschen*, Member of the Group Executive Committee of Deutsche Bank AG, the two concepts could not be neatly separated. Generally, he saw four groups of stake-holders that matter in good corporate governance: the shareholders, providing a firm with capital and rightly expecting a return on their investment; the clients, without who there was no reason for a company to survive; the employees, who especially in a multinational company were held together by a certain set of business ethics as the basis for a global identity; and the public, both in the industrialised countries and in emerging markets. While the latter two are part of CSR, it is all four parts together that form a comprehensive concept of good corporate governance, he said.

Siegfried Luther, Chief Financial Officer of the media company Bertelsmann, agreed that corporate governance and CSR both rest on responsible behaviour. Corporate govern-ance is not a necessary evil, but an opportunity for the firm. And CSR is not just about donating money, but about making a credible commitment to society. Any rise in company value has to go along with enforced CSR action, he argued. For Bertelsmann, its founder Reinhard Mohn had anchored these principles in company policy as early as in the 1960s.

In the developed countries, companies have a long tradition of CSR, *Axel von Werder*, Chair of the Department for Organization and General Management at the Technical Uni-versity Berlin, agreed. But looking at the global arena, he saw the dangers of endlessly increasing global competition. With globalisation and the ensuing fierce competition, this

social orientation is put at stake, not only in the emerging markets where the public is less powerful, but also in the industrialised democracies.

One of the initiatives to counter this trend is the Global Compact, the world's largest and most inclusive corporate citizenship activity. This UN initiative, called into life by Secretary-General Kofi Annan in 1999, today has 2,400 corporate participants, more than half of which come from non-OECD countries. Members agree to uphold ten principles deriving from international frameworks such as the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Embracing the Compact makes good business sense, *Georg Kell* stressed: Getting it wrong is costly in business, whereas the Compact has introduced change process tools and thus helps companies to develop and adjust. However, the argument was made that, just like CSR in general, being part of the Compact had more to do with marketing than with honest commitment. Nike, for example, someone said, pays more for sport stars marketing than for the entire wages of its Thailand workers. In Brazil, as another example, multinationals belonging to the Compact would still destroy the small cooperatives of the locals. *Georg Kell* countered that a comprehensive review of the Compact was under way, looking in particular at more local ownership and better compliance of free-riders. The German Development Minister, *Heidemarie Wieczorek-Zeul*, also lauded the Global Compact for being more than just PR, having had tangible effects on the labour force in developing countries.

The effects globalisation has on individual companies can, of course, be also felt at the level of the work place, proclaimed *Richard Sennett*, Professor of Sociology at the London School of Economics. Over the course of industrialisation, a Weberian function had materialized, similar to military structures: Work places were very stable, and commands from higher levels of hierarchy were interpreted locally. A long-term orientation of the company brought with it a certain degree of loyalty on the side of the employee.

Today, these structures are about to disintegrate; respectively they have done so already, *Sennett* said, with adverse effects for both the company and the employee. Feedback, which is necessary for a corporation to learn about and improve its performance, only comes from staff that are loyal to their employer. When staff feels they are just another cost factor for a board looking at the firm’s share price, this loyalty will fade. With it, feedback will go, thus depriving the company of learning opportunities. Corporate social responsibility in the context of large layoffs and short-term orientation at profits, therefore,

has less to do with philanthropy but with the question of how employees are treated after having worked for a company for 25 years and suddenly being redundant.

Klaus Gretschmann, Director General for Economic Policy at the Council of the European Union, saw a different challenge at a more abstract level. He predicted another doubling of the global work force in the coming years, having already increased from 960 million in 1985 over 1,460 million in 1995 to 2,930 million in the present year. Whether this is a vicious or virtuous circle is yet unclear. What is certain is that it will put pressure on wages, as capital stocks have not risen at the same pace and the overall capital-labour ratio therefore has dropped.

Moreover, in parallel to a global spread of new technologies, human capital has been upgraded in developing countries. In 2005, 700,000 engineers will graduate in China compared to 60,000 in the U.S. and only 35,000 in the EU. Outsourcing from the industrialised countries will therefore continue but only to a certain level: 90% of all jobs require geographic proximity and therefore cannot be dislocated. Cold comfort only for the workers in the West, yet it seems sensible in global terms.

