

New Foundations for the World Economy and Global Governance

Background Paper and List of Participants

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“Only by explicitly defining a global normative framework appropriate to our time, will we succeed in anchoring a system of global governance that can address the needs of a highly connected world, and act to avert a tragedy of the commons.”

Sean Cleary, Future World Foundation

Introduction

This year's Trilogue, hosted by the Austrian Federal Ministry for European and International Affairs and the Bertelsmann Stiftung, addresses the anthropological and normative foundations of our global economy and the need to adapt global governance to the new realities of the 21st century.

The world has already paid a severe price for systematically transgressing fiscal and ecological boundaries and for maintaining global governance structures that were designed in the last century but appear inadequate for the globalised world. As Pascal Lamy (WTO) asserted at last year's gathering in Salzburg, our complacency towards poverty and youth-unemployment related issues, as well as increasing debts and the unrestrained destruction of "planetary life-support systems" so vital to human survival suggest that a systemic failure of unprecedented magnitude is underway. The unlimited pursuit of self-interest among the world's growing middle classes coupled with the dominance of nation-states in global governance means that the pursuit of the public good is increasingly neglected. Future generations will be left with vast and perhaps crippling financial, social and ecological debts.

Returning to business as usual and failing to adapt economic governance to the challenges of the world would constitute a "generational abdication of responsibility", as was asserted by many at the World Economic Forum 2011. However, the window of opportunity to draw the right lessons is closing. Although several calls for a fundamental reform of the global economic governance system were put forward at the peak of the recent economic and financial crises, none of these – a "world economic council", a "charter for sustainable economic activity" or a "Global New Deal" – have to date been put into practice. As recovery began, the will to reform dissipated. Even worse, critical multilateral negotiations of our time, such as the Doha development round, IMF and World Bank reforms, Financing for Development or the post-Kyoto arrangements, have all been stymied. Efforts to build consensus on and implement meaningful changes have failed. They are likely to fail in the future unless we first clarify the ends we seek to achieve, and the norms by which a new system will be regulated – this is the hypothesis up for debate at this year's Trilogue.

A background paper, commissioned by the Bertelsmann Stiftung, is attached below. The hosts would like to thank Sean Cleary for authoring this paper and for providing this excellent point of departure for our high-level round table. The organisers hope that this cross-sectoral dialogue will help us map cutting-edge thinking on global governance and expand our Trilogue network of global thought leaders.

Background Paper

New Foundations for the World Economy and Global Governance

Sean Cleary, Future World Foundation¹

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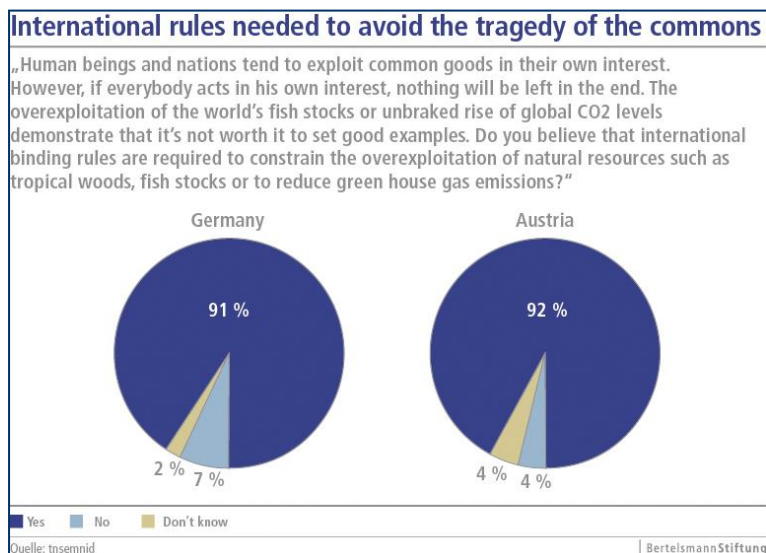
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¹ The author would like to thank the Bertelsmann Stiftung for the co-operation in writing this text and its colleagues and friends for their valuable input, including but not limited to Prof. Marc Abélès, Prof. Klaas van Egmond, Dr. Wolfgang Schüssel, Pascal Lamy, Arancha Gonzalez, Prof. Dennis Snower and Malte Boecker.

Introduction

The need to manage *systemic global risks*² and to protect the *global commons*, points to the need for a better mechanism of global governance. The tension between the political accountability of national leaders to their citizens, and the need for governments to restrict the delivery of some benefits now, if we are to secure goods for future generations, and assist the large number of people still mired in poverty, frustrates its achievement. The passage of current events, from the recent global financial crisis³, to the risk of reaching inflection points if we transgress planetary boundaries involving climate, fresh water, biogeochemical loading, the destruction of biodiversity, and ocean acidification⁴, reinforce the urgency of the need.

In the aftermath of great crises, conferences of the Powers at Vienna (1815), Bretton Woods and San Francisco (1944-45), and Paris (1951) established shared normative frameworks that reflected prevailing values, and served to order the structure and systems defining (a part of) the international environment for many decades. The challenges facing us today, and the risk of a looming *tragedy of the commons*⁵, cry out for a similar effort.



Citizens, in Europe at least, clearly understand this. In a representative poll of German and Austrian residents conducted by the Bertelsmann Foundation in preparation for the *Trilogue Salzburg 2011*, over 90 percent of the respondents argued that international rules are needed to avert a tragedy of the commons. Recognizing the interdependency of the global ecosystem, more than sixty percent believe that political leaders should act to advance the global common good

rather than act exclusively in the short-term interests of their nations. Eight out of ten Germans and Austrians support the former type of action by their own governments, even if other governments elsewhere choose not to follow. But they doubt that the politicians have the insight, or the political courage, to do so. Over 70 percent believe that governments will fail to come up with the rules we need. Most of the respondents also think that the system of global governance

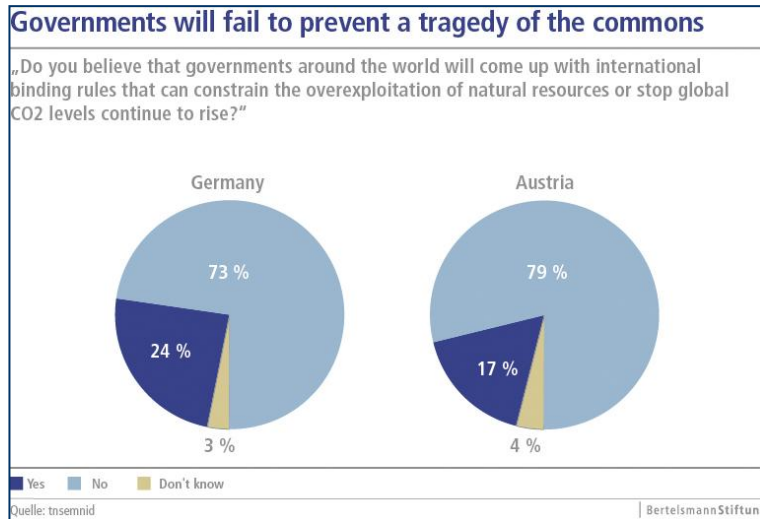
² The term *systemic risk* refers to risks imposed by interlinkages and reciprocal dependencies between elements in a system, where the failure of a single entity or cluster of entities can precipitate a cascade of failures, potentially disrupting the entire system.

³ Despite the scale of the interventions by the largest economies, the underlying causes of the crisis have not been resolved: global imbalances are still cause for concern, and the incentive structure of major banks still encourages speculation rather than prudent lending to enable real economic growth. The debt/GDP ratios of many Western economies are now unsustainable due to the bailouts and the concentration of ownership in the financial sector in the USA is greater than before the crisis.

⁴ Johann Rockström et al, *Planetary Boundaries: Exploring the safe operating space for humanity in the Anthropocene* (*Nature*, 461: 472 – 475, Sept 24 - 2009).

⁵ Garrett Hardin, *The Tragedy of the Commons*, *Science* Vol. 162, No. 3859.

we have today will not help to prevent a new world economic and financial crisis in the next decade.



Likewise, the members of the United Nations understand the need for action. On December 24, 2009 the UN General Assembly resolved to hold a UN Conference on Sustainable Development (UNCSD) in Rio de Janeiro in 2012. The Conference is commonly known as “Rio+20”, with reference to the UN Conference on Environment and Development, or Rio Earth Summit, of 1992. The two themes of Rio+20 are the “Green

Economy in the Context of Sustainable Development and Poverty Eradication”, and the “Institutional Framework for Sustainable Development”. Governance has always been recognised as essential for sustainable development, although the role of global institutions in promoting it has been more controversial. It remains to be seen what impact Rio+20 will have on the world economy and global governance.

The recent emphasis on *structural change* to the global institutions created between 1944 (the Bretton Woods institutions) and 1947 (the General Agreement on Tariffs and Trade) has, however, been misplaced. Change is certainly required to both the *structure* and the *systems* of global governance⁶, not least because of the changes effected to the *interstate structure* by decolonisation after WW II, and to the *international system* by technology and the integration of the global economy in the past twenty years. However, efforts to agree upon and implement meaningful changes have proved very difficult to date, as shown by attempts to reform the UN Security Council, comprehensively conclude the Doha development round, implement the 2002 Monterrey Consensus on Financing for Development, or reach agreement on carbon emissions under the UN Framework Convention on Climate Change. They are also likely to fail in future,

⁶ The purpose of the United Nations is to maintain international peace and security, develop friendly relations among nations, and promote social progress, better living standards and human rights. The structure of the UN is comprised of: the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, the International Court of Justice, the Secretariat, and a range of committees, boards, councils, funds, programmes and specialised agencies. All these entities have distinct but complementary missions that are intended to achieve the UN's overarching purpose. Their activities comprise the UN system, made up, in principle, of a set of interacting, coherently integrated components. But systems function in particular contexts, and their working needs to take account of changes in the environment. Both the progressive integration of the global economy and the far more intense interactions between peoples made possible by information and communications technology have transformed the environment in which the UN system operates. This requires adaptation to ensure its effectiveness, but the rigidity of its structure and many vested interests preclude fluid responses.

unless we first clarify *the ends we seek to achieve and the norms by which a new system will be regulated*.⁷

A Telling Precedent: A Charter for Sustainable Economic Activity

At the peak of the recent financial and economic crisis, there were calls for fundamental reform of the system of global economic governance. These included suggestions for a “World Economic Council”, a “Charter for Sustainable Economic Activity” and, more generally, a “Global New Deal”. None of these was implemented, however, and economic recovery has sharply reduced the will to reform.

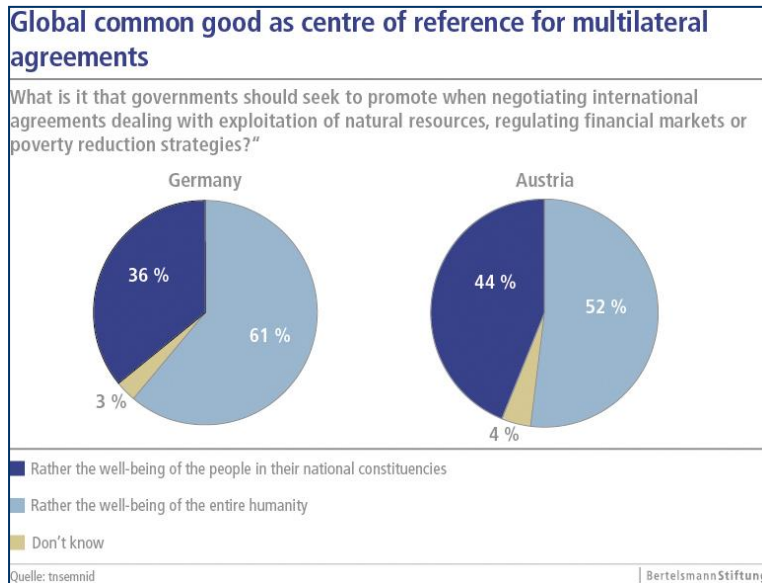
The Principles of the Charter for Sustainable Economic Activity, drafted by the G20 Sherpas and released, in modified form, as an annex⁸ to the G20 Leaders’ Statement after the Pittsburgh Summit in September 2009, illustrates well the difficulties involved with reaching agreement on sound initiatives to improve global governance. Clarifying general⁹ and specific¹⁰ principles to guide the individual and collective behaviour of governments that had committed to restore global economic stability after the financial crisis was clearly desirable. The International Labour Organisation, International Monetary Fund, the Organisation for Economic Cooperation and Development, the World Bank and the World Trade Organization had been invited by the 2008 G8 Summit in Hokkaido Toyako, “to enhance their cooperation and to improve coherence”.

⁷ Incremental change has been a recurring feature over six decades: Expansion of the number of UN specialised agencies, adjustment of the functions of the IMF and World Bank to meet changing circumstances, and conversion of the GATT into the World Trade Organization after completion of the Uruguay Round, are perhaps the most notable examples. These changes were either determined by the leading Western powers, however, or occurred with their positive acquiescence. Power has become more diffuse in the past decade, and agreement on the most significant structural proposals in this period has not proven possible.

⁸ The annex is entitled “Core Values for Sustainable Economic Activity”.

⁹ The *general principles* include: the well-being of citizens, sustainability, free competition, effective rules and instruments, and strong global institutions.

¹⁰ The *specific principles* included: sustainable and balanced growth; ensuring that financial markets support employment and growth; sound macroeconomic policy; productive labour markets, decent work and social protection; propriety, integrity and transparency; preserving the environment and resources; and a global partnership for balanced economic development.



Chancellor Merkel suggested on February 5, 2009, that these five agencies might help to develop a Global Charter, by drawing up an inventory of existing economic and social instruments. The OECD, with the support of the other agencies, produced an inventory of 105 potentially applicable policy instruments – codes, principles, guidelines, agreements, declarations, frameworks, and recommendations – which had been developed by the five agencies over the years.¹¹

Italian Minister of Finance Giulio Tremonti subsequently launched an initiative to promote a global Legal Standard for sound, ethical business behaviour. The working draft of the Principles of the Charter, drafted by the Sherpas, made clear, however, that the Charter suggested by Chancellor Merkel would not be legally binding.¹² Despite this, it proved impossible to reach agreement on a *Charter*. Instead, the G20 Leaders recognised in the annex entitled “Core Values for Sustainable Economic Activity”, “that there are different approaches to economic development and prosperity, and that strategies to achieve these goals may vary according to countries’ circumstances”.¹³ They did agree, however, that “certain key principles are fundamental”, and committed themselves to respect certain “core values”.¹⁴

¹¹ Bo Ekman, Founder of the Tällberg Foundation, is engaged in an extensive research project to track the thousands of agreements that address aspects of the global governance landscape. The proliferation of these instruments is a large part of the problem.

¹² “Charter principles shall give guidance to governments in the sense of a ‘code of codes’. They are meant to be legally non-binding. Their effectiveness will depend on leaders’ commitment to implementing the Charter.” (unpublished document: *Principles of the Charter for Sustainable Economic Activity*, 2009).

¹³ Item 4 of *Core Values for Sustainable Economic Activity*, Annex to the Leaders’ Statement, The Pittsburgh Summit, September 24-25, 2009, The White House, Office of the Press Secretary.

¹⁴ “We have a responsibility to ensure sound macroeconomic policies that serve long-term economic objectives and help avoid unsustainable global imbalances; We have a responsibility to reject protectionism in all its forms, support open markets, foster fair and transparent competition, and promote entrepreneurship and innovation across countries; We have a responsibility to ensure, through appropriate rules and incentives, that financial and other markets function based on propriety, integrity and transparency and to encourage businesses to support the efficient allocation of resources for sustainable economic performance; We have a responsibility to provide for financial markets that serve the needs of households, businesses and productive investment by strengthening oversight, transparency, and accountability; We have a responsibility to secure our future through sustainable consumption, production and use of resources that conserve our environment and address the challenge of climate change; We have a responsibility to invest in people by providing education, job training, decent work conditions, health care and social safety net support, and to fight poverty, discrimination, and all forms of social exclusion; We have a responsibility to recognise that all economies, rich and poor, are partners in building a sustainable and balanced global economy in which the benefits of economic growth are broadly and equitably shared. We also have a responsibility to achieve the internationally agreed development goals; We have a responsibility to ensure an international economic and financial architecture that reflects changes in the world economy and the new challenges of globalization” (Item 5 of *Core Values for Sustainable Economic Activity*, Annex to the Leaders’ Statement, The Pittsburgh Summit, September 24-25, 2009, The White House, Office of the Press Secretary).

Efforts in the last decade to strengthen the structure and operation of global governance, and to create new institutions thereof¹⁵ have erred in assuming either the universal appeal of Western values, or in overestimating the degree of normative coherence between state. As a result, there has been no effort to make explicit, or secure agreement on, the norms on which they have been premised.

If we are to succeed in addressing the challenges we face on a global scale, we must meet and balance two requirements: (i) the normative anchors must be adequate for the requirements of global governance in today's conditions, and (ii) they must respect the diversity of cultures and values that characterises humanity. This is far more easily said than done.

