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CAN THE WORLD BE GOVERNED?

POSSIBILITIES FOR EFFECTIVE MULTILATERALISM

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P R O C E E D I N G S

MR. LINN: I'm Johannes Linn of the Wolfensohn Center at Brookings and it's my great pleasure to welcome our distinguished panelists today. First of all, Alan Alexandroff is the editor of the book that we'll be discussing today. He is a Senior Fellow at the Centre for International Global Governance Innovation (CIGI) and a Fellow at the Centre for International Studies, University of Toronto, in Canada. And we also have with us Richard Rosecrance who is in fact a co-conspirator in this book, or contributor may be better put, and he is an Adjunct Professor of Public Policy at the John F. Kennedy School at Harvard University and also a Research Professor of Political Science at the University of California, as well as a Senior Fellow in the Belfer Center for Science and International Affairs. So these are our outside guests and I'm also very happy to welcome my colleague Bill Antholis who is Managing Director here at Brookings with a long and distinguished career. Although he just told me he's spending most of his time in administration right now, he also has a career in the field of international relations among other things and has previously been the Director of Research at the German Marshall Fund of the United States. So, he is very, very interested in this topic and

contributes in many different ways to the work that Brookings is also doing on the topic of global governance.

The topic of today's discussion is actually very topical at the moment for a number of reasons. Over the last two to three years, we've heard quite a lot in this town debated around particular areas of global governance reform including United Nations reform; closer to home in a sense here, IMF reform has been popping up repeatedly and actually will be discussed and probably decided on by the governors of the IMF at the upcoming annual meetings. World Bank reform is picking up speed in terms of its governance structure. We have had ongoing debates around the question of whether the G8 is in fact still serving its function in today's world and that has recently gathered some speed around the concept of democracies or a league of democracies or whatever which are being promoted by a number of people including some in this building. So there are a number of individual ideas that are popping around based around individual reforms and it's a question -- why is this? Why are we all worried about this? There are a number of factors which the book picks up on which I'm sure we'll hear more about.

First of all, the shifting power balances in the world with of course China, the BRICs more generally, taking on much more of an importance in terms of global economics, political security areas, and this

in itself of course brings about questions of whether the global governance system is responsive to these changes. In addition of course, the whole globalization and integration process that we've been watching is an important factor and again will be picked up here.

Very importantly, I think the sense that the international institutions have a number of weaknesses that seem to be resistant to change, so that is a factor that keeps pushing in the direction of reform. Finally demonstrated most recently and painfully in the Georgia crisis. At least what I've been observing in the last two to three years, is a sort of a resurgence of what I would call the East-West divide. I used to work a lot on the former Soviet Union when I was the Vice President of the World Bank, but after 1990-1991, people didn't talk about East-West anymore. It had gone out of fashion. Now in the last few years all of a sudden this divide is creeping back into the way we talk, the way also some of us at least think, and I think it's reflective of new divisions, perhaps old-new divisions, new-old divisions, that are creeping back in. So the question is how do these institutions that we have or that we should have intermediate these divisions and the tensions that we face.

So the book I think is very timely. It's squarely focused on multilateralism which hasn't always been in fashion in this city, but it has always actually been the fashion in Canada; if those of us avowed

multilateralists ever got desperate, north of the border a lot of friendly faces and brains were found there. At Brookings, Colin Bradford and myself have worked very directly together in a partnership to look at issues of global governance over the last two or three years, which has always been a great pleasure. So, this event today is part of this partnership between CIGI and Brookings, and once again I'm very happy to welcome our two guest speakers. .

MR. ALEXANDROFF: Thank you very much, Johannes, for the introduction. Let me be relatively brief. This book is very much a partnership. Certainly one of the first contacts I had with Brookings on this book was Strobe Talbott, who is on CIGI's board, and got an early view of this volume. In fact, if you look at the book, one of the testimonials on the back cover is Strobe's in part because he is very interested in the questions of global governance. Many of my colleagues at CIGI and elsewhere who have contributed to this, and of course Dick who's here today, who wrote one of the chapters, are appreciative of Strobe's involvement and Brookings interest in this project.

Let me just briefly review, for those of you who haven't seen the book, and I suspect that's a fair number of you, and give all of you a sense of the book. The chapters quickly: Art Stein from UCLA who wrote on incentive compatibility in global governance; Dick's chapter is on grand

coalitions and multilateralism; John Ikenberry from Princeton writes on American reform of global governance. As an aside, I should say we just recently had what we call the Princeton Summer Workshop, a biennial workshop, which this year is really the commencement of the next edition of *Can the World Be Governed*? By the way I want to thank Dick because it was his idea to call the book that, and not withstanding some disquiet over the title, at the end of the day the powers-that-be at CIGI, realized it was a great title and I agree with their decision.

John Ikenberry is involved again in this new volume as is Dean Anne-Marie Slaughter from Woodrow Wilson. Daniel Drezner from the Fletcher School at Tufts provides a chapter on the challenges to liberal institutionalism. Jim Fearon from Stanford writes a chapter on international institutions and collective authorization of the use of force. From the Department of Foreign Affairs and International Trade in Canada, Ferry de Kerckhove, provides a chapter on the question of the 2005 U.N. Leader's Summit. I'll make further mention of that summit in a brief moment. Paul Collier from Oxford wrote a chapter, which is really a summary, of his recent well-received book, *The Bottom Billion*. This chapter focuses on development and global governance as does the book, which has become quite a popular examination of development. Robert Wolfe from Queens University in Kingston, Ontario examines in his chapter the global trading

system, principally the WTO. Eric Helleiner and Bessma Momani did a focused examination of the IMF. I'm sure Johannes has worked with Eric, at least, at CIGI looking at questions on the IMF and what the institution's future is. Patty Goff also at CIGI and at Wilfrid Laurier University comments on evolving contemporary multilateralism. Finally, I wrap up discussions on contemporary multilateralism and the challenges to global governance in the concluding chapter.

Let me describe briefly what we found in the volume. I developed the Global Institutional Reform Workshop, which has its most formative involvement in a partnership with Princeton University and the Woodrow Wilson School at Princeton. The first event was in 2005 where we ran the Princeton Summer Workshop. At that time we made the decision to look not just at global governance institutions on the political-economic side, which tends to be where CIGI has its principal mandate, but to look at security institutions and organizations as well.

You'll see in this first volume a wide examination of global governance that's not restricted to economic organizations or institutions. The chapters cover key political organizations as well. Part of the objective here was to try to assess what reform was needed and more importantly what reform was possible. The reason - we began the project right after the UN Leader's Summit in the fall of 2005, and you'll not be

surprised to know, how insistent the demand for reform was particularly over the U.N. Security Council. Of course the results of the Leaders Summit was a significant failure to advance the prospect of reform, indeed some would argue – reform was put back at the U.N. potentially for a decade. So we wanted to take a look at that, why all this demand for reform and what was the nature of the reform demand. In addition it of course, as Johannes pointed out, the changing structure of international relations - the architecture of international relations with the emergence of new what we call the BRICs the rising emerging powers – Brazil, Russia, India and China - had an enormous impact, or so we thought, and we wanted to explore in just a preliminary way what the impact of these newly emerging powers was. On the other side, the decline of U.S. hegemony had seemingly had a significant impact on the structure of global governance and now more recently the behavior of Russia figures in an examination of global governance reform. So, we wanted to explore these elements as well.

