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BUILDING INTERNATIONAL ORDER
IN AN ERA OF TRANSITIONAL THREAT

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PROCEEDINGS

President Cui Liru:

I think they have been studying this area for a long time and also they have, especially Carlos, rich experience in government and very rich practical experience in various areas relevant to the topic today. So, I will not waste any time, let's welcome our speakers giving the presentation. First of all, Bruce, welcome.

Dr. Bruce Jones:

Thank you very much! It is an honor for us to be here to launch the book. Thank you all for being here this morning. This is a project that began somewhere between 18 and 24 months ago, which was designed to look at the question in advance of a change in government in the United States, to look at the question of the US and US policy in forging and supporting the basic architecture of international order in the contemporary period. Of course in the history of American foreign policy in the post-War era, the United States has played an important role in forging the basic institutions of the international order; Bretton Woods and the United Nations system. In the post-Cold war period, the amount of attention that American foreign policy scholarship has paid to international order and to international architecture has diminished. There has been less focus on this question in American foreign policy and American foreign policy scholarship.

Our view, watching events in the world, looking at the nature of events that we are confronting was that the incoming president, President Obama, would have to devote a greater amount of attention to the question of America's role in the world and the nature of the challenges we are confronting in the world and the nature of the American policy towards and within international order and international institutions. We created this project to ask those questions and went about it in a way that we think US policy has to go about doing its work. i.e., rather than thinking and consulting in the United States and then going on the road to sell those conclusions, we created a much

more consultative international mechanism to inform our thinking and inform our conclusions from the outside.

This involved two major parts; one was an international advisory group that we established to do the project, as well as a US advisory group. The US advisory group was a bipartisan group with people like Madeleine Albright, Sandy Berger and others. Internationally we wanted senior scholars and officials from different parts of the world to help us think through the nature of the issues and the nature of the challenges. We had people from Africa, people from Europe, people from Asia, Wu Jianmin who was at the time President of China's Foreign Affairs University, was our international advisor from China and very actively involved the project. We held consultations globally as well in Mexico City, in Doha, Beijing, Delhi, London, Paris- in many capitals trying to get the international input into our sense of the US foreign policy thinking.

The project itself is based on five premises. The first is that we confront a series of transnational threats that are different in their relationship to state power and state order than the threats that we confronted during the Cold War or even in the first phase of the Cold War period. In the form of climate issues, economic interdependence, transnational terrorism, proliferation of nuclear weapons, economic threats to peace, biological threats to peace and a variety of other factors which cross borders and heavily involve non-state actors. We argue that the nature of these threats creates overtime, not necessarily in every single instance, but creates overtime a deep security interdependence. I think in the economic sphere it is not widely accepted that globalization has created deep economic interdependence. We haven't yet translated the thinking about interdependence into the security sphere. However, our analysis of the transnational threats that we confront, tell us that there is deep interdependence in the security sphere as well. American security is now deeply dependent on global security and vice versa.

The second premise is that the fact of security interdependence and the nature of the security challenges that we confront will mean that we have to approach them through deep, and intensive, and frequently institutionalized cooperation.

The third premise, and it is less a premise than a conclusion from the research, is that the institutions and arrangements through which we cooperate to tackle these threats, do much more than is commonly assumed, certainly in American foreign policy thinking. Nevertheless they are not up to the deep challenges ahead and will need

reform and revitalizations, nor are they aligned to contemporary politics and the balance of power.

The fourth premise is the pathway to reform of the mechanism we have now for international cooperation must very heavily involve US policy and US power, and sometimes US leadership. Yet US policy and power in this era has to be fundamentally geared to cooperate with the major rising powers of this era; they have to be geared towards restraint, and they have to be geared to the development of the mechanisms of cooperation.

These are the four premises that President Obama clearly understands. If you read his writings and listen to his talks in his campaign it is clear that he approaches the question of America's role in the world very much through the question of interdependence, especially through the security sphere and very much through the lens of cooperation. I would say however, that it is not yet the case that this is the broad pattern of thinking in the American Foreign policy establishment. Obama is in a sense ahead of the thinking in the American government and the American foreign policy elite. Nevertheless we want to work on focusing on this kind of question within American political circles and do what we can do to stimulate thinking about the nature of international cooperation in the coming period and the necessary impact on US foreign policy.

Although we focus on international cooperation, we start with a question of major powers not with formal institutions. Often in this kind of work people start with the United Nations or other formal institutions. We start with the relations of the major powers because our belief is that if we are going to animate international cooperation, if we are going to produce results in key international agreements and in key international institutions that will have to come first and foremost through cooperation between the United States, the major powers and the rising powers. US policy basis and US relations with China, India, Brazil, Europe, and with Japan will be the fundamental basis on which we can sustain cooperation. US-China relations will be central to almost every dimension of this.