Western Norms are no Longer Paramount

The global order of the second half of the 20th century was built on a normative and legal structure based on Western values, which were assumed to be, and represented by those seeking to enforce them, as *universal*. They were, of course, the products of the Western cultural and intellectual tradition, originating in Judaeo-Christian ethics and Graeco-Roman philosophy and law, informed by the progressive acceptance of rights from the Magna Carta through the Western Enlightenment, and reinforced by economic principles born of the industrial revolution, and the superior firepower of Western armies and navies in and after the 19th century.

Post War Architecture

In the aftermath of WW II, the pillars of global governance – the United Nations (and its proliferating specialised agencies), the Bretton Woods Institutions (the IMF and what later became the World Bank group) and the General Agreement on Tariffs and Trade (GATT) – were crafted in accordance with the needs and the norms of the victorious powers. The norms that governed the system were not unchallenged: the Union of Soviet Socialist Republics (USSR), while participating in the United Nations, where it enjoyed a veto in the Security Council, was not represented in the IMF or World Bank, nor was it a party to the GATT, and it pursued a political, social and economic agenda distinct from that of the United States and its key Western allies. In politico-military terms, the states comprising the North Atlantic Treaty Organisation (NATO) and its associated bodies – CENTO¹⁶, SEATO¹⁷ and ANZUS – anchored by the United States – stood in clear opposition to the states clustered around the USSR in the Warsaw Pact.

¹⁵ The recent global financial crisis has sparked a plethora of these: Carmen Reinhart and Kenneth Rogoff, *Regulation should be International*, Financial Times, November 2008; Jeffrey Garten, *The Case for a Global Central Bank*, Yale School of Management, http://ba.yale.edu/news_events/CMS/Articles/6958.shtml. The crisis also triggered the World Economic Forum into putting forth a Global Redesign Initiative. <http://www.weforum.org/issues/global-redesign-initiative>. In 2004, the UN Secretary-General convened a High Level Panel to address the need for transformation of the United Nations system: *A more secure world: Our shared responsibility*, Report of the High-level Panel on Threats, Challenges and Change, United Nations 2004 <http://www.un.org/secureworld/report2.pdf>.

¹⁶ The Central Treaty Organization (originally the Middle East Treaty Organization, or the Baghdad Pact) was adopted in 1955 by Iran, Iraq, Pakistan, Turkey and the United Kingdom, and dissolved in 1979.

¹⁷ The Southeast Asia Treaty Organization was an international organisation for collective defense in Southeast Asia created by the Southeast Asia Collective Defense Treaty, or Manila Pact, in September 1954. Its members were Australia, France, New Zealand, Pakistan (including East Pakistan, later Bangladesh), the Philippines, Thailand, the United Kingdom, and the United States. SEATO was established on February 19, 1955 and dissolved on June 30, 1977.

Furthermore, in the language of the time, the *First World* (comprising market democracies) opposed the *Second World* (of centrally-planned economies), leaving the remaining states and a growing number of new countries, lumped together uncomfortably as the *Third World*. Certain states of substance¹⁸ sought to avoid becoming the captors of either dominant set of interests, and created the Non-Aligned Movement (NAM) in 1961¹⁹, although the leaders of some of these benefited by playing Moscow and Washington off against one another, securing favours from both. This condition persisted until the end of the 1980s, with Washington and Moscow supporting opposite sides in the Middle East, and waging proxy wars in Africa, in Afghanistan, and in Central America.

Even during the Cold War, however, the doctrine of Mutually Assured Destruction (MAD) served as a norm governing the conduct of both military blocs. Over time, this led to new agreements: The Anti-Ballistic Missile (ABM) Treaty, the Strategic Arms Limitation Treaties (SALT I and II – the latter never ratified by the US Senate) negotiated in the Nixon and Ford presidencies, and the Strategic Arms Reduction Treaties (START), initiated under President Reagan. All were premised on the principle of MAD.

Ronald Reagan and Mikhail Gorbachev, albeit for quite different reasons, brought the Cold War to an end. Reagan never doubted that American freedoms would triumph over Soviet communism, but he called for a world “which allows people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means”, and he sought to render “...nuclear weapons impotent and obsolete”.²⁰

When Gorbachev came to power in 1985, he knew the fragility of the Soviet Union and the risks of confrontation with the United States. His efforts to revitalise the system by purging Communist Party hardliners and balancing central planning with market economics led to the destruction of the Party, the fragmentation of the Russian empire, and his own loss of power. *En route*, he repudiated the imperative of class struggle and proclaimed peaceful coexistence as necessary for human well-being. Like Reagan, Gorbachev recognised that while distinctions would remain, “people are tired of tension and confrontation. They prefer a search for a more secure and reliable world...in which everyone would preserve their own philosophic, political and ideological views and their way of life.”²¹

This confluence of views allowed the two men to agree, at Reykjavik in 1986, to reduce strategic forces by 50 percent over five years and to eliminate all ballistic missiles in ten. Although the

¹⁸ Yugoslavia (President Josip Broz Tito), India (Prime Minister Jawaharlal Nehru), Egypt (President Gamal Abdel Nasser), Ghana (President Kwame Nkrumah), and Indonesia (President Sukarno).

¹⁹ Prime Minister Nehru coined the term “non-alignment” in a speech in 1954 in Colombo, Sri Lanka. Referring to the five pillars of relations between India and China advanced by Chinese Premier Zhou Enlai, Nehru proposed that these should serve as the basis of non-alignment. The five principles are: mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; non-interference in domestic affairs; equality and mutual benefit; and peaceful co-existence. In 1955, President Sukarno hosted a conference of Asian and African states at Bandung, at which the participating states declared their desire not to become involved in the Cold War and adopted a “declaration on promotion of world peace and cooperation”, which included Nehru's five principles. The first Conference of Heads of State or Government of Non-Aligned Countries was held in Belgrade, in September.

²⁰ Lou Cannon, *President Reagan: The Role of a Lifetime*, Public Affairs, 1991, p. 741.

²¹ Mikhail Gorbachev, *Perestroika: New Thinking for Our Country and the World*, New York, Harper, 1988.

agreement fell apart, it illustrates the spirit of the time. Soviet and U.S. diplomats were also able to work together to withdraw from, and help resolve, regional proxy conflicts.

Gorbachev's rationale encouraged the Poles, Hungarians and Czechs to press aggressively for independence. Accelerated liberalization hastened fragmentation, leading to the dismantling of the Berlin Wall in 1989 and NATO's extension to Poland's borders. When Yeltsin overthrew Gorbachev in 1991, the President of Russia dissolved the Soviet Union and dismembered the Russian Empire.

New Unipolar Order?

The sense that Western (and particularly Anglo–Saxon) economic and political norms (defined by Francis Fukuyama²² as *liberal markets* and *liberal democracy*) had triumphed, and that the rest of human history would be defined by their progressive improvement, became the defining *ethos* of “globalisation”. Tom Friedman later eulogised the effects of this belief in *The World is Flat*²³.

Both Presidents George H.W. Bush and Bill Clinton hailed the advent of a “new world” – a world each said would comprise thriving democracies that recognised their shared responsibility for freedom and justice.²⁴ Commenting sagely at the time, Henry Kissinger noted: “For the third time in this century²⁵, America thus proclaimed its intention to build a new world order *by applying its domestic values to the world at large*. And for the third time, America seemed to tower over the international stage.”²⁶

Cultural Cleavages

But almost as soon as this power was proclaimed, it ceased to be effective. As Asian states recovered capacity²⁷ in the last two decades of the 20th century, the presumed universality of the norms that “the West” had imposed was increasingly challenged and their weaknesses laid bare. Samuel Huntington²⁸ was disturbed to discover that Asian states and scholars rejected the rights that he assumed were universal. Efforts by political Islamists to assert salafist²⁹ principles, and restore shari’a as the law governing Muslim polities, and potentially the whole of the umma, dividing the world into the Dar al Harb and the Dar al Islam in the manner of Ibn Taymiyah³⁰ at

²² Francis Fukuyama, *The End of History and the Last Man*, Penguin, 1992.

²³ Thomas Friedman, *The World is Flat*, Farrar, Strauss and Giroux, 1995.

²⁴ President George H.W. Bush, September 1991, in an address to the Joint Houses of Congress on the eve of the first Gulf War, after meeting Mikhail Gorbachev in Helsinki.

²⁵ The first time was after WW I, when President Woodrow Wilson dominated the proceedings at Versailles; the second after WW II when Presidents Franklin Delano Roosevelt and Harry Truman were equally influential.

²⁶ Henry Kissinger, *Diplomacy*, Simon and Schuster, 1994, p. 805.

²⁷ It is worth recalling that Asia contributed well over 50 percent of global GDP until 1820, and that Europe exceeded Asia's share for the first time in the 1860s.

²⁸ Samuel Huntington, *The Clash of Civilizations*, Foreign Affairs, September 1993.

²⁹ A Salafi takes the *pious forefathers* (the first three Muslim generations: the Sahabah (“companions”), the Tabi’un (“followers”) and the Tabi’ al-Tabi’in (“those after the followers”) as exemplary models: See Salafipublications.com: The Principles of Salafiyah: “It means adherence to the Path of the Messenger, may the peace of Allah upon him, and the Faithful Believers, namely the Pious Forefathers (i.e., As-Salaf as-Saalih) of the Islamic Community of Believers and all those who follow in their footsteps in belief, actions and morals.”

³⁰ After an extensive analysis of Ibn Taymiyah's writings, Yahya Michot argues that he was in favour of resisting foreign invaders but rejected internal rebellion and insurgency, See Yahya Michot, *Muslims Under Non-Muslim Rule*, Oxford: Interface Publications, 2006.

the time of the Mongol invasions, seemed to reinforce the idea that a clash of civilisations was looming.³¹

The rise of al-Qaeda after the retreat of Soviet forces from Afghanistan sharpened this perception. When, on September 11, 2001, al-Qaeda operatives brought down both towers of the World Trade Center and damaged the Pentagon, taking the lives of nearly 3,000 people, U.S. troops deployed to Afghanistan on October 7, 2001 to destroy al-Qaeda and bring down the Taliban government. Although only about 1,000 U.S. ground troops were deployed in 2001, there are approximately 100,000 today, as well as other elements of an International Security Assistance Force (ISAF)³², ahead of a planned “responsible drawdown” by 2014. No one still believes in a military victory. U.S. Defense Secretary Gates confirmed in October 2008 that a political settlement with the Taliban was part of the endgame.³³

Overreach and the Consequences

Although there was no evidence linking Iraq to the 9/11 attacks, troops from the United States, supported by the United Kingdom, Australia and Poland entered Iraq on March 19, 2003, to topple the regime of Saddam Hussein. Operation Iraqi Freedom, ostensibly launched to neutralize Iraq’s weapons of mass destruction, led to only 21 days of major combat operations, but divided NATO and led to a wave of hostility towards the United States in much of the Muslim world.

This has not dissipated. The 2010 Arab Public Opinion Poll, conducted by the University of Maryland with Zogby International, recorded that seven years after the entry of U.S. forces into Iraq, 48 percent of respondents in the Arab world have “very unfavourable” attitudes toward the United States, while another 38 percent are “somewhat unfavourable”. Only 2 percent are “very favourable”, with 10 percent “somewhat favourable”.³⁴

The 2010 Pew Global Attitudes survey³⁵ reflects a similar, though less stark, result. In all Muslim societies polled, positive views of President Obama declined in 2010.³⁶ The same was true of

³¹ See Bassam Tibi, *The Challenge of Fundamentalism: Political Islam and the New World Disorder*, University of California Press, 1998 (revised edition 2002); and more generally Benjamin R. Barber, *Jihad vs. McWorld*, Crown, 1995 (revised edition 2001).

³² The International Security Assistance Force (ISAF) is a NATO-led security mission in Afghanistan established under United Nations Security Council Resolution 1386 on December 20, 2001. ISAF was initially charged with securing Kabul and surrounding areas from the Taliban, al-Qaeda and Afghan warlords, to allow for establishment of the Afghan Transitional Administration. In October 2003, the UN Security Council authorized the expansion of the ISAF mission throughout Afghanistan. This followed in four stages. After 2006, ISAF undertook more intensive combat operations in southern Afghanistan. Troop contributors include members of the European Union and NATO, Australia, Azerbaijan, Malaysia, Mongolia, New Zealand, the Republic of Korea, Singapore, Tonga and the UAE.

³³ Shah, Saeed (October 30, 2008). "Suicide bombers target Afghan ministry". CNN.com. Retrieved October 30, 2008.

³⁴ Asked what two steps by the U.S. would most improve their opinion of it, 54 percent of the respondents cited an “Israel-Palestine peace agreement”, 45 percent “withdrawal from Iraq”, 43 percent “stopping aid to Israel”, and 35 percent “withdrawal from the Arabian peninsula”. Only 7 percent listed “pushing more to spread democracy” and 3 percent “more economic aid to the region”.

³⁵ Pew Research Services, *Global Attitudes Project*, June 10, 2010.

³⁶ Pew Research Services, *Global Attitudes Project*, June 10, 2010 – Muslim respondents.

views of the United States, which had earlier benefited from Muslim respondents' favourable reaction to President Obama's outreach to the Muslim world in 2009³⁷. To cite the survey: "America's overall image has also slipped slightly in Indonesia, although 59% still give the U.S. a positive rating in the world's largest predominantly Muslim nation. *Publics of other largely Muslim countries continue to hold overwhelmingly negative views of the U.S.* In both Turkey and Pakistan ...only 17% hold a positive opinion."

Tensions between the United States and the Muslim world were not the only symptom of divergent views. The 2010 Pew Global Attitudes survey recorded favourable views of the U.S. by 65 percent of Britons, 73 percent of French nationals, 63 percent of Germans, 61 percent of Spaniards, 57 percent of Russians, 58 percent of Chinese, 66 percent of Indians and Japanese, 42 percent of Argentineans, 62 percent of Brazilians and 56 percent of Mexicans.³⁸ Despite the global sample's far greater enthusiasm for Mr. Obama in 2010 than for Mr. Bush in 2007 – positive views were up from 21 percent in 2007, to 64 percent in 2010 – only 32 percent of all respondents (up from 26 percent in 2007) believed that the United States takes the interests of others into account when formulating its policies.³⁹

The United States cannot build a new world order on its values and norms. In November 2008, the U.S. National Intelligence Council, in *Global Trends 2025*⁴⁰, recognised this both as a reality, and as a trend towards 2025:

"The whole international system - as constructed following WWII - will be revolutionized. Not only will new players - Brazil, Russia, India and China - have a seat at the international high table, they will bring new stakes and rules of the game."

This is inevitable: The re-ascendance of particularly the Asian powers, with their deep reservoirs of historical experience, literate high cultures and philosophical reflection, makes challenges to the norms of international exchange established over almost two centuries of Western dominance, entirely understandable.

The increasing complexity of the social and economic systems we have created and the non-linear, partially adaptive ecosystems in which we are embedded has, at the same time, overwhelmed our ability to understand, model and manage their workings.⁴¹ This has exposed our weakness, undermined the claim of universal efficiency for Western norms and principles, and encouraged emerging state powers to rely more strongly on their own cultural and normative traditions and precepts, not only in managing their economies and societies, but also in their international relations.

³⁷ President Obama's speech in Cairo on June 4, 2009 - see <http://www.npr.org/templates/story/story.php?storyId=104967649>.

³⁸ Pew Research Services, *Global Attitudes Project*, June 10, 2010 – all respondents.

³⁹ Pew Research Services, *Global Attitudes Project*, June 10, 2010 – all respondents.

⁴⁰ National Intelligence Council, *Global Trends 2025: A Transformed World*, US Government Printing Office, ISBN 978-0-16-081834-9, Internet: bookstore.gpo.gov.

⁴¹ Over a decade ago, Nye and Keohane observed: "... globalism will be accompanied by pervasive uncertainty. There will be a continual competition between increased complexity, and uncertainty, on the one hand; and efforts by governments, market participants, and others to comprehend and manage these increasingly complex interconnected systems, on the other." Joseph S. Nye Jr, Robert O. Keohane, *Governance in a Globalizing World*, Brookings Institution Press, 2000.

