ZEIT Foundation Ebelin and Gerd Bucerius, Hamburg, Germany
Heinz Nixdorf Foundation, Essen/Paderborn, Germany

# THE BUCERIUS SUMMER SCHOOL ON GLOBAL GOVERNANCE 2012

Conference Report

# Crisis of Global and Regional Governance: Toward a G-Zero World?

12 – 25 August 2012

Compiled and edited by Dr Cornelius Adebahr,
Political Consultant, Berlin / Tehran

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# 1 Executive Summary

The “crisis” – or rather, manifold crises – overshadow current world affairs. It is easier to point to the increasing list of problems than to find comfort in any positive events. Whether it is the Arab “Spring” turning into a protracted, more autumn-like struggle for new forms of governance, the continuing debt crisis in the Eurozone (and to a lesser extent in the United States, where it is also still unsolved but only painted over by the Presidential election campaigns), or the intensified rush for resources that pits not only nations against each other but also threatens the planet in more fundamental ways. This was the picture that the 58 young leaders participating in the 2012 Bucerius Summer School studied during their discussions on the current challenges of global governance.

So what are the contours of the crisis of global governance? One fundamental factor is a misalignment between the globalising forces (e.g. in the industrial or financial sector) on the one hand and the world’s collective ability on the other to manage the negative consequences of those forces. Thus, at the same time that there is a need for more global public goods, it is getting harder and harder to produce them in sufficient quantity. This **question of the Commons** (resources that are shared among communities) is not new, and the world has indeed passed a number of international treaties that declared, for example, the moon, seas and oceans the Common Heritage of Mankind. Yet in practice, governance systems are still not in place to deal with the Commons in an equitable and sustainable manner. The ‘Tragedy of the Commons’ seems to persist, with multiple individuals, acting independently and rationally consulting their own self-interest, depleting a shared, finite resource.

What is worse, even at the national level governance is eroding. According to the model of **‘Post-Democracy’**, the majority of citizens play a passive role in established democracies and do not actively use the opportunity to participate in political processes or influence the agenda of public life. One reason for this apathy, at least in the environmental field, may be the ‘catastrophe communication’ of the past 40 years. People virtually expect the latest (negative) scientific results with regard to the planet, making everyone ‘concerned’ but still leading their daily lives unchanged. As a result of the broader trend, however, it is both the elected governments and the elites who mostly represent business interests that shape politics. The absence of citizens in politics can thus cause challenges for the legitimacy and accountability of political processes.

With the liberal international institutions created after World War II losing currency, the fundamental question remains whether and how the old-new global powers such as India and China will contribute to building **a new (or probably, reforming the current) system of global governance**. Crucially, given the importance of resources for the respective economic booms, this amounts to asking whether these countries are prepared to accept responsibility for preserving the Commons?

Below the global level, both China and India are also critical in helping resolve the crises of regional governance in East, Southeast and Southern Asia. **China’s rise**, for one, cannot be managed by any outsider; the country can only manage itself. Still, its status as an established global power as well as the United States ‘pivoting’ to Asia render the Sino-American relationship the most critical to deal with in the region. Similarly, also **India** – because of its size, resources and population – has become an important international actor before reaching the standard of living of the developed countries. Consequently, both countries still face major internal problems and

challenges. One important point will be whether the two countries can establish sustainable security mechanisms between themselves and in the shared region. Despite all differences in ideology and interests, cooperation is possible based on mutual dependence as well as a wariness of the unpredictable consequences of conflict.

Conflict still prevails – though mainly at the intra-state level – in another region under scrutiny, the Arab world. After more than one and a half years of revolutions and revulsions, the initial optimism about the **Arab Spring** has given way to renewed scepticism in many places. The uprising's further short-term development as well as long-term prospect mainly depended on the three factors that sparked its beginnings: demography, economy, and communication. In addition, the role of political Islam – i.e. the belief's manifestation in political parties and movements rather than the underlying religion itself – should be seen as an intervening factor. A promising sign, in this regard, is that political Islam itself is also becoming more pluralistic, as its various factions are now competing with each other for voters and believers. The deteriorating situation in Syria naturally received special attention. Whereas there was broad agreement that the demise of President Assad is a question of when rather than if, a general plea was made on all actors not to (geo-)politicise the conflict.

So while both the situation in individual countries as well as across the region is still very much in flux, only one thing appears certain: No government can for long disregard public opinion any more. **Social Media** had their own distinct contribution to this, making the Arab Spring an example of how a free and open Internet can foster a democratic movement combined with the right political and social forces. Yet, such media are also prone to being highjacked by repressive regimes, which might use them to gain greater insights into opposition activities. Still, this newly gained freedom of speech can be regarded as a good thing in itself, even if the public may not always want what Western well-wishers would like them to. In addition, even though the term "Spring" may imply too short a timeframe, the ongoing changes in the Arab world have long outlasted its famous Prague namesake from nearly 45 years ago.

The Arab Spring also affects neighbouring non-Arab countries such as Israel and Iran. Probably its most striking effect on **Israel** will not be a military, but a social one**:** the societal transitions in the neighbourhood deeply affect Israeli society as well. It is no coincidence that the social protest, which had shaken Israel in the summer of 2011, came shortly after the revolution in the neighbouring countries. **Iran**, in contrast, tries to paint the uprisings as emulations of its own Islamic Revolution of 1979, preferring – for a number of reasons, including despise for all things Arabic – the term "Islamic Awakening". Still, it is the country's nuclear programme, the peaceful nature of which is heavily disputed, which concerns the wider international community. Both sides lack sufficient trust in the other to overcome the current impasse, it was noted, while many also thought that the risks of a military intervention by far outweigh its possible gains.

An at least partly successful military intervention more than a decade ago followed by a period of insurgency and political stalemate is what still characterises neighbouring **Afghanistan**. That security cannot be achieved by military means exclusively, today is a given. That's why the focus should be on the political, socio-economic and judicial aspects of the term "security", e.g. the country's thriving media scene, new co-operations with private investors, or the benefits of integrating the traditional 'Jirgas' and 'Shuras' into the more Western-modelled state structures. Again, a regional approach would have to take into considerations mainly the neighbours to the West and East, i.e. Iran and Pakistan, without whose support stability will remain an illusion.

Europe, more precisely **the European Union (EU) and the Eurozone**, also find themselves on the crisis tableau at least for the second year in a row. That is despite the fact that the recipe to end the old continent's debt and liquidity crisis seems obvious: To complete the fiscal and political union envisaged with the introduction of the common currency, to increase member states' economic competitiveness (including the structural reforms that were neglected by a constricted focus on fiscal austerity), and to continue European political integration both as a response to a globalising world and as a contribution to a modernised system of global governance. Unfortunately for both the countries and peoples of Europe, the political leadership to devise such a new 'Marshall plan' and explain it to a reluctant public is desperately lacking. That's why the usual muddling-through is likely to continue, hopefully without the disastrous consequences that some think such piecemeal crisis management will entail.

**The African continent** presents crises of regional governance at various levels, such as climate change, migration and interrelated regional conflicts, thus creating a new geopolitical space that spans sub-Saharan and North Africa. Whether the real conflict drivers are the more 'modern' elements such as climate change or migration, or 'traditional' political interests, matters only in the second place. More importantly, the approaches of the institutions of global governance to deal with these multilayered conflicts remain stuck in the organisational structures of the Cold War: development, defence and diplomacy continue to operate largely separately from each other. In addition, it ought not always be the U.S. or the EU tackling these problems, but regional institutions such as ECOWAS in Western Africa should assume the role of provider of regional stability and governance.

That said it might be about time for the West to abandon its **approach to development aid** altogether. That's because, despite the substantial aid of up to one trillion U.S. dollars provided, poverty remains widespread throughout the world. Worse, the aid's efficiency and overall purpose are put into question, claiming that it brought corruption rather than competitiveness to Africa. Thus, instead of looking at Africa as a problem and patronising the continent, the West should see it as a place to go.

Not unrelated to this line of argument and bringing together **Africa and both India and China**, an interesting question is how the two global powers from Asia view the continent that already has a long history with the Western powers. While China is perceived as a bigger and thus more visible investor in Africa than India, its relations with the continent are thought to be prescriptive and dominating, despite its "no-strings-attached" approach to development policy. India, however, it is said, looks at Africa with sympathy and a sense of relatedness, clearly recognising the continent's economic potential and development opportunities for the food sector, energy supply, terrain, climate commitments, pluralism, and freedom of religion. Despite this alleged predetermination, the discussion showed that also Indian leaders would subscribe to a "business is business" – and, thus, "human rights are human rights" – approach to doing, well, business.

That, however, does not make all (rich or powerful) states equal. Rather, the socio-economic conditions in Brazil and India will continue to differ greatly from Western middle-class democracies. Still, rather than engaging in fierce competition by viewing such economic power rankings as a zero-sum game, people should think about ways to increase the overall 'size of the pie' as well as how to distribute the 'current pie' differently, both within and among nations. Therefore more focus than today should be put into finding measures to **support the middle class as the engine for growth**. In addition, any measure of economic well-being should integrate ecological

and social issues in order to get a more balanced picture of important drivers for economic growth such exploitation of labour and natural resources.