As you'll note in the book, we focused initially on global governance reform because of Princeton's Slaughter and Ikenberry conclusion in their Princeton Project on National Security call to reform all the Bretton Woods institutions.

As Johannes pointed out, the focus in this book is on multilateralism and what we call, “effective multilateralism.” I recognize and Johannes pointed out again that there is a slightly bad odor to multilateralism in this town. In Canada, in Europe, in Asia, multilateralism is a well-defined and accepted concept with a view that multilateralism is a positive international governance form. That appears not to be the view here in the United States it seems to have some of its greatest problems, not only in this country, but certainly in this country.

As John Ikenberry’s chapter particularly points out, there's a lot of ambivalence in the United States around multilateralism and continued multilateral collaborative behavior. In the United States and in U.S. leadership and indeed because of the consequences of America’s Iraq involvement, there's a growing recognition of the cost of unilateralism. Now that doesn't mean it's going to end, but there appears to be now a greater recognition of those costs and so multilateralism is getting another look by America’s leaders

The ambivalence over multilateralism, however, is not restricted just to this Administration or to U.S. administrations generally. There is not a lot of enthusiasm in Congress currently for multilateralism and this goes well back before the Bush Administration. President Clinton was unable to get a number of significant Treaties through Congress,

including the Comprehensive Test Ban Treaty notwithstanding Administration support. The reality was the Congress simply wouldn't pass it and the American public was not a strong support for these measures as well. So it's not defined solely by one administration that we talk about some of these problems over international multilateralism.

The conclusion we drew from this analysis in part is that multilateralism is existential, that is, on a cost-benefit analysis states frequently prefer a multilateral approach to a unilateral one. Nevertheless, the question is how do you encourage that? How do you bring about this incentive compatibility that encourages states to act in ways which they would prefer to but nevertheless frequently cannot or do not choose not to.

What we found on the reform side if you look through the demand for reform appears to be much higher on the rhetorical side than on the practical side. We looked at many of the reforms by different states, and find that these proposals were often aimed at domestic audiences without any sense that there was any likelihood of reform. Rather, these reforms were proposed because there seemed to be an attentive domestic audience.

In addition there was a far greater focus on formal organizations, formal institutions, the U.N., WTO, etc. In fact, you can see some of the multilateralism that has been growing and in fact we will

explore even further in the next volume is more informal global governance.

The attention, however, remains on formal organizations and their reform. As a result there has been a significant focus on legitimacy – say for example the UN Security Council. The G8 for instance is viewed as clearly not legitimate. The G8 doesn't have all of the big players; so too the U.N. with the current P5 in the Security Council. Not legitimate. It doesn't have all the big players. But of course as soon as you get into the game of legitimacy you're doomed. So if you bring in China then there's an immediate aversion on the part of Japan doing so. If you try to bring in a Brazil, then Argentina and Mexico express opposition. And if you bring in a South Africa then Nigeria and Egypt are unhappy. The problem is if you get into the game of trying to establish these institutions on a formalistic or legitimacy basis, there's just no end to it.

Where are we going? A future direction could be a revised perspective from U.S. leadership – less hegemony more collaboration – a shift to great power coalitions. Indeed John Ikenberry's new chapter in the upcoming version of, 'Can the World be Governed?' certainly looks at that possibility. I won't say very much here because we've got the dean of grand coalitions himself – Dick Rosecrance – here and I'm sure he'll want

to talk about the coalition and what the possibilities are for great power coalitions.

Although the volume, does in fact talk about the League of Democracy or the democracy requirement of security or of new security organizations I'll not say more about that at this time and leave it to Dick to discuss this option. And of course the impact, and Johannes raised this as well, whether or not Russia now poses a real challenge to Dick's view of grand coalitions because of the action in the Caucuses, will be something I suspect that Dick will comment on in his remarks.

So we move on from where we are and we directly target in the next volume of 'Can the World be Governed?', the BRICs themselves. At CIGI we have been looking at the question of the newly emerging powers. In particular we've looked at all the B(R)ICSAM – Brazil, Russia, India, China, South Africa, ASEAN and Mexico in the G7/8 outreach process that was commenced at the G8 Summit in Germany in 2007. In this 'structured dialogue' examination, edited by Andrew Cooper and Agata Antkiewicz and called, 'Emerging Powers in Global Governance: Lessons from the Heiligendamm Process,' we've look at all the BRICSAM countries as they work with or resist the G7/8 countries. In the upcoming 'Can the World be Governed?' volume we will have chapters focusing on Brazil, India and China.

In addition the new volume of ‘Can the World be Governed?’ will include a number of chapters on new global governance institutions. Ikenberry has suggested in this current volume, as do a number of others, that we're more likely to see informal sometimes bilateral and impermanent institutions evolving in the international system to take on some of the challenges that we face in global governance. As a result, we shall be looking closely at the institutional forms of global governance.

I'll leave it to Dick to examine the emergence of the more informal coalitions, today. I also suspect he’ll raise the question of the ‘big’ and the problems that are faced by greater national emergence within globalization and whether or not that puts even greater emphasis the big as a way of dealing with economic prosperity in international relations and the inhibitions that have been created by the resurgence in some areas of nationalism.

I'll be happy to answer any questions later. But right now, let me turn it over to Dick

MR. ROSECRANCE: It's great to be here before a Brookings audience. I think when anyone has a new idea, it doesn't go anywhere unless Brookings lays on its hands and says there may be something to this after all. So it's delightful that something that can start

out in Canada, can receive great power endorsement here in the center of American power.

I'd just like to say that this is an extremely interesting enterprise that Alan started several years ago, and it has focused on different ways of reforming the system. I think it started with the idea that institutional reform is going to be possible. Very quickly the Project realized that such reform was not going to take place. And even if reform of the Security Council were possible, for instance, would that even be a good idea? So quickly the enterprise turned away from formal change in the system to informal ways of making multilateralism work better than it has worked up to now. I think that's an important thing to do because we're into a stage in which America, even if still number one, is going to be a tired number one. It isn't going to want to do a lot of new things I think no matter which candidate achieves office on November 4th that Administration is going to be repairing its links with a whole series of other countries rather than pushing a single U.S. agenda against a range of countries that might oppose that.

So the question is at this stage can the United States shape the international system from this 'tired' position? The United States is in a sense like Britain in 1818 with Castlereagh running things briefly and then having to give way to Canning so that Britain's role in the concert,

which it did help to create of course with Metternich, was sotto voce, not the directing force for everything that took place between 1818 and 1948. And if you believe Henry Kissinger, of course, it was Metternich that had by far the strongest role in this period. So the United States probably needs to step back a little bit. What then if it steps back can the rest of the world do?

Many proposals have been canvassed. One is of course formal reform. I've already talked about that. Another one is to focus upon a democratic coalition. The great problem with a democratic coalition is not whether it includes a lot of 'rinky-dink' democracies around the world -- classified in that category, but don't carry much weight. In fact, if one were to take seriously the injunctions of Paul Collier who is by far the most controversial contributor to Alan's enterprise, he would say the problem is not a democratic deficit in world politics, it's that there's a democratic surplus in which countries that are overrepresented in the institutions of world politics, whether it be economic strategy or politics. Yet those countries are overrepresented and cannot take a very strong role in actually changing the system - actually doing things with money, with force if necessary in order to carry out the injunctions of international institutions. And Paul Collier particularly said we have to worry about the U.N. General Assembly trying to run everything or the Human Rights

Council or any other body that has a large, but at the same time ineffective membership.