The global financial crisis was also widely perceived outside of the United States as the product of U.S. profligacy, reliance on debt and poor policy, and has weakened Washington and “the West’s” normative hold in this area as well. The impact of the U.S. banking crisis – especially after the failure of Lehman Brothers in September 2008 triggered a systemic cascade – was felt around the world, visiting severe costs on all economies, and bringing hardship to billions. In 2010, few around the world were happy about their economic circumstances. Only in China (91 percent), Brazil (62 percent), India (57 percent) and Poland (53 percent) were a majority of respondents satisfied with the state of their national economies.⁴²

As early as December 13, 2008, Japan’s Prime Minister Taro Aso, South Korea’s President Lee Myung-bak and Chinese Premier Wen Jiabao met at Fukuoka in Japan in a rare three-way summit⁴³ to arrange currency swaps and develop common policies after the collapse of the first bailout proposal for U.S. auto makers led to sharp falls in global stock markets and the U.S. dollar, driving it to a 13-year low against the yen. A British commentator also described the BRICS⁴⁴ summit in Hainan in April 2011, as potentially capable of making the G20 redundant.⁴⁵

China, in particular, has concluded that direction from Washington on the future course of the global economy is neither feasible nor desirable. Continuing pressure from Washington for a substantial revaluation of the renminbi has been ignored, not least because the second round of quantitative easing (QE2) by the U.S. Federal Reserve in 2010, and the U.S. dollar “carry trade”, caused severe inflation in China, confronting Beijing with a choice between choking off credit or permitting high inflation.

Likewise, China’s response to the efforts to negotiate a new UN Framework Convention on Climate Change, suggest a determination to take its own path. Despite pressure from Washington and encouragement by Brussels at the COP15 in Copenhagen in December 2009, China displayed little interest in making concessions to achieve agreement.⁴⁶ Instead it asserted that the mitigation policies and projects of developing countries would be taken in the context of sustainable development, and the legitimate needs of developing countries for development and the eradication of poverty; and that they were therefore “distinct in nature from quantified emission reduction commitments by... [and] international legally-binding commitments of developed countries”. The Chinese government has pressed ahead with the construction of both the coal and nuclear-fired stations needed to maintain its projected growth rates, and initiated what may be the most aggressive alternative energy development program in the world.⁴⁷

⁴² Pew Research Services, Global Attitudes Project, June 10, 2010 – all respondents.

⁴³ http://www.channelnewsasia.com/stories/afp_asiapacific/view/396056/1/.html.

⁴⁴ In addition to Brazil, Russia, India and China, South Africa was also invited.

⁴⁵ <http://www.telegraph.co.uk/finance/comment/liamhalligan/8455956/The-BRIC-countries-Hainan-summit-could-make-the-G20-redundant.html>.

⁴⁶ It was one of the countries (as was the U.S.) that concluded a 13-paragraph non-binding political accord, which was 'noted' by the COP15.

⁴⁷ China’s *Position on the Copenhagen Climate Change Conference* was spelled out on the website of the National Development and Reform Commission before the CoP15 conference at Copenhagen: “Climate change is one of the most serious challenges to humanity in the 21st century and a matter of human survival and the development of all countries, which requires cooperation and joint efforts by the international community. Fully aware of the seriousness and urgency of climate change and with a deep sense of responsibility for the long-term development of mankind, China is firmly committed to sustainable development and has formulated and implemented its *National Climate Change Programme*, taking a series of strong policies, measures and actions and making unremitting efforts and commendable contribution to addressing climate change. China will continue such policies, measures and actions. In the face of

The Utility of Europe's Experience

Some European scholars⁴⁸ and politicians have argued that Europe should act as a “normative power”⁴⁹ to maintain a global role. Although the European Union represents the most advanced application of a new principle of shared sovereignty between states⁵⁰, and although the three-tiered governance system that has evolved in Europe⁵¹ has interesting parallels on the global scale⁵², it would be taking a step too far in today's context to suggest that the emerging (and continuously-challenged⁵³) European model be applied on a global scale. It seems more sensible to recognise that the forms emerging in the globalised world will draw on many sources, including, but not limited to, European forms of interaction and governance.

A Legitimate Global Order

The normative grip of the West on the world has therefore slipped, while the characteristics of the successor regime are still unclear.

At a meeting at the World Trade Organization in Geneva in July, in preparation for the Trilogue, Professor Marc Abélès argued that, while Western values, practices and laws have provided the

international financial crisis, China remains determined to take unrelenting efforts to address climate change.” See http://en.ndrc.gov.cn/newsrelease/t20090521_280382.htm.

⁴⁸ e.g., Zaki Laidi, *Europe And World Governance Norms Over Power*, Working Paper Series 2, Governance and Globalisation, Sciences Po in China, November 2007. Laidi argues elegantly that “Norms are what enable Europe to go beyond individual state sovereignty without abolishing it”, citing, in support, both the ‘various metamorphoses of the Stability Pact’ and Lequesne’s observation “L’Union européenne [...] tend à imposer aux acteurs nationaux une convergence de leurs politiques publiques nationales par le biais de normes,” Christian Lequesne, *Comment penser l’Union Européenne*, in Marie-Claude Smouts, *Les nouvelles relations internationales. Pratiques et théories*, Paris, Presses de Sciences Po, 1998, p. 126).

⁴⁹ Laidi, op. cit. p. 1 “So if Europe will not be a super power, how can it be a power at all? Probably by reinforcing what remains its major political resource: its capacity to produce and set up at the global level a system of norms as broad-sweeping as possible that can organise the world, discipline the interplay of its actors, introduce predictability in their behaviour, develop among them a sense of collective responsibility, and offer those who engage on this path, particularly the weakest, at least the partial possibility to use these norms as an argument/force* against all, including the world's most powerful.” *Sed contra* Richard Youngs, *Europe's Decline and Fall*, Profile Books 2011: Youngs argues that while the general perception is that Europe's greatest source of global strength is its ability to export its successful regulations, processes, and standards, evidence suggests that even on the EU's immediate periphery, this approach is struggling to gain traction.

⁵⁰ Europe, against the background of two devastating wars in the first half of the 20th century, capitalised on its common intellectual and value-based heritage and created a condition that predisposed to sustained peace and cooperation based on reciprocal rights and obligations embodied in a series of treaties, and later a constitutional document. Over time, this has come to permit continuous experimentation in modes of governance: See Charles F. Sabel and Jonathan Zeitlin, *Learning from Difference: The New Architecture of Experimentalist Governance in the EU*, *European Law Journal*, vol. 14, no. 3, May 2008, pp. 271-327.

⁵¹ (i) Community-wide policies, implemented under the aegis of the Commission; (ii) harmonised policies under the *acquis communautaire*; and (iii) the Open Method of Coordination of common policy goals with implementation at the discretion of states, depending on the means at their disposal.

⁵² We seek (i) to subordinate global public goods to supranational systems; (ii) to cooperate and harmonise rules on trade, financial flows and security (e.g. weapons of mass destruction, terrorism, disease control); and (iii) commit to common objectives in a host of other areas, without creating institutions to control or punish deviant behaviour.

⁵³ As in the Greek debt rescheduling crisis – see <http://www.economist.com/blogs/charlemagne/2011/07/euro-zone-crisis-summit>.

bedrock for the global expansion of market capitalism over several centuries, the universal acceptance of global trade does not mean that all societies have internalised the capitalist system in the same way. He noted that many non-Western societies reinterpret capitalism in terms of their own cultural codes, and asserted: “The global economy cannot be understood or managed solely in terms of Western values that postulate the supremacy of humanity over nature, and the primacy of rational calculation.”

The conduct of international relations involves each nation state pursuing its national *interests* – in accordance with its *values* – in an environment in which the interests and the values of other states often diverge from its own. This tension can only be mitigated by a joint definition of a *legitimate order* that accommodates the interests of all powers. Periods of relative peace⁵⁴ in history have been characterised by *agreement on the norms that constituted the legitimate order*, and the *creation of a balance of power* that enabled each state to accept that *its vital interests* were adequately met.

In a similar vein, Hedley Bull⁵⁵ has observed that a global society must comprise “. . . a *group of states, conscious of . . . common interests and common values . . . conceiv[ing] themselves to be bound by a common set of rules in their relations to one another.*”

The challenge is thus to clarify the interests and the values that nations have in common, and to negotiate and define the *common set of rules* that will shape inter-state behaviour and our collective conduct in the context of the *global commons*.

This does not, of course, suggest that state interests do not diverge, and will not continue to do so in future. As both Pascal Lamy and Achim Steiner pointed out in Geneva in July, it is precisely this divergence that makes concluding international agreements so difficult. In order to reach agreement, and achieve the larger purpose of an international treaty, states must accept obligations they might prefer not to assume, and make concessions that have costs for their societies, at least in the short term. Sometimes it proves impossible to reach agreement, as is also the case between individuals.

Values, Norms and Laws

Only well-defined norms – or *rules of the game* – recognised by all as transcendent and justifying the sacrifice of immediate self-, or national, interests can reduce and manage the tension between short-term national interests and the demands of a global order. Only by explicitly defining an inclusive normative framework appropriate to our time can we create an anchor for a system of global governance capable of addressing the needs of a highly connected world and thereby avert a *tragedy of the commons*.

This does not require us to deny the diversity of cultures and value systems in our global society. It does demand an honest enquiry into what we hold in common. While group identities and cultural differences are a reality, and contribute to the richness of humanity, our ability to co-exist in a highly connected and interdependent world requires respect for, and adherence to, a certain quantum of universal norms. The challenge thus lies in defining the norms that are common to all

⁵⁴ The fifteen decades after the conclusion of the Peace of Westphalia in 1648 (*cuius regio, eius religio*, being the defining principle); and the almost ten decades after the Congress of Vienna, are illustrative examples in Europe.

⁵⁵ Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, 1997.

of humanity, while accepting the diversity of cultures and group values that enrich our collective experience.⁵⁶

Before reflecting on how to achieve such a *global normative framework*, it may be helpful to clarify the concepts we use when discussing the regulation of human behaviour. Three concepts in particular are important: *values*, *norms* and *laws*. These are the foundations of the *political systems* we employ to allow us to live together in large groups.

Values

Values, which may be ethical, ideological or aesthetic, *serve to guide personal behaviour*. Individual values are embedded by nurture, schooling and experience, and form part of a more-or-less coherent system, learned and adapted over time. A *value system* is thus a set of [broadly] coherent values applied [relatively] consistently by an individual, to maintain personal equilibrium, and perhaps to comply with community standards for admission to and membership of a *group*.

Certain values are physiologically determined and common to most humans; for example, the desire to avoid physical pain, to seek pleasure, and to acquire and retain sufficient assets for survival. Others, including those we consider ethical, are aligned with individual beliefs and more extensive, communal belief systems and thus vary across cultures and between individuals.

The values of persons within groups⁵⁷, societies⁵⁸ and cultures⁵⁹ are largely common to their members, as they are transmitted through religious and secular schooling and reinforced by *social norms*. Values that are shared by the members of a group identify the objects, conditions and circumstances that its members consider important for their identity and survival.

Values thus both derive from, and inform, the *norms* of a society or group.

⁵⁶ *The Cairo Declaration of Human Rights in Islam*, August 5, 1990, illustrates this normative communality, anchored in a distinctive cultural identity: "Reaffirming the civilizing and historical role of the Islamic Umma which God made the best nation that has given mankind an universal and well-balanced civilization... wishing to contribute to the efforts of mankind to assert human rights,... believing that fundamental rights and universal freedom in Islam are an integral part of the Islamic religion and that no-one as a matter of principle has the right to suspend them in whole or in part... declare that... all men are equal in terms of basic human dignity and basic obligations and responsibilities, without any discrimination on the grounds of race, colour, language, sex, religious belief, political affiliation, social status or other considerations."

⁵⁷ A group comprises two or more persons who interact with one another, accept expectations and obligations as members of the group, and display a degree of social cohesion. Society is, of course, a large group, although most social groups are far smaller.

⁵⁸ A society is a group of people with persistent relations defined by differentiated social status, roles and social networks in a particular cultural context (see following endnote), who often share one geographical territory and are subject to a single political authority.

⁵⁹ A culture, in this sense, is the set of shared attitudes, values, goals, and practices that characterises a group or society, the patterns of activity in a society or social group, and the symbolic structures that make this activity meaningful for group identity. The *civilisation* of which one is a part, defines one's broadest cultural identity. Herskovits (*Man and His Works*, 1960) distinguishes culture from society crisply: "*A culture is the way of life of a people; while a society is the organised aggregate of individuals who follow a given way of life.*" (p. 29)

Norms

[Social] norms⁶⁰ are the *explicit or implicit behaviours and cues applicable within a society or group*, which are used to clarify and enforce appropriate, and discourage inappropriate, values, beliefs, attitudes and behaviour.⁶¹ In discussions regarding the role of norms in shaping national identity and concepts of national interest, norms have been defined as *collective expectations about proper behaviour for a given identity*.⁶²

Deference to the social norms applied within a group enables one's acceptance by other members, while failure to apply them results in criticism, ostracism and sanctions, and may, if the violation is egregious or sustained, lead to expulsion. Within a group, norms promote coherent behaviour, allowing each member to predict the responses of others. Not surprisingly, social norms vary between groups⁶³, including social classes, and evolve over time, often differing from one age group to another.

Most individuals today belong to many social groups, some of which are [sub-] cultures, at the same time. Some of the *normative behaviours* expected of members in one of these groups may be different from those expected in another⁶⁴, and some of the norms of any group may be at variance with the personal values, and private behaviours, of an individual member when [s]he is outside that group. As long as the contrast between the social norms of each group and the

⁶⁰ *Social norms*, New Palgrave Dictionary of Economics, 2nd Edition, ed. Steven N. Durlauf and Lawrence E. Blume, Macmillan.

⁶¹ Emile Durkheim (*Suicide*, 1897), drawing on Jean-Marie Guyau, used the concept *anomie* to describe a condition in which the actions legitimately available to an individual are mismatched with the prevailing system of social norms. This leads to potentially irreconcilable tension between personal values and social norms. C.f. Hermann Hesse (*Der Steppenwolf*, 1927). This is also akin to the concept of *alienation* explored extensively by Albert Camus, *L'Étranger* (1942), Jean-Paul Sartre, (*La Nausée*, 1938).

2.1 ⁶² Jepperson, Wendt, and Katzenstein, ch.2, in *The Culture of National Security: Norms and Identity in World Politics*, ed. Peter Katzenstein, Columbia University Press, 1996. See also Martha Finnemore. *National Interests in International Society*, Cornell University Press, 1996, and Audie Klotz, *Norms in International Relations: The Struggle against Apartheid*, Cornell University Press, 1995, and comment thereon in Jeffrey T. Checkel, *The Constructivist Turn in International Relations Theory*, 1996 convention, American Political Science Association, and workshop on *Structural Change in International Politics*, sponsored by the German Political Science Association, February 1997.

⁶³ Michele J. Gelfand et al., *Differences between Tight and Loose Cultures: A 33 Nation Study*, Science, vol.332, 27 May 2011 distinguish between cultures with strong norms and a low tolerance of deviant behaviour ("tight" cultures) and cultures with weak norms and a high tolerance of deviant behaviour ("loose" cultures). Long exposure to ecological or human threats that require effective social coordination for survival, predisposes to the emergence of strong norms and intolerance of deviance. Nations that have not experienced such threats have a lesser need for ordered social coordination, leading to weaker norms and greater social latitude. The notional dichotomy translates into different institutional structures and systems, and personal behaviours. Tight cultures with long historical experiences that threatened group survival tend to have political systems that suppress dissent, justice systems that use harsh measures to deter and punish crime, and circumscribed media content. Similarly, appropriate behaviour in social situations is more restricted, leaving little room for individual discretion. The authors suggest that these situational constraints, or freedoms, lead to habitual psychological processes, which reflect, and sustain, the cultural context of each society. Pakistan (12.3), Malaysia (11.8), India (11.0), Singapore (10.4) and South Korea (10.0) were the five "tightest" cultures among the 33 surveyed; Ukraine (1.6), Estonia (2.6), Hungary (2.9), Israel (3.1) and the Netherlands (3.3) were the five "loosest".

⁶⁴ Think of the different norms applied by a parish (or synagogue, or mosque), a football club, a music society, a university faculty, a garden club and a professional or scientific association, to all of which an individual might simultaneously belong.

personal values of a member is not too great, however, an individual can reconcile the differences and extract and synthesize the benefits of membership. We are all capable of adopting a range of different *personae*, within certain limits.

Laws

Law is a system of rules (or *codified social norms*, violation of which attracts legal penalties), which is applicable to the whole of a particular society and is enforced through its institutions. The law seeks to facilitate relations between members of the society by clarifying their rights and responsibilities, balancing their interests, and regulating the behaviour of individuals and groups in accordance with that balance. The society to which the law applies is usually that number of persons physically present within the national territory of the lawmaker, and thus subject to the jurisdiction of its courts. There are a limited number of exceptions to the principle of national jurisdiction, including diplomatic and consular immunity, public international law (which includes human rights law), and the extraterritorial reach of certain taxation regimes.

The evolution of formal systems of law parallels the emergence and development of large societies, from shortly after 3000 BC⁶⁵ to the present. As a societal or civilisational⁶⁶ artifact, its evolution has resulted both in numerous branches, and more importantly, distinct systems of law, which are the product of the codification of the social norms of different societies, or civilisations, at different times, in different places.