Finally, do all these crises taken together – plus the inability of the existing governance structures to solve them – mean that we live in a G-Zero world? Not necessarily, though the G-constellations may change: from G2 to G8 to G20 and anything in between. Undoubtedly, an enormous shift of power and wealth from the West to the 'Rising Rest' is underway. This is illustrated by the estimate that in a few years time, the U.S. will be the only Western country among the five largest economies of the world – while today these are still all Western (if one includes Japan here) except China.

What we will thus witness is a **globalised multipolar world without a unique power anchor**. The necessary reforms at the level of global governance are not only not in the offing, but may even complicate things. Because when bodies such as the UN or the Bretton Woods institutions become more representative, they will also turn less effective: the larger they are, the more difficult it is to arrive at consensus. That's why regional economic groupings, like Asean, the African Union, and Mercosur, are likely to play a much relevant role.

Furthermore, 'G-Zero' points to the **importance of actors beyond the level of state governance**, i.e. multinational corporations (MNCs) and civil society organisations (CSOs). The latter very often have either the means (financially) or authority (in moral terms) that governments sometimes lack. Plus, while both CSOs and MNCs have only very limited accountability beyond their immediate stakeholders, they both have systemic interests in sustainable international structures – without the latter, the two actors simply could not work at the global level. Thus, by considering three parallel systems – the traditional one of public policy and law, the increasingly linked and mobilised one of civil governance, and the corporate governance level – it should be possible to open new ways and coalitions to tackle global challenges.

Finally, any new governance mechanism should put **functionality first, and institutions second**. The idea is to be flexible and problem-specific, including only the relevant actors in the discussion. Yet, the question remains how these diverse, problem-oriented groups can be integrated into a broader, more binding system of global governance. Here, a building-block approach may help, i.e. to work within framework agreements but focusing on individual sectors and actors. The legitimacy of any innovative approach comes from its results, and if it works, then it will get codified.

With no authority to conclude a two-week long intensive exchange of ideas and experiences, how could the way forward look like? Suffice to give just a few flashlights from the actual discussions:

- Complex issues such as the described threats to global and regional governance require concerted activities by willing actors from various sectors with a long time horizon;
- If the prevailing idea is that nothing can be done, and politics is what politicians (can) do, then we need to "repoliticise" our societies;
- This is the hard work of carefully balancing interests, constant learning and improving, and working together with states, corporations and non-governmental organisations to create a new form of global governance.

# 2 Session reports

## 2.1 Global Governance: Re-Inventing International Institutions

Speaker: *John G. Ruggie*, UN Special Representative for Business and Human Rights, New York

Rapporteur: *Regina Waugh*, United States of America

Session 1: Monday, August 13

**Struggles in the current system of global governance reflect a broader crisis of government writ large. One fundamental factor is a misalignment between globalizing forces and our ability to manage the negative consequences of those forces. This is occurring against the backdrop of a changing world order, one in which the liberal international institutions advanced by the United States and legitimized by other world powers are losing currency. John Ruggie proposed four possible solutions: dial back globalization to better allow for the management of adverse consequences; stop expecting existing institutions to be able to address the issue; utilize additional global actors, including corporations and civil society, in responding to global problems; and shift to a post-Westphalian system of global governance.**

The world system of rules-based order faces not just a global governance crisis, but also a crisis of government – period. According to John Ruggie, politics in general no longer advances the public interest at any level, be it global, regional, or national. Many factors underlie this dysfunction, but the main element is a fundamental misalignment between the scope and impact of globalizing forces (like markets) and the ability and capacity of societies to manage adverse consequences. While interests are global, management remains fragmented.

At the same time that there is a need for more global public goods, it is getting harder and harder to produce them in sufficient quantity. In order to provide additional public goods, nearly 200 UN member states have to agree on what the public interest is and how (and who is) to pay for it. This dysfunction, and the resulting feeling of a loss of control, can have serious consequences, including the resurgence of nationalism or authoritarianism.

This current crisis takes place in the context of the huge geopolitical shift from a post-war hegemonic US to the "rise of the rest". Following World War II, the US was sufficiently powerful to define its interests broadly and longly enough to generate a multilateral rules-based system unlike anything prior. Other powers had interests that fit within this broad definition; they were accommodated and given a role in the system. As a result, this system was legitimized. No other leading power of the time would have done this in the same way, because it did matter that the US is a liberal society, advancing liberal international institutions.

Right now, the balance of material power is shifting and this animating US vision is losing currency. However, competing visions are less universal, making divergent national interests harder to accommodate.

So the question is how to reinvent international institutions in response? The answer, according to John Ruggie, is not UN reform – to him, that's a journey, not a destination (or maybe even an unending journey). Rather then tinkering with the machinery,

we have to set new objectives to which the mechanisms will later adapt. Concretely, he suggested four solutions:

1. *Dial back globalization to make it more manageable*: This holds true especially in the financial sector, where market actors pose the greatest risk to themselves and to the public, when their scope and power exceeds their ability to manage the potential fallout. John Ruggie pointed to the need to decouple these tight connections, and to do so on a collective scale in order to avoid competitive dynamics. While there certainly is no silver bullet to do this dialling-back, one starting point could be the huge number of bilateral investment agreements concluded during the 1990s which heavily favour the multinationals, e.g. by exempting them for decades from any future change of government policy.

2. *Stop asking existing system of global governance to do what it clearly cannot do*: Citing the example of global climate change policies, John Ruggie called it outlandish to think one can drive the necessary transformation from the top down, e.g. with a comprehensive treaty such as the Kyoto Protocol. There simply is not enough power in the current system to do so. And to merely claim "it's only a matter of political will" means to belittle the governance problem behind the debate. With interests too diverse, the scale too big, and the norms too conflicted – how should political will come about? The best strategy, in his view, is to go for the building blocks approach, e.g. working within framework agreements, but focusing on individual sectors and actors. Legitimacy of any innovative approach comes from its results. If such purely mission-driven experiments work, then they will get codified. So John Ruggie asked to put functionality first, and institutional arrangements second.

3. *Learn how to take advantage of the fact that global governance is not limited to states alone*: In many cases, private actors are equally or better equipped to help, just as the Gates Foundation outspends the World Health Organisation in its work to counter HIV/AIDS. In addition, while both civil society organisations and businesses only have a very limited accountability, both have systemic interests coinciding with sustainable international systems. By considering three parallel systems – the traditional one of public policy and law, the increasingly linked and mobilized one of civil governance, and the corporate governance level – it should be possible to open new ways and coalitions to tackle global challenges. Again concerning HIV/AIDS, John Ruggie mentioned a number of successful campaigns where states worked together with companies and NGOs, forcing existing multilateral organisations to take action, such as the World Trade Organisation eventually clarifying intellectual property issues to increase access to drugs and reduce prices. The existing powers are often the last to understand the need for this, and the newly emerging powers are those who want to resist this power sharing the most. However, if we want to get more global public goods, we need all three governance systems to be pulled in together in compatible directions.

4. *Need to create post-modern, post-Westphalian system of global governance*: The current necessary innovations are all about function rather than institutions per se. They are problem-specific, include only the relevant actors in the discussion, and are often quite informal. Many of these groups are more agile than governments. Yet, the question remains how these diverse, problem-oriented groups can be integrated into a broader, more binding system of global governance. John Ruggie stated that this would require lots of tolerance for ambiguity, uncertainty, and willingness to experiment.

## 2.2 Are we living in a Post-Democratic Age?

Speaker: *Colin Crouch*, emeritus Professor for Governance and Public Management, University of Warwick, Oxford

Rapporteur: *Anne Lutz*, Germany

Session 2: Monday, August 13

**The speaker introduced his ideas of Post-Democracy. According to that model, the majority of citizens play a passive role in established democracies and do not actively use the opportunity to participate in political processes or influence the agenda of public life. As a result, politics is only shaped by elected governments and elites who mostly represent business interests. This can cause challenges for the legitimacy and accountability of political processes.**

Colin Crouch underlined that Post-Democracy does not mean non-democracy, as elections still exist. Instead, it describes a period in which a society moves away from an ideal democracy towards a 'post-democratic' model. This phenomenon usually appears in democratic states that have existed for several decades.

The prefix "post" indicates that something is moving or changing, for example from the age of Industrialism to Post-Industrialism. Post-Democracy can be understood accordingly: A move beyond democracy leads to less participation of citizens and more participation of private sector organisations and lobby groups that have an interest in shaping the political agenda according to their objectives.

In Post-Democracies the market economy and politics are intertwined. Companies that trigger political action transform the political arena. This extension of the political world can cause problems due to the lack of accountability and legitimacy. Especially markets that demand immediate decisions do not always produce sustainable political decisions.