What one wants to do, however, is to get back to a core of nations willing to pay the public goods costs. The group cannot be ones that will simply vote for something or vote against it. The group will actually do something when a task is put before them. To do that I think you need perhaps not a large group but perhaps as people found during the Concert of Europe from 1818 to 1948 a type of great power instrumentality that will undertake to do this.

This would mean BRICs plus. BRICs would be involved in some ways, but of course it would also include Europe and Japan and the United States in addition to India and China, Brazil, whatever else. And I think it's key to make a point which our colleague Etel Sollingen (University of California, Irvine) does make in her Woodrow Wilson winning essay of this past year - liberalization may be as important or even more important than democratization because liberalization means that you're willing to be part of the system, you're willing to be part of the world economy, you're willing to pay your share and to carry your weight in world politics.

I would say, for example, that China is far from being democratic. Everybody knows that. And the Olympics only testified I think

to that to some degree. And yet China is in the process of liberalization. It is a part of the world economy. It will become even more a part of the world economy as it begins to adjust more than it has done up to now - in monetary terms and in trade terms for example - to the existence of outside interests of the countries with whom it is trading. There is a sense in which China is on the right track even though it is far from being democratic.

The regime, as I'm sure all of you know, does extensive polling about what its citizens think. That doesn't mean that it always follows what they suggest in case after case of eminent domain or other kinds of issues of that kind where it displaces people ruthlessly. Nonetheless, at least the regime in China is aware of what is going on in the body politic over which it presides. And I think in terms of the international system it is trying very hard to play its role appropriately and to try to undertake to do those things that its increasing power is going to require it to do. Therefore I think we are in a situation where it's possible to talk, at least for some purposes, of getting back to a great power concept and we have a degree of incentive capability here or compatibility.

If one looks at what the great powers want whether they're democratic or not, they want nevertheless many of the same things. All of them are against terrorism. All of them want general international peace.

The Russians would like to push here and there to improve their standing, but even they are not taking over all of Georgia nor do I think is there any suggestion that they would try to do so.

If one is talking about the world economy, I think the great powers are agreed that the world economy should remain open. It should have capital sources that can come to the aid of countries in trouble as those capital sources not too long ago have come to the aid of the United States in very impressive ways. So, I think that there are many incentives, which the great powers, though not fully democratic, yet as a whole group they share in common. I think that if what I have just said is true, these great powers will be a great supplement to the United States, which is probably going into a phase of greater internal orientation, as I mentioned earlier. Thank you.

MR. ANTHOLIS: I'm delighted to be included in this and it's a little hard coming last after two people whose work I admire so much and with whom I agree about so much, but so that it's not simply a happy chorus, what I think I'll try and do is elaborate a little bit on some of the points raised and talk about where I see real tensions moving forward. You should know that I come from the background of being a political theorist who then spent four years in government working on global governance issues. What influences my thinking on global governance is

the training I've done as a political theorist largely trained in democratic domestic political theory but interested and working in the area of international application. So in some ways what I think I'll be doing is inverting what is sort of a 'globe-eyed' look at what works and what doesn't work from a global governance standpoint and looking at it a bit from the ground up perspective. I'll try and spend a few minutes on three big areas and these three areas are in domestic governance when people assess the performance of a presidency for instance or the Congress in the United States. My sense is, such an examination tends to look at it from at least these three lenses.

One is the lens of legitimacy - which in the United States we mostly take for granted but in the 2000 election for a long time sort of hung out there for a lot of Americans, not all Americans, but a lot of Americans - was this a legitimate presidency? Next, was it effective? Did they go in with a coherent governing -- did they go in with a set of priorities and did they pursue them and produce results? And were they coherent? Were the results coherent? Did they undermine one another? Did a war in Iraq undermine fiscal stability or did a health care plan undermine a broad stroke against big government as we know it? So looking through those three lenses of global governance and the issues laid out, let me give a sort of soft agreement or soft disagreement with some of the points made.

First, on legitimacy we've heard about the democracy deficit and/or democracy surplus and I think the real challenge for a lot of these issues is that particularly a lot of the more economic issues, one can't ignore democracy, but one has to pay attention to how the big emerging countries come into a set of international economic interactions that are premised on democracy. We largely saw this in the WTO in Seattle where two things undermined that negotiation. One was that domestic laws passed on things like labor and environment were in the dispute settlement process putting, 'sand in the gears,' and that helped slow down the negotiations when a second thing undermined it. This second issue was the other democracy deficit - a lot of the world didn't feel represented in the decision making process. Many developing countries felt excluded. This tension of legitimacy is something that I think strains almost every international organization particularly again the economic ones where increasingly they're getting into laws passed at the domestic level within a country.

So it's not so much, as Alan's slides pointed out, that there's reluctance around sovereignty or reluctance around multilateralism, as much as there is a domestic priority process in democratic systems. In these domestic systems you have to get big coalitions in domestic politics to move on issues; it's just hard to also look at what somebody in the

international environment wants you to do when you have your own domestic challenge in front of you. It's what we might think of as 'beyond Excalibur.' We used to think of this in sovereignty terms when the sovereign was the king and wielded one sword, but when sovereignty is broken down into state sovereignty, popular sovereignty, and individual sovereignty, individual rights, property rights, the things that undermine a liberal economic system - these things are litigated in a domestic context so that is more than in the international setting in separate add-ons and something else to be considered as opposed to something to be opposed.

Effectiveness. In American politics, the great Congressman, Tip O'Neill's axiom is that all politics is local - all governance is local. If you think about a climate change agreement that needs to be negotiated, it's not just that there needs to be a national cap-and-trade system, ; cities and states have to figure out how that works for them. In the European context, 15, 25, 27, different governments are in that context, in Africa 45 countries are negotiating as the AU eventually. Everything comes back to the local level. So from an effectiveness standpoint, anything done at the global governance level has to adhere in local domestic law and actually make sense and move things forward.

Then, finally from a coherence standpoint, I am almost completely in agreement with Richard but I'm going to add one additional

thing - that ultimately I think we're coming back to looking at some of the big players, understanding their domestic politics and the alignment of their domestic politics. I'll add one other feature to it, however. Let me walk through it.

In domestic politics, the way coherence works is really complicated. We have first a President or a Congress sets its agenda and then they have to coordinate and resolve disputes with one another. Within an administration there are interagency processes, the National Security Council, the Domestic Policy Council, Homeland Security.(maybe the next Administration will put together an Energy Security Council). There's enormous bargaining about priorities that happens within an Administration with all these focused agencies. And then there's a federal level, again, states and localities are coming back to the federal government on a regular basis to try to challenge these things. So if you take that challenge for coherence at the domestic level and then you put it across international issues, there are at least three things internationally that you're pushing against.