Political Systems

The purpose of political systems is to allow individuals, with different and potentially divergent interests, to live together in society. The *political system* adopted by a society reflects the values of its members and the norms they employ to enforce appropriate and discourage inappropriate behaviour. All political systems, no matter their normative content, have six functions:

- (i) they allow for the expression of diverse needs and interests;
- (ii) they aggregate similar needs and interests and facilitate reconciliation of those that diverge;
- (iii) they make explicit the normative context within which this expression, aggregation and reconciliation will occur;
- (iv) they elevate certain norms to the status of laws and attach penal sanction to their violation;
- (v) they provide institutions and means to implement the laws; and
- (vi) courts whose legitimacy is widely accepted, to adjudicate cases where rights are disputed between persons, or between one or more persons and the state.

⁶⁵ The earliest recorded legal framework is Ma'at, the Ancient Egyptian concept of truth, balance, order, morality, and justice, personified as a goddess regulating the stars, the seasons, deities and humans from the point of creation from chaos. Ma'at is recorded as the norm for nature and society in pyramid texts between 2780-2250 BCE. See Siegfried Morenz, Ann E. Keep, *Egyptian Religion*, Cornell University Press, 1992, p. 273.

⁶⁶ In the sense used here, the word *civilisation* refers to societies with complex social hierarchies and institutional governments. See Beck, Roger B.; Linda Black, Larry S. Krieger, Phillip C. Naylor, Dahia Ibo Shabaka, (1999). *World History: Patterns of Interaction*. Evanston, IL: McDougal Littell. Samuel P. Huntington similarly defines a civilisation as "*the highest cultural grouping of people and the broadest level of cultural identity people have short of that which distinguishes humans from other species.*" Within this class, civilisations may be distinguished from one another by means of subsistence, types of livelihood, settlement patterns, forms of government, social stratification, economic systems, levels of literacy and other cultural traits.

The social norms of each (national) society provide the bedrock of its political system. These norms define the means of political expression the society deems appropriate; they determine the standards that guide efforts at reconciliation of interests; they inform the laws enacted by the legislature and the behaviour of the executive in enforcing those laws; and they secure acceptance of the decisions of the courts, provided these are consistent with the society's sense of equity and justice. When an executive, a legislature or a judiciary is seen to deviate from the norms of the society it purports to govern, social tensions erupt. In extreme cases, these may either displace the government or force reform of the system.

This makes apparent our dilemma on the global scale: There is no global community of citizens to which global institutions are accountable, and national governments are loath to devolve more power than necessary to supranational institutions. The weakness of global governance leaves us vulnerable, however, because most of the risks we face, from financial contagion and climate change to terrorism and pandemics, are global in scale and demand integrated policy responses.

Building a sense of *global community* and establishing a *polity* to deliver effective global governance has proven impossible to date, because we have not invested in creating the coherent *norms* that bind communities together, allow divergent interests to be balanced and disputes to be resolved. These, as we have seen, are the core functions of every political system, and they can only be delivered if the society – in this case, a global society – is in agreement about the norms that will regulate these functions.

Applying These Concepts to Global Governance

The proposition about the need for improved global governance is based, at least in part, on the asymmetry (or asynchrony) between the highly integrated *global economy* we have created, and the state of the global polity. The workings of markets are always mediated, within states, by domestic law and regulation. It seems only reasonable that the workings of the global markets (and other global concerns that affect our collective interests) should be governed by international law. The question is, of course, where should the rule-making power reside?

One Approach: The G20 and Those Who Trust in it

The decision to pass the baton in orchestrating global economic policy from the G7 (later the G7+Russia and then the G8) to the G20⁶⁷ reflected an understanding of the need in the aftermath of crisis to draw the major emerging powers and a number of leading developing countries into global economic decision-making. It was not preceded, nor accompanied, by an effort to build trust beyond the parameters of necessity, nor has it succeeded to date in establishing a stable normative framework within which to balance national political pressures and systemic considerations.

The G20 was born in 1999, after the Asian financial crisis of 1997 and its spread into the Emerging Markets crisis a year later. Annual meetings of Finance Ministers and Central Bank Governors were held from 1999 to discuss measures to promote global financial stability and achieve sustainable growth and development. The dramatic events of 2008 prompted the G8 to recognise that it could not manage the crisis alone, and led to G20 summits being convened in

⁶⁷ <http://www.g20.org/index.aspx> .

Washington in 2008, in London and Pittsburgh in 2009, in Toronto and Seoul in 2010 and in Paris in 2011.

The results have been mixed. At the G20 Summit in London in April 2009, the leaders of countries representing over 80 percent of global GDP and world trade and some two thirds of the global population, stood with their backs to the wall and acted in unison to prevent a catastrophic implosion of the global economy. At the Pittsburgh Summit later in the same year, they committed to work to ensure a lasting recovery and launched the Framework for Strong, Sustainable, and Balanced Growth. At the heart of this lies the Mutual Assessment Process (MAP).

By the Summit in Toronto in June 2010, their unified purpose had evaporated. Although the G20 leaders agreed "...to build a more stable and resilient international monetary system", each country had already set off in pursuit of its national objectives, paying little more than lip service to the MAP.⁶⁸ The Summit at Seoul in November 2010 seemed to offer promise earlier in the year, due largely to the determination of the Republic of Korea, but it was wrecked by deep disagreements about China's exchange rate policy and the effects of the second round of quantitative easing (QE2) by the U.S. Federal Reserve.

When France assumed the chair of the G20 in Seoul, President Sarkozy added to the G20's agenda reform of the international monetary system⁶⁹ as well as strengthening the G20's global development strategy by addressing commodity price volatility and employment effects. In January 2011 he received the report⁷⁰ of a commission of financial and monetary experts that had convened at his request. The report identified core weaknesses in the global monetary system, frustrating its ability "... to provide a framework that facilitates the exchange of goods, services, and capital among countries, and that sustains sound economic growth."⁷¹ The core weaknesses were said to be an ineffective global adjustment process, financial excesses and destabilising capital flows, excessive exchange rate fluctuations and deviations from fundamentals, excessive expansion of international reserves and the lack of effective global governance.⁷²

⁶⁸ The IMF describes the evolution of the MAP in three phases: Pittsburgh to Toronto; Toronto to Seoul; and Seoul to Paris. See <http://www.imf.org/external/np/exr/facts/g20map.htm> .

⁶⁹ This has been criticised as overloading the G20's agenda: see Stephen Dunaway, Council on Foreign Relations, New York <http://www.cfr.org/europe/asia/g20-summits-lost-focus/p23358> and <http://www.cfr.org/global-governance/g20s-continuing-policy-drift/p24151> .

⁷⁰ Palais Royale Initiative, *Reform of the International Monetary System: A Cooperative Approach for the Twenty First Century*, convened by Michel Camdessus, Alexandre Lamfalussy and Tommaso Padoa-Schioppa, January 18, 2011.

⁷¹ Article IV of the International Monetary Fund.

⁷² Although the IMF was intended to provide this framework, it has proven ineffective. The absence of a shared analytical framework to assess the effects of policies in large countries on other economies and the system at large proved debilitating, while the IMF suffered from underrepresentation of leading emerging market and developing countries, and the failure of its peer review process to influence the policies of its largest members. The Palais Royale authors call for better analysis and more effective surveillance by the IMF of the risk of domestic policies spilling over and causing damage to the system; maintenance of exchange rates in line with fundamentals and global balance; better management of global liquidity through improved surveillance and management of global capital flows, and counter-cyclical provision of liquidity by the IMF in times of crisis; re-consideration of the use of the SDR as a non-national reserve currency; and more effective and legitimate governance of the international monetary system through an integrated three-tiered architecture incorporating heads of state and government, finance ministers and central bankers, and Executive Directors of the IMF.

When they first engaged to avert crisis, the G20 called for new rules for the capital adequacy and liquidity of banks, and new institutions to address systemic risk. They recognised that containing regulatory arbitrage and the risk of a growing shadow banking system posed real challenges. In the United States, President Obama endorsed Paul Volcker's call for the separation of regulated and protected commercial banks, and institutions that engage in "trading, speculation and financial innovation". The latter, he argued, should not be bailed out when they failed.⁷³ Although the Financial Services Board has developed proposals on derivatives trading and aspects of the shadow banking system, no comprehensive understanding of systemic financial risk has emerged⁷⁴ and the lack of coordinated legislation in Europe, the United States and in Basel III has made managing it more difficult.

The banking crisis exacerbated the problem of "too big to fail".⁷⁵ Before the crisis, the 13 biggest banks in the United States comprised about 57 percent of GDP. In the early 1990s, that same group of banks (and the other banks they have since absorbed) comprised 16 percent of GDP. In the aftermath of the crisis in 2010, the six remaining big banks controlled assets equal to almost 65 percent of U.S. GDP.

Global imbalances are unresolved⁷⁶, and the huge bailout of the financial sector converted private debt into public obligations, forcing most G7 governments to reduce unsustainable deficits through fiscal consolidation. The scale of aggregate public and private debt (multiples of GDP in most G7 countries), and of the unfunded public social (principally pension) liabilities, meanwhile, poses a large and growing challenge.

To prevent a sustained recession, monetary instruments were used, particularly in the United States and Japan, to stimulate aggregate demand in the corporate and household sectors. The uncertainty generated by new, differentiated national legislation, however, discouraged banks in the developed countries from lending to SME's and caused them to divert huge sums into the U.S. dollar "carry trade", creating asset bubbles in several emerging markets.

The difficulties of balancing fiscal austerity with the promotion of aggregate demand have been sharpened by tensions within the EU and by policy divergence within the G20 since Pittsburgh. This risks a revival of political populism in the face of domestic disquiet, both within the EU and the United States.

While a range of long-term structural, institutional and regulatory issues must be addressed in the interests of both economic recovery and the future stability of the global economy, the G20 has not been able to resolve key differences at recent summits. A sustained lack of progress will

⁷³ This was akin to the effect of the U. S. Glass-Steagall Act, enacted in 1933 in the context of the Great Depression, and repealed in 1999 to allow U.S. banks to compete globally.

⁷⁴ Ian Goldin and Tiffany Vogel, *Global Governance and Systemic Risk in the 21st Century: Lessons from the Financial Crisis*, Global Policy Volume 1. Issue 1. January 2010.

⁷⁵ Simon Johnson and James Kwak, *13 Bankers: The Wall Street Takeover and the Next Financial Meltdown*, Pantheon 2010; see also <http://economix.blogs.nytimes.com/2010/04/08/ending-too-big-to-fail/>; <http://www.bloomberg.com/news/2010-03-21/mit-s-johnson-says-too-big-to-fail-banks-will-spark-new-crisis.html> .

⁷⁶ The only solution to the global imbalances lies in the development of China's social security and pension systems and its capital markets, to reduce excess domestic savings; coupled with a sharp reduction of the U.S. budget deficit.

promote scepticism that the G20 is able to devise and implement a shared agenda. Efforts by governments to develop unilateral responses, with less care for their impacts elsewhere, will be a natural, if inappropriate, response.⁷⁷

Another Path: Rodrik Counsels “Reverting to Sanity and Eschewing Hyper-Globalization”

Dani Rodrik⁷⁸ (2011) has taken a different view to most in addressing the asymmetry of economic globalisation and national political accountability. He argues that the pursuit of deeper global governance is neither practical – as political accountability is now at the national level, and with the exception of the EU, likely to remain there – nor even desirable. He proposes a different vision – “one that safeguards the considerable benefits of a moderate globalisation while explicitly recognising the benefits of national diversity and the centrality of national governance”. As his argument, which counsels a retreat from “hyperglobalisation”, which he calls “a fool’s errand”, proposes another means of addressing the asymmetry between our global economy and national political structures, it deserves consideration.

Rodrik’s case is narrowly focused on the global economy: he distinguishes between the instruments needed to address the challenges of the *global commons* (freely acknowledging the insufficiency of national legislation on carbon emissions, and the incentive to free ride on the controls imposed by other states) and those required to manage the *global economy*.

He argues that “seven commonsense principles” offer an appropriate foundation for global economic governance:

- (i) Markets must be deeply embedded *in systems of governance*, as they need social institutions to support them;
- (ii) democratic governance exists largely within national states, and will remain so for the foreseeable future;
- (iii) each state must be free to develop the economic institutions and arrangements that suit it best;
- (iv) countries have the right to their own regulations in respect of trade and capital flows;
- (v) countries do not have the right to impose their institutions on others;
- (vi) the purpose of international economic arrangements must be to lay down the “traffic rules” for managing the interface between national institutions; and
- (vii) non-democratic countries cannot enjoy the same rights as democracies as it is *national democratic accountability* that underpins the need to respect *national institutional arrangements*.

His general thesis demands attention:

“We can and should tell a different story about globalization. Instead of viewing it as a system that requires a single set of institutions or one principal economic superpower, we should accept it as *a collection of diverse nations whose interactions are regulated by a thin layer of simple,*

⁷⁷ In an attempt to avert this, Chatham House and CIGI have offered a framework for G20 cooperation and governance, focused on *the need for a common diagnosis, learning from experience to improve credibility and accountability, and a shared sense of purpose and focus*. Paola Subacchi and Paul Jenkins, *Preventing Crises and Promoting Economic Growth: A Framework for International Policy Cooperation*, A Chatham House and CIGI Joint Report. April 2011. The report ends with an ambitious schedule for cooperation reproduced below.

⁷⁸ Dani Rodrik, *The Globalisation Paradox: Democracy and the Future of the World Economy*, WW Norton, New York, 2011.

transparent and commonsense traffic rules. This vision will not constitute a path towards a 'flat' world – a borderless world economy. Nothing will. What it will do is enable a healthy sustainable world economy that leaves room for democracies to determine their own futures.”⁷⁹

Rodrik's approach is both refreshing in its challenge to the conventional wisdom of the merits (and inevitability⁸⁰) of the *global village* and *flat world*; and disconcerting in that his focus on governance of the *global economy* distracts him from the economy's entanglement with all other elements of reality.

Long-standing traditions of disciplinary specialisation cause political scientists to focus on geostrategic challenges, economists on the economy, earth and climate scientists on the environment and the biosphere, and sociologists on social interaction and tension. Deeply entrenched habits of thought have caused us to replicate these disciplinary distinctions in the institutions we have created at the national and international levels.

Even if Rodrik's prescription for governance of the global economy is correct in isolation – and does offer a path better attuned to our limited capacity to manage complexity⁸¹ – it does not enable us to address the larger challenge of a growing, increasingly connected, culturally diverse, global population whose consumption, waste and CO₂e emissions *per capita* are rising rapidly, and whose aspirations are climbing still faster, in an ecosystem with finite limits (cf. Trilogue 2010 on *Ethical Market Economies*).

It resolves neither the tensions wrought by shifts in geo-economic and geopolitical power or gaps in regional security architectures nor those exacerbated by ethnic identities that have been sharpened by resource competition, demographic pressures and poor governance.

It does not address the problems engendered by the vulgarization of scientific knowledge, in physics, information science and biochemistry, which permit socially discontented groups and individuals to wreak unprecedented harm with a “dirty nuke” attack, cyber attacks on critical infrastructures, or by conducting bioterrorism.

We still confront the need to manage geopolitical challenges and the issues of the *global commons*. Most of these issues are impacted by, and affect, the workings of the global economy. That is the nature of the complex, adaptive system in which we exist.

⁷⁹ Rodrik op. cit. p. 280.

⁸⁰ Only in popular discourse: Many institutions from the U.S. National Intelligence Council to Accenture, Shell and the Global Business Network have developed scenarios in the past decade, suggesting alternatives to what Rodrik would call *hyperglobalisation*.

⁸¹ The connectivity and complexity we have engendered in connecting the world, and that which characterises the complex ecosystems in which we are embedded, overwhelm our ability to understand, model or manage the events that result. An arithmetic increase in the number of elements we connect, leads to a geometric rise in the number of hubs, and exponential growth in the potential patterns. As Herbert Simon noted in 1957, “The capacity of the human mind for formulating and solving complex problems is very small compared with the size of the problem whose solution is required for objectively rational behaviour in the real world, or even for a reasonable approximation to such objective rationality.” (See further H.A. Simon, *Models of Bounded Rationality*, Volume 1, Economic Analysis and Public Policy, MIT Press, Cambridge Ma, 1982, pp235-44).

We still need, therefore, generally applicable norms that can better resolve the need for coordination and collective action⁸² and mitigate clashes of interest, where necessary, on a global scale. Determining the thickness or thinness of the layer that these norms impose will depend on the circumstances.

Private Normative Endeavours

In the face of the difficulties experienced on an inter-state level, some scholars⁸³ and practitioners have sought to strengthen the normative fabric outside of state-based structures.⁸⁴

The UN Global Compact⁸⁵, adopted during the tenure of Secretary-General Kofi Annan, incorporates ten principles addressing human rights, labour, the environment and anti-corruption based on the key international agreements in respect of each⁸⁶. Efforts continue to engage global corporations and non-governmental organisations as prime actors in advancing these goals.⁸⁷

Meanwhile, a range of *transnational networks* – comprising lawyers and judicial officers, regulators, parliamentarians and media – play increasingly important roles in discussing, forming and even facilitating implementation of international norms.⁸⁸

The World Economic Forum, through its Global Agenda Councils⁸⁹, networks, communities and initiatives around issues, as well as discussions at its Annual Meeting and regional summits, and the Global Economic Symposium⁹⁰ created by the Kiel Institute for the World Economy, provide outstanding platforms for global exchange on critical issues, which potentially promote greater normative coherence.