We start institutionally with the question of G8 expansion and decisive expansion, not consultative expansion of the type that has existed for the last couple years. Decisive expansion includes the rising powers, particularly India, China Brazil, South Africa and Mexico the so-called outreach five, to be included in the full membership of

the G8 as full partners in the G8 process. We go on from that to look issues like Security Council reform and reform in the International Monetary Fund, etc. We start with G8 primarily to keep us focused on the policy relationship between the major powers as the fundamental driver of international cooperation, institutions then being a reflection of that and the mechanism of that and not the driver.

We see across the fleet of issues that we look at four basic requirements for success; effective US policy based on cooperation, alignment between the rising and the major powers, negotiated understandings of the rules of the game, not an effort by the United States to impose the rules of the game on the international system, nor the international system to impose the rules of the game on the United States, China or any other major powers, but negotiations on what constitute the path forward. Fourth is effective institutional capacity at both the regional and the international level. Then, no matter what issue you are looking at, whether you are looking at climate change, crises in the Middle East, if you are looking at management of internal conflict, if you are looking at transnational terrorism those four elements are going to have to be there to find effective solutions to the transnational threats that we see ahead.

Very quickly we look at the role of the United Nations in peace and security and we see a strong and important role for the United Nations in managing the peace and security, including looking towards an increase in the major powers' involvement in UN mechanisms for peacekeeping, mediation and peace building. We look at the question of terrorism and argue for a shift in the American approach, away from a global war on terrorism and towards a much more focused attention on Al-Qaeda. Also, we argue for a much more broad political, diplomatic and developmental engagement in places where terrorism is a problem.

We look at problems of biological security, we look at the question of climate and argue for a major powers' approach to the climate change issue. I know that is an issue that is an issue of great concern to many people here. We look at the nuclear questions and again see a strong argument for the bilateral relations between US and Russia as being the core of what has to be done to reanimate the regime for nuclear disarmament and nonproliferation. We look at financial stability and poverty reduction as two essential elements of a broad package to sustain international order.

We then conclude our book by looking at as what we see as the tougher cases, many of which are clustered in the broader Middle East. Whether we are looking at

Afghanistan, Pakistan, Iran, the Israeli-Palestinian peace process, the situation in Iraq, we see these as being central the questions to the way in which major power relations will play out on issues of terrorism and on issues of nuclear terrorism. There of course also, obviously, very important cases in North Korea, Iran, but many of them are clustered in the broader Middle East.

Finally the overarching arguments in the book, just very quickly, we reach two core conclusions about the nature of US policy and the nature of great power relations in the coming period. The first I already referred to is, the implication to the United States in that a shift in the balance of power, the relative decline of the United States, the nature of the threats that we will confront must mean that cooperation becomes a core part of US foreign policy, rather than a tangential part of policy. This could be very hard in the psychology of American decision-making. We shouldn't underestimate how much of a shift this is, but it is essential to create a pathway forward.

The second is more controversial and has to do with sovereignty. We still believe that sovereignty and the central role of the state; the foundation of international order. But we think in tackling transnational threats the states will have to come to accept a greater degree of responsibility of the external impact of their domestic policies. And we've talked about a concept of responsibility sovereignty, which recognizes still that sovereignty is still at the core of international order, but that states will have to negotiate, each with one another the nature of their policy if we are going to manage these transnational threats.

I think Carlos will talk more about these issues, referencing some of the big problems that we are confronting but just to give an illustration on climate change, its very clear that if the United States can unilaterally set policy on climate change and if China unilaterally sets policy on climate change, and if Delhi unilaterally sets policy on climate change and we have the sovereign right to do it, but it will not produce a solution to the climate change problem. We will have to negotiate among the major blocs, how we are going to approach this problem together. Each as sovereign entities but working together to negotiate an approach forward through a cooperative arrangement and that is true across many issues. That is the basic argument of our book and our approach. I think Carlos will talk a little about some of the political realities in the United States and elsewhere in terms of translating these ideas into actual policies in the contemporary moment.

Ambassador Carlos Pascual:

Thank you very much and President Cui Liru, thank you for joining us in this discussion and for moderating the event. It's been a pleasure to have a chance to know you. I have known you for many years and we have worked together in a couple of different contexts. I have learned a great deal from you about China about Chinese-American relations and about power relations, and the kinds of discussions that we have had with discussions of people like you and your other colleagues on China are reflective of the lessons that we have learned, and tried to embed in this book.

This a book that was built on a global process of research because we recognize that if there was to be a hope for building a stronger set of foundations for progress in the international system it had to be built on global research. Certainly the United States had to be centrally engaged politically, not only on the United States, but our partners and the United States coming to an understanding together about how we seek to change the international system and how we want it to create the rules of the international system for future generations. Not just thinking about ourselves today, but thinking about future generations, and so we are very much indebted to you for the role that you play in our continuing education and learning process.

What I would like to try and do is build on what Bruce has said about some of the general foundations of the book and some of the lessons that apply and some specific areas on economics, on climate change, nuclear issues and perhaps a couple of comments on the broader Middle East to show how we have tried to apply some of these issues on practical terms and how they are playing out in practical American politics today.