One is issue coherence among nations. So just take climate change, trade, and development issues. We have an enormous fight brewing between the climate change regime and the trade regime over border passes and over subsidies for energy. How do you sort through

that? At the end of the day if we're giving a scorecard grade to global governance on any one of these things, how do you factor the other issues? So there's sort of issue coherence by themselves. Then there are the institutions that manage them, the World Trade Organization, the UN Framework on Climate Change (UNFCC), and then all of the development agencies, the World Bank, UNCTAD, UNDP,UNBP; how do they coordinate with one another? And even if you look at it on complicated use-of-force issues and in Iraq, the U.N. Security Council, the International Automatic Energy Agency, looking at Iran, the nonproliferation treaties, the Nuclear Supplies Group, there's that wrangling. I do think it comes back ultimately to the core set of states and I would almost completely subscribe to the Rosecrance list. I think it's essentially the BRICs plus the core members of the G8 urging the Europeans to act as one and reducing that number. Having to staff G8 meetings, eight is enough. Remember the TV show? It's plenty. It's really hard to do at eight. It would be better if you could do it at four. You can't in the modern world.

But then I guess the last element that I would add goes back to the democracy deficit and the thing that is I think going to define the next wave of debates about global governance are transnational political movements. OXFAM was the thing that I think we all came to recognize in

the last decade in the trade regime. We're going to start seeing now Greenpeace and the other environmental organizations on the climate change side ten years after Kyoto coming back into the debate but it will now also include the Gates Foundation and the enormous impact of other big philanthropies Google, Google.com and Google.org; they're players now. They have an enormous role in shaping debates, in setting agendas, and in actually designing policies. If you think about the impact that Google.org can have on designing plug-in hybrid cars, --they sponsored a conference with us--, but they're actually using their enormous computing technology to help produce longer-running batteries and trying to coordinate world information about that. Or on infectious disease, Google is a player on that. They're thinking about how to more quickly track diseases before they spread. That has enormous implications for how the World Health Organization or other international players will act on these issues. And then there are the churches and civil society groups and more. So while I think we do run a little bit of a risk of a democracy surplus, we won't really have much of a choice just in the same way that we don't have a choice of dealing with the domestic legislation side of a lot of these. So maybe I should just stop there.

MR. LINN: Thank you very much. What I thought we'd do is first of all let me maybe just exercise the prerogative of the chair and

address a question to each to the speakers that occurred to me as I was listening. Then we'll have a bit of a discussion up here, I hope, and then open the floor where everybody can chime in. Let me also say at this point in case you're tempted to leave early, there is going to be a reception at the end of this so please hang in there and join us for the reception because that will be another opportunity to ask your questions that maybe you were too polite to otherwise ask in public.

With this by way of introduction, let me maybe reverse the order so that the two guests have time to think about if they want to about the questions I'm going to ask them. My question I guess to Bill is listening to your three criteria. I thought were very helpful obviously in thinking about how do we confront the challenge here. But there was a point and it was close toward the end of your remarks where I almost was ready to throw in the towel and say it's all too difficult, too complicated. So where do we start and what now? You then turned it a bit around and said let’s focus on these big states. So if you could amplify a little bit that actually might be helpful.

Which however gets me then to ask Richard, and this is based on a discussion yesterday at Brookings with some of our foreign policy colleagues, when we were discussing the pros and cons of the concept of democracy idea, which one of my colleagues said forget about

power concert or great power affiliations of the kind that you're advocating. That is 20th century he said. Interestingly you went back to the 19th century. But his response would still be, “forget it.” What we need is something totally different. The big powers aren't the problem. The problems are the little powers. The problems are the things that are outside the state altogether; that doesn't really adhere to any concept of sovereignty and instead goes way beyond it. What is your answer to this challenge that big powers - - this ,19th and 20th century stuff -- really isn't relevant today?

And it links actually up with Bill's point that all these other organizations, transnational organizations now like the ones you mentioned that maybe in a way are now getting to be more important than even some of the big powers.

Finally. for Alan, you gave us a very good sort of summary of the book but from where you sit, having now looked at all of this, where do you think is the greatest priority for early action that's both important in terms of moving us forward in terms of global governance reform but is also feasible? Where is the margin where we should if we were to advise the President here, or your own government, or whoever, where is really the priority now for action? Where do you feel personally, now, is the priority for feasible action? Bill, do you want to take off?

MR. ANTHOLIS: I will admit that I have, at moments in the last decade and a half, grown despondent about the idea of global governance on any one of these issues let alone all of them together. In fact, I was looking at the title of the book and thought to myself, if you put a little -- carrot after the word “the” and before the word “world” and you inserted “legitimately, ,” “coherently,,” or “effectively be governed,,” each one of those would be a challenge. And if you threw all three of them in you would literally throw up your hands.

I guess where I start in terms of my own thinking and writing and advice giving to the extent that anybody asks me is to start with the local and to start with the existential issues of the day. I think of the existential issues of the day are world poverty, climate change, and nuclear nonproliferation and start with keeping those high on the domestic radar screen in my own country - on the President of the United States and on the Congress. Each of those requires unique political coalitions, strategy, and messaging - addressing congressional ineffectiveness quite frankly in the last decade. Both political parties have real challenges and they need to think strategically and aggressively about them. Two, keep those three issues on the president's mind when he goes to whatever international organizations he goes to: climate change, global poverty, and nuclear nonproliferation. They are the great existential challenges of our

day in my own view. Everybody else might have a different list. But just keep it simple by focusing on those three issues. Make sure they're high on the political agenda domestically for say the G8. And then when you go internationally that they top that political agenda internationally.

My sense is actually if you look at most of the great players, not every one would have all of those three in the same order but at least two of those three would be pretty high on every other country's list so you've at least got the makings of an agenda. And actually if you look at G8 agendas for the last 15 years, climate change has slowly risen and near the top, poverty has always been pretty close to there. So you're more or less there, but just make sure that other things don't get in the way and that's hard because there's famine, there's genocide, there's whatever that comes up that requires immediate governance attention. These are the ones where focused energy is needed.

I think maybe the other thing is if you look back at the last 15 years, we certainly see a lot of setbacks, but also see the makings of steps forward certainly in the United States but even in the international negotiations to try to get agreement.

MR. LINN: Richard actually can probably respond also to some of the comments that Bill made from the podium.

MR. ROSECRANCE: Yes. It seems to me that in part, Bill has answered some of his own questions, that if you're going to talk about not just legitimacy but also effectiveness and coherence, it's going to be very difficult to have huge numerical organizations in which everyone in it is on the same level. There's no hierarchy at all. I'm not sure how many real democracies we have in the world today, but probably 50 or 60 out of the 200 or so and maybe even more if you're talking about nominal democracies, yet if you were to throw every single ball into a can of 50 or 60 democracies, I think you can guarantee chaos and a failure to meet the three criterion. You might have a degree of legitimacy to whatever came out, but nothing would ever come out so there would be actually no point in doing that.

I think if we were to talk about the points that Bill made about the things that you can actually work on that will be successful, things like poverty, climate change, the NPT and so on, a small group of great powers that are animated with a wider audience in mind, they're not thinking only of themselves, I think is going to be much more effective on things like climate change and NPT than any very, very large number of democracies because they are the ones that are carrying the ball in those areas. China is either now or soon to become the world's greatest polluter and the United States is not holding back on that. If China and the United

States are not involved in this organization--as in a certain sense they haven't fully been--nothing will be solved and you'll have another Kyoto problem where a number of democracies line up but nothing is in fact achieved.