In democratic societies that move towards Post-Democracy, a tendency to the middle can be observed. The frontiers between the ideologies of parties become fuzzy. IN addition, a gap between democracy and the political leaders who embody it can appear. It is also common to complain about politics and politicians. Lastly, supreme courts play an important role in post-democratic systems as they control governmental decisions.

To counter those trends towards apathy, measures should be taken to make politics and the participation in it more attractive. Therefore education is an important factor, because only people who are aware of the fact that democracy is not granted are able to appreciate this form of society.

Another question discussed was whether formal democracies are still needed in the age of social media. Some argued that this kind of media could not replace existing governmental and administrative structures, even if everyone is able to state his or her opinion on all issues at any time via facebook – and even though the new media played an essential role in fostering the Arab spring. Still, the new media can be seen as an instrument that makes participation in the political processes more attractive especially for younger citizens. In any case politics and governments need to find ways to deal with the new media.

Moreover, the question came up whether ‘more democracy’ is always better. On the one hand the processes of decision-making take much longer if a lot of actors are involved and compromise solutions often do not tackle the problem in the best way. On the other hand, democracy is the best way to consider and balance different interests which leads to a higher legitimacy of political decisions.

As a conclusion the speaker pointed out that neither the functioning of the markets nor democracy can be taken for granted.

## 2.3 International Politics of East Asia

Speaker: *Eberhard Sandschneider*, Research Director, German Council on Foreign Relations, Berlin

Rapporteur: *Liang Wang*, China

Session 3: Tuesday, August 14

**East Asia is a diverse region that makes international cooperation difficult. The United States "pivoting" to Asia as well as China's status as an established global power render the Sino-American relationship the most critical to deal with in the region. It is Henry Kissinger's co-evolution approach – to cooperatively solve global problems and make room for each other – that may ultimately provide the solution.**

Eberhard Sandschneider set out his presentation by pointing to the diversity of East Asia. The differences in political systems and beliefs, the wide variety of conflicts, and the different regional organizations potentially make cooperations difficult. This diversity is further compounded by globalization.

While many analysts believe the so-called shift of power from the West to the East has propelled the US to "pivot" towards Asia, Professor Sandschneider's view is that US has always been a pacific power. Rather than a substantial policy change, he detected a lot of symbolism in the debate. After all, perceptions do matter. The EU in contrast cannot be considered a real player in East Asia.

With regard to China, Eberhard Sandschneider opined that it had established itself a global power despite the underdevelopment of some of its regions. It openly advocates harmony and win-win international relations. Still, there is a fundamental lack of trust between China and the US as well as the EU.

At the regional level, East Asia is faced with many security challenges: First, the divided Korean peninsula -- a difficult case for everyone including china; second, the question of Taiwan – the conflict is not yet solved, and tricky for China to handle since the latter is trapped in its own nationalism; thirdly, there is the South China sea; and finally a potential race for fresh water that may destabilise the whole region.

So is there a way to manage the rise of China? Eberhard Sandschneider thinks that Western countries cannot manage China, but can only manage themselves. China, in contrast, is playing by its own rules. But the rise and fall of nation states is normal, and countries need to know how to decline successfully.

Previous efforts to "manage" China, whether through containment or engagement, have not worked. On the one hand, the debate whether a containment strategy—trying to reduce China's political, economic, and technological influence at the global level--could work is over. On the other hand, engagement does not work either, as it has proved to be unable to influence China's behaviour. Additionally, trying to influence China by bringing it into the global governance framework has not been very successful either.

The answer may lie in Henry Kissinger's co-evolution approach: To cooperatively solve global problems, to make room for others, and not to insist on Western domination. Still, Eberhard Sandschneider remains sceptical whether this will ultimately work.

## 2.4 Geopolitics, China and India in the 21st Century

Speakers: *Wei-Wei Zhang*, Professor of International Relations, Geneva School of Diplomacy, Geneva
*C. Raja Mohan*, Head of Strategic Studies and Distinguished Fellow, Observer Research Foundation, New Delhi
*Isabel Hilton*, CEO, Chinadialogue.net, London

Rapporteur: *Krzysztof Marcin Zalewski*, Poland

Session 4: Tuesday, August 14

**Despite rapid economic growth and considerable progress in other fields over last couple of decades, India and China still face major internal problems and challenges. Although the shift of global power to the East is undisputable, its consequences are not obvious: how the rising Asian powers will act on the global and regional scene; if they can establish a sustainable security system both in the region and on the global level; as well as what the nature of their relations with the established dominating actors will be.**

Because of their size, resources and population, both China and India have become important international actors before they have reached the standard of living of the most developed countries. But the unequal distribution of wealth, environmental problems such as pollution and scarcity of water, demographic challenges and deficits in mass education may result in their preoccupation with internal difficulties.

One can argue that internal diversity as well as interethnic cleavages in the case of India, dependence on exports, a growing lack of legitimacy of the ruling class, and deficits in providing social services can cause crises in both growing countries and, ultimately, prevent them from developing in a sustainable way. On the other hand over couple of decades we could observe that the leadership in both countries did effectively address the arising problems. Especially China, due to the social values which allegedly concentrate on maintaining social order (which, in turn, results in the continuity of political structures despite regime changes in the past) may continue to accommodate necessary reforms. This reasoning led to the general question of democratic transformation: Is this kind of change a functional consequence of a growing middle class and their expectations, or rather a value-based process which will not be supported by the Chinese society?

From the historical perspective the rise of new powers has often led to conflict with the dominant actors. The question arises if violent conflicts are inevitable in the future, or whether there is any possibility to manage them between the actors in less confrontational way? The current state of affairs can deliver examples to argue for both possibilities. On the one hand we observe growing tensions in the South China Sea, a fear of Chinese domination among the neighbours, as well as many unresolved problems (e. g. the North Korean nuclear program). On the other hand there are examples of growing regional cooperation to address security issues (e. g. within the Shanghai Cooperation Organisation) or to resolve conflicts over the access to resources such as water.

This argument led to the debate of the potential future relations between the two rising powers and the West. Are trust and cooperation possible despite radically different internal institutional settings and value systems? What conditions need to be met

to enhance global and regional security? It is plausible that the Western powers would rather confront China, trying further to restrain it through a system of anti-Chinese alliances, whereas China, in return, would try to contest the predominant American presence in the region. Yet, neither is it excluded that cooperation prevails, based on mutual dependence as well as wariness of the unpredictable consequences of the logic of conflict.

The future will likely have the components of both: tensions are inevitable as much as at least sectoral cooperation is. Despite growing Indian and Chinese engagement on the global scene, no one should expect a radical change of the rules of the global game in the near future.

## 2.5 The Arab spring and its outcomes

Speakers: *Owen Alterman*, BSS 2012 participant, Israel
*Mohammed El Fayoumy*, BSS 2012 participant, Egypt
*Wolfram Lacher*, BSS 2012 participant, Germany
*Jochen Moninger*, BSS 2012 participant, Germany
*Ali Raza Syed*, BSS 2012 participant, Pakistan

Rapporteur: Ana Dujic, Germany

Session 5: Wednesday, August 15

**As we have passed the first anniversary of the Arab Spring, there are still many questions about these historic convulsions. Where is the Arab Spring leading? How much more momentum does it have? What similarities as well as differences are there between each country involved? What are the implications for other neighbours such as Israel or Iran? What role should Europe play? And finally: how does the concept of "good governance" fit into the ongoing changes in the Arab world? The day-long discussions on the broader region started with a panel of participants, either coming from or working on one of the countries of the Arab Spring, presenting their reflections on these questions.**

There was broad consensus among the presenters that the phenomenon of the Arab Spring is mainly based on three factors: demography, economy and communication. These factors will also be decisive for the further short-term development as well as long-term outcome of the Arab Spring.

All of the Arab societies are under immense internal pressure as a result of their rapid population growth that in most of the cases happened within the space of only one generation. This massive increase in the number of young people challenged all spheres of social infrastructure within these societies: education, labour market or health care. On a more individual level, the rising number of well-educated and informed youth in the Arab world were not only rebelling against the oppression imposed by the political system itself, but also against the oppression in the traditional family system, which is reflected in political structures (e.g. highly-educated daughters questioning the authority of their illiterate fathers).

Consequently, improved living standards and literacy rates, as well as the increased availability of higher education, have created progressively escalating social expectations throughout the Arab world. The tension between these rising aspirations and a lack of government reform as well as the turbulences of a weakened economy were surely the decisive "cocktail" which fuelled the change.

In this environment of deception, frustration and diminishing credibility of governments, the region's young turned more and more to the unrestricted and free world of digital media: The internet became the medium of mobilisation against autocratic regimes, Twitter suddenly substituted traditional news agencies, and Facebook turned into a platform for encouragement and solidarity. The path towards this development was previously paved by satellite television that had already broken the state's monopoly over the media scene.

One of the most sustainable outcomes of the Arab Spring has been the destruction of the old media regime and a move towards a new system: No matter how this new

system will be framed in the end, it is already clear that in the future any government in region will – unlike before – have to take into account public opinion.