Let me start with the economic agenda, because it is obviously one of the issues of greatest concerns in countries that you go to throughout the world. Every one is focusing on how you work through the current economic crisis. The concern about how to address these issues for the sake of their own populations, but increasingly what countries recognize is that they cannot solve these issues on their own, that they need work with others in order to do that. That was manifested in the United States even during the Bush administration with the calling of the G-20 summit, which took place in Washington last November. We are going to see another G-20 summit that will take place in London in April. In fact, it is not a G-20 summit but is turning out to be a G-24

summit including, Netherlands, Spain, Thailand, Ethiopia and the European Union, and so what we have seen, is on the one hand a further expansion of the number of countries involved, but it is cause to actually complicate the process of making this a rational and sensible process.

One thing that we do know about managing our economies in these times in crisis is that protectionism is not a solution and in fact in actually makes it difficult, in fact impossible to find an answer to these problems. We already learned in 1929 what the tragedy is to the countries that respond to economic crisis through protectionism. It leads to a breakdown in economic cooperation and a breakdown in economic cooperation lead to a breakdown in political cooperation. In the 1930's one of the direct results of the economic crisis, some would argue was the emergence of World War II. We cannot afford to allow that kind of breakdown in economic cooperation to occur today. So here the challenge lies for all of our leaders- how is that they in fact extend a hand to one of another to resuscitate the viability of cooperation to build a viable international market and keep markets open for the trade of products and services, and to maintain open trade and capital systems? This has become a major problem that we face internationally because on the one hand, all of our leaders have committed to fight against protectionism. Yet at the same time, within a month of the November summit last year, every single country was operating on a path that put it in conflict with the commitments that were taken in November in Washington D.C.

If we look at the collapse of the Doha round of the WTO which took place in July of last year, we still have not been able to get countries to come back together and seriously resuscitate these negotiations. And really here we are talking about five major actors; European Union, China, the United States, India and Brazil. We have to find a way to bring us back together and recommit how we are willing to be open and create a set of rules within the WTO that maintain an open trading system for goods and services. If we do not do this it is going to extend and the problems in the economic are going to extend themselves throughout other major portions of our relationships.

Trade has become a fundamental element between the United States and China. China's willingness to provide continued financing for the American debt has been critical to the viability to the U.S. economy. Giving China access to the American market continues to be critical for the future viability of Chinese industry and continue to encourage investment internally within China.

We need to find ways to sustain and continue that cooperation. For the United States this is going to require a certain reevaluation of how we conduct ourselves in the International sphere. One of the things we have learned from this crisis is that there needs to be greater scrutiny of international practices, greater transparency in the regulation of our international markets and greater sharing of information across countries through trusted and mutual recognized international mechanisms, such as the IMF.

We all recognize in principle, still the United States will have to translate this into practice. We are going to have to recognize that we have to be willing to subject ourselves and open ourselves to international scrutiny and this simply cannot be a matter of rhetoric. It all ensues in an issue that is going to apply directly to the developing world.

There is real danger for the developing world now that is a result of the collapse of trading markets in developed economies, especially in the United States and Europe. That is already having a major impact on jobs in Africa. It is pushing those who are already at the extremes of survival to an even more extreme and acute situation that is affecting their livelihoods. But for them to be able to continue to attract capital it is going to be necessary for those countries who have not necessarily been committed to economic reform to change their practices and have to do that in a way that doesn't involve the west or cooperation between the west and the east dictating what the policy should be. Here it is going to be particularly critical for African countries to begin working together to maintain greater scrutiny of each other's practices, in order to drive from the bottom and across countries across Africa a greater attention to economic practices and behavior.

Let me extend the argument to climate change. The economic recession has only made the issues that we have to address on climate issues more difficult. One of the things that I was particularly impressed with China when I visited here a year ago was the change in rhetoric and commitment on the issues related to climate change. At one point there was a discussion between China and the United States where the perspective was that the industrialized world had caused the current concentrations of carbon that had resulted in global warming and therefore the industrialized world should take care of these issues and fix these issues.

In some ways it is logical, but unfortunately if we take that perspective we are all lost, because the major emissions, the major growth in emissions are coming from the emerging countries and the developing countries, in particular, China and India. Therefore, if we take that attitude what we will have is a new form of Mutually Assured Destruction. What we heard from the Chinese counterparts and authorities was that we cannot take this approach but instead what we all need to do is to look at the radical technical transformation of our economies so that we learn how to produce economic growth, without the same emission of carbon dioxide into the atmosphere that is the driver of climate change today. In order to do this, it will require a major transformation in the way that we consume energy, that we save energy and change technology in our economies so that we can produce electricity through renewable fuels. And so, the debate now, I think, as a result in particular of the changes that China has encouraged are 'what is the mechanism that is necessary to develop new technology, to share new technology and to commercialize it in all of our economies?'