⁸² H. Peyton Young, *The Power of Norms, Origins of Human Cooperation*, Genetic and Cultural Evolution of Cooperation, ed. Peter Hammerstein, op. cit., 2003, p.389: "The social function of norms is to resolve problems of collective action and coordination."

⁸³ Klaus Dingwerth has argued, based on case studies, that, if designed appropriately, transnational rule-making, in which actors other than states develop and implement global standards for appropriate behaviour, may not only be effective, but also legitimate. Klaus Dingwerth, *The New Transnationalism: Transnational Governance and Democratic Legitimacy*, Palgrave Macmillan, 2007.

⁸⁴ Strobe Talbott argues that "individual states will increasingly see it in their interest to form an international system that is far more cohesive, far more empowered by its members, and therefore far more effective than the one we have today." As the UN has universal membership, global scope and a comprehensive agenda, but is too large and spread too thin, "it needs to be incorporated into an increasingly variegated network of structures and arrangements -- some functional in focus, others geographic; some intergovernmental, others based on systematic collaboration with the private sector, civil society, and NGOs." Strobe Talbott, *The Story of Ancient Empires, Modern States, And the Quest for a Global Nation*, Simon & Schuster, 2008.

⁸⁵ <http://www.unglobalcompact.org/>.

⁸⁶ *The Universal Declaration of Human Rights*, the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work*, the *Rio Declaration on Environment and Development*, and the *United Nations Convention Against Corruption*.

⁸⁷ John G. Ruggie, *Reconstituting the Global Public Domain – Issues, Actors and Practices*, European Journal of International Relations, 10 (2004), pp. 499-531. Ruggie played a major role in developing and launching the *Global Compact*.

⁸⁸ Anne-Marie Slaughter, *A New World Order*, Princeton University Press, 2004.

⁸⁹ <http://www.weforum.org/events/summit-global-agenda-2010> .

⁹⁰ <http://www.global-economic-symposium.org/>.

Other informal groupings have developed other instruments: The Club of Rome's Limits to Growth report⁹¹ is perhaps still the best known, but the World Ethos Declaration⁹², the Charter for Compassion⁹³, the Earth Charter⁹⁴, and the Universal Declaration of Human Responsibilities⁹⁵ are other endeavours to craft comprehensive normative frameworks to guide human conduct.

Each of these constitutes a form of advocacy that is based on the assertion of values and principles which are seen by their authors to constitute a framework for the proper conduct of individuals and groups in relation to others and towards the ecosystem of which all are a part. They are thus *normative* in that they assert the desirability of accepting and applying certain norms, and in some cases, the imperative to respect them. They seek to secure the acceptance of persons other than their initiators, either by encouraging individual and institutional endorsement⁹⁶, or by relying on the eminence of those propagating the norms⁹⁷. None, of course, provide a coherent normative framework⁹⁸ capable of facilitating global governance, because they do not enjoy sufficiently widespread legitimacy.

The Way Forward

If we base our quest for an inclusive, effective global normative framework on the principle that certain norms are applicable to all humans, and applied in all societies, it is clear that such a framework must be based on values and ethical principles that are recognised and accepted as central by all. One direction of enquiry would be towards those which are based on major belief systems.

Certain principles emerge from such an enquiry. The foremost is that a *balance* is always sought between

- *individual rights and freedoms (necessary to enable creativity and innovation);*
- *the obligation of each individual to contribute to the good of the society of which [s]he is a part;*
- *and the need to respect the ecosystem on which all depend for their survival.*

⁹¹ Club of Rome, *Limits to Growth*, 1972 addressed bio-physical limits and identified key global challenges; *Pathways to World Development*, 2008 Included social and economic factors, and stressed the inter-connectedness of five clusters of issues. In *Real Values and their Role in Promoting the New Economics of Growth: Sustainability under Scrutiny*, Ian Johnson addresses causes and remedies.

⁹² <http://www.weltethos.org/index-en.php>.

⁹³ "We therefore call upon all men and women ~ to restore compassion to the centre of morality and religion ... ~ to cultivate an informed empathy with the suffering of all human beings, even those regarded as enemies." <http://charterforcompassion.org/site/>.

⁹⁴ There are 16 principles clustered in four categories: Respect and Care for the Community of Life; Ecological Integrity; Social and Economic Justice; Democracy, and Non-violence and Peace. <http://www.earthcharterinaction.org/content/pages/Read-the-Charter.html>.

⁹⁵ The InterAction Council developed and proposed on September 1, 1997, *19 Articles constituting Fundamental Principles for Humanity*, clustered into four categories: Non-violence and Respect for Life; Justice and Solidarity; Truthfulness and Tolerance; and Mutual Respect and Partnership. <http://www.interactioncouncil.org/universal-declaration-human-responsibilities>.

⁹⁶ Visitors to the websites of the Earth Charter and the Charter for Compassion are encouraged to endorse each charter.

⁹⁷ The Club of Rome and the InterAction Council exemplify this approach.

⁹⁸ In the sense described earlier, in which norms "clarify and enforce appropriate, and discourage inappropriate, values, beliefs, attitudes and behaviour."

While the balances found, are different in each, applications of this principle are evident in the three Abrahamic faith traditions⁹⁹, Buddhism¹⁰⁰, the Bhagavad-Gita¹⁰¹ and other Mukhya Upanishads, the Confucian injunction to conduct oneself with *propriety* (li)¹⁰², and the Aristotelian concept of the Golden Mean¹⁰³. In Western sociology, the principle is reflected in Maslow's typology of human needs.¹⁰⁴

Professor Klaas van Egmond has just completed research that has led him to propose an *integral worldview* defined by two axes – the horizontal extending from emphasis on the *collective*, to that on the *individual*; and the vertical from emphasis on *idealistic* to *materialistic* concerns. Balance between the extremes on each continuum, constitutes *human dignity*.¹⁰⁵ Centrifugal societal and psychological forces have led, at different times in history, to migration to the extremes, destroying the balance and leading to collapse and crisis.¹⁰⁶ The solution, van Egmond argues, is to identify and compensate for the centrifugal forces, in time.¹⁰⁷ He suggests that human dignity, defined as the balance between individual and collective, and materialistic and idealistic *foci*,

⁹⁹ Judaism, Christianity and Islam: e.g., "Love thy neighbour as thyself" [Matthew 22:13; Mark 12:31, Luke 10:27, Romans 13:8-9; Galatians 5:14; see also Leviticus 19:18, 19:34] "Do unto others as you would have them do unto you" [Luke 6:31, Matthew 7:12], Deuteronomy 6:5 "And you shall love the LORD your God with all thy heart, and with all your soul, and with all your might."; Leviticus 19:18 "You shall not avenge, nor bear any grudge against the children of your people, but you shall love your neighbour as thyself: I am the Lord." See also Talmud Shabbath, Hillel (fl. 30 BC–10 CE): 'What is hateful to you, do not do to your neighbour: this is the whole Torah. The rest is commentary.'

¹⁰⁰ Buddha (560-480BCE): The "Middle Way" is a path that led to enlightenment by avoiding extremes of sensory self-indulgence and self-mortification. The Buddha argued against both self-mortification and indulgence in sensual pleasures as practices beneficial to spiritual advancement. "One should not pursue sensual pleasure, which is low, vulgar, coarse, ignoble, and unbeneficial; and one should not pursue self-mortification, which is painful, ignoble, and unbeneficial. The Middle Way...avoids both extremes; giving vision, giving knowledge, it leads to peace, to direct knowledge, to enlightenment, to Nibbana."

¹⁰¹ *Dharma* (*Natural Law*) relates to one's personal obligations and calling. A Hindu's *dharma* is affected by the person's age, caste, class, occupation and gender. As there is a divinely instituted, natural order of things, justice, social harmony and human happiness require that humans discern and live in accordance with that order. Those that live in accordance with *dharma* proceed more quickly toward *dharma yukam*, *moksha* or *nirvana*.

¹⁰² Confucius (551-479 BCE), *Analects*: "Lead the people with administrative injunctions and put them in their place with penal law, and they will avoid punishments, but will be without a sense of shame. Lead them with excellence and put them in their place through roles and ritual practices, and in addition to developing a sense of shame, they will order themselves harmoniously." Propriety is *the underlying syntax of community*.

¹⁰³ Aristotle: Three pillars: Equilibrium constitutes goodness: "right feelings at the right time about the right things, toward the right people, for the right end, and in the right way"; the mean is relative to each person: watering a small plant with a gallon of water is excessive but watering a tree with a gallon of water is insufficient; each virtue falls between two vices: virtue is the mean because it is the intermediate between excess and deficiency.

¹⁰⁴ Abraham Maslow, *A Theory of Human Motivation* (1943); *Motivation and Personality*, Harpers, New York, 1954. There are five levels in Maslow's hierarchy of needs. He postulates that needs at higher levels are secondary until those at the lower level have been met. From the base of the pyramid to the top, these are: Physiological needs: Air, water, air, food and sleep; Safety and security needs: Shelter, safe neighbourhoods and employment; Social needs: Belonging, love and affection; Esteem needs: Self-esteem and social recognition; Self-actualising needs: Opportunities to fulfil one's potential.

¹⁰⁵ Klaas van Egmond, *Een vorm van beschaving*, Christofoor, Zeist, 2010.

¹⁰⁶ Examples are religious fundamentalism and related wars, communism, National Socialism, the ecological crisis as well as the recent financial crisis. N D van Egmond and H J M de Vries, *Sustainability: the search for the integral worldview*, Futures (publication forthcoming).

¹⁰⁷ c.f. Jared Diamond's discussions of sources of societal collapse at endnote cxiv.

offers an ethical framework that can resolve the tension between the needs of present and future generations in achieving *sustainable development*.¹⁰⁸

Security, opportunity, equity, justice, dignity and sustainability are norms consistent with efforts to craft this balance, and seem to be valued in all human societies, although the forms in which each is expressed in different local contexts and cultures, differ significantly. Culture, as Clifford Geertz reminds us, is the context for “. . . *the social production of meaning*.”¹⁰⁹

The need to discourage sociopathic behaviour that disturbs social harmony has led most cultures to encourage the internalisation of norms of emotional control, personal hygiene, sound work habits, and an orientation to future benefit. Likewise, bravery, honesty, equity and empathy – all expressions of altruism within any society – are almost universally promoted.¹¹⁰

The widespread internalisation of these norms, all of which subordinate maximising individual opportunity to broader societal benefits, may suggest that societies whose members have internalised cooperative and altruistic norms outperform those whose members display antisocial behaviours.¹¹¹ If so, the superior individual fitness¹¹² that this creates, makes cooperative socialisation evolutionarily stable and explains its present-day ubiquity.¹¹³

Respect for the ecosystem on which one depends for survival is, likewise, a norm aligned with individual fitness, as well as social benefit, not least because it limits the risk of a *tragedy of the commons* to the detriment of all.¹¹⁴

¹⁰⁸ "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs." *Our Common Future*, Brundtland Commission, 1987

¹⁰⁹ Geertz defines culture as "a system of inherited conceptions expressed in symbolic forms by means of which people communicate, perpetuate, and develop their knowledge about and attitudes toward life." (Clifford Geertz, *The Interpretation of Cultures*, 1973, p 89).

¹¹⁰ Samuel Bowles and Herbert Gintis, *Origins of Human Cooperation*, Genetic and Cultural Evolution of Cooperation, ed. Peter Hammerstein, op. cit., 2003, p.440.

¹¹¹ Herbert Gintis, *The Hitchhiker's Guide to Altruism: Gene-culture Coevolution and the Internalisation of Norms*, *Journal of Theoretical Biology*, 2003, 220, pp.407-418.

¹¹² An individual's fitness (to survive and reproduce) is expressed through its phenotype. As a phenotype is affected both by genes and environment, different individuals with the same genotype do not have equal fitness. If differences between alleles (one of two or more forms) of a given gene affect fitness, then natural selection indicates that their frequencies will change over generations, with the alleles with higher fitness become more common.

¹¹³ Bowles and Gintis, *Origins of Human Cooperation*, op. cit, p.440.

¹¹⁴ There have been five major extinction events, geological and fossil records suggest, which wiped out at least 65 percent of all species on earth: the end-Ordovician event (some 440 million years ago), the Late-Devonian event (about 365 million years ago), the end-Permian event (225 million years ago), the end-Triassic event (210 million years ago) and, most recently, the Cretaceous-Tertiary extinction event, 65 million years ago, which saw the extinction of the dinosaurs, *inter alia*. Jared Diamond, in *Collapse: How Societies Choose to Fail or Succeed*, 2005, has described five factors that have contributed to the collapse of societies in history: climate change, hostile neighbours, collapse of essential trading partners, environmental problems, and a failure to adapt to environmental issues. He identified as well four new factors that may contribute to the weakening and collapse of present and future societies: Anthropogenic climate change, an excessive accumulation of toxins in the environment, energy shortages, and total human utilization of the Earth's photosynthetic capacity.

The paradigm of balance between individual rights and freedoms, responsibility and accountability to the community, and respect for the ecosystem on which we are dependent, is thus a sound point of departure.

Defining the Norms: An Appropriate Methodology

If we are to succeed in defining norms and interests that can find acceptance across states and cultures, certain simple principles¹¹⁵ should be followed in developing the list of core norms, and identifying the areas in which we have sufficient agreement to permit collective action.

First, the endeavour must be *participatory*, not directive, to ensure that all relevant perspectives are incorporated. While cultures are diverse and the norms applied within them extensive, travel, education, broadcasting and advertising have already reduced the significance of geography in defining cultural territories, and social networking instruments are giving youth a new voice and allowing for the formation of global groups.

Second, the project must be informed by a *global perspective*: The aim is to identify the norms that are truly common, and whose recognition and acceptance are essential for global coexistence and responsible management of the *global commons*.

Third, it must be *dynamic*, recognising that the pace of technological and social change has accelerated greatly in recent decades, and is accelerating further today. At one level, norms are fundamental, but at another level, they need to adapt to changes in environments and circumstances.

To overcome the constraints of the academic, disciplinary and institutional specialisation that is the product of our educational system¹¹⁶ we should focus on five integrated challenges. These comprise an imperative Global Agenda, and a *paradigm for global governance*:

- *delivering [environmentally and socially] sustainable economic growth – for without this, we shall not be able to achieve anything else;*
- *reducing poverty and improving equity – because exceptional prosperity for the few at the expense of the many is neither morally justifiable nor politically sustainable;*
- *addressing the sources of [global, national and human] vulnerability and promoting security – for security underpins both community and progress;*
- *sharing the norms and values that enable global coexistence, and working to reconcile cultural differences – because respect for core human values and universal norms allows us to live in harmony, while appreciation of cultural diversity enriches our understanding; and*
- *improving the quality of global governance and our global institutions – for most of the important challenges we face in a highly-connected world cannot be resolved any other way.*

Focusing our enquiry into *universally applicable norms around these five challenges* will enable us to develop integrated perspectives.

¹¹⁵ I owe these to a discussion with Dr. Wolfgang Schüssel in Vienna, on February 23, 2011.

¹¹⁶ The distinct academic and professional disciplinary silos inhibit insight and understanding – thus constraining the emergence of shared knowledge and preventing integrative debate – and reinforce fragmentary, often counterproductive, responses to global challenges.

Deploying the Necessary Resources: Engaging Policy Research Institutes and Opinion-Forming Institutions

In addition to the need for integrated concepts at the *intellectual* and disciplinary levels, we face the challenge discussed throughout this paper, the need to define and secure acceptance of a global *normative* framework to address these challenges.

If respect for *planetary boundaries* requires abandonment (or transformation) of present models of growth, we need both (i) an *ethos* that legitimises restraints on carbon emissions, and excessive consumption; and (ii) new development models that enable poverty reduction despite an aggregate reduction in current levels of production, trade, transportation and wholesale and retail distribution around the world.

If security is to be enhanced, and potentially catastrophic systemic risks managed and mitigated more effectively in an increasingly connected environment, we need both (i) better understanding of the workings of the social, economic and technological systems we have built, and the ecosystems in which we are embedded; and (ii) broader and deeper agreement on the *norms* we shall employ to mitigate risk and enhance security and sustainability.

To achieve the latter, we need a deeper understanding of the *worldviews* of the different state actors, enabling a better understanding of their sense of their *interests*, and the *values* they employ in determining these. The enquiry must be directed by the need to identify the *norms* that are relevant to the integrated challenges we face in grappling with the Global Agenda.

We thus propose commissioning, over the next three to five years, an independent research and seminar series on each of the five pillars of the Global Agenda, that will entail employing interdisciplinary teams from clusters of leading European, U.S., Asian, Latin American, Middle Eastern and African think tanks.