4 CROSS-BORDER CHALLENGES, RISKS, AND THREATS

After the institutions and the rules of global governance, this final part will deal with what are "problems without passports." In a world that has become ever more interdependent on the level of society, risks and threats have gained a global reach too.

The 'most global' is, by definition, the environment, as it simply spans the globe. Changes in the climate, for example caused by volcanic eruptions, have always had large-scale effects on the biota. What has changed is that, today, it is man-made activity that threatens the Earth. It is also mankind itself, by its sheer numbers, who puts an enormous stress on the eco-system, even though we are being decimated by pandemics. And, finally, with weapons of mass destruction (WMD) man holds in his (or her) hands the ultimate power to destroy the human species – and the threat of terrorism has merely exacerbated this danger.

4.1 Environment, Energy, and Climate Change

Climate change is one of the problems that have no passport and therefore, as *Shashi Tharoor* claimed in the debate about UN reform, it is a "UN issue par excellence." This even more so because it might make some UN member states, like the small island states in the Pacific, disappear entirely. The issue showed, however, the difficulty to push sover-

eign member states to do something about a problem that will, in its worst scenario, come into effect only in a relatively distant future.

Ernst-Ulrich von Weizsäcker, Head of the Committee on Environment of the German Parliament, gave an overview of how the climate and biodiversity are affected by human activity. The 'ecological footprint' is the size of land every one of us is enslaving to provide goods and services for our life. The rich countries, despite all advances in efficiency and cleaner technology, are the biggest polluters, with the United States using ten hectares per person, Germany four to five hectares, and India and China have an ecological footprint of below or just about one hectare, respectively. If all six billion people had a footprint the size of ours in the industrialised world, three to four planets Earth would be needed, *von Weizsäcker* gauged.

At the same time, global energy demand will grow by 60% until 2030, *Gernot Kalkoffen*, Chairman of the Board of Directors of ExxonMobil Central Europe, predicted. Today's major supply sources are oil, gas, and goal, and the sheer size of the energy market makes the world depend on these fossil fuels. Moreover, economic growth and, thus, energy demand in emerging countries like India and China is set to continue: In 2004, one third of the overall energy growth came out of China. Oil and gas resources to meet this demand will last over the year 2100, *Kalkoffen* asserted. While conventional oil is concentrated in the Middle East, oil sands and oil shale are plenty in other areas, e.g. in Canada.

However, carbon dioxide (CO_2) emissions will grow with energy demand. Fossil fuels simply do not burn without emissions. This means, even with efficiency gains, CO_2 will always be emitted. On climate change in particular, von Weizsäcker saw a very strong and scientifically proven correlation between CO_2 emissions and global temperature for the past 130,000 years. The temperature rise that is projected now is higher than anything the world has seen for one million years. What exactly will happen with world temperature and the sea level given the increase of CO_2 emissions in the past century is difficult to project. Only one answer is clear: it is important to stabilise actual carbon dioxide *concentrations* in the atmosphere, not just its emissions.

Simply reducing CO_2 emissions and our overall ecological footprints through austerity is politically not viable in a democracy. Moreover, there is no way to discourage emerging powers like China and India from emitting CO_2, unless there is a technology providing for both wealth and less emissions. Renewables are one solution, but they are still marginal with only 1% of energy sources worldwide, and 11% in Germany. Nuclear energy is another option as it is relatively clean (disregarding the issue of final storage). However, *von*

Weizsäcker informed the group, its geological reach is shorter than that of gas, i.e. only 50 to 70 years.

The only viable answer therefore is “efficiency, efficiency, efficiency.” Technological progress could bring an increase in resource productivity by the “Factor 4,” *von Weizsäcker* claimed. This is, in his words, not to suggest a revolution, but rather a continuation of trends, as historically, low energy intensity has been an indicator of progress. *Gernot Kalkoffen* made a much broader claim saying that his company, together with academic research institutes, was looking for “breakthrough technology,” not marginal improvements. Eventually getting rid of the oil is an endeavour like the “Manhattan Project” or the moon shot, he said.