Now, that does not mean that we do not have to worry about absolute targets, because we do. If we cannot keep the levels of carbon concentration in the atmosphere to a level what the intergovernmental panel on climate change has indicated should be, about 450 parts per million, then the temperature of the Earth will rise to a level where we will all feel catastrophic effects. There is an absolute scientific check on our behavior that has to be the foundation against where we assess our progress. And so, one of the challenges that the United States and China are going to have to particularly face is 'What kind of understanding are we going to be able to reach on the sharing and the dissemination of new technology, and yet at the same time ensuring that we compare the changes in technology with the performance on environmental impact so that we do not allow the concentrations on carbon to rise to such a point that the temperature of the earth to the certain degree to which we all experience catastrophic effects?' If China and the United States cannot find a way to cooperate on these issues we cannot find an international solution. Today China has risen to the largest emitter of carbon in the world, the United States is the second largest and the largest per capita, and if the two of us cannot work out a way to constructively cooperate in the context of the Copenhagen summit of the UN convention on climate change, we will not be able to find a global solution. This is really on our doorsteps, to make a major and central part of our bilateral relationship.

A related issue to climate change is nuclear security and let me just say a few words about this. As a result of the interests in carbon emissions, more and more states have increasingly looked at the possibility of starting nuclear programs. As a result, some states have worked at acquiring nuclear weapons programs, or developing nuclear weapons program, in particular Iran and North Korea. Other states have also threatened to start nuclear weapons programs or civilian nuclear power programs. And so today we find in our world about 30 countries that say that they are going to start new civilian nuclear programs. There are 14 countries in the Middle East and North Africa that have indicated that they are initiating some form of civilian nuclear power programs.

We have strong indications that if Iran acquires a nuclear weapon, immediately Pakistan will transfer its nuclear weapon capacity to Saudi Arabia and that will extend itself to other countries in the Middle East and the Gulf. And hence there is a greater degree of urgency that we reestablish the nuclear pact between nuclear weapon states and nuclear non-weapon states to control the proliferation of nuclear technologies and nuclear weapons technology. And so on the one hand it is going to place particular pressure on Russia, the United States and China to take seriously the commitment that we have made in the nuclear non-proliferation treaty to reduce our nuclear arsenal and to insure that we have transparency and inspections and verifications of our nuclear weapons.

For the United States and Russia, one of the immediate challenges will be the extension of the strategic arms reduction treaty, which expires in December of this year, but beyond that, moving to the point of significant reductions within our two countries. As part of that, one of the things that we all have to be looking toward is whether we can provide assurance to those countries that seek civilian nuclear power- that they can have access to enriched fuel and to the reprocessing of spent fuel that will guarantee that they will have the capacity to have civilian nuclear programs without necessarily having enrichment programs themselves. If we can do that, that provides one firewall against moving civilian nuclear power to the 'weaponization' of a nuclear program. The second piece of it will be whether we can put in place a series of other measures.

For the United States it will be the passage of the comprehensive test ban treaty. For the United States, China and Russia, it will be whether we can play a leadership role in the context of the Nuclear Non-Proliferation Treaty to push for a fissile material cutoff treaty that restricts those countries that are developing fissile materials. For all of

us it will be a challenge whether we can develop the protocol that has been developed by the IAEA in order to have a much more effective regime of inspection.

If we can do these things, we can potentially create a firewall to a massive and radical proliferation of nuclear technology and nuclear programs throughout the world. If we cannot do these things we definitely risk the expansion of countries that have nuclear programs and might potentially move from civilian nuclear power to the weaponization of these programs.

Let me just conclude by summarizing or building on a couple of points that Bruce has made. One of the things that I have tried to emphasize in my comments is that on all of these issues, whether it is on economic cooperation, on climate change or on nuclear security, the relationship between the United States and China is going to be the key and Russia is going to be a critical partner. I could have also dwelled on the importance of Brazil and Indonesia on the climate change issue. It reemphasizes the point that Bruce made earlier, no one country can actually dictate solutions and no one country can isolate itself from the international environment. We are all part of this and we all must work together to achieve effective solutions. It is one of the reasons why in this book we have called for the creation of a G-16 grouping of countries. There is no perfect answer to what that grouping should be, whether it should be thirteen or fourteen or sixteen, but what we do know is that the current eight does not work and that we need to have an expansion of the major powers that are involved in working together in order to be able to achieve more effective solutions in the international community.

The other thing that we do know is that the grouping of countries cannot present itself as an alternative to the United Nations. The purpose here is not to replace international institutions; it is not to replace the UN Security Council, or the General Assembly or the IMF or the World Bank. Rather, as we present it in this book it is for major powers in this book to align their perspectives and be able to give guidance to the appropriate international institutions so that, for example, in the context of the UN Framework Convention on Climate Change, if we can agree among major powers on the approach that can be taken to more effective solutions on climate change we have a greater chance of negotiating an effective solution under the UN Framework Convention. Or if in the context of nuclear issues, we can give guidance to our representatives that are involved in the next review conference of the Nuclear Non-Proliferation Treaty we have a much greater chance of achieving an effective solution on the NPT.