Each series will comprise parallel programmes of research on the five challenges of the Global Agenda. An identical, open-ended mandate will be given to each cluster:

Define how best we might:

- *deliver environmentally and socially sustainable economic growth;*
- *effectively reduce poverty and improve equity;*
- *address the sources of global, national and human vulnerability and promote security;*
- *share the norms and values that enable global coexistence, while celebrating humanity's cultural diversity;*
- *improve the quality of global governance and our global institutions.*

Each cluster will be asked:

- *to develop core, actionable proposals, and*
- *to make explicit the values and norms that underpin its recommendations.*

This will allow us to identify:

- *the perspectives, values and norms which are held in common across each of these cultural clusters; and*
- *those that diverge.*

The research and seminar series will run over a period of six months in each annual cycle. Consolidation and analysis of the insights will follow, and a high-level conference will be held

each year to present and discuss the reports of each of the participating clusters, and the subsequent analysis.

The *common perspectives* that emerge from the research will *frame the scope* of action on what all agree has to be resolved, while the *common values and norms* that are identified will serve as the *normative parameters of the solutions* to be developed.

The hypothesis is that a triadic structure will emerge, that recognises the need:

- to subordinate key global public goods, and certain areas that threaten a *tragedy of the commons*, to *supranational systems*;
- to *cooperate more closely and harmonise rules* on human rights, trade, financial flows¹¹⁷ and security (e.g., weapons of mass destruction, terrorism, pandemic control); and
- to *commit to common objectives* in other areas, without necessarily creating institutions to control or enforce compliance.

Embodying the Insights in New Instruments

Ultimately, the norms that emerge from this enquiry might find expression in a Global Charter focused on *human dignity, international security and ecological responsibility*. The preceding discussions, which will have helped clarify areas of agreement, and others of divergence, will help shape debate on both national and international levels.

If enough clarity emerges on the agreed objectives and a sufficient quantum of actionable proposals has been assembled, a Global Growth Fund could be created, dedicated to *reducing global asymmetries of wealth and opportunity*, and to *investing in models of growth that protect the global ecosystem*. Effective use of the resources of such a fund might help moderate present levels of diversity, and allow for progressive harmonisation of policies presently perceived as desirable in principle, but too costly in practice at the national level, for social or developmental reasons.

Agreement on these perspectives would facilitate approval of commensurate proposals for structural and systemic changes to multinational institutions.

While a *normative framework* defining a globally recognised *legitimate order* is necessary to secure these objectives, it would be naïve to rely exclusively on such an instrument to underpin growth, sustainable development and security. A structural equilibrium (or *balance of power*) calculated to sustain it, is also essential¹¹⁸, as are means to address the challenges posed by deviant behaviour. This can only be achieved through collective reflection by state representatives, with a view to crafting a dynamic equilibrium.

A new Global Security Regime, prioritising *collective security* and, where appropriate, *collective defence*, leveraging existing alliances, and drawing hostile states into regional security arrangements to reduce suspicion, mitigate tension and facilitate economic cooperation, could

¹¹⁷ Quite possibly in the more modest manner that Rodrik, op. cit. (2011) proposes. The challenges in these areas arguably arise from excessive and poorly managed global integration.

¹¹⁸ Kissinger advocated what he described as “Bismarck’s model” to the United States in 1994: “Bismarck’s approach sought to prevent challenges from arising by establishing close relations with as many parties as possible, by building overlapping alliance systems and by using the resulting influence to moderate the claims of the contenders.” Henry Kissinger, *Diplomacy* (1994), op. cit. p. 835.

thus complement the Global Charter, and help create a secure environment for investment by the Global Growth Fund.

This approach envisages neither greatly strengthened supranational institutions, nor does it advocate complex treaties that will weaken the authority of national states.

Concluding Remarks

The belief that the implosion of the Soviet Union in 1991 made the global application of the Western paradigm of liberal democracies and free markets inevitable, delayed the need to define a global balance of power that all key states would regard as legitimate.

In the process, it enabled a spurt of global growth and the emergence of billions from poverty. The excesses it spurred led, however, to two financial crises (in Asia and then emerging markets generally in 1997/98, and across the world from 2008), a backlash against Anglo-Saxon values, and greater pressure on poorly understood planetary limits.

It is time to delineate a normative framework that can reduce the tension, help balance national interests by aligning objectives, and craft a legitimate equilibrium that will allow us to bring about real intra- and intergenerational progress.

Biographical Statements Participants



Prof. Dr. Marc ABÉLÈS

Full Professor of Anthropology, Ecole des Hautes Etudes en Sciences Sociales, Paris

Marc Abélès is Professor of Anthropology at the Ecole des Hautes Etudes en Sciences Sociales, Paris. He is the Director of the Center for Anthropological Studies on Institutions and Social Organizations.

Marc Abélès is an alumnus of the Ecole Normale Supérieure, and did his PhD under Claude Lévi-Strauss's supervision on the social organisation of the Ochollo in southern Ethiopia. As an anthropologist he conducted fieldwork in such different places as the Gemu Highlands of Southern Ethiopia, the French province of Burgundy, the French National Assembly, the European Institutions and the Silicon Valley.

Currently he works on globalisation and the new transnational forms of governance, and he is in charge of the coordination of an important international research project on one of the main institutions of multilateral governance, the World Trade Organization.

Marc Abélès has authored 15 books, including: *Le lieu du politique* (1978) ; *Age, power and Society in Africa* (1985) ; *Quiet Days in Burgundy* (1989) ; *Anthropology of the State* (Armand Colin, 1990) ; *The Daily Life at the European Parliament* (1992) ; *Waiting for Europe* (1996) ; *Politics and Symbols in Europe* (1993) ; *Political Anthropology* (1997) ; *An Anthropologist at the French Parliament* (2000) ; *Politica, gioco di spazi* (Meltemi, 2002) ; *Les nouveaux riches. An Anthropologist in the Silicon Valley* (2002) ; *The Politics of Survival* (2006) ; *Anthropology and globalisation* (2008).



Dipl.-Ing. Wolfgang ANZENGRUBER **CEO, VERBUND AG, Vienna**

Wolfgang Anzengruber was born on Sept 5, 1956 in Upper Austria and is married with three children. He began his technical education at Secondary School of Engineering (mechanical and automotive engineering) and finished his studies of Mechanical Engineering and Business Management with a degree from the Technical University of Vienna.

His work experience comprises leading positions with SGP Simmering Graz Pauker AG, SYSTEC Industrieautomation GmbH, ABB Industrie GmbH, ABB Energie AG and ABB Industrie- & Gebäudesysteme GmbH, of Salzburger Stadtwerke AG (Member of the Managing Board), of Salzburg AG (Member of the Managing Board) as well as CEO of Palfinger AG; since January 2009 he is CEO and CFO of VERBUND AG.

He is Vice President of the Association of Austrian Electricity Companies, Member of the Board of the Federation of Austrian Industries (IV), Vice President of respACT, the Austrian business council for sustainable

development, and Member of the Supervisory Board of Palfinger AG.



Nicolas BERGGRUEN

Chairman, Berggruen Holdings; President, Nicolas Berggruen Institute, New York

Nicolas Berggruen is the Chairman of Berggruen Holdings, a private company, which is the direct investment vehicle of The Nicolas Berggruen Charitable Trust.

Berggruen Holdings has operations in the U.S., Europe, and Asia, as well as real estate and financial investments globally. The firm and related entities have made well over 100 direct investments during the last 20 years by committing entirely its own capital across diverse industries, both public and private and focusing on building long-term value. Investments are often socially and culturally driven.

Through the Nicolas Berggruen Institute, an independent, non-partisan think tank, he encourages the study and design of systems of good governance suited for the 21st century. Mr. Berggruen is a member of the Council on Foreign Relations and the Pacific Council on International Policy.

Committed to leaving a legacy of art and architecture, he sits on the boards of the Museum Berggruen, Berlin and the Los Angeles County Museum of Art, and is a member of the International Councils for the Tate Museum, London and the Museum of Modern Art, New York.

Mr. Berggruen was born in Paris and studied at l'Ecole Alsacienne and Le Rosey in Switzerland. He obtained a Bachelor of Science in Finance and International Business from New York University in 1981. Prior to Berggruen Holdings, he worked for Bass Brothers Enterprises and Jacobson and Co., Inc. In 1988 he co-founded the Alpha Group, a hedge fund operation, which was sold to Safra Bank in 2004. He is a member of the WPO-Angelino; a board member of Promotora De Informaciones, S.A. (Prisa) and Le Monde.



Elmar BROK

Member of the European Parliament, Brussels

Elmar Brok is a member of Chancellor Merkel's Christian Democrat Union (CDU) Federal Board and Chairman of the CDU Federal Advisory Committee on Foreign, European and Security Policy. He is also Board Member of the European Peoples Party (EPP) and Coordinator of EU foreign ministers who are EPP members.

In the European Parliament he holds the position of the Spokesman on Foreign Affairs of the European Peoples Party group (EPP) and Chairman of the European Parliament delegation for relations with the United States of America.

Elmar Brok represented the EP at the Intergovernmental Conferences for the EU Constitutional Treaty (2003/2004), the Treaties of Amsterdam (1996/97), Nice (2000), Lisbon (2007) as well as in the Council's Reflection Group preparing the Maastricht Treaty. He was Chairman of the EPP-ED group in the EU-Constitutional Convention (2001-2002). Recently, he was rapporteur of the EP on the organisation and functioning of the European External Action Service (EEAS).

Brok was born on May 14, 1946 in Verl, Kreis Gütersloh. He studied Law and Politics in Germany and at the Centre for European Governmental Studies at the University of Edinburgh. He then worked as a radio journalist and newspaper correspondent. He was Senior Vice President Media Development for the Bertelsmann AG until May 31, 2011.



Seán CLEARY

Founder and Executive Vice-Chairman, Future World Foundation, Zurich/ Wellington

Sean Cleary is the founder of Future World Foundation, Chairman of Strategic Concepts (Pty) Ltd, Managing Director of the Centre for Advanced Governance and a Director of Companies. He lectures on global corporate strategy, the strategic challenges of globalisation, and conflict resolution at defence colleges, universities and business schools and is a faculty member of the Parmenides Foundation. He serves on the Board of the International Foundation for Electoral Systems and LEAD International, is an adviser to the Chairman of the World Economic Forum, and chairs the advisory boards of Operation Hope and Abraaj Capital.



Dr. Juan Jose DABOUB

Founding Chief Executive Officer, Global Adaption Institute, Washington, D.C.

Dr. Juan Jose Daboub, Ph.D., is the Founding Chief Executive Officer of the Global Adaptation Institute. He teaches at Princeton University and serves on the Board of Directors of several private companies. As Managing Director of the World Bank, from 2006 to 2010, Dr. Daboub oversaw operations in 110 countries in Asia, Latin America, Africa and the Middle East; and was responsible for the oversight of the Human Development and Sustainable Development Networks, the Information Systems Group, the World Bank Institute and the Department of Institutional Integrity.

Prior to the World Bank, Dr. Daboub served concurrently as El Salvador's Minister of Finance as well as Chief of Staff to President Flores (1999 – 2004). Dr. Daboub's leadership began in the private sector, where he led his family-owned businesses for nearly a decade before joining the Board of CEL, El Salvador's electric utility. He privatised the state owned

telephone company, ANTEL, in a competitive process that eliminated the monopoly in the telecommunications sector.

Dr. Daboub holds a Bachelors of Science, Masters of Science and a Ph.D. in Industrial Engineering from North Carolina State University.



Amb. Dr. Dino DJALAL

**Ambassador of Indonesia to the United States of America,
Washington, D.C.**

Dr. Dino Patti Djalal is the Indonesian Ambassador to the United States, a speech writer, youth activist, academic and author of a national best seller.

He was previously a Special Staff for International Affairs and Presidential Spokesperson for President Susilo Bambang Yudhoyono - a position he had held since October 2004, and extended when SBY was re-elected by a landslide to a second term in 2009. That makes Dr. Dino Patti Djalal the longest serving Presidential Spokesperson in Indonesia's modern history.

Dr. Dino Patti Djalal was born into a diplomatic family on September 10th 1965 in Belgrade, (what was then) Yugoslavia, the second of 3 children. The experience of being born in a country that no longer exists (Yugoslavia) serves to remind him of the supreme importance of maintaining national unity for multi-cultural Indonesia. As a student, Dino Djalal was exposed to Islamic education (Muhammadiyah elementary and Al Azhar junior High) and western education - he graduated from Maclean High School in Virginia in 1981 at the early age of 15, and then obtained his Bachelor's Degree in Political Science from Carleton University (Ottawa, Canada) and his Masters Degree in Political Science from Simon Fraser University (British Columbia, Canada). In 2000, he received a Doctorate Degree from the London School of Economics and Political Science, after completing and defending a thesis on preventive diplomacy under the supervision of distinguished scholar on Southeast Asia the late Professor Michael Leifer.

Dr. Dino Patti Djalal joined the Department of Foreign Affairs of Indonesia in 1987. He has been posted to Dili, London and Washington DC, before being appointed as Director for North American Affairs (2002-2004). In the early years of his career, as assistant to Director General for Political Affairs Wiryono Sastrohandoyo, he was involved in the Cambodian conflict, the settlement of the Moro conflict in The Philippines, the South China Sea disputes, and the East Timor conflict.

**Dimitris P. DROUTSAS****Member of the European Parliament, Brussels; Former Minister of Foreign Affairs, Greece**

Dimitris P. Droutsas was born in Nicosia on August 5, 1968. After graduating from Vienna University's School of Law, he taught at the Research Institute for European Affairs of the Vienna University of Economics and Business Administration, and served, concurrently with his academic obligations, in 1998-1999, as legal advisor to the Austrian Foreign Ministry. In September 1999 he returned to Greece as Special Advisor to then Foreign Minister George A. Papandreou, focusing on Cyprus' accession to the EU and the Cyprus problem, Greek-Turkish political rapprochement, and the EU's major institutional issues.

In March 2004 he became Director of the Diplomatic Cabinet of newly elected President of PASOK and Socialist International George A. Papandreou. In May 2008 he was appointed PASOK Secretary for Foreign Policy & International Relations. Following the elections in October 2009, he was appointed Alternate Foreign Minister and then Foreign Minister of Greece. Since June 2011 he is Member of European Parliament. He has published and lectured extensively on European Law, International and European Commercial Law, and Foreign and Defense Policy.

**Amb. Dr. h.c. Jan ELIASSON****Chair, Anna Lindh Memorial Fund; Chair, Water Aid Sweden, Stockholm; Former Minister of Foreign Affairs, Sweden**

Jan Eliasson was Special Envoy of the UN Secretary-General for Darfur (2007-2008). Prior to this, Jan Eliasson was president of the 60th session of the UN General Assembly. He was Sweden's Ambassador to the U.S. from September 2000 until July 2005. On March 27, 2006 Mr. Eliasson was appointed Foreign Minister of Sweden and served in this capacity until the elections in the fall of 2006.

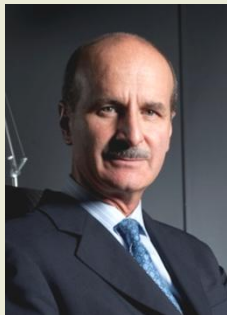
Ambassador Eliasson served from 1994 to 2000 as State Secretary for Foreign Affairs, a key position in formulating and implementing Swedish foreign policy. He was Sweden's Ambassador to the UN in New York (1988-1992), and he also served as the Secretary-General's Personal Representative for Iran/Iraq.

Mr. Eliasson was the first UN Under-Secretary-General for Humanitarian Affairs and was involved in different operations in Africa and the Balkans. He took initiatives on landmines, conflict prevention and humanitarian action. From 1980 to 1986, Mr. Eliasson was part of the UN mediation missions in the war between Iran and Iraq, headed by former Prime Minister Olof Palme. In 1993-1994 Mr. Eliasson served as mediator in the Nagorno Karabakh conflict for the Organization for Security and Co-operation in Europe (OSCE). He is Visiting Professor at Uppsala

University in Sweden, lecturing on mediation, conflict resolution and UN reform.

Ambassador Eliasson has had diplomatic postings in New York (twice) Paris, Bonn, Washington (twice) and Harare, where he opened the first Swedish Embassy in 1980.

Jan Eliasson is Chairman of WaterAid/Sweden and the Anna Lindh Memorial Fund and serves as Adviser to the International Committee of the Red Cross (ICRC).



Pres. José Maria FIGUERES

Managing Partner, IJ Partners, Geneva; Former President of Costa Rica

Elected President of Costa Rica at the age of 39, José Maria Figueres created a comprehensive national development strategy based on the tenets of sustainability and pioneered the linkage between sustainable development and technology. After leaving government he then led the United Nations ICT Task Force as its first Chairperson. Later he was the first CEO of the World Economic Forum, and then CEO of Concordia 21. Currently he is Managing Partner of IJ Partners, an investment and wealth management company based in Geneva, investing in the "real economy". He also serves as Chairman of the Carbon War Room, which implements entrepreneurial market-driven solutions to reduce carbon emissions at the gigaton level. He holds an Engineering Degree from the U.S. Military Academy at West Point, and a Masters in Public Administration from the Kennedy School of Government at Harvard University.