The argument about energy efficiency, however, was not entirely convincing to some in the group, as they doubted that developing countries would care about passive houses and modern light bulbs when they were rebuilding an entire favela or township. They received support from *Kalkoffen* of ExxonMobil who said that energy efficiency gains would be highest not in the industrialised, but in the developing countries: China's emission growth is 20 times more than is saved in Germany thanks to emission trading.

This certainly is one of the reasons to enlarge the geographical scope of climate policy. The Kyoto Protocol only wants to stabilise emissions, not reduce them or even the CO_2 concentration. The next step would be to include the developing countries in the deal, not least because forecasts show that, by 2030, emissions from the developing countries will be more than 60% of the global total, and to go beyond stabilising emissions to lowering the concentrations of carbon dioxide. The industrialised countries therefore have to lead by example and allow for emissions being counted on a per capita basis. This would mean to abandoning the ‘grandfathering approach’ of the developed world of not allowing the ‘young,’ i.e. emerging countries the same amount of emissions it had had in the past. This is in line with *Kishore Mahbubani* who called for a “global compact about environment.” He described the U.S. walkout of Kyoto as disastrous, allowing China, India, and other developing countries to behave irresponsibly.

However, in both developing and developed countries, making people listen to the facts about climate change is to a large extent a question of political leadership. Yet, relentless cost competition under globalisation has given a competitive advantage to those who ignore the problems, *von Weizsäcker* regretted.

4.2 Demographic change

Demographic change is an even 'younger threat' having been brought to the international for a after climate change was discovered as a global challenge. However, the rise in world population is more exponential than anything else. The first billion in world population was reached in 1800. The next billion took 130 years. Since then, another billion of human beings have been added to the planet in ever shorter time spans: 30 years for the third, 14 years for the fourth, another 13 years for the fifth billion. And in 2000, 6,1 billion people crowded the earth, up from 1,6 billion in 1900. This was due not to a rise in the birth rate, but to a "mortality revolution:" Immunisation has helped lowering infant mortality, and life expectancy has risen everywhere to near industrial countries' levels.

With 99 percent of population growth now taking place in developing countries, we have entered a "new era," *Carl Haub*, Conrad Taeuber Chair of Population Information at the Population Reference Bureau in Washington DC, argued. By 2050, eight billion people are projected to live in (what are today) developing countries, and only one billion will live in today's developed countries. In the developed world, in contrast, even with moderate increases in birth rates, a dramatic aging process will take place. The population pyramid for these countries has simply been put on its head. Europe, indeed, is the first region to lose on its population, around 70 million until the year 2050. Even the new EU countries do not really make the EU more populous, as some had hoped, as they have adopted, after 1989, the same pattern as in West. The United States are the only Western country against this trend, displaying a population increase due to the high birth rate among its Hispanic population.

A "demographic divide" will open up in the world: For example, Nigeria and Japan today have the same population size, around 128 million people. By 2050, Nigeria – with 5,9 births per woman – is projected to have 250 million inhabitants, while Japan, where a woman statistically has only 1,3 children, will have shrunk 100 million. This will result in a high pressure for immigration, despite growing resistance in the developed world. And even if immigration were embraced voluntarily, the numbers would have to be higher than desired by the absorbing societies to really take an effect.

Given that today, developed countries gaze at developing countries birth rate, could the former not learn something from the latter in this field, one participant asked. Yet, to what extent government activity can really influence reproduction habits, is a point of debate ever since India as the first country introduced a population policy in 1952. The general view is that it does have an influence, but less than is needed. For the developed countries trying to raise their numbers, the most important policy is that women's work is accepted in society and that childcare does not mean an extraordinary burden for the cou-

ple. “Money does not make people have children; it only helps them once they have them,” one participant said. For developing countries, the economic outlook helps, *Carl Haub* conceded: “Development is the best contraception.”