And so what I want to underscore here is that we are trying to promote mechanisms in which major countries can align perspectives and views and use that as way to strengthen the effectiveness of international institutions, not to replace international institutions. We need to be able to adhere to the rule of law, we need to understand how international institutions can be mechanisms for international cooperation and we need to be willing to invest in these institutions if we want them to be effective mechanisms to achieve greater peace and prosperity in the international system.

President Cui Liru:

Thank you, Carlos. I think today we have talked about very important issues, although we have been limited on time. Thank you two gentlemen for giving us a very vivid account of the major points regarding this topic. The global governance has become a very hot issue in China especially during the last couple of years. We also witnessed the major powers' cooperation has been growing during the last couple years, especially in the relations between China and the United States. We witnessed a new administration of the United States and are very glad to see the new situation that has been established very quickly with the very positive relationship between China and the U.S. I think this is a very important fact for the global society and the world community to address the challenges we face. So I think everybody here is very concerned with transnational threats as we talked about here. Now I believe you have a lot of questions for the presenters. Now the floor is open to questions.

Question:

Thank you, Ambassador and Professor, nice to meet you. My name is Wang Wen, I am an opinion editor from the Global Times. Just now Ambassador Pascual talked a lot about cooperation with China. It reminded me of a very hot topic, G2, Chimerica, something like that. So I wanted to ask two questions. The first is what do you think about the G2 and what you are talking about it now- is it similar to the G2 and is there any future for this G2 institution?

My second question is about your latest article. I believe the topic was about a very interesting word; 'responsible sovereignty,' but if you want others to be responsible sovereigns, you should persuade others to become such, but when you persuade them it depends on American authority. So my question is then, how can American government rebuild their international authority?

Ambassador Carlos Pascual:

Those are some very good questions, let me begin and I am sure that Bruce will want to jump in as well. The G-2 term often gets used and I generally don't use it. I believe in the importance of bilateral relations and traditional diplomacy and we should never forget who the major countries are in the world. And it means that we need to have close interaction between the two of them. The danger of, at times, the G-2 phrase being used is that it may create the perception in the minds of some countries that two countries working together can resolve and address, alone, all of the world's problems. If the United States and China allowed themselves to fall into that trap we would find that we would be ineffective and counterproductive.

We need to recognize that we cannot operate in an isolated context. Just as much as we may be critical to fixing these problems, and where the two need to come together and have an understanding on how we can work together. If we ignore for example on climate change, the importance of the European market we cannot have a solution. If we ignore the views of African countries in the Sahel Zone that are going to be affected by increasing global temperatures and how it is going to affect desertification and greater competition over land and water we will not be effective.

If we ignore for example the importance of the Middle East in addressing the questions of global terrorism we cannot find effective solutions. And so, I think it is going to be important for the United States and China to recognize that as we work together as partners that we do that in the spirit of international cooperation, recognizing that we are part of the global community that we are seeking to strengthen that global community, not that we are together trying to dictate to that global and international community.

Let me take on the question of American authority and Bruce, I think maybe will build on that and move it to the questions of responsible sovereignty. One of the things

that the United States has learned painfully is that unilateralist policies do not work. There is no country in the world, acting alone can dictate the solutions to global problems. The US saw that quite painfully even in the though it was the most powerful country in the world militarily and economically; we cannot dictate solutions in Iraq and Afghanistan. Most recently, as a result of the global economic crisis there has been recognition of what happens if one does not exercise responsible behavior at home in one owns financial markets and in one's own economic behavior. Many have taken as an indication of and erosion of American authority and credibility, and it has hurt the United States. However the answer of the United States is not to withdraw from the international system, I think the answer for the United States is that we in fact depend on that international system and the way for the United States to be effective in that is to recognize that the rule of law is our friend. Part of the problem of American behavior, particularly during the Bush administration was that the United States thought it was above the law or that it could be an exception to the law. What I think the United States is now returning to is recognizing that we need to reinforce the rule of law domestically and that we need to reinforce it internationally.

It was not accident that, for example, President-elect, at that point Obama, introduced his national security team. Remember the people who were there. He had Hillary Clinton, he had Susan Rice at the United Nations, he had General Jones at the National Security Council, but he had the attorney general and he had the Secretary for Homeland Security, two individuals who are responsible for domestic policy and American legal behavior and how we abide by the American constitution.

What he was basically saying to the international community was that part of American national security is also adherence to our rules. If you look at what the United States did in the first week of President Obama's term. He called for the closure of the Guantanamo and recommitted the United States to basic rules of international human rights. The United States is not doing this out of weakness, the United States is doing this because this President ant this administration recognizes its strength comes in its recommitment to the rule of law, not walking away from it.

If we can do that together, then I think the United States will be able to reestablish its credibility in the international system. I think that those countries throughout the world, which may have at one-time sought to humiliate the United States,

they have also painfully recognized that if the United States is in a situation of crisis, it hurts everybody else as well.

At one point there was a theory of decoupling that it would be possible for the emerging economies to separate themselves from the fate of the United States and Europe, I think we have seen that that is not the case and that all of us have a stake in establishing a pattern of international cooperation that allows all of us to be more prosperous and more secure in our environment. I think that is what we need to be able to recognize and establish, that by having the rule of law we have the prospect of achieving that better outcome for all countries.