Prof. FU Jun

Professor and Executive Dean, School of Government, Peking University, Peking

Fu Jun is Professor of Political Economy and the Executive Dean of the School of Government at Peking University, where he also directs the "Global Public Policy Executive Program" – a joint training program between Peking University, Columbia University, LSE and Sciences Po for Chinese officials. Prior to his appointment at Peking University, he was Associate Professor at Tsinghua University's School of Economics and Management, and then Professor and Associate Dean of Tsinghua University's School of Public Policy and Management, where he initiated the Tsinghua-Harvard joint training program for Chinese officials. He has had a broad range of work experience covering government, business and academia.

He has served, among others, as a foreign service officer in the Chinese Ministry of Foreign Affairs, as a member of the Listing Committee of Shenzhen Stock Exchange, and as Special Advisor to the Chairman of the

Executive Council of UNESCO.

His teaching and research focuses on the interplay between hierarchies and markets. An associate-in-research with the Fairbank Center at Harvard University and a member of the task force on institutions and economic development led by Joseph Stiglitz at Columbia University, Fu Jun is the author of *Institutions and Investments: Foreign Direct Investment in China during an Era of Reforms* (Studies in International Economics) (The University of Michigan University Press). He is also co-author of (in Chinese) *Antitrust and Competition Policy: Economic Theory, International Experience, and Implications for China* (Beijing: Peking University Press). His most recent publication (in Chinese) is *The Dao of the Wealth of Nations* (Peking University Press).



Prof. Ian GOLDIN

Director, Oxford Martin School, Oxford; Former Vice President, World Bank, Washington, D.C.

Ian Goldin is the Director of the Oxford University's Oxford Martin School and a Professorial Fellow at Balliol College, University of Oxford. The Oxford Martin School is the leading global centre of deep interdisciplinary research, with over three hundred scholars addressing key future challenges.

From 2001 to 2006, Ian Goldin was at the World Bank, where from 2003 he served as Vice President with wide-ranging responsibilities. From 2001 to 2003 Ian Goldin was Director of Development Policy of the World Bank Group. From 1995 to 2001 Dr. Goldin was Chief Executive and Managing Director of the Development Bank of Southern Africa. During this period, Mr Goldin served as an advisor to President Mandela. Previously, Ian worked at the European Bank for Reconstruction and Development (EBRD) in London, as Principal Economist, and prior to that at the OECD Development Centre in Paris, where he directed the Programs on Trade, Environment and Sustainable Development.

Ian Goldin holds a BSc and BA (Hons) degree from the University of Cape Town, a MSc from the London School of Economics and an MA and DPhil from the University of Oxford. He has received numerous awards and prizes, and has been knighted (Chevalier) by France and was nominated Global Leader of Tomorrow by the World Economic Forum. He has published over fifty articles and thirteen books. Two of the most well known are *The Economics of Sustainable Development* (Cambridge University Press) and *Globalization for Development* (Palgrave MacMillan). *Exceptional People* (Princeton University Press, 2011) is his most recent.



Kostyantyn GRYSHCHENKO
Minister for Foreign Affairs of Ukraine, Kiev

Kostyantyn Gryshchenko is Minister for Foreign Affairs of Ukraine (since March 11, 2010), Ambassador Extraordinary and Plenipotentiary and member of the National Security and Defense Council of Ukraine. He is a career diplomat who started his service at the Soviet Union MFA. He was born on October 28, 1953 in Kyiv, Ukraine. He graduated with honours from the Moscow State Institute of International Relations, Department of International Law in 1975. Previously, he was Ambassador of Ukraine to the Russian Federation; First Deputy Secretary of the National Security and Defense Council of Ukraine; Adviser to the Prime Minister of Ukraine; Minister for Foreign Affairs of Ukraine (2003-2005); Ambassador of Ukraine to the United States of America; Ambassador of Ukraine to the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg, Head of Mission of Ukraine to NATO, Permanent Representative of Ukraine to the Organization for Non-Proliferation of Chemical Weapons in the Hague. From 1993 to 1998 he served as Representative of Ukraine to the Joint Compliance and Inspection Commission under the START-1 Treaty, Standing Control Commission under the ABM Treaty, and head of Ukrainian delegations to the major conferences on international security issues held under the UN aegis at this time. In 1996, he served as Plenipotentiary of Ukraine to the G8 Summit on nuclear security held in Moscow. He has also served as head of the National Committee of Ukraine for Disarmament and Deputy Chairman of the State Commission of Ukraine on Export Control Policy. He was also Deputy Minister for Foreign Affairs of Ukraine from 1995 to 1998.

From 1981 to 1991 he served at various diplomatic posts (from attaché to the first secretary) in the Ministry of Foreign Affairs of the USSR (1985–1990 at the Consulate General of the USSR in Montreal, Canada). Before that he was a staff member of the UN Secretariat. His professional career also includes different activities at the UN specialised bodies and other international organisations.



Matthias K. HARTMANN
General Manager, Global Leader Strategy and Industries, IBM Global Business Services, New York

Matthias Hartmann is the Global Leader Strategy and Industries of IBM Global Business Services. In this position, he is globally responsible for the strategy of IBM's consulting and Application Services business as well as its industry dimension.

Prior to his current role, Matthias Hartmann was Managing Director IBM Deutschland GmbH and General Manager of IBM Global Business Services in Germany.

Matthias Hartmann joined IBM in 1988 in the Financial Services Sector. He worked in several international responsibilities in Frankfurt, Brussels, Dublin and the United States. He was responsible for IBM's Strategic- and Management Consulting in Europe, Middle East and Africa (EMEA). When IBM acquired PricewaterhouseCoopers Consulting (PwCC) in July 2002, he had a leading role within the global integration team. The new IBM consulting unit, IBM Global Business Services, is the world's largest consulting firm. It provides end-to-end services in strategy, process and IT consulting, Analytics, IT- and technology implementation and transformational outsourcing.

In 2004, Matthias Hartmann was Vice President, IBM Corporate Strategy, where he developed business strategies for IBM in close collaboration with the various lines of business in the IBM Headquarter in Armonk, USA.

As of January 2012, Matthias Hartmann will take over the position of CEO at GfK in Nuremberg, Germany, a leading market research organisation with presence in more than 100 countries.

Matthias Hartmann is author of the strategic management book "The Missing Link" which was published in April 2009. The book focuses on how to close the gap between strategy formulation and execution and outlines the steps needed with reference to various client examples. He is a regular speaker at conferences and business events.

Matthias Hartmann was born in 1966 in Frankfurt/Main. He studied economics & business administration with a main subject in Computer Science (Dipl. Betriebswirt / BA) in Stuttgart, Germany.



Andrea ILLY
Chairman and CEO, illycaffè S.p.A., Trieste

Andrea Illy is chairman and CEO of illycaffè S.p.A., a family business started in Trieste in 1933. In 1990 he joined the family business as supervisor of the quality control department, where he started a program of control and quality (F.A.I. Qualità). Thanks to his efforts, illycaffè is at present one of the few food processing businesses to have been awarded two quality certifications at the global level: one assigned by Qualité France and the ISO 9001 process.

After having performed as director in charge with production and quality control, Andrea Illy was appointed CEO in 1994. In 1995 he released with Academic Press Espresso Coffee: the Chemistry of Quality, a book co-written with other experts and insiders that deals with all the scientific-technological aspects of coffee, from agronomics to product processing, from roasting and grinding to packaging and percolation techniques.

In 1996 Andrea Illy was chosen as "Marketing Superstar" by Advertising Age. Each year the American magazine awards this marketing and communication "Oscar" to 30 managers selected worldwide.

In 1999 Andrea Illy took on the presidency of A.S.I.C. (Association

Scientifique International du Café – Paris) and organised in Trieste the “XIX Colloque International sur la Science du Café”; at present he is its president. He has been since 1999 a member of the executive board of Altagamma, the Associazione Italiana delle Industrie di Alta Gamma, and since 2003 a member of the Advisory Board of SDA Bocconi. In July 2007 he was appointed Vice President of Altagamma. He has been coordinating since November 2007 the project Gruppo di Lavoro dell’Alimentare, which promotes high-quality foods by strengthening the representation of the field, the institutionalisation of the Italian Table and a greater integration with the worlds of fashion and design.

In 2003 he authored the preface of the Italian edition of *Trading Up: la rivoluzione del lusso accessibile* by Michael J. Silverstein and Neil Fiske.

In 2004 was awarded the title of “Imprenditore dell’Anno” (Businessman of the Year) by Ernst & Young Italia. In 2005 illycaffè shareholders’ meeting appointed Andrea Illy chairman of illycaffè.

In the same year he released, with Academic Press, the second edition of *Espresso Coffee: The Science of Quality*. Written in collaboration with a team of experts, the book explains how to make a perfect Italian espresso in the light of the most recent scientific and technologic improvements.

Andrea Illy has weighed in on the issues of coffee science, luxury, the contemporary art market in many meetings and seminars.

In 2008 he was appointed Chairman and Managing Director of illycaffè. After more than 10 years under his direction, focused on the commitment to excellence and ethics, the illy brand is well-known around the world as one of the symbols of the best made products in Italy.

Andrea Illy, born in Trieste in 1964, graduated with a degree in Chemistry from the University of Trieste. He received his Master Executive at SDA-Bocconi in Milan. He is married and has three daughters.



Ian JOHNSON

Secretary General, The Club of Rome, Winterthur

Ian Johnson has over thirty years experience in economic development. He spent twenty-six years at the World Bank, starting as an energy economist and financial analyst and working through increasing levels of responsibility. He was, in his last eight years, Vice President for Sustainable Development and, for five years, also Chairman of the Consultative Group on International Agricultural Research (CGIAR). Prior to joining the World Bank, he was an economist with the British Government and he spent five years in Bangladesh working with the United Nations and a non-government organisation.

Since leaving the World Bank, Ian Johnson has been an advisor to the government of Chile, a member of the Swedish Commission on Climate Change, senior advisor to GLOBE and chair of its Ecosystems Services Panel, as well as consultant to a number of international organisations. In 2010 Ian Johnson was appointed Secretary General of the Club of Rome.

Ian Johnson is married with two children. He is an economist who has studied economics at the universities of Wales, Sussex and Harvard and business studies at Harvard.



Sung-Joo KIM

Founder, Sungjoo Group, Seoul; Chairperson, MCM Products AG, Zurich

Sung-Joo Kim is the Founder of Sungjoo Group, comprising Sungjoo International Ltd (SJI), Sungjoo Merchandising Inc (SMI) and Sungjoo Design Tech & Distribution Inc (SDD). She is also the Chairperson of MCM Products AG.

Internationally known and respected for her achievements in business, she has been involved in the fashion industry for over 20 years. Beginning her career at Bloomingdale's in 1985 under the direct supervision of Mr. Marvin Traub, the legendary retailer and ex-Chairman of Bloomingdale's. Since 1990, she has successfully launched and acquired exclusive franchise rights for several globally renowned brands such as Gucci, Yves Saint Laurent, Sonia Rykiel, Marks & Spencer and MCM for the Korean market. Sungjoo Group currently operates more than 90 retail stores for MCM and Marks & Spencer. In 2005, the company acquired MCM's trademark of design business rights.

Ms. Kim holds degrees from Amherst College (BA in Sociology), studied at London School of Economics (MSc in International Relations) and Harvard University (MTS in Business Ethics & Economics). She was also awarded an Honorary Doctorate Degree by Amherst College.

As one of the most celebrated businesswomen, she is recognised globally and has been featured in numerous publications and media broadcasts; including Forbes, Asiaweek, BBC, CNN and CNBC. She was selected as one of the 1997 Global Leaders of Tomorrow by the World Economic Forum in Davos, Switzerland and was chosen as one of The 20 Most Powerful International Businesswomen by Working Woman (New York, 1999). Asiaweek also picked her as one of the 7 Most Powerful Women in Asia (Hong Kong, 2001), while CNN nominated her as one of the New Century Leaders for its The Best of Asia news feature. In addition, she was noted among the Top 50 Women to Watch by The Wall Street Journal (Global Edition on Nov. 8, 2004).

As a successful businesswoman with a strong sense of corporate social responsibility, Ms. Kim considers social contribution as one of her most important duties in life. This is reflected in her active involvement in many non-profit and charity organisations. In addition, she firmly believes in the power of women to improve global society and is an International Planning Committee Member for the Global Summit of Women, which supports the works and advancement of women worldwide.

**Pascal LAMY****Director-General, World Trade Organization, Geneva**

Pascal Lamy has been Director-General of the World Trade Organization (WTO) since September 2005. He holds degrees from the Paris-based Ecole des Hautes Études Commerciales (HEC), from the Institut d'Études Politiques (IEP) and from the Ecole Nationale d'Administration (ENA). He began his career in the French civil service at the Inspection Générale des finances and at the Treasury. He then became an advisor to the Finance Minister Jacques Delors, and subsequently to Prime Minister Pierre Mauroy. In Brussels from 1985 to 1994, Pascal Lamy was Chief of Staff for the President of the European Commission, Jacques Delors, and his representative as Sherpa in the G7. In November 1994, he joined the team in charge of rescuing Credit Lyonnais, and later became CEO of the bank until its privatisation in 1999. Between 1999 and 2004, Pascal Lamy was Commissioner for Trade at the European Commission under Romano Prodi. After his tenure in Brussels, Pascal Lamy spent a short sabbatical period as President of "Notre Europe", a think tank working on European integration, as associate Professor at the Institut d'études politiques in Paris and as advisor to Poul Nyrup Rasmussen (President of the European Socialist Party).

**Dr. Brigitte MOHN****Member of the Executive Board, Bertelsmann Stiftung; Chair of the Executive Board, Stiftung Deutsche Schlaganfall-Hilfe; Member of the Supervisory Board, Bertelsmann AG, Guetersloh**

Born in 1964, Brigitte Mohn studied at the Universities of Bamberg, Münster and Augsburg, where she received a Master of Arts in Political Science, Art History and German Studies in 1991. She received her doctorate in 1993 from the University of Witten-Herdecke and completed an additional MBA degree at the renowned Graduate School of Management (WHU) in Koblenz and at the Kellogg Institute (USA).

Brigitte Mohn has worked as a teaching assistant at the Kiel Institute for World Economics, as a marketing manager for academic marketing at Bantam, Doubleday and Dell Publishing in New York, and as a consultant at McKinsey in Hamburg and Pixelpark in Switzerland.

In 2001, she was named chair of the Executive Board of the Stiftung Deutsche Schlaganfall-Hilfe (German Stroke Foundation). In addition, she assumed management of the Health Program at the Bertelsmann Stiftung in 2002. That same year she became a member of the Supervisory Board of Rhön-Klinikum. Brigitte Mohn became a member of the Bertelsmann Stiftung Executive Board on January 1, 2005.

**Liz MOHN**

**Vice-Chair of the Executive Board, Bertelsmann Stiftung;
Chairwoman of the Board, Bertelsmann Verwaltungsgesellschaft;
Member of the Supervisory Board, Bertelsmann AG; President,
Stiftung Deutsche Schlaganfall-Hilfe, Guetersloh**

Following the death of her husband, Reinhard Mohn, Liz Mohn represents the fifth generation of the Bertelsmann and Mohn founding families. She is the Vice Chair of the Bertelsmann Stiftung Board and heads the Neue Stimmen International Singing Competition, which she initiated. In addition, she has served as president of the Spain-based Fundacion Bertelsmann since October 2005. Her other activities at the Bertelsmann Stiftung focus on the annual Reinhard Mohn Prize, the International Cultural Forum series, work/life balance issues and initiatives concerning corporate leadership and culture. At Bertelsmann AG, she is a member of the Supervisory Board, where she represents the founding Bertelsmann and Mohn families. In 1999, she joined the Bertelsmann Verwaltungsgesellschaft (BVG), which exercises the voting rights held by the Mohn family and the Bertelsmann Stiftung. Hence, the BVG controls 100 percent of the voting rights of the shareholders' meeting. She became chair of that organisation's Executive Board in the summer of 2002. She is also involved in the Bertelsmann Relief Fund and the Medical Information Service. She works on charitable and informational events for retirees, administrative assistants and spouses of managers and executives. As president of the German Stroke Foundation, an organisation she originally established, she is also committed to promoting education and research in the area of stroke prevention, as well as to building national and international networks.

Finally, through the Liz Mohn Foundation for Culture and Music, founded in 2005, she is extending her engagement in the area of music and the arts by focusing on their importance for both individuals and society as a whole.

**Chandran NAIR**

Founder and CEO, Global Institute for Tomorrow (GIFT), Hong Kong

Chandran Nair is the founder of the Global Institute For Tomorrow (GIFT), an independent social venture think tank dedicated to advancing an understanding of the impacts of globalisation through thought leadership and positive action to effect change.