With regard to the current conflict in Syria, two of the three above mentioned factors – namely demography and economics – will very likely in the long run lead to the end of the Assad regime. It is impossible to predict at this very moment when and how this regime failure will happen, though there was broad consensus among the group that it will, at least in the short run, result in a complete chaos and a situation where governance is almost impossible.

Europe's role in this very conflict seems rather unclear. Despite the decreased influence of the United States in this region, Europe (or the European Union) was not really able to fill the gap. This allowed Russia and China to enhance their leadership role in this region. Still, Europe could be an important role model for the region in terms of liberal values and democratic societies: Many of the countries that have experienced the Arab Spring have yet to reach a "social contract" as well as strong institutions to ensure it. The growth of citizen-oriented societies, a strengthened civil society and the upcoming public debates about welfare re-distribution will require a new balance between the concepts of security and the welfare state. Europe's own experiences and lessons learned could be helpful to this process.

The Arab Spring has brought the destruction of dysfunctional, corrupt and inefficient regimes. Still, from these ashes no new order has risen yet. Formerly defining lines of the West no longer apply to the region as the balance of power in the region is shifting: New rifts are emerging for example between the Gulf monarchies and the new governments in North Africa. The Gulf monarchies are likely to play a much more prominent role as regional powers than before, which will lead to shifts in regional governance and foreign policies.

Last but not least: what does the Arab Spring mean for Israel, which, prior to the revolutions, always felt very proud about being the only democracy in the region? Probably the most striking effect of the Arab spring on Israel will not be a military, but a social one**:** the societal transitions in the neighbourhood deeply affect Israeli society as well. It is no coincidence that the social protest, which had shaken Israel in the past summer, came shortly after the revolution in the neighbouring countries. In this context, Israel has not only witnessed "liberal" upheavals, but also new forms of Jewish fundamentalism, which deeply affect - and even threaten to split - Israeli society.

No one, of course, can predict the future of the Arab world with certainty. Much has been written about the potential for these societies to fracture or be taken over by religious extremists. In any case the new societies these people aspired to forge out of revolution have yet to be negotiated.

## 2.6 Debating Current Issues in the Arab World

Speakers: *Volker Perthes*, Director of the German Institute for International and Security Affairs and Executive Chairman of the Board of SWP, Berlin
*Ramzy Ezzeldin Ramzy*, Ambassador of the Arab Republic of Egypt to the Federal Republic of Germany, Berlin
*Ashraf Swelam*, Director General, Egypt's International Economic Forum, Cairo

Rapporteur: *Anna von Bayern*, Germany

Session 6: Wednesday, August 15

**Is the Arab Spring really a spring, and are there any outcomes to speak of yet? Those were the fundamental questions discussed in this session. Speakers gave their view on the state of the uprisings in the Middle East and North Africa region and of the challenges ahead. The discussion included issues such as the rise of Islamism, the role of Israel, and the potential regional engagement of Europe.**

The jury on the outcome of the Arab Spring is still out, according to Ezzeldin Ramzy. He outlined two possible scenarios, one optimistic and the other pessimistic. The pessimistic one included civil strife, ethnic divisions, and borders being redrawn. According to him, the pessimistic scenario is a justification for inaction and a recipe for disaster. He pointed out that the two scenarios are not mutually exclusive: While he considered the pessimistic scenario to be realistic in the short term, the optimistic could still be realised in the long-term.

In general, he saw the Arab uprisings as the second wave of Arab emancipation. Its first wave was the struggle for freedom from foreign rule some decades ago. Ezzeldin Ramzy urged the participants not to concentrate too much on the details, but to look at the big picture instead: "Revolutions are not linear processes, they take time." He saw the uprisings as part of a worldwide movement for the empowerment of the people and a fight for social justice, and from there drew a line to the Occupy Wall Street movement. Additionally, he pointed out that the role of Egypt in the revolutions was critical, and that he thought the future of the region would be decided in Egypt.

At the end of his talk, Ezzeldin Ramzy put the focus on Europe as a strategic partner for the Arab world, with a solid foundation for this partnership. Among the important issues for both sides of the Mediterranean there are energy and migration. He urged that there needed to be a transfer of technologies in order to build a true partnership, so this could be a win-win-situation for all parties involved. Ultimately, the future of the uprisings depended on Europe and Israel, he said. Especially Israel had not been able to deal with major transformations in the Arab world "in the best way possible."

Volker Perthes began by discussing the term "Arab Spring." He considered "Spring" to be too seasonal, as it implied that a summer was to come. He also disliked the term because it did not, to his mind, create strategic patience, which he thought the situation required. Therefore he did not want to speak about outcomes, but about first results.

The uprisings, he said, were the historical hour of the Arab world, but that we had only seen a few minutes of it. There could be as much as ten or twenty years of turbulence ahead, driven by social and demographic developments as well as Islam. Especially the demographic developments in the region are of central importance, he argued ("It's demography, stupid!"). Another important aspect is what becomes of the political forces, the old authoritarian and military elites, who are in need of a new role in society. The third driver he outlined was political Islam – as distinct from the religion. In reality, the countries of the Arab uprisings are turning more democratic and more conservative at the same time. Indeed, Volker Perthes claimed that political Islam itself was also becoming more pluralistic, as its various factions are now competing with each other for voters and believers.

With regard to the wider consequences of the Arab Spring, Volker Perthes underlined that all revolutions are local but have immediate regional effects. He detected a struggle for influence and competition between the countries of the region to set up a new Middle Eastern regional system in which the West had a very limited role. That's why Western countries should refrain from trying to pick winners and geo-politicizing local or regional issues, e.g. by supporting change in Syria in order to reduce Russian influence there.

He saw Egypt as the trendsetter for the region, and Iran as struggling to maintain its influence. On the issue of a potential military strike there, he estimated that negotiations with Iran were more about postponing military action rather than actually avoiding it. In closing, he emphasized that he dislikes the term "strategic partnership" (as Europeans like to use it), because it implies a lack of one's own strategic thinking. Instead, Europe needs to have its own strategy, which then should include various partnerships for energy, education, or employment with the countries of the Southern Mediterranean.

Ashraf Swelam saw the Arab Spring as the end of a particular order and a fundamental change in dynamics. "Change is coming to the rest of the Arab world," he said, "even to the most conservative societies." He foresaw more uprisings in Jordan, Bahrain or Morocco, uttering surprise that not more had happened in Algeria. To him, Israel was the biggest loser of these developments, the second biggest loser being the USA. While he was disappointed that the Muslim brotherhood had come to power in Egypt, he remained extremely optimistic about his country's long-term prospects.

Iran, in contrast, is a dangerous player in the region, Ashraf Swelam continued. In particular the events unfolding in Syria were accelerating the turn-back of Iranian influence. In addition, there was a gradual decline of American influence in the region, whereas a gradual increase of unrest may call for international engagement in the region. However, he had given up on Europe, and a country like Germany would have to decide what its place in the world is.

The lively ensuing discussion spanned many aspects of the Arab uprisings. These included the rise of Islamists (who should speak less about religion and more about issues like education and job creation, as Volker Perthes demanded) as well as Israel's right to exist. Other questions concerned a potential change in Saudi Arabia, and how the West should treat it. The one thing that became clear in the end is that the West cannot afford to only speak to democratic countries.

## 2.7 The Challenge of Iran

Keynote: *Christoph Bertram*, Former Director of the German Institute for International and Security Affairs (SWP), Hamburg

Panellists: *Ali Reza Sheikh Attar*, Ambassador of the Islamic Republic of Iran to Germany, Berlin
*Cornelius Adebahr*, Fellow, German Council on Foreign Relations, Berlin & Tehran

Rapporteurs: *Scott Johnson*, United States of America;
*Simon Kreye*, Germany

Session 7: Wednesday, August 15

**Both the keynote speech and the following panel discussion focused on the challenge posed by the ambiguous character of the Iranian nuclear program. The participants learned about the official view of the Iranian government regarding the reasons underlying Iran's strive for nuclear energy, the regime's stance towards negotiations with the E3+3 and Iran's official claim that all activities were under strict surveillance by the IAEA and served exclusively peaceful purposes. A number of participants challenged these arguments. The discussion cantered on various possibilities for resolving the crisis, amongst others by negotiations, sanctions – on the use of which various participants expressed serious doubts – and by a military strike. The question was raised as to whether, and under which circumstances, the international community would accept to live with an Iranian nuclear bomb – and why the Iranian leadership does not finally agree to reveal its real intentions. In the course of the debate, issues like the deteriorating human rights situation in Iran and the geopolitical architecture were also raised.**

Iran is a very distinct country that cannot be compared to any other country. It is located in the Middle East, but not an Arab country. Islam is one of the ideological foundations of the state, as is strong enmity with the United States and Israel. Under geopolitical aspects, Iran is a country without natural allies – and it does not really seem to be looking for any stronger allies. Still, the efforts of the international community during the past ten years to resolve the nuclear crisis with Iran have, broadly speaking, not brought about the desired results: Negotiations seem to be deadlocked after various rounds of talks in this year; sanctions do show strong economic effects – but mainly on the Iranian middle class – and failed to cause a shift of the Iranian negotiation position. Even the assassination of nuclear scientists and the threat of a military attack have not fundamentally changed the Iranian position. Iran is a country that has been used to withstand external pressure for a long time and – it was argued – would never bend to it.