Question:

Thank you, Professors. I would just like to ask one question. Do you feel the United Nations will play an important role in building this international order and what are your expectations on international organizations on the issue of rejection of nuclear weapons as well as climate change?

Dr. Bruce Jones:

In our book we did two things with the UN, we looked at the UN's role sector by sector. For example, when we were examining terrorism, people don't spend much time thinking of the role of the UN in terrorism, but actually it plays a very substantial role already and could have a stronger role. On terrorism we make some proposal on how it could have a stronger role on terrorism.

On infectious disease and biological security, the WHO has a huge role already and we think that with our new innovations at the UN it could be given a stronger role. In peacekeeping, in conflict management, etc. we see the UN playing a central role. But when you go to complex nuclear questions, climate questions, etc., the argument we make is that we can't pretend that the United Nations has the capability or the power to solve problems unless the major powers put their power through the institutions.

One of the sources to the title of the book, 'Power and Responsibility' is a play on a quote by Dean Acheson, who was a major foreign policy statesmen in the United States in the 1940's and he was writing about the way in which the United States itself,

together with the UK, was trying to hand problems in the Middle East to the UN after they had failed to handle them themselves. He said it is a 'curiously persistent mess that this organization that has responsibility without power, can solve problems that powers themselves have failed to solve.' Therefore we focus very much so on the UN, but through this lens where unless the major powers are planning the heavy lifting or doing the heavy work at the UN, just transferring the problem to the UN itself is not the solution. The question is organizing cooperation between the major powers and others through the UN system, is going to be at the heart of being able to solve these problems. The format that it takes then changes a lot from issue to issue.

On climate change for example, we think that it is probably the case on that in first phase of this at least, the UN is going to be primarily a forum for intergovernmental negotiations and to go specifically into the idea of great power cooperation and the UN's role on climate change, one of the tensions that you see is between what has become known as the major economies process that George Bush established. This has the major powers there, but it is outside of the UN framework on the one hand, and the UN Framework Convention on Climate Change (UNFCCC) on the other, and there is a tension between on should issues be negotiated in the UN or through the major powers. We think these kinds of tensions are unnecessary and unhelpful. Therefore we propose specifically that if the major economies meeting were to be recreated inside the UNFCCC and there is a formal mechanism for doing that within the UNFCCC, the major powers could be negotiating within the UN system on climate change, bringing their agreements out to the broader UN Framework Convention on Climate Change and there would have to be an interaction between major powers negotiations and broader negotiations. As Carl said, just having US and China in the G-20 or whatever it is, is not going to bring everyone on board, there will have to be interactive negotiations within the broader UN system.

The nuclear area is probably where the UN role is weakest and that is probably just the reality of the way these systems work. I think here, that revitalizing the Non-Proliferation Treaty is going to be extremely important. But the fundamental question is the bilateral relationship and arms control relationship between the nuclear powers, particularly US, China and Russia. So the role of UN varies substantially, and again it is this idea of animating the United Nations or other institutions by bringing the major

powers back into these institutions. The United States has very much felt half-in half-out of the UN and this would bring it much more into the economics of the UN.

Question:

Thank you, I was wondering if you could expand on your views on the UN Security Council reform.

Dr. Bruce Jones:

We have both been involved in a formal negotiation at the UN on this, I was at the Secretary Generals office at the time and Carlos was in government at the time. We were part of what was called the World Summit Negotiations, 2004 and 2005, and this question was very much around. Our conclusions in the book are three fold. One that Security Council reform does have to happen and that it time for Security Council reform to happen. Two, was that the mechanisms was not new permanent seats in the short-term, but long-term renewable seats for the key countries that are outside now; Japan, India, etc. We propose in starting in G-8 expansion because you need to do some work in restoring some sense of confidence in the major powers about their approaches to security problems. If you right now, tomorrow in the Security Council brought new major powers in the Security Council you would see the Security Council more divided and less able to act to confront major threats, not increasing its capabilities. Their needs to be a process of building confidence through informal mechanisms like expanding the G-8 before you go to full-scale expansion of the Security Council. Nevertheless there is a lot of pressure from Japan, India, etc. to begin the expansion. And what we have been arguing for and what we have already seen is the Obama administration signaling very clearly its willingness and its intent to be serious about council expansion even within the term of this new presidency, starting to be open on it, but not trying to go rapidly towards this expansion. Starting by building confidence in the informal mechanisms, like an expanded G-8 then eventually moving towards expanding permanent long-term seats to non-permanent seats.

Question:

I wanted to get back on to the US-China issue. If you could talk a little bit about relations between the US and China and the new administration. I think that we all sort of assume that the new track that they will take is very enlightened and a very cooperative track, just given sort of what we know of the Obama administration from what we have seen from his campaign. Also recently Geithner's currency discussion soon after Obama went and took office was not necessarily as cooperative as probably we think it will be long-term. I just wondered if you could talk about what the relationship has been like so far; Hillary Clinton's visit China and otherwise, and what we can expect down the road between China and the US and their relationship and why we would think to expect that. Thank you.