On NPT also you're talking about some major powers here. Maybe there are some that are trying to become major powers. North Korea has not yet made it. Iran has not made it. But if you're dealing with how you deal with this, what kinds of blandishments can you offer countries that are nearing the stage where they become nuclear? It's only the great powers that can do this in terms of markets, assistance, legitimacy that all of a sudden Libya was able to get by virtue of coming on board. I think it is a great power Concert that you're really talking about that is crucial to achieve this.

And if we were to go back to the 19th century, and I hate to do that because no one thinks that the 19th century is relevant at all anymore, and yet it is the only good take on where a great power concept has worked. It has not worked since then. So therefore it is important to go back and look at it. There was a temptation then as well after 1830 to say let's have all the democrats on one side and the autocracies on the other and not try to bridge the gap between them. That was the temptation after the revolutions of 1830 for England and France to go off

by themselves leaving Russia, Prussia, and Austria out somewhere in limbo. And yet this is something that the British resisted, it's something that the Austrians resisted. They tried to find a link between different states with different ideologies and for a very long time what held the concert together was not Britain and France; it was Britain and the world's greatest autocracy, Russia. It was the link between Britain and Russia that made this concert succeed at least up until 1848.

And I think if we were now to say Russia and China should be ruled out because they don't meet the political criteria and they are not fully legitimate, admittedly they are not fully legitimate. You're quite right on that. But they are in the process of liberalization and we should not put too high standards on how fast this is achieved. Look at all of Jack Snyder's work (Columbia University). What does he show? Too rapid attempts to become democratic often can yield in the early stages to nationalism and military expansionism. We don't want to push China to become democratic at too fast a rate and then see as a result that in order to appease the democratic masses of China emerging that the first thing they have to do is to take Taiwan on militarily. I don't think we wish to see that process unfold. And if that is true, I think we have to be a little bit less judgmental in terms of the final political theory outcome that we want

which of course is the one that we're talking about. We want to talk about the process of getting there and not push too fast on political change.

MR. ANTHOLIS : I should say that I totally subscribe to that. I think that the challenge for industrial democracies is to hold fast to their domestic legitimacy processes in writing their own rules even as they have relationships to international rules and organizations whether it's how we develop nuclear energy, how we negotiate domestic standards for environment or labor and how that relates to these things. Holding fast to those standards should remain a priority. We just simply shouldn't expect that either those same processes or those same standards are going to happen in developing countries and if you have to have a lower-common-denominator global agreement, you have to have a lower-common-denominator global agreement. I think it means lowering your ambitions about global governance.

MR. LINN: Alan

MR. ALEXANDROFF: I'll dissent slightly from my two colleagues. I think the world we're looking at in the next five to seven years is in fact going to be quite messy and that when I say that, I'm focused on the organizational form. I don't think it is either League of Democracy or Concert of Democracies-- there are several variations, or let's say a G7, G8, G13 or a P5. I think what you're going to see emerge

are multiple organizational forms and significant overlapping of these organizations. I don't think there's any way that China will as a matter of policy, and this goes to Dick's point, ever support, at least in the next five years or so, any significant effort at humanitarian intervention. And while there are question marks around humanitarian intervention in a number of "democratic" states, I would not be surprised to see the emergence of a league of some form, not with a huge number of powers, but actually with a very limited number of powers, but powers who are perfectly prepared to act when the P5 walks away from the issue.

So I tend to see that global governance forms run a continuum between a kind of Executive Committee organizational form, which doesn't have to be the great powers but could be but doesn't include all the great powers, and a Universalist U.N. model of global governance where all powers, great and small powers, are represented.

The BRICS are one organization. This organization began as a Goldman Sachs creation. The Investment Bank created it and said we should look at their growing economic power - these countries are big and populated and increasingly powerful. Well the BRICs got the message: they're now actually meeting as a group. And I think it's quite possible that the BRICs themselves will become an organization and will act with the G8 – or not. There are those in the G8 of course who say we

don't want to be any bigger. If these skeptical countries carry the day, the answer is the G8 won't be any bigger and in there well be another organization – the G5, the BRICs or the BRICs plus.

A prefect example of this tension in organizational form between the Universalist model and the Executive Committee model is in the matter of climate change. One model, supported in part by the BRICs and other developing countries, has created the Bali process in terms of climate change. Bali is a, U.N. instrument under the UNFCC. All 192., countries and every transnational organization that you can think of with an interest in the environment or the climate change attends the meetings. These meetings go on for days, lots of discussion and drama. This organization is scheduled to meet again in November 2009 in Copenhagen.

The alternative to these 192 countries is the MEM – the Major Economies Meeting. These are the 16 largest carbon dioxide producers on the planet. So it's quite a different model of organization to tackle the question of climate change. These 16 were invited to the G* recently in Hokkaido to work on the problem of climate change. And it's not going to be one or the other. I think it will very much be the MEM that will formulate certain ideas, maybe they will be legitimized by the Bali process, maybe they won't, but I don't think it will be one or the other and I

think you'll see that happening in a variety of different subject areas. It's going to generate tension; it could lead. to disputes. The whole issue of legitimacy becomes immediately -- you're not legitimate, you don't include all 192 of us. And then I think it does come down to willingness to act, so it is a new form of coalition of the willing but just not the ones necessarily that you happen to know well.

MR. LINN: Thank you. I do however want to push you one more bit and this is you told us what is likely to happen, but do you think should happen?

MR. ALEXANDROFF: I'm an empiricist on these matters.

MR. LINN: That's a valid answer and we'll leave it at that. I think we've heard quite a bit now in terms of various perspectives on what this global governance challenge amounts to, whether or not we are willing to make prescriptions as Bill did and to some extent I guess Richard did as well.

Let's throw it open to discussion. What I'd like to make sure is that when you -- when I call on you and you speak, please introduce yourself so we know and particularly our panelists know who you are. Let me start so let's go around in a big circle. Let me start right here. .

MR. ROTHCHILD: I'm Kenneth Rothschild. I'm not speaking for anyone but I actually believe now that we need a paradigm

shift and it's very hard to get that paradigm shift when we go from that little evolving system. So what I think we really have to do in the pure sense is design what the objectives are. What do we do with the world's resources? What do we do with the world's environment and so forth, population? What do we do with the world's population? And go at it from that perspective. That's not going to be easy either and I agree with you, sir, it's going to be a mess for a while and we're going to exhaust ourselves as a world. But nevertheless, I think we have to start to lay out goals for ourselves which although may seem idealistic at the moment, nevertheless start to pressure us to rethinking how we're going to go about building these larger coalitions.

Just one final thing and I'll shut up. It's hard for me to believe that our country could not have seen an expect a backlash from Kosovo and the missile defense system and to beat up on the Soviet Union or Russia, whatever, that kind of stuff, we really have to look at what the forces are that are working today. And I would just encourage us to start to break this thing down differently.

MR. LINN: Thank you. .

MR. BEACON: My name is George Beacon. I am an independent scholar. I have two points I'd like to make. One is that since 1991 there are a number of small recently independent nations which

emerged after the wreck of the Soviet Union and I think we should not just neglect their aspirations. I think that although they may not be big powers, they have very strong nationalistic feelings and those feelings can throw some problems into the big global governance model. That's one. The second thing is that you were talking about existential issues, namely, poverty, climate change and nuclear nonproliferation. I see three other issues which are even more existential than that and that is water, energy, and food. So what I would like to hear is your comments on those and whether those even more basic existential issues would not be good starting points in trying to have some global world governance on that. Thank you.