The discussion focused on several underlying themes which pervade the situation; in particular, lack of trust, the impacts of national pride, lack of transparency, and both sides being unable to agree on exactly which international standards apply to the situation. Lack of trust stems from perceived threats on both sides and by the very nature of how states frame security considerations which can affect their basic existence. Iran seems to have the impression that once the country makes a concession

in negotiations, the E3+3 (or P5+1, i.e. France, Germany, the United Kingdom, China, Russia, and the United States) will immediately ask for more. The Iranian regime asserts that the possession and use of any form of weapons of mass destruction would be prohibited under a Shiite interpretation of the Koran and that a Fatwa of the Supreme Leader, Ayatollah Khamenei, underlines this. In addition, mutual mistrust arises, for Iran, from the historical experience and its perception that the conflict is ultimately a pretext for regime change, whereas the West is rattled by the Iranian government's denial of the holocaust or its stated aim to wipe Israel off of the map.

National pride comes into play with the Iranian refusal to take incremental trust-building measures, as well as the United States's "axis of evil" diplomatic stance and policy of no bilateral engagement for fear of legitimising the Iranian regime. Some claimed that a nuclear bomb in the hands of the Iranian regime would not be used for aggressive purposes, e.g. to attack the state of Israel (whose right to exist has been denied repeatedly by Iranian leaders), but simply as a means of deterrence. Also, the theory that nuclear bombs lead to more stability was discussed extensively but was, in the end, dismissed.

Lack of transparency stems from Iran's repeated refusal to open up its facilities to greater scrutiny, as well as the West's perceived lack of transparency with its true aims and intentions. Finally, each side disagrees on which international standards and norms apply, such as the Non-Proliferation Treaty (NPT), and even how the different elements of the NPT should be interpreted. Unfortunately, at least some of each of these key four elements – trust, transparency, willingness to compromise, and mutually agreed-upon standards – must be present for any negotiation to be successful.

Concerning international sanctions, the Iranian regime claims that they hardly have an effect on the country. Economic data and personal experiences on the spot, however, show that this is not the case. It is, above all, the Iranian middle class that suffers most from the effects – even though it is hard to separate effects of sanctions from home-made economic problems. Sanctions as a means of international diplomacy were widely seen as being ineffective. Some also asked whether the final aim of sanctions might, in fact, be regime change.

Participants also pondered the chances of a military strike undertaken by Israel with the possible assistance of the United States. Most deemed the risks of such an endeavour by far to outweigh the possible gains: A military strike would only be capable of delaying, not of destroying the facilities. At the same time, it would most certainly trigger the final decision "to go nuclear".

Lastly, they discussed the arguments underlying the (purported) Iranian strive for a nuclear bomb. For one, Iran wants to be treated as equal not only in the region, but also by other world powers. Relations with the United States are central in this regard. Iran does not want to be singled out by the international community as the only state that is in disregard of international law (i.e. in this case, its obligations under the NPT).

In the end, the problem is both dangerous and imminent, and the discussion concluded that there is little hope that either the U.S. government is willing to give up certain sanctions in exchange for specific Iranian concessions, or that Iran is willing to open up to greater scrutiny, both of which could at least temporarily de-escalate the situation.

## 2.8 Afghanistan and Pakistan: Prospects for Security and Stability

Speakers: *Hans-Lothar Domröse*, Lieutenant General, German Military Representative MC/NATO and EU NATO HQ, Brussels
*Philipp Ackermann*, Deputy Special Representative for Afghanistan/Pakistan of the Federal Government and Head of the Task Force on Afghanistan/Pakistan, German Foreign Ministry, Berlin
*Rachel Reid*, Director of the Regional Policy Initiative, Open Society Institute, New York
*Sediq Sediqqi Ghulam*, Director of Public Affairs, Ministry of Interior Affairs, Islamic Republic of Afghanistan, Kabul

Rapporteur: *Hagen Ruppelt*, Germany

Session 8: Thursday, August 16

**The session dealt with the current and future challenges of Afghanistan and the wider region. Participants agreed that the challenge of creating stability and security could not be solved by military means exclusively. For the Afghan people the term "security" has to be considered in light of its political, socio-economic and judicial aspects in which the international community has already made some progress. A sustainable solution for Afghanistan will only be found by including all internal and external players and factors. This means that the ongoing peace and reconciliation process will take a lot of time and patience.**

In order to evaluate the prospects for security and stability in Afghanistan, it is essential to have a deeper look into the different aspects of and perspectives on these terms.

With regard to security, the session revealed that this word does neither stand exclusively for the "absence of war", nor for a singular military approach to assure a prosperous Afghan future. The process of security transition in Afghanistan has to be considered at least in the dimensions of political, social, judicial and economic security. What does that mean?

In the field of building up Afghan National Security Forces (ANSF) in quantity and quality, the international community (IC) has done quite well by financing, equipping, training, mentoring and enabling them to take over the security responsibility within the planned timeframe that concludes in 2014. The question of how sustainable this build up will be, remains to be seen in the long run.

In regards to the political dimension, Afghanistan has established a democratic system including a parliament and free elections. However, the support of the IC for increasing the sustainable relevance of the existing political authorities is crucial within the next couple of years. Challenges in the fields of "good governance" have to be faced as well as the tendencies for a lack of political unity as opposed to increasing fragmentation.

For the Afghan people, security is also recognised by changes in socio-economic procedures and developments. In this context, the increasing power of the Afghan media plays an important role. They have to inform people about the ongoing political processes in their home country as much as they should exercise a certain amount

of informal control over the political leaders that are in charge. The IC should respect and promote the existing local approaches with respect to the resolution of local problems, namely the installation at certain occasions of very efficient “Jirgas” and “Shuras” in addition to the Western model of a democratic state.

The future of the chosen Afghan state-system heavily depends on positive economic development. Problems like unemployment and fragile economic structures are to be solved by state-driven and private investors that offer long lasting cooperations and alternatives to the already existing foreign activities. In addition, an important precondition for foreign investments is a judicial system that respects the rule of law.

Security concerns aside, the prospects for a stable Afghanistan depend on external and internal factors that were revealed during the discussion. Specifically, a sustainable solution for Afghanistan can only be found if it is developed with the input of all internal and external players. First, the IC is well advised to find a regional approach that includes all neighbouring states with a special focus on Pakistan and Iran. In particular, Pakistan’s ability and will to control cross-border movements of insurgent groups is vital for stabilising Afghanistan.

Second, internal questions like corruption, drug trafficking, and the abuse of human rights have to be faced and to be answered together with the Afghan authorities.

Third, the peace process will only succeed if a profound political reconciliation process takes place. This includes the Taliban and other power brokers in the region. A good example for this process could be the Afghan Peace and Reintegration Program (APRP) of the Afghan government. However, it will take time and the will of the leadership of the different parties in order to cross self-defined “red lines”.

Consequently, one could draw the following conclusions from the session:

1. External interventions into struggling sovereign states require concrete strategies that define, which capabilities (both civilian and military) and means should accompany this process in order to build up a sustainable and functioning state system in the end.
2. The endurance of the crucial support of Afghanistan by the IC depends on the patience of the foreign political leaders, who are facing increasing domestic pressure to conduct ‘nation building’ at home instead of in Afghanistan.
3. Internal peace and reconciliation will only be achieved if all parties are able and willing to cross “red lines” in order to reach compromises.
4. The challenges for the IC in Afghanistan should not automatically lead to the answer “never again” when future external interventions are being considered. Some leaders in the world could misunderstand that statement and profit from their “bad behaviour”.

## 2.9 No One's World – The West, the Rising Rest, and the Coming Global Turn

Speaker: *Charles A. Kupchan*, Professor of International Relations, Georgetown University, Washington DC

Rapporteur: *Alejo Baltasar Rodríguez Cacio*, Argentina

Session 9: Thursday, August 16

**The future of the international order is likely to be shaped by a coming (or even: current) global shift of power. According to this argument, the world is headed for political and ideological diversity. Emerging countries would not converge to the Western way but follow their own paths. For the first time in history, we would live in a globalised multipolar world without a unique power anchor. According to Charles Kupchan, this would be a "no one's world". Participants also discussed the likely winners and losers of these changes, and what might be the role for the Bretton Woods institutions.**

The world is facing hegemonic transition. In the past few decades, the developed countries' weight over global economic output has dropped from 75% to 50%. It is bound to continue its decline, with China (today's second largest economy) surpassing the United States by the end of the 2020s. China is not alone. While today the five largest economies of the world are all Western except for China, in a few years time, the United States will be the only Western country to remain in the top five ranking.