4.3 Pandemics: HIV/AIDS, Malaria, Tuberculosis

Together with a continuing population increase, the world witnesses millions of people dying of diseases every year. Some figure: More than one million people die of malaria annually, 90% of which are children. This makes up a death toll seven times higher than that of war and violence together. Tuberculosis kills two million people each year, with two billion (!) people, that is one third of the world population, being infected worldwide. AIDS alone causes another three million deaths per year; fifteen times the number of dead of the recent tsunami in Southeast Asia. The disease is “the greatest disaster in recorded human history,” *Richard Feachem*, Executive Director of The Global Fund to Fight AIDS, Malaria and Tuberculosis, opened up his remarks. This pandemic’s peak would be reached as late as in 2050 if no action was taken, and only in 2015 if a turnaround were made.

HIV/AIDS, tuberculosis, and malaria all put an enormous social, economic, and political burden on societies, *Christina Schrade*, a former participant of the Bucerius Summer School and now Special Advisor to the *Richard Feachem*, said in her introductory remarks. On the social level, women are affected in particular by HIV/AIDS due to social inequities and sexual violence. Moreover, the already fragile health systems are overburdened. They lose their staff to the disease, and there are to date already 14 million HIV/AIDS orphans. On the economic side, growth is reversed in most affected countries, now declining by 1-2% per year. Politically, these diseases can lead to a disintegration of government services, including the police and the military. When 30 to 40% of a population are affected, no long-term development is possible. In 2000, a UN Security Council resolution recognised social unrest and increasing migration as security implications of HIV/AIDS.

Prevention, treatment, and a potential cure of HIV/AIDS are the three pillars of the fight against this disease. Antiretroviral (ARV) therapy provides lifelong treatment until, maybe one day, a real cure is found. For ARV therapy to be effective, an integrated approach of prevention, testing and continuous treatment is needed. The importance assigned to each of the three pillars varied: *Krisana Kraisintu*, a Pharmaceutical Consultant in Congo and a former Director at the Ministry of Public Health of Thailand, said concentration should be on prevention. “The drug is only 20% of the solution,” she reckoned. Behaviour change

with regard to sexual promiscuity and violence is the most important element in prevention, *Christina Schrade* agreed. Others saw a strong business interest on the side of the pharmaceutical industry in both treatment and cure.

Major obstacles, however, were to be found in the way a society looked at those infected. Denial and stigma on the global level are the reason why so little has been done, *Feachem* presumed. In some Middle Eastern states, being tested positive is even prosecuted as a crime. It is critical to make HIV/AIDS a “normal” disease where an ill person sees the doctor, receives a treatment, and goes back to work. That is why the work environment is key: South Africa, one participant told the group, now disposes of prevention programmes where people can receive free testing and treatment at the workplace.

Another issue is access to drugs, *Anil Soni*, Director of Pharmaceutical Services at The Clinton Foundation in New York, said. Currently, only 15% of those needing ARV's receive them. For universal treatment, a seven-fold increase would be needed. In order to achieve these figures, it is necessary to work with, not against the private sector, he claimed. Because an unpredictable demand, irregular payments, and fragmented regions used to discourage private companies from producing drugs for the developing countries, the Clinton Foundation worked with the countries affected to consolidate their demand and guarantee payments.

In return, the companies lowered the prices of their drugs, selling them with no profit at all to the poorest countries, as *Jeffrey L. Sturchio*, Vice President for External Affairs and Human Health at Merck pharmaceuticals, stressed. This agreement between companies and International Organisations has contributed to the steep fall in drugs prices, which was also affected by the appearance of generic drugs in 2000. That year, Brazil declared an emergency and introduced the first generic at a quarter of the cost of the original product. By now, originators come at 560 U.S.-dollars, nearly twenty times less than in 2000, while the cheapest generic costs 150 U.S.-dollars.

Partnerships, all panellists agreed, are critical in the endeavour to fight pandemics. The public together with the private sector, the pharmaceutical companies together with the developing countries should work for creative solutions, not least because the financial needs are mushrooming due to treatment efforts. No actor can master the challenge on its own. The good news is that after 25 years of virtually doing nothing, now action is taken.