He is also the Chairman of Avantage Ventures, an Asian based boutique investment advisory company in the field of high impact social investing. The company was established in 2010.

Chandran was chairman of Environmental Resources Management (ERM) in Asia Pacific until 2004, establishing the company as Asia's leading environmental consultancy. For more than a decade Chandran

has strongly advocated a more sustainable approach to development in Asia, advising governments and multi-national corporations to instil these principles into their policies and key decision making processes. He has advised the Hong Kong government to devise a new approach that gives the public a bigger role in key policy making decisions – a first for Asia. In addition to his work with GIFT, Chandran continues to provide strategic management advice and coaching to business leaders. He is the author of Consumptionomics: Asia's Role in Reshaping Capitalism and Saving the Planet.



Edward NALBANDIAN
Minister of Foreign Affairs of the Republic of Armenia, Yerevan

Edward Nalbandian has been the Minister of Foreign Affairs of the Republic of Armenia since 2008. He has specialised in International Relations and studied at Moscow State Institute of International Relations, receiving in 1988 his Ph.D. in political science from the USSR National Academy of Sciences, Institute of Oriental Studies.

Edward Nalbandian was sent to Egypt from 1992 to 1998, first as charge d'affaires and then as Ambassador. He was then appointed as Ambassador to France in 1999; while holding this post, he concurrently served as Ambassador to Vatican City, Israel, and Andorra.

Edward Nalbandian speaks French, English, Russian and Arabic. He is married and father of a daughter.



Dr. Helga RABL-STADLER
President, Salzburg Festival, Salzburg

Dr. Helga Rabl-Stadler was born on June 2, 1948 in Salzburg. She finished her study of law as well as journalism and political sciences in 1970 and graduated as a Doctor of Law. From 1970 to 1974, she lived in Vienna and worked as a journalist specialised in economic issues and domestic politics for the newspapers Die Presse and Die Wochenpresse. She was the first female journalist to write an editorial column for the Vienna daily newspaper Kurier. In 1983 she became a co-owner and partner of the family business Modehaus Resmann in Salzburg and Linz. From 1983 to 1990 she was a member of the Austrian National Council for the party Österreichische Volkspartei. She was also the first female Vice President and then, in 1988, President and Financial Advisor of the Salzburg Chamber of Commerce. Dr. Rabl-Stadler has been the President of the Salzburg Festival since 1995. She renounced all her political and representational positions in Salzburg and Vienna. In 2009 she renewed her contract as President of the Salzburg Festival until 2014.



Esa-Pekka SALONEN (*to be confirmed)
**Conductor and composer, Principal Conductor and Artistic Advisor
of the Philharmonia Orchestra Helsinki**

Born in Helsinki, the conductor and composer Esa-Pekka Salonen studied at the Sibelius Academy, and made his conducting debut with the Finnish Radio Symphony Orchestra in 1979. He was Chief Conductor of the Swedish Radio Symphony Orchestra for ten years (1985-1995) and Director of the Helsinki Festival in 1995 and 1996. From 1992 until 2009 Salonen was Music Director of the Los Angeles Philharmonic and was named the orchestra's Conductor Laureate in April 2009. Since September 2008 Salonen has been Principal Conductor and Artistic Advisor of the Philharmonia Orchestra.

Esa-Pekka Salonen is renowned for his interpretations of contemporary music and has given countless premieres of new works. He has led critically acclaimed festivals of music by Berlioz, Ligeti, Schönberg, Shostakovich, and Stravinsky and Magnus Lindberg. In April 2006 he returned to Paris Opéra Bastille to conduct the premiere of Kaija Saariaho's new opera, *Adriana Mater*, having previously conducted the Finnish premiere of her first opera *L'amour de loin* in 2004. In August 2007, he conducted Saariaho's *La Passion de Simone* in a production by Peter Sellars at the Helsinki Festival (first Finnish performance) before taking the production to the Baltic Sea Festival in Stockholm, that he co-initiated in 2003. Born in Helsinki, the conductor and composer Esa-Pekka Salonen studied at the Sibelius Academy, and made his conducting debut with the Finnish Radio Symphony Orchestra in 1979. From 1992 until 2009 Salonen was Music Director of the Los Angeles Philharmonic and was named the orchestra's Conductor Laureate in April 2009. Since September 2008 Salonen has been Principal Conductor and Artistic Advisor of the Philharmonia Orchestra.



Rolf SCHMIDT-HOLTZ
**Co-Founder and Chairman, Just Software AG, Hamburg; Former
CEO SONY BMG Music Entertainment, New York; Member of the
Board of Trustees, Bertelsmann Stiftung, Guetersloh**

Rolf Schmidt-Holtz, independent business founder and investor since April 2011, was CEO of SONY BMG Music Entertainment from February 2006 (since October 2008 Sony Music Entertainment) to March 2011. Prior to this appointment, he served the company as Chairman of the Board since August 2004. From January 2001 to August 2004 he was Chairman and CEO of Bertelsmann Music Group (BMG).

At the same time, Rolf Schmidt-Holtz was a member of the Bertelsmann AG Executive Board (since 2000) and headed the BMG division, which consisted of the Sony BMG MUSIC ENTERTAINMENT joint venture and BMG Music Publishing. He also served the Bertelsmann Board as Chief

Creative Officer.

Mr. Schmidt-Holtz was also a member of the supervisory boards of Gruner+Jahr AG, Europe's biggest magazine publisher, and the RTL Group, Europe's leading broadcast and TV production company. He is a member of the Bertelsmann Foundation's board of trustees.

Mr. Schmidt-Holtz has held top positions in almost every facet of the entertainment and media business, having worked as a journalist, TV editor and correspondent, magazine editor-in-chief and publisher, newspaper publisher and television executive.

Prior to helming BMG, Mr. Schmidt-Holtz served as Chief Executive Officer of Bertelsmann's television division, CLT-UFA. He later oversaw the merger of CLT-UFA with Pearson Television to form the RTL Group.

Mr. Schmidt-Holtz's career includes high-profile positions for major European television and print media. From 1986 to 1988, he served as editor-in-chief of the WDR Television Division, where he hosted a weekly political talk show. In 1988, he took over the Hamburg-based Bertelsmann magazine *Stern* as publisher and was appointed editor-in-chief in 1990. During his tenure, he halted the publication's circulation decline and re-established *Stern's* reputation for setting the political agenda and for expert investigative journalism. He also served as a member of the board of publishers at Bertelsmann magazine division Gruner+Jahr from 1989 until 1994.

Mr. Schmidt-Holtz, born in 1948 in Martinsreuth, Germany, is an examined lawyer and has studied political science and psychology. He is Co-Founder and Chairman of the Just Software AG and Co-Founder and Partner of the Hanse Ventures GmbH.



Dr. Wolfgang SCHÜSSEL

**Member of the Board of Trustees, Bertelsmann Stiftung, Guetersloh;
Former Federal Chancellor, Republic of Austria, Vienna**

Wolfgang Schüssel was born on June 7, 1945, in Vienna. Following his university studies in economics and law, for which he received a Doctorate in Law in 1968, he began his professional and political career in the Austrian People's Party (ÖVP). From 1968 to 1975 he worked as the secretary of the ÖVP's parliamentary club. From 1975 to 1991 he was secretary general of the Austrian Business Federation, and from 1979 to 1989 he was a member in the National Council. From 1987 to 1989 he also served as the deputy party chairman of the ÖVP. During this time he participated in negotiations for Austria's accession to the European Free Trade Association (EFTA) and the European Union.

In 1989 Dr. Schüssel was appointed Minister for Economic Affairs in the coalition government under Chancellor Franz Vranitzky. On April 22, 1995, he succeeded Erhard Busek as the ÖVP's national leader. He also became Vice-Chancellor and Foreign Minister.

Following national elections in 2000, Dr. Schüssel was appointed Austrian

Chancellor, a post he held until January 2007. Following the sudden death of Interior Minister Liese Prokop, he assumed the post of Interior Minister on January 1, 2007. He has been closely associated with the Bertelsmann Stiftung through his role as co-organiser of the Salzburg Trilogue. Dr. Schüssel has been a member of the Bertelsmann Stiftung Board of Trustees since April 2007.



Prof. Dr. Dennis SNOWER

President, Kiel Institute for the World Economy; Professor of Economics, Chair of Economic Theory, University of Kiel

Dennis J. Snower is President of the Kiel Institute for the World Economy and Professor of Economics at the Christian-Albrechts-University of Kiel. He is Research Fellow at the Center for Economic Policy Research (London), at IZA (Institute for the Future of Work, Bonn), and CESifo (Munich).

Dennis J. Snower earned a BA and MA from New College, Oxford University, an MA and a PhD at Princeton University. Prior to becoming President of the Kiel Institute, he was Professor of Economics at Birkbeck College, University of London.

He is a world-renowned expert on labour economics, public policy and inflation-unemployment tradeoffs. As part of his research career, he originated the “insider-outsider” theory of employment and unemployment with Assar Lindbeck, the theory of “high-low search” with Steve Alpern, and the “chain reaction” theory of unemployment and the theory of “frictional growth” with Marika Karanassou and Hector Sala. He has published extensively on employment policy, the design of welfare systems and monetary and fiscal policy.

He has been a visiting professor at many universities around the world, including Columbia, Princeton, Dartmouth, Harvard, the European University Institute, Stockholm University, and the Vienna Institute of Advanced Studies. Furthermore, he has advised the European commission and various OECD countries on employment policy and welfare state policy. He has consulted for the IMF, World Bank, OECD, and UN.



Dr. Veit SORGER

President, Federation of Austrian Industries, Vienna

Veit Sorger was born in Graz, Austria, in 1942. He studied law and economics in Vienna, Graz and Uppsala. Sorger started his career as assistant of the President of Interunfall AG from 1967 to 1970. Afterwards he joined the Salzer Group (Paper Industry), where he was responsible for the development of the plastics production and later on for sales in the paper mills and the wholesale. In 1982 he became General Manager of

the Salzer Paper and Plastics Group. Five years later, in 1987, he was appointed General Manager of Europapier AG. In 1988 Sorger became Member of the Board of Management of Frantschach AG and one year later, Deputy CEO of Frantschach AG.

In 1993 he was promoted to CEO of Frantschach AG and Chairman of the Supervisory Board of Neusiedler AG (both now Mondi AG). From 2000 until 2004 Sorger was additionally Vice President of the Federation of Austrian Industries.

In June 2004 he was elected President of the Federation of Austrian Industries and from 2004 until 2008 Sorger was Vice President of BUSINESSEUROPE (The Confederation of European Business, former UNICE).

Furthermore Sorger is honorary chairman of Europapier AG, Chairman of the Supervisory Board of Mondi AG (formerly Mondi Packaging AG and Mondi Business Paper Holding AG) Constantia Industries AG and also Member of the Supervisory Board of Lenzing, Semperit and GrECo.



Dr. Michael SPINDELEGGER
Vice-Chancellor of the Republic of Austria; Federal Minister for European and International Affairs of Austria, Vienna

Michael Spindelegger was born in 1959 in Mödling, Lower Austria. After graduating in Law at Vienna University he was Assistant Lecturer at the Vienna University Institute of Criminal Law, served as civil servant for the Federal State of Lower Austria and worked for a number of companies. Starting in 1992 he was repeatedly elected Member of the Austrian Parliament and also served as Member of the European Parliament, Speaker on Foreign Affairs of the Austrian Peoples Party, Member of the Parliamentary Assembly of the Council of Europe and as Vice Chairman of the Austrian Peoples Party Parliamentary Group. In 2006 he was elected Second President of the Austrian National Council. Since 1998 Michael Spindelegger has also served as Chairman of the Employees' Association of the Austrian People's Party of Lower Austria. On December 2, 2008 he was appointed Austrian Federal Minister for European and International Affairs and in 2011 he was sworn in as new Vice Chancellor of the Republic of Austria. Michael Spindelegger is married with two sons.



Dr. Gunter THIELEN
Chairman and Chief Executive Officer, Bertelsmann Stiftung;
Chairman of the Supervisory Board, Bertelsmann AG, Guetersloh

Gunter Thielen has worked for Bertelsmann since 1980, transforming Bertelsmann's former Printing and Manufacturing Division into the Arvato AG, a cutting-edge media and communications service provider. In July 2002, the Bertelsmann AG Supervisory Board appointed Thielen Chair of

the Executive Board. In January, 2008, Thielen became Chairman and CEO of the Bertelsmann Stiftung.

Gunter Thielen was born on August 4, 1942, in Germany's Saarland region. He studied mechanical engineering and economics at Aachen Technical University. After earning a doctorate in engineering, he worked in a variety of executive positions at BASF before becoming technical director of the Wintershall refinery in Kassel.

Mr. Thielen began his career with Bertelsmann in 1980, becoming CEO of the maul-belser printing company in Nuremberg. In 1985, he took over the Printing and Manufacturing Division, and became a member of the Bertelsmann AG Executive Board. Throughout his years as an executive at the international media company, Mr. Thielen has adhered to the Bertelsmann corporate culture as formulated by the company's founder, Reinhard Mohn. His success has been based on employing the key concepts of decentralisation, entrepreneurship and leadership based on partnership.



Grigol VASHADZE
Minister of Foreign Affairs of Georgia, Tbilisi

Grigol Vashadze was born in Tbilisi, on July 19, 1958. In 1981 Mr. Vashadze graduated with honours from Moscow State Institute of International Relations, faculty of international law and worked from 1981 to 1988 at the Ministry of Foreign Affairs of the Soviet Union, Department of International Organisations, Department of Cosmos and Nuclear Weapons. He studied between 1988 and 1990 as a post-graduate student at the Diplomatic Academy. From 1990 to 2008, he was engaged in private business and headed the companies founded by himself: Georgia Arts Management and Gregory Vashadze and BR. On February 6, 2008, he was appointed Deputy Minister of Foreign Affairs of Georgia. Later he was appointed Minister of Culture, Monument Protection and Sport, on November 1, 2008. Mr. Vashadze is married to Nino Ananiashvili; they have two children. He speaks Russian, English, Portuguese, Italian, Spanish and French.



Dr. Kandeh YUMKELLA
Director-General, United Nations Industrial Development
Organization (UNIDO), Vienna

Kandeh K. Yumkella is the Director-General of the United Nations Industrial Development Organization (UNIDO), a specialised agency of the United Nations mandated to foster sustainable industrial development in developing countries and economies in transition. At the same time, UNIDO helps to protect the environment by supporting clean and sustainable technology. He was elected to the post of Director-General in

December 2005, and re-elected for a second term in December 2009.

Before assuming his current position, Kandeh K. Yumkella had worked in various high-level policy positions in UNIDO, and was Special Adviser to two previous Directors-General. He also served as Director of the Africa and LDCs Regional Bureau and as Representative and Director of the first UNIDO Regional Office in Nigeria.

Prior to joining UNIDO he served as Minister of Trade, Industry and State Enterprises of the Republic of Sierra Leone; as an Assistant Professor and Lecturer at Michigan State University and Assistant to the Dean in the College of Agriculture at the University of Illinois.

Kandeh Yumkella earned a Bachelors degree in Agriculture, a Masters in Agricultural Economics and a Doctorate in Agricultural Economics. He has co-authored numerous publications and has received various awards and recognitions.

He is an active member of the UN system Chief Executives Board and is the current Chair of the UN-Energy Coordination Group and one of the conveners of the inter-agency dialogue on technology issues under the Secretary General's Climate Change initiative. He also chairs the Secretary-General's Advisory Group on Energy and Climate Change (AGECC).

Kandeh Yumkella is a strong believer that the most effective way to fight poverty is to strengthen the productive capacities of countries and people, enhance their adaptive capabilities to use modern technology and devices, and to commercialize new knowledge. He has advocated pro-poor industrial and agribusiness development as sustainable means of wealth and job creation, and the economic empowerment of the poor.

Trilogue Salzburg

Surrounded by the stimulating atmosphere of the Salzburg Festival, the Salzburg Trilogue convenes thought leaders, decision-makers and renowned representatives from the arts, civil society, business and politics to engage in crosscutting, inter-cultural and future-oriented debate at a two-day roundtable. Originally initiated by Dr. Wolfgang Schüssel, member of the Bertelsmann Stiftung Supervisory Board and former Austrian chancellor, the Salzburg Trilogue has been jointly organised since 2007 by the Bertelsmann Stiftung and the Austrian Ministry for European and International Affairs.

Responsible

Dr. Claudia Reinprecht
Cabinet of the Foreign Minister
Federal Ministry for European and International Affairs
International Organisations
Minoritenplatz 8 (HG 11)
A-1014 Wien
E-mail claudia.reinprecht@bmeia.gv.at

Malte Christopher Boecker, LL.M.
Senior Expert
Program International Cultural Dialog
Bertelsmann Stiftung
POB 103
D – 33311 Guetersloh
E-mail malte.boecker@bertelsmann-stiftung.de