However, the upcoming shift of power will differ from previous ones. For the first time, this new international order will not have a unique anchor of power or global guardian. As Charles Kupchan argued, we are heading for a multipolar and interdependent world, a world of diverse ideologies, in which we will have contending political, economic and ideological models. The ascent of the West, in contrast, with first Europe and then the United States rising as the global centres of power, was the result of unique historic conditions that are not likely to resurface.

The future will then look very different. While the United States and Europe struggle to put their houses in order, we will witness an enormous shift of wealth and power from the West to the so-called Rising Rest. Those emerging economies will not necessarily converge to the Western Way of liberal democracy. They will follow their own paths to modernity, and adopt their own versions of how societies show be organised.

Is the West condemned to oblivion? Charles Kupchan, for one, does not think so. The Western order will not be displaced by a sole economic, military, or political power. Instead, global power will have to be shared between the West and rising economies such as China, India, Turkey, and Brazil.

As for the winners and losers of this new international order, Charles Kupchan argued somewhat boldly that "Europe is disappearing from the map", being so overwhelmed with its own problems. Japan, in turn, is also on its retreat and "turning in on itself", after decades of stagnation. As for the United States, he believes there would be a comeback for America. He accepted, however, that is not very clear whether

this statement is based on real facts or just on hope. In either case, he concluded, the United States would have to learn to share.

Emerging countries will be among the clear winners. Here, Charles Kupchan provided a number of examples to show why it would be a big mistake to expect them to play the Western Way. Although the Arab Spring will bring many changes to the Middle East, secular democracy will not be among them. Socioeconomic conditions in Brazil and India will continue to differ greatly from Western middle-class democracies. Economic growth in China has not, and will not, lead towards an abandonment of the one party political model.

When asked about the difficult task of providing global governance in a world with no single power anchor, Charles Kupchan recalled that there had been only one peaceful shift of power, i.e. from British to American hegemony. Even that case only came as a result of a war, namely World War I. In order to maintain peace, this complex, diverse, and multipolar new world will require more consensus and more tolerance. In particular, Kupchan identified the United States' presence in the coastal waters of China as one of the main military threats.

What could the role for the Bretton Woods institutions be in this scenario? Charles Kupchan argued that these would need to be reformed to become more legitimate. But as this happens, these institutions will turn less effective: the larger they are, the more difficult it is to arrive at consensus. Regional economic groupings, like Asean, the African Union, and Mercosur, are likely to play a much relevant role.

Finally, there is nothing that the developed countries can do to stop this shift of global power, because it is the consequence of a globalised phenomenon that is already on its way. But if you are wondering who will win the next U.S. Presidential elections, Charles Kupchan claims to know the answer: Obama.

## 2.10 The Financial Crisis and the Eurozone

Speaker: *Wolfgang Schäuble*, Federal Minister of Finance, Berlin

Rapporteur: *Anna Maria Bonnici*, Malta

Session 10: Friday, August 17

**"We will not fail!" This was the main message of Wolfgang Schäuble as he outlined the challenges of dealing with the euro crisis. Despite the upbeat message that markets will themselves in due course accommodate the euro, severe doubts were expressed on whether the European Union (EU) and the Eurozone member states in particular have embarked on a credible strategy to guarantee the survival of the euro. Public and media perceptions, particularly with regards to the Greek crisis were a key aspect of the discussion. Irrespective of the differing economic arguments on whether Greece's future should be in or out of the Eurozone, it emerged clearly that the symbolic repercussions of such a step should not be underestimated. The German Finance Minister stressed that the best strategy for the current difficulties lies in further European integration with stronger EU institutions and an inevitable transfer of some decision-making to Brussels. The simple question is how to sell 'more Europe' at a time when public credibility in the European project has been shaken to say the least. The real question is if there is any political leadership capable and willing of delivering that message.**

Will the euro survive? In the wake of various EU summits and loans to Southern Europe perceived as 'bailouts' by the public, the discussion focused on the prospects of the euro surviving the current crisis. Labelled from its inception as a currency that "does not fit markets", Wolfgang Schäuble stressed that the markets would learn to adapt to the euro. Despite popular scepticism, the solution could essentially only be a European one, namely in completing the fiscal and political union. This is, however, a step-by-step process in which the only red line that mattered was that any solution must lead to a stable and sustainable Europe.

Another issue was the role of the media both in Germany and Southern European states, particularly with regard to the Greek crisis. Here, coverage ranged from anti-German sentiment to radicalization in Southern Europe, and centred on perceptions of paying for lazy Southerners in the German media. Apart from the difficulties of maintaining public interest on the issue when extraordinary summits become the order of the day, the lack of a proper communication strategy from the EU side was evident and lamentable.

It was also clear that some members of the Eurozone had forgotten that in order to compensate for the loss of the tool of external devaluation, they needed to increase competitiveness. Nonetheless, despite public perception, affected member states including Greece had in the past few months made remarkable steps to decrease deficits and strengthen competitiveness.

With regard to European integration, the speaker stressed that this was no longer an issue of preventing wars in the continent but about the reality of the new globalized world. In this world, the only nation states that will matter will be those who manage to build networks; no European nation will be able to make it on its own.

Similarly, Wolfgang Schäuble argued, the solution to the euro crisis is a European rather than a German one. In this context, the future lies in further European integration, which will undoubtedly raise difficult sovereignty issues for member states. Outlining European integration as the best contribution to global governance to date, he stressed that the most efficient systems will be those based on democracy, human rights and rule of law.

## 2.11 Panel Discussion: The Financial Crisis and the Eurozone

Speakers: *Jörg Asmussen*, Member of the Executive Board, European Central Bank, Frankfurt
*David Folkerts-Landau*, Chief Economist, Deutsche Bank AG, Frankfurt

Rapporteur: *Kerstin Bund*, Germany

Session 11: Friday, August 17

**Should the Euro be saved? This was the leading question of the panel discussion about the financial crisis and the prospects of the eurozone in Berlin. The clear answer was: It definitely should be saved. 'It is worth doing it' said David Folkerts-Landau, while Jörg Asmussen pointed out that a Greek exit would have incalculable effects not only for Greece but also for other euro member states. 'It would be very messy, at least for twelve months', he highlighted. Both speakers agreed in their assessment that the crisis of the eurozone can be intelligently dealt with. Ultimately, the future success of the eurozone will depend on three factors: first, the prospects of further integration at the European level; second, fiscal consolidation carried out by the member states; and third, an effective crisis management strategy.**

The panellists admitted that mistakes had been made when the Euro was introduced earlier in the late 1990s. The monetary union should not have been implemented without deeper political integration. Furthermore, they agreed that Greece at that time was not ready for the euro and should not have joined the currency union. Nevertheless, both Asmussen and Folkerts-Landau have a clear preference: Greece should stay within the eurozone. Jörg Asmussen pointed out that an exit by any member state might be the most costly solution. He admitted that the probability of a Greek dropout is 'not zero' and that the European Central Bank is preparing for that scenario. 'If one country decides to leave, others should better be prepared for it', he said. David Folkerts-Landau, for his part, did not agree with the supporters of the 'Amputated-Leg-Theory', according to which it sometimes is necessary to sacrifice part of the body in order to save the organism.

Although Europe is far away from having a perfect currency system, the speakers do see hope in its sustainability. They elaborated on how the current crisis could be solved. At first, a deeper integration is needed which includes a banking union with a common supervisory system. This initiative should be realised along with a fiscal union through which budgetary sovereignty could be shifted at a European level. In order to establish a fiscal union, deeper political integration between member states has to be promoted. Asmussen believes that further integration has to take place, at first, within the 17 Euro countries, later among the 27 member states of the EU. Only those countries that are economically viable and willing to integrate further should start this initiative, while Asmussen emphasized that the latter should stay open to all EU member states fulfilling the criteria.

Secondly, the adjustments in the struggling states have to be based on two pillars. One is fiscal austerity which is without alternative, even though it can have negative short-term effects on growth and employment. The second is built of structural reforms such as labour and tax reforms. Even though these are difficult to implement and will encounter civilian resistance at national levels they are inevitable adjust-

ments for highly indebted countries. In addition, they will pay off in the long run as the example of Germany's Agenda 2010 has shown. Ten years ago when the coalition of Social Democrats and Greens introduced comprehensive labour market reforms they were highly disputed. With hindsight, they have proven to be beneficial.

Thirdly, there should be 'short-term fire fighting' as Jörg Asmussen put it. The crisis management, including the financial rescue mechanisms, has to be linked to conditions such as tax and labour reforms in the affected countries. The speakers promoted a policy of small steps and emphasized that this would take time. 'We shouldn't look for a magic pill that solves all the problems at once', Jörg Asmussen said.