Ambassador Carlos Pascual:

I think that one of the many ways you have seen the relationship between the United States and China from the past few months is probably a good base for extrapolation of the kind of expectations to have in the future. Here I would emphasize two things. One is that there is going to be some very complicated and tough issues where we are not always going to agree. And, what we have seen as a foundation point is a willingness to acknowledge those points where we may not necessarily agree, but find ways to have a discussion and dialogue to figure out a better way to get more effective solutions. And then, in other cases, we are going to see a much more reinforced pattern of engagement and cooperation in areas where we find common interests.

Let me go back to the two points that are potentially going to be the most sensitive ones. The first I think is really going to be on this question of protectionism. I highlighted it earlier because I do think that it has a risk of being a very destructive force in the international community. It consistently is an issue that raises its head in the context of American politics. For example, when the new US trade representative was going to his confirmation hearing, he talked not about free trade, but about fair trade. He reinforced how the United States would allow itself to be taken advantage in trading relationships. He reinforced how a number of bilateral trade agreements that have been

negotiated would have to be further refined in order to be able to be brought to the US Senate for ratification.

If the United States has an attitude that it can address, or will address or confront, whatever structural deficiencies in the US economy and deficiencies in our own education systems in being able to preparing people to adapt to an evolving global economy, if we try to address those deficiencies through protectionism then we are going to hurt ourselves by making ourselves less competitive and create greater tensions in the bilateral relationship with China.

On climate change, this has a real potential to raise its head because if we look back to June of last year when there was a debate of the Lierberman-Werner bill, which is a principal piece of legislation that had been proposed internally within the United States in climate change at that stage. The biggest issue that was debated for that short period when that bill was being negotiated was not all of the complexities of how to deal with the internal mechanisms of creating cap-and-trade systems within the United States. The biggest issue was whether there was to be a cross-border carbon tax on goods that were coming from the outside, particularly focused on Chinese products. If the United States were to do this it would not only have a negative impact on the Chinese relationship, it will not only have a negative impact on achieving international change agreement, it will probably be resolved in the European Union, imposing the same kind of cross border carbon tax on the United States, curbing the ability of the United States to sell products into the European market. So, I think that we need to watch these issues very carefully.

I think that they are going to be bellwethers that suggest to us how other aspects of the relationship are managed.

There are two sets of issues on the international agenda that we also have to watch very carefully. These are from an American perspective, a critical issue for us is going to be Iran. From a Chinese perspective, two critical issues are going to Tibet and Taiwan. Tibet and Taiwan have traditionally been very sensitive issues in US-China relationships. I think we have managed to address these issues, and for the most part in relatively sophisticated ways. I think many of the issues on Taiwan have been quite well managed. I think with Ma Ying-Jeou there it is obviously a very different environment than when it was Chen Shui-bian. The Tibet issues are going to be complex and the issue of how to deal with the Dalai Lama has always been a complex issue in the US-

China relationship and China's relationship with other countries. Increasingly as the Dalai Lama is being perceived as a moderator, I think it is going to be very difficult for us to work through these issues. I think that it is going to be incumbent on our political leaders to have a very honest and quite conversation about how to manage these and not necessarily have open discussions between our two countries' media, but our political leaders.

On the question of Iran, for the United States this also has an existential quality for us. Not because it is necessarily a threat to the United States, but if you see a nuclear weapon in Iran there is absolutely no doubt that you will see a proliferation of nuclear programs throughout the entire Middle East. As I said before the very next day there will be a nuclear weapon in Saudi Arabia. None of us can afford to see that kind of proliferation of nuclear weapons in this region. Here, China has had a hard time understanding why this is so sensitive to the United States and why it may have implications for Chinese commercial relationship with Iran. You have seen from the United States a great willingness to try to engage Iran diplomatically. The effectiveness of that diplomatic relationship is also going to depend on ability to demonstrate that we cannot reach agreement, that there are tools to express the concerns of the international community. Those tools at times require, at times, the imposition of sanctions. China saw the importance of this in the relationship with North Korea after North Korea tested a nuclear weapon in October 2006. Our joint cooperation in bringing this back to the Security Council and making a united statement against North Korea opened a door for diplomacy.

There has to be a willingness to be able to have an interactive use of diplomatic tools and sanctions when necessary. That is going to be particularly important for us to remember in how we manage policy issues with regards to Iran. Do you want to comment on this President Cai, because I know you are quite an expert on this and it is unfair to put you on the spot like this.

President Cui Liru:

This is a very complicated relationship; China and the United States. We have a few terms to characterize these relationships. There is a very useful term that comes from the United States and that is a 'responsible stakeholder'. These terms are quite an

important aspect of our relationship, which is growing more and more important. But, there are some other aspects of this relationship that is the close competition of the relationship. Especially when China has been growing very fast, a 'rising power,' and is concerned with the United States, which is the dominant power. And so, we can see generally two parts of this relationship. One part is cooperation, the other part is competition. Now, very fortunately we have been witness to the cooperation part and it has been developed as the main trend, but the competition part is there and also something more serious than competition. At least some in the United States may be on either side and may look at the other as a potential adversary. And so, there are other factors of our strategy of hedging the other part. So we can still realize then, the very strict involvement against China's export-import of the United States high tax and some other things reflect parts of the relationship.