4.4 Weapons of Mass Destruction & the Threat of Terrorism

In principle, the dangers from WMD and from terrorism are separate ones. Indeed, because the production of WMD so laborious and costly, for a long time only states were

thought of agents in this field. On the other side, terrorism typically was seen as the asymmetric means of a non-state actor. Recent events, including the 9/11 attacks, have changed this picture. By now, there is broad agreement that the combination of WMD and terrorism, i.e. a terrorist group possessing chemical, biological, or nuclear weapons willing to use them against the civilian population, poses one of today's greatest threats. This threat is 'at the crossroads of radicalism and technology,' as the U.S. National Security Strategy calls it.

Technology also is the connection between globalisation and terrorism: Bin Laden is taking advantage of the new media like the Internet like Martin Luther used the printing press, *Steven Szabo* explained. Even more to the point, the 9/11 attacks were directed against the symbols of globalisation: the World Trade Center and the Pentagon. It was in response to the United States' successful deterrence of any state rival and thanks to technological developments that asymmetrical warfare by small groups of individuals has become so powerful. These groups cannot be deterred, and once they have attacked, there is "no return address" in the sense of a state to retaliate against. The cellular model of terrorism functions in a dispersed system that is hard to detect. Europeans, *Szabo* felt, have not yet grasped the extent of the new mass terrorism. But through their experience with homegrown terrorist groups like the IRA or ETA, they have understood much better the political dimension of terrorism.

Terrorism *per se* has, of course, nothing to do with Islam or even fundamentalist believe. Long ago have petty criminals started to mix with hardcore Islamists, *Szabo* said. And *Michael Nacht* added that Bin Laden represents a minority position in Islam. However, he provides inspiration to millions of Muslims and he has unleashed a lot of grievances. These have to be alleviated. *Charles Kupchan* agreed that the clash between the West and Islam only takes place if we let it happen.

Another by-product of globalisation is the democratisation of violence: The 'monopoly of violence' (Max Weber) has been decentralised, and with it the most destructive of arms, WMD. Today, eleven countries have nuclear weapons' programmes, 17 have biological or chemical weapons' programmes, and 25 have ballistic missiles, *Steven Szabo* clarified. The possession of nuclear weapons by a state would not necessarily pose a threat to others, one participant argued, because non-conventional weapons could also enhance rational thinking. However, even if this were true, it would only hold for WMD in possession of states. A spread of WMD to more and more (and often unstable) states would also increase the chances of non-state groups getting access to them.

How can this be prevented? You have to pre-empt, *Steven Szabo* advised, stressing the preventive war is not internationally acknowledged. The Iraq, for example, was a preventive war (get rid of a potentially dangerous regime) with a pre-emptive justification (the imminent threat of the country's alleged WMD programme). The U.S. in its National Security Strategy has embarked on counter-proliferation, i.e. the use of military force, including in the extreme case its own nuclear weapons, to prevent or reverse proliferation. Non-proliferation, i.e. a treaty-based inspections system with the UN Security Council's right to intervene, is left to those who believe in it.

A case in point it the situation in Iran. An often asked question during the Summer School was "What is worse: a nuclear Iran or a pre-emptive war against the country?" Answers varied and were equally imprecise about what actually could be done. *Lord Dahrendorf* said that the continued negotiations of the 'EU-3,' i.e. the United Kingdom, France, and Germany, are welcome, as are inspections of the International Atomic Energy Agency. Yet they have only been successful thus far because of the threat of intervention by the United States or Israel. "Soft power only works with the threat of hard power," he was convinced. Power, therefore, has to sit at the table, but the solution has also to be found at the table. *Charles Kupchan*, too, hoped for a success of the EU-3 negotiations, in particular because a referral to the UN Security Council is dangerous: China and Russia are against sanctions, the United States would want a war, and EU will be split again like over Iraq, was his dire prognosis.

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What we are left with, are two scenarios by *Steven Szabo*: In the "dark world," we will see a strike of the periphery at the core. Asymmetric warfare, regional conflicts, and extreme nationalism bedevil societies, resulting in a considerable slowdown of the world economy. The "bright world" means that globalisation has lead to global governance and stability is spread from the core to the periphery. *Szabo* himself reckoned that reality would be somewhere in between the two, but for the participants in should be their duty to put all efforts in working for the bright world.