## 2.12 Germany and the Future of the European Union

Speakers: *Matthias Nass*, International Correspondent, DIE ZEIT, Berlin
*Nikolaus Meyer-Landrut*, Director of European Affairs, Federal Chancellery, Berlin
*Janusz Reiter*, former Ambassador of Poland to Germany, Warsaw

Rapporteur: *Richard Freedman*, United Kingdom

Session 12: Friday, August 17

**The session on Germany and the future of the European Union analysed the growing complexity of the EU and Germany's role within it. Speakers differed as to the extent of whether German leadership was required. Defining German leadership – or even asking whether it was desirable in the first place - was an issue for all panellists. Nevertheless, all three speakers agreed that there would have to be a major leap forward in European integration starting this autumn with Germany playing a central role.**

Matthias Nass regarded the current financial crisis as an opportunity for Europe. He did not share the pessimism of much of mainstream thought. Previous periods of crisis in the EU had led to important steps forward in European integration; this crisis would be no different. It is clear nevertheless that the euro cannot exist without a political union and this has not happened fast enough.

It was also clear that more had to be decided at European level. Matthias Nass outlined five main areas for urgent action: 1) A banking union including deposit guarantee schemes; 2) a fiscal union; 3) Eurobonds and the mutualisation of debt; 4) a political union with the European Parliament playing a larger role; and 5) a euro finance minister and a directly elected EU President. The support for these ideas was larger than people thought especially in Germany. All this would eventually have to be put to the vote in a referendum even in Germany.

There is a risk, if this did not happen, of the EU becoming increasingly irrelevant, Matthias Nass warned. The argument that the EU maintains peace in Europe is simply not enough anymore. Nevertheless, there was an important lack of leadership in Germany on pushing for a political union. The speech by Polish Foreign Minister Sikorski – in which he said Poland fears German inaction much more than action – was an example of the desire for German leadership. He concluded by saying that Germany has to move and has to do more; a new Marshall Plan for Europe is what is needed.

Nikolas Meyer-Landrut, the leading European Affairs Adviser to German Chancellor Merkel, stressed the difference between perception and reality regarding the debt crisis in the eurozone. The economic situation was actually better than many economists had spelled out. Communication surrounding the euro crisis is a major problem as voices were not always consistent as to the extent of the problem. What Europe was required to do in one year, i.e. setting-up a banking union, took the United States 60 years. Innovation, he argued, always takes time and reforms had to take place simultaneously. Structural reforms were required including a significant reduction in unit labour costs.

Further political integration of the eurozone would be essential if the euro was not to break up in the medium term (although he did consider criticism from London on what was needed for a stronger Euro as unhelpful given the UK's reticence to the whole project). As to the two rescue mechanisms (EFSF and ESM), Germany was contributing the equivalent of about one annual federal budget. This would be unthinkable for the US Congress to do.

Germany's role was about ensuring a European Union based on the law. Germany was leading the EU almost by default, generating understanding in some quarters that German leadership equals German money. The debate on a fully-fledged EU with political and fiscal union still had to occur. A fuller debate would take place in the autumn. Eurobonds would need further political integration and democratic accountability to function effectively as they represent a massive transfer of economic sovereignty to the supranational level. In the short-term, greater firepower was needed for the European Central Bank and a greater debate on political union.

Poland's former Ambassador to Germany, Januz Reiter, underlined that the current financial and economic crisis had reinforced the routine views of self-interest for each of the Member States of the EU at the expense of a European ideal. The fundamental argument that the EU was providing for prosperity and therefore peace could not necessarily be made to the same extent as before the crisis.

The cost-benefit analysis regarding EU membership varies considerably depending on the Member State. There was a pure financial 'access to the market' calculation as the predominant factor for countries such as Sweden or Austria. For Ireland, Greece, Portugal and Spain it had been about economic development. For the new countries of the EU from Central and Eastern Europe, EU membership had been about all of these but predominantly about geopolitical and security issues. The question for Germany therefore was how it should interplay and maximise its own benefit given the variety of interests on the table.

In the 1990s, the EU had lived through an illusion that all was going well economically and politically and somehow this would continue in the foreseeable future without the need for economic reforms. This illusion had been shattered by the crisis. The diverging cost-benefit analysis overall meant an increasing complexity and a set of competing interests that is neither easy to determine for Germany nor for outside actors.

## 2.13 Climate, Migration and Security in Africa

Speaker: *Michael Werz*, Senior Fellow, Center for American Progress, Washington DC

Rapporteur: *Wolfram Lacher*, Germany

Session 13: Saturday, August 18

**Regional trends in north-western Africa exemplify some of the key challenges of global and regional governance in the 21st century: Climate change, migration and interrelated regional conflicts are creating a new geopolitical space that spans sub-Saharan and North Africa. However, the tools of global governance, and of leading powers such as the US and EU, are inadequate to deal with these multi-layered developments, as they are fragmented into diplomatic, security and developmental instruments. Controversy centres on the role the EU and US can or should play in addressing these issues in north-western Africa and in other regions with widespread state fragility.**

According to Michael Werz's argument, trends in north-western Africa are paradigmatic for the complex interplay of environmental, demographic and political developments that create regional instability and conflicts – and reconfigure regional geopolitics by producing an arc of tension. The three key factors are climate change, migration and human security. With regard to the first factor, desertification is affecting northern Nigeria and southern Niger. The Niger delta is under threat from rising sea levels, while Algeria and Morocco face chronic water shortages.

Although the precise causal relationships are unclear, climate change contributes to food insecurity and migration, both of which are drivers of conflict. Migratory routes from West Africa to Europe face blockages in North Africa, causing migrants to settle along the way in Niger, Algeria or Morocco, and thereby raising the pressure on resources. Conflicts over governance issues or control of resources have emerged in northern Nigeria, Mali and Niger. Drug trafficking and kidnapping-for-ransom have contributed to the rise of 'al-Qaeda in the Islamic Maghreb' in the region, and have turned the Sahara into a common economic space - but one that fuels regional instability.

These conflicts represent threats to global stability, Michael Werz argued, and in the case of north-western Africa, threats to Europe in particular. But neither the US nor Europe appear to be ready to take the lead, even though regional governments are clearly overwhelmed by these problems. Moreover, the approaches of the US, EU and institutions of global governance to deal with these threats remain stuck in the institutional structures of the cold war: development, defence and diplomacy continue to operate largely separately from each other.

The question is how to come to an integrated approach, both between civilians, the military and development experts, as well as between leading powers and regional governments. Michael Werz also stressed that solutions to conflicts such as that in northern Mali would almost certainly need to include a military component.

Several discussants challenged this analysis – particularly its focus on climate change and migration, as opposed to politics. As one participant suggested, the conflicts raging in northern Nigeria, Niger and Mali are political in nature, with climate change and migration playing a limited role. Moreover, the rise in drug trafficking

across West Africa is a governance issue, given that it was only possible with the complicity of government officials in the region. If politics play a much greater role in these conflicts than suggested by the speaker, this would also mean that the approaches to tackle these conflicts would need to be different. Another participant pointed out that, by not making clear statements about the causality of conflict, the analysis opened the door widely to the militarisation of conflict resolution approaches.

One of the main issues of debate was the leading role of the EU that Michael Werz called for. Participants differed over whether the EU was doing enough to engage with north-western Africa, and indeed whether the European public was sufficiently conscious that the region is in its immediate neighbourhood.

More importantly, questions were raised over whether outside actors such as the US or EU should take the lead, as Michael Werz suggested. This appears to neglect the important role of regional institutions, such as ECOWAS in the case of West Africa – an institution that has repeatedly demonstrated its ability and willingness to militarily intervene in states of the region. Further, such an approach does not adequately take into account the initiatives and interests of regional governments. A Western-led approach would also encounter opposition from regional governments: In the Sahel, Algeria has been opposed to increased US and EU involvement, which it sees as interference in its sphere of influence. Thus, as long as the EU seeks to play the leading role in devising and implementing a regional strategy, it is likely to face resistance from Algeria, which has the power to obstruct any external engagement in northern Mali or elsewhere in the Sahel. Even Western states' support for the role of ECOWAS in northern Mali – including for a potential military intervention – faces strong opposition from Algeria and Mauritania.

In sum, there is a need for greater involvement and cooperation within the region itself, which may require the EU and US to take a back seat.

## 2.14 The Relations between Asia and Africa

Speaker: *Shashi Tharoor*, Member of the Indian Parliament, New Delhi

Rapporteur: *Friederike Kärcher*, Germany

Session 14: Saturday, August 18

**Pointing out that Asia consisted of 52 countries and Africa of 53, Shashi Tharoor focused his keynote speech on comparing China's and India's relations with Africa, respectively. His main message was that while China was perceived as a bigger and thus more visible investor in Africa than India, China's relations with the continent were prescriptive and dominating, whereas India looked at Africa with sympathy and a sense of relatedness.**

Shashi Tharoor outlined China's relations with Africa with the following emphases: China's interest in Africa dates back to antiquity (i.e. in Timbuktu), as archaeological findings have shown. During the twentieth century, China's relation with Africa changed from little involvement (1940s) to rallying ideological solidarity (1960s/70s), to military support to liberation wars, to isolating Taiwan (1990s), and today focuses on economic, development and energy cooperation.