I would like to point out a very important development of the relationship over the last 30 years, of which we have just celebrated the establishment of diplomatic relations and that is the trend cooperation, rather than confrontation. Hopefully this will continue and this new administration of the United States, I think will continue the cooperation which was established in the last administration. Thank you.

Question:

It seems that China is the key to the resolution of these negotiations on Korean nuclear issue. Currently, what is your best perception of China's influence on North Korea regarding the nuclear issue? And is the Obama administration, in light of the economic crisis going to continue the current American policies. What is your interpretation of this issue?

Ambassador Carlos Pascual:

First of all on China and North Korea, there is no solution on North Korea without China's engagement. What fundamentally changed the dynamics in October of 2006 in my view was that China asserted itself internationally in context of the Security Council and took a very bold position and said that the testing of a nuclear weapon was unacceptable.

China has also continued to take what I think an unequivocal position that a nuclearized Korean peninsula is unacceptable. I don't see very much difference between the American and Chinese position. We are both saying that a North Korean peninsula is unacceptable. Korea has committed in the context of the six-party talks that it will work with the international community to achieve the denuclearization of the Korean peninsula. In that context the United States has said that we are going to have a relationship with North Korea and engage in a program that is internationally monitored to see the systematic denuclearization of North Korea.

Anybody who has observed the negotiations among the five plus North Korea, has recognized and seen the frustration in that process. I think that China and the United States in particular have been genuine and open in their commitments. I think we have tried to follow through and have followed through on both the economic and political commitments that we have made. I think that the measures that the United States took to remove North Korea from the state sponsors of terrorism list was more than just a symbolic gesture, it was quite extraordinary. I think that the current administration is committed to continue that basic policy. I think that there has also been recognition in the time of which North Korea became the most dangerous was during the period when the United States disengaged, in particular in that period of 2005 and 2006, where there was no international supervision of North Korea's nuclear program.

North Korea is not an easy partner, and its behavior is not linear. It is difficult to predict how it is trying to negotiate and use what leverage it might. I think one of the things that is going to be important is for the United States, China and Japan, Russia and South Korea to be able to have an honest dialogue with one another and stay on a common and cooperative track with one another and use that in a way that continues to exert leverage with North Korea.

The United States is going to be willing to engage, but North Koreans are going to have to realize that they have to follow as well. We have to recognize, in particular here I think China is key, China has to recognize that if the North Koreans are not acting and performing, China is going to have to be willing to take a stance. This is going to be critical factor in influencing North Koreans incentives.

Dr. Bruce Jones:

I just wanted to add one comment on the question regarding the preoccupation with the Middle East. The situation in Iraq has stabilized over the last two years but it is still extremely fragile. The situation in the Israeli-Palestinian conflict has gotten worse. The tensions of Iran is rising, there are vulnerabilities on the Israeli-Syria front. There are regional issues and I think substantial weaknesses in the political stability in Egypt, in Saudi. There are a whole host of issues that are absolutely central to US foreign policy and that is nothing to say of Afghanistan and Pakistan. The risk that the United States will spend a great deal of its time focused on the broad Middle East to the detriment of an adequate focus on some other crisis in some other relationships is quite real.

One of the things that we do in the book is point out that the resolution to Iraq, Iran, even the Israeli-Palestinian crisis, certain if you look at the region and certainly if you look at Afghanistan and Pakistan is going to have to involve a much more sense of cooperation in regional powers than is the norm in US policy.

If you are going to see Iran, Iraq on Afghanistan and Pakistan you are going to have to be working in a much closer with China, Russia, India, and key Gulf States. That is not the norm in US policy and it is going to have to be the way we go about it. We are trying to square the circle a little bit in saying yes, you have no choice but to focus very intensively in the Middle East but do it in a way that signals to the rising powers that you intend to cooperate with them on solving a whole host of problems and try to build in patterns of cooperation and patterns of a sense of shared security. Even in that case that is a bit more American dominated in the past then handled through cooperation. There is a very real threat that it will absorb a huge amount of policy focus and some other key issues will go under attended, the African issues are under a similar problem.

President Cui Liru:

I am sorry I don't think we have time to take any more questions. I would like to thank the two speakers here, who in a very limited time gave us a very rich and important presentation on this very important topic. I would like to thank you all of the

audience for your attention and good questions. I think we all realize that this is a very globalized in we are facing transnational threats. I noticed the cover of this book, a very cloud sky but through it we see a little bit of light, and that is what is to hope for, the future is there. I agree to address all of these challenges and threats we need greater cooperation, especially among the major powers. This is a very complicated challenge for us. Again, thank you very much and have a good day.

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