MR. LINN: Thank you aisle.

SPEAKER: Department of Commerce speaking for myself. I wanted to first thank Dr. Rosecrance for his interesting comments on the 19th century concert of nations I believe you said. And I appreciated your follow-up remarks in which you talked -- you first talked about China and how China is liberalizing and attempting to take into consideration through polling the aspirations of its people short of democratization. In your follow-up comment you talked about the Russian Federation. And I also wanted to thank Dr. Alexandroff.

SPEAKER: Let me start with my second question, would your organizations have recommendations to the Google Foundation or to the Gates Foundation as to how they could advance liberalization in the Russian Federation and China? The second question is back to Dr. Antholis, and that is I heard no mention of NATO or OSCE. I've gone to other conferences in this city that have talked about NATO and its partnership with Russia. This somewhat follows -up on the other two comments from the floor. There was a lot of surprise when Russia occupied these provinces and yet the deputy music director of the Metropolitan Opera brought the Kirov Symphony down to South Ossetia and did a nationwide broadcast concert. My question is: is Washington just going to throw up its hands in ten years when the Russian Federation refuses to abandon its port at Sebastopol and the Crimea? Do you people think about the same things -- the security strategists who are supposed to think about NATO what the Russian Federation is supposed to do in the next ten years? Is it supposed to abandon Sebastopol? Where is it supposed to go? Has your group thought about that? Thank you.

MR. LINN: Thank you. Why don't we take one more question over here and then I think we'll come back to the speakers.Bill.

SPEAKER: Thank you very much. My name is (inaudible) and I work for a think tank in London called the Center for European

Reform. I have a question about China. The problem that we have with China is it is the reluctant great power. When you ask the Chinese do you want to be a member of an expanded G8, do you want to be included as a member of the G13, they say thank you very much but not yet because we're a poor developing country and if you draw us into that great power concert and that implies responsibilities that we are not willing to take. So how do you convince a country like China that global governance matters and that they should take part and should take responsibility? Thank you.

MR. LINN: Thank you very much. Let's maybe just go down the line now maybe starting with Alan. Pick up your questions that you heard and that you'd like to respond to and if I feel that you haven't answered them all I might come back to you or you guys can reinforce from the floor. Alan?

MR. ALEXANDROFF: Two small points: one on the existential question. Climate change, poverty, and nonproliferation, and the gentleman suggested water, energy, and food, in some sense climate change is all about energy and energy use. I think that poverty in part relates to sufficiency of the food supply and so forth, so I don't think there is this great separation between some of the issues that William raised and what you had suggested so I do think that they are partly covered by his perspective.

China is certainly involved in global governance and global governance reform. In fact in a project working with Dick's folk at Harvard, I was fortunate enough to do some work on Chinese regionalism with some of my colleagues at the Chinese Academy of Social Science. China's position has evolved quite significantly. Starting with a regime, which was only prepared to promote bilateral relationships, the Chinese government has evolved a policy approach quite substantially different from that today. It now accepts and is quite involved in broader kinds of membership and representation. Indeed, one time when we used to talk to those organizations and experts that had any affiliation with the Party, you found you couldn't use the words global governance. It was a 'no-no' in China. The point is that today the Government and research foundations in China do indeed talk about global governance. So, the Chinese have shown significant evolution in their thinking.

There are many arenas where you have to separate somewhat Chinese rhetoric from emerging policy. So when China raises the view that it is a big 'developing' country, I go back to China's WTO accession. There, over many years Chinese negotiators constantly said, " we're a big, poor, developing country." They are, in part, but they also recognize their own great power status not to mention more developed economic status in many regions of the country. So you can't always just

take what they say and assume that they aren't prepared to participate in, say, for example, the outreach process of the G8. If you focus on their behavior, however, they are prepared to engage in this global governance institution and others. It may well be that at the end of the day they're going to be involved much more with the other - what are called outreach countries, Brazil, India, Mexico and South Africa, and less with the G8. Yet when called upon, almost invariably the Chinese indeed show engagement.

Some of the Chinese difficulty is contingent on its leadership structure as pointed out by Greg Chin (York University, Toronto Canada). The G8 is built upon informality and the leaders sitting down and talking very practically and openly with each other. The Chinese leadership is basically a collective a consensus decision-making model. I don't think the current leader Hu Jintao could sit down and make a commitment of any significant form without immediately having to go back to his people at the Standing Committee. So there are problems for China in being part of any informal Great power environment.

MR. LINN: If I may also talk for a moment about China. When we did our work on G8 reform we did quite a bit in China and with Chinese people who sort of could give us feedback on China's position. What seemed pretty clear is that a G8 plus China would not on the face of

it at least be acceptable. However, a G8 plus organization, whatever it is, whether it's 13 powers, 16 or 20 especially building perhaps the already existing G20 finance ministers, that seems to be much more of interest. Actually there was quite a lot of engagement in the pros and cons and what have you and my impression was that even open-ended rather than a fixed process that the Chinese would very quickly come to the table and be a player.

MR. ANTHOLIS : I think what that gets to this issue of legitimacy of international organizations and again it goes back to the double-edged sword of Excalibur and then beyond. In international relations theory what's legitimate is that each state has standing as an equal whether you're Lichtenstein or you're China. The bigger and more inclusive the organization, the more legitimate by that international standard and the more likely it is to be a very effective forum for airing ideas. But it may not necessarily be an effective forum for governance, for actually getting collective decision-making.

You can see this is in the WTO where first of all the GATT is probably in my view perhaps the most effective international organization in the last 15 years. It established a rule-based trading system that was not only widely accepted by the core of the global economy for those 40 years, but other countries really wanted to join. One of the downfalls of it I

think -- and they wanted to join understanding that at some very practical level their sovereignty was going to be put on the table. It wouldn't be put on the table in a capital 'S' Sovereignty kind of way. Instead there was a 'soft' way of managing the domestic constraints that they faced, but it was a very real effective compliant system built into the organization.

Two things that have begun to undermine it. One is the growth of the organization. It's now 100-and- something-odd countries. Two, the organization now has a more of a harder institutional feel and starts to call into question sovereignty in a stronger way. You have a much bigger negotiating set of issues involved too. And it's just become unwieldy. I think the lesson that the negotiators themselves have seen is let's break this back down into a small group. Essentially there used to be a quad that was the United States, Canada, Japan, and Europe. The new quad is the United States, Europe, India, and Brazil, with Japan and China sort of hanging on the edges. One of the things that broke down was now connecting to this issue of graduation which is developing countries still want to have a different set of standards for themselves. So I think if you look at what makes a global governance group effective particularly in actually getting stuff done, it's small, they're on equal standing with one another, and the set of issues that they're trying to address are relatively small as well.

Let me just look to two others that I think have some direction to me. I agree that energy and to some degree even water are addressed in climate change. I know of no greater stress -- single stress on world water -- fresh water supplies than a changing climate and I think what this requires -- either viewing climate change in the broad sense in which it encompasses energy as well as other things, thinking of energy security in a very broad sense. With respect to food, I think that food is -- I think of food as sort of a subunit of poverty issues. For the wealthy word, rising food prices are an issue but they're not the signal issue that they are in poor places and they're a contributing factor to other issues that stress poor societies, bad governance, bad economic management. I still like my group in short.

On Gates and Google, I think Gates and Google are doing the right thing on liberalization which is they're not frontloading liberalization. They're frontloading issues that people in those countries care about whether it's AIDS or poverty more broadly, or on the Google side access to information technology because I think ultimately the solutions to any of those issues require liberalization. It may take them a longer time maybe a redefined definition of liberalization that we ourselves might learn something from, but I essentially think in broad terms they're doing the right thing. That doesn't mean that we all shouldn't look

carefully at what they're doing and look over their shoulders and give them advice either quietly or not so quietly, but I think as a general matter they've chosen the right strategy.

MR. LINN: Thanks. Richard, we had, I think, one question addressed to you, how to deal with small independent nations new nations of the former Soviet Union and how do they not feel excluded and how do we include them, and that frankly has always been the challenge we face when we examine the smaller countries. What's your answer? Maybe you can offer, I don't know whether you're right person, but I'm not sure we've really addressed the first set of points: do we need a paradigm shift?

MR. ROSECRANCE: Sure. I mean I'll try. On the paradigm shift, I think we do want to hold out for global governance whatever that is a higher objective of attainment than we've been able to realistically hold out over the past ten, 15, 20 years. You remember in the 1930s we had these marvelous League of Nations organizations that held out all these wonderful objectives, but they never attained them. In fact, if anything the meeting of the various disarmament committees or the League of Nations Council and so on were counterproductive in some cases in that they simply justified the aggression that took place -- doing nothing about them. And it's even worse to have an organization that actually in a way

indirectly conspired with the negative result that you're trying to avoid. So I think one of the key things now is whatever your new objective - and we should have new objectives on things like climate change, nuclear proliferation, a whole series of other issues, poverty and so on - we want to be able to achieve those objectives, not simply to hold them out as we did in the 1930s. And I think in order to do that we almost have to conceive international politics into two groups: a group of what I would call interested parties that raise issues that all of us have to consider, the New Zealands of the world that are going to hold back on the arrangement between the United States and India come what may because they are the conscience in a certain set of the rest of it.

On the other hand, you also have to have a group of great powers regardless of what problems we should be addressing, that post the questions: can we achieve solutions to those problems? How far can we go in achieving that? And I think for those -- for a group that does have a smaller number that is prepared to take -- undertake greater responsibility. And I think if we apply this immediately to the sort of European context and the CIS countries that are now perhaps to some degree a menace, one of the key things here is to solve the problem that each of these small countries presents without doing it in a way that upsets all great power relationships that might underpin the security of the

region as a whole. Consider Georgia or Ukraine. I think right now to admit either of those two to NATO would be a huge mistake. It would be another way of going to the Russians, taking your white glove and slapping them across the face once again, and they can see that this is what has been happening for the last ten years or so. On the other hand, you do want to support Georgia. You do want to support the democratization that's taking place in Ukraine. You certainly want to support what is the best way of doing it? One way of course has been our way of admitting into NATO. I think now we're going to have to be a little bit more sophisticated and consider some countries being admitted to the EU but not at least initially going into NATO. And I think as far as Ukraine and Georgia are concerned, I would put the NATO admission on hold but I would certainly have a very active EU possibility held open to them and I think that's precisely what the EU is now beginning to do. So there are a variety of ways of achieving these objectives in terms that do not completely upset whatever great power consensus you have.

What do we say about bringing China in? I think -- a terribly important point. There are a lot of ways of bringing China in. You don't have to bring China into the G8. In fact, China wouldn't qualify for the G8 as things are currently set up. And you don't want to do G8 plus one. That looks a little bit too artificial. The Chinese talk a lot about the

success of the six powers in handling the North Korean or trying to handle the North Korean issue. They have made some progress. They obviously haven't achieved everything they need to achieve. But I think the great power part of that has worked very, very well, surprisingly well, including the Russians, the Japanese, and the Chinese. And so groups like that that can bring the great powers together whether they're the G8 or something else, I think that's not too important. The form isn't important. What is important is to get the great powers together in a series of different fora so they can work together in order to be hopefully effectuators in world politics even though they're obviously not going to solve every problem.

MR. LINN: Thank you very much. I think we tried to at least address all the questions so far. Let's have one more round before we move on. Three questions. Let's take these three and then one last set of answers and we'll take it from there. Yes, please, if you can again introduce yourself.

MR. MITCHELL: Thanks. Gary Mitchell from the "Mitchell Report." If I'm successful with this question, it is slightly a different question than getting at the list that Bill Antholis listed of the sort of key issues and it goes way back beyond this conversation and this session, and I think I'll try it this way. On the basis of what events or facts or issues

have the foreign policy and national security cognoscenti decided or concluded that the post-World War II global institutions are broken? And is that really new? And taking that a step further, what leads us to believe that any formal institutional structure would achieve different results?

MR. LINN: Thank you. I think we have two questions in the back.

SPEAKER: I'm from Beijing University, China, and I think I speak for the young generation of China. Maybe the generation called the generation of the (inaudible) so I think first of all that global governance just as the moderator said that would not (inaudible) in Chinese, I think that is right, the Chinese equivilant does not exist as far as I know. I don't know. But I understand how important China wants to include itself to the global institutions (inaudible) such as IMF, World Bank, and in Inter-American Development Bank. Because I was in training (inaudible) and I know that (inaudible) professionals expect China to be included (inaudible) and so that China can get more loans to invest in Latin America infrastructure building. But I don't know why China is (inaudible) until now but Japan and Korea and why not China. This is my first question.

This is (inaudible) demonstrate that where Chinese want to take more responsibility and at the same time I think (inaudible) that why how to convince China to take more responsibility from my point of view is

that when Chinese become more self-confident we like to take more responsibility. Right now we have 50 percent of the population are farmers so the government pay more attention and is taking more responsibility to shift this 50 percent of the population to the cities to achieve poverty reduction. And after that I think maybe there will be more responsibility that the government will take according to the international issues.

For Professor Rosecrance, do you think that liberalization will lead China to democracy or do you think liberalization will lead China to a more centralized government? That's my question. Thank you.

MR. LINN: Thank you for the question.

MR. ROSECRANCE: I'm going to have to leave a little early. Could I just respond to that last little bit there?

MR. LINN: Please do. That would be great.

MR. ROSECRANCE: I don't know what your view is. My view is that it's the Guttman Scale. That is, when you start liberalizing you go step by step by step. The end of it is once you have completely protected property rights, once you have independent courts where human rights are also protected, where you have the rule of law, the next step is simply political democracy and I see China moving down that Guttman Scale to the ultimate end of it. But I don't think it's going to be

quick for many of the same reasons you yourself -- with a largely rural population -- it's not going to be easy to create the kind of middle-class that's really necessary to sustain a democracy over the long term. And trying to have early democratization before you have an economic base in the population to support it, the population has been formed well enough, it has good media publications and so on that it can rely on, that's going to be some time. And I think one of the things we have to do is to let China proceed along this Guttman Scale and it will eventually get there without trying to press them to go too fast. Going too fast in the short term could merely create nationalism and then you have a government that's forced to expand because it's trying to appease its dissident groups within society by possibly some form of nationalist expansion and I think none of us really wants that.

MR. LINN: Thank you. I think we had one more lessons. If you need to leave -- we'll miss you, but feel free. We don't want you to miss your plane. Yes, please.

MR. HARDING: Thank you. I'm Harry Harding of George Washington University. I was very intrigued by the idea that it might be more important that countries be liberal than democratic and idea that then what we might want to form is a league of liberal states as opposed to a league of democratic states, but as the discussion proceeded I got

more and more confused as to what the panel meant by liberal. Originally I heard domestically and politically, that is, perhaps not pluralistic, but basically free, responsive, in some sense, accountable. The example was given of China. But then I heard others talking about liberal in the international economic sense, that is, market oriented, relatively open. And then we heard liberal in the international political sense, that is, believing in the importance of international regimes and institutions, in other words, global governance. And depending on the definition of liberal, then you can ask questions about how many countries actually fall into those categories.

We heard for example the question of whether China -- what China's attitudes toward global governance is. One could certainly also ask questions about the extent to which many of the emerging markets, India, China, Brazil, Russia, are not in fact economically nationalistic and mercantilistic, perhaps liking to take advantage of an international liberal system while trying to protect their own domestic industry and agriculture. So I'm intrigued by this idea that liberalism is important but totally confused as to what you mean by liberal and what countries would in fact qualify for this legal of liberal states.

MR. ANTHOLIS: I think there was also an unanswered question before. If I understand the question correctly it's on the basis of

what events have the cognoscenti decided that international institutions are broken. Here's what I would say is the conventional wisdom about international institutions as I understand it, in Washington, I'll be American-specific here because I really don't know what -- give you speculation on what's going on in Europe or in other parts of the world. I would say that starting with policymakers, they know that the starting with the Bretton Woods agreement -- organization they know that the World Bank and IMF are being overtaken by events in addressing the big issues that they're supposed to address. The development side, it's the combination of market forces in the countries that have liberalized in an economic sense and the big investment in China, India, and Brazil and the big investment by one or two of those countries in developing countries, particularly the poor developing countries, that direct foreign investment not by the industrial world which has always been expected, but by the big emerging powers are starting to question the relevance of the World Bank as the main driver for development. I'd be interested in Johannes's statement, but that's my sense of what people one mile down the street that way and two and a half miles down the street that way think about the World Bank. And to some degree the IMF has been overtaken by the rise of sovereign wealth funds. So the real question going on out there is not the question of four or five years ago when a number of -- eight years ago now of

should it be the G8 or the G20, those issues are still out there in terms of the governance and structure of those two organizations but, rather, how do we deal with these big forces out there. And the same to some degree applies to the WTO, that you no longer have to be a member of the WTO to dictate world trade. That's the question, are they relevant not by a single event but by a series of developments in the way the world economy is structured.

As for other international institutions on the climate change side, it's the irrelevance of the climate change agreement without the United States in it. There certainly have been accomplishments in the last ten years within Europe and the other parts of the UNFCC that have signed and ratified and begin to implement it, but people recognize that not just the United States but China's noninvolvement in the current cap-and-trade system of Kyoto makes it to some degree irrelevant.

On liberalization I guess I probably contributed to this in a couple different ways. I think about liberal democracies as not -- as more than just simply liberal. I include -- here's how I think about it. Sovereign states have -- if they ascribe to liberal democratic values, and they have three elements of sovereignty that they deal with. One is the sovereignty of the state. I personally dislike the word sovereignty, but that's another issue, but there is the authority of the state to make decisions. There is

the authority of the public to act collectively -- democracies. And there is the authority of individuals with certain domains that they are responsible for, property rights and in some places political rights, sovereignty individual as it were.

I think of China as economically moving in the direction of liberalism, politically some introduction in terms of communication but not full, and certainly in terms of collective self-representation happening at the local level, not happening at the national or even the regional level. For me the really interesting question are places like India and Brazil which formally have all three of those but in practice particularly in poor parts of the country or more rural or state and localities -- Mexico for that matter, where forget about individual or collective authority. The state itself is barely in charge and for me that's the bigger challenge around the world, quite frankly. There are large parts of the world that are called states that really don't have the effective authority that a sovereign state would normally have let along protection of individual rights or the organization of collective voice. I don't know if that really gets to the question. People use it in different ways for different issues. I think you have to take all three of those seriously in any global governance challenge because ultimately for things to be effective at the domestic

level you need to take all three of those dimensions of political authority into account.

MR. LINN: Thank you. Alan?

MR. ALEXANDROFF: A comment on the breakdown of global governance structures: I'll give you three dates, 1997, 2003, and 1978, each very critical and let me just briefly comment on them. 1978 of course is Deng Xiaoping's decision to open up and reform China and I think flowing from that and the rise of the BRICs is something unseen in the world up to this point. 1997 of course was the financial crisis in Asia and I think a determination by many of the East Asian and Southeast Asian states to not let the international institutions run the show again and indeed the growing determination in Asia and elsewhere that other institutions would handle these issues and not the IMF. I think was critical.

And of course, 2003, the apogee of unilateralism by this country with respect to the question of Iraq. The actions by the United States had an enormous impact outside of the country as well as in the country, but outside of the country, particularly in Europe, in Canada and elsewhere. It raised a whole variety of other questions, and a determination that this would not be -- that different structures would be necessary without knowing what they were, and we still don't really know what they are, but different structures, different organizations would be

necessary as a result of that kind of unilateral action and the ambivalence of this country with respect to multilateralism.

MR. LINN: Thank you. I think we should proceed too close now. I will just say a couple of words of my own take aways here. One is that I fully agree the world isn't going to get much simpler very quickly in terms of the international governance structures that we have. In fact, I agree with you that everything is getting more complex, more messy, in. In fact, the weaknesses of the current institutions that we have is number one because in fact I believe the lead countries as a group have not adequately led those institutions and have not opened them up; plus instead of fixing whatever was wrong in the institutions countries added new ones all the time. And so the increased fragmentation that we have in terms of international organizations is actually becoming the biggest problem. What is the solution? It may not be trying to unify them and abolish every other one, but it may actually be to get a better measurement of effectiveness, a better sense of competition among institutions, and then let those institutions that appear to be more effective take a lead and have the mechanisms. But that's my own sort of theory and we actually in the Wolfensohn Center are working on this: fragmentation on the one hand but maybe the solution isn't more costly

and elaborate coordination but is actually a better sense of competition among institutions.

The last point I want to make there's also I guess sort of the quest for greater order in the business that could come out -- indeed I'm a strong believer of the Rosecrance solution to the problem, and I heard it in a sense also from Bill, and maybe Alan, might even agree that if the Europeans would only get their act together. I'm a European and I'm arguing all the time that we should get our act together to actually speak with one voice in one place. That's not going to happen soon, but it has to be something to target. I think that actually could work and be a quantum leap and not -- symbolic leap away from what I think is a postcolonial institution, the G8, that sort of assumed the mantle of a global steering group which it cannot and should not have. And so I think there are actually even paradigm shifts that we can achieve by going beyond the G8 and I personally believe the next president of this country should open up that particular can and make a change fairly quickly and easily and that would be to my view what could be done and it would be feasible fairly quickly and would make a major change.

But let me not continue the debate. We can do so individually and the reception I think is in the room across the hall. . Thanks to you all for coming and a big hand to your remaining panel.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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