China's activities in Africa can be considered as an implicit promotion of the development model of China, eluding human rights issues or any other interference with the internal affairs of cooperation countries. This is also called the "no-strings-attached" approach to development policy. In addition, China's vote in the UN context (i.e. in the Human Rights Commission) turned out to be crucial for several African countries, such as Sudan and Zimbabwe. The importance attributed to China by Africa was reflected in the attendance of 48 (out of 53) African Heads of State and/or Government at the Beijing Summit of the Forum on China-Africa Cooperation in 2006.

The economic interests of China in Africa account for the majority of its activities there. A quarter of China's oil imports come from Africa, among other countries from Angola, Nigeria, Ghana, and Sudan. Likewise, the mining sector in Africa offers metals like coltan (used for cell phones) and minerals like diamonds. As a result, the trade levels between China and Africa went up by 50% each year from 2002 until 2008. Large infrastructure investments in Africa are aimed at boosting China's economy further, involving up to 70% of Chinese manpower and little capacity building for local workers. And yet, Africa accounts for only 3% of China's foreign direct investments worldwide. Ultimately, these kinds of investments reflect China's desire to develop and project itself to power, as is also demonstrated by a US$ 7 billion Chinese media campaign in Africa, the proliferation of Confucius Institutes and scholarships given to Africans to study in China.

India's relations with Africa, in contrast, are characterised by the following qualities, as was reported by Shashi Tharoor. The Indian-African partnership also has historic roots. Eventually, European rule in both Africa and India disturbed this relation. Nevertheless, in the post-colonial era, the two regions were brought back together and India eventually shared its development experience with Africa by transferring knowledge and skills. According to Shashi Tharoor, India could even serve Africa as a source of inspiration and learning, as had also been pointed out by the former (African!) UN Executive Director of the Economic Commission on Africa when referring to

the need for improving business conditions and opportunities for Public Private Partnerships in Africa (a similar comment is rarely heard about Europe, the United States of America or China, he noted).

Between 2008 and 2013, India aims to invest US$ 5.4 billion in Africa. Indian enterprises are heavily engaged in Africa in the mining industry, the agriculture sector, in infrastructure, information technology, and human resources development. India also has established a preferential trade regime for Least Developed Countries (LDC) in Africa, covering 92.5% of the exports of LDCs. Moreover, emerging economies such as India, Brazil and South Africa have formed a joint development forum (IBSA).

While Mahatma Gandhi was the "best import and export of (South) Africa," Shashi Tharoor argued that there was still not enough intellectual, journalistic and academic exchange between India and Africa. Currently, roughly 50,000 African students study in India.

In terms of soft power investments, the Indian film industry – known as Bollywood – certainly has a role in African cultural life – and more so than Kung Fu movies, as Shashi Tharoor noted. He illustrated this point by sharing the story of the grandmother of a Senegalese friend, who would take the bus to see the latest Bollywood movie once a month and would refer to it as the highlight of her month.

With a view to future cooperation, India clearly recognises Africa's economic potential and development opportunities for the food sector, energy supply, terrain, climate commitments, pluralism, and freedom of religion. Shashi Tharoor stressed the fact that perceiving these opportunities was one reason for African leaders to look at India with a sense of sympathy and relatedness. Apparently, there was a queue of several years' duration for African leaders to visit India. He further pointed out that as far as attitude and perception of (economic) potential were concerned, India and China acted similarly towards Africa – a point which was discussed further during the ensuing debate.

China's focus on Africa certainly also is a reason for India's activities on the continent. As Shashi Tharoor explained, India was even worried about China's increasing presence in Africa. In spite of the extant scramble over Africa (especially with respect to energy supply), China and India are jointly operating on oil extraction and share an embassy building in Liberia.

The discussion following the presentation centred on the potential for India and China to cooperate further in Africa, on their respective approaches to Africa, on the precise nature of the interest India has in Africa, and India's role as donor, especially compared to the EU.

With respect to the potential for further cooperation of India and China in Africa, Shashi Tharoor used the example of maritime cooperation. So far, there are no joint patrols – even though it would be feasible – as the political inclination to do so has not been summoned. Regional stakeholders such as ASEAN (the Association of Southeast Asian Nations) have extended their cooperation to Africa, according to the speaker. Interregional exchange was therefore identified as an opportunity to strengthen relations between Asia and Africa.

Regarding India's economic focus on Africa, the question was raised whether or not this involvement could be considered as a new form of colonialism or colonial style interventionism. Shashi Tharoor argued against this interpretation, stressing that India was not seeking political domination, but following mere economic interests. The discussion of this issue brought up sensitive issues such as land-grabbing and

the exploitation of land for food exports. To illustrate the mutual interest in economic cooperation involving land use, Shashi Tharoor pointed out that the Prime Minister of Ethiopia wanted 3 million hectares of unutilised land to be leased out to India, thus signalling to India that its companies were welcome. Apparently, Mozambique and Liberia have made similar offers.

With reference to the precise nature of India's relation with Africa, the question was asked whether or not India's economic cooperation with Africa was simply a different version of development aid delegitimising classical aid. Along these lines but on a more general note, India's role as donor in light of its own challenges was called into question. In 2010, India provided US$ 90 billion for development aid with Africa. Shashi Tharoor pointed out that 90% of the funds India spends as development aid in Africa are soft loans rather than grants. So eventually, these funds are returned to the Indian budget. Shashi Tharoor nevertheless indicated that India's involvement in Africa had moral implications, too, and that India's relationship with Africa was part of India's re-branding in the 21st century.

In this context, the issue of conditionality and tied aid was brought up, along with a debate on the kind of development cooperation policy India supported, especially in comparison to EU development policy. For example, India would not make domestic policy issues such as human rights an external condition in its relations with other countries (for example, in treaties and agreements), although human rights were definitely on the agenda of Indian domestic policy. The EU's different approach in this regard – also towards India – is something that Shashi Tharoor described as "patronising". He went on to explain that after 200 years of colonial experience, India liked to observe human rights for its own reasons, but would not accept a reference to human rights in trade treaties, for example (this continues to be an issue of constant debate between India and the EU). One of the final interventions took a decisively differing view on this issue, namely that it seemed rather disturbing to use sovereignty as argument in human rights and that governance indicators could not be thought of as tying development aid.

Interestingly, in closing, Shashi Tharoor referred to a quote from the former Chinese Foreign Minister: "Business is business." Along these lines, he then stated: "Trade is trade, human rights are human rights." With this comment, he ultimately seemed to suggest that India and China were not so different in their perception of and approach towards Africa – although he would probably argue that India was more respectful of African ownership.

## 2.15 Development Aid and Economic Progress in Sub-Saharan Africa

Speakers: *Wolfgang Jamann*, Secretary General and CEO, Welthungerhilfe, Bonn
*Christian Nakonz*, former Ambassador of Germany, Berlin,
*James Shikwati*, Owner, Inter Region Economic Network, Nairobi

Rapporteur: *Nedzad Smailagic*, Bosnia and Herzegovina

Session 15: Saturday, August 18

**For many years, government aid has been considered as a tool of help for Sub-Saharan African states. In that respect several questions arise. What is the record and what are the outcomes of development aid up to now? Overall, does it rather do good or does it do harm? Or to start with: Should Africa be treated as a problem at all?**

Despite the fact that various forms of aid and development assistance have been provided in the Sub-Saharan region, ranging from technical to financial to political aid, the situation on the ground remains complex. Welthungerhilfe, a German based organisation, has been present in the region for fifty years now, and has conducted various projects and offered different forms of aid. Looking in retrospect at this period, Wolfgang Jamann highlighted some positive and negative outcomes. On the positive side, it is worth mentioning that about 60% of region's population has access to the clean water. Furthermore, certain social indicators show progress, e.g. three quarters of population are literate. On the political level, with the exception of Somalia and Eritrea, all countries in the region have had elections in last seven years.

However, some negative trends overshadow the positive processes. Namely, much of the economic progress is based on the exploitation of goods, for example oil and water. The local population, in contrast, often does not have access to such resources. The relationship between given aid and progress in a given society highlights further issues: Both the participation of the population and the distribution of wealth and income (as a share of profit) remain unequal.

In his remarks, also Christian Nakonz raised the issue of usefulness of development aid. Despite the substantial aid provided, with overall estimations amounting up to one trillion US dollars, widespread poverty remains. One reason for this can be found in the demographic development of Sub-Saharan Africa. Population increases are evident in virtually all countries of the area, in particular in Benin, Ghana, Kenya, and Nigeria. In his view, the private sector should complement public activities in the development of governance in the region. This should increase employment rates and tax revenues.

Differing from his co-panellists, James Shikwati argued that development aid does not do any good and does not contribute to the economic progress of the region. That's why it is time for shift of the overall philosophies and approaches of the Western World to Africa. He observes, firstly, that the Western World follows a wrong approach when looking at Africa as a problem or burden. Rather than patronising the continent, Africa should be seen as a place to go. The West should recognise the specifics of Africa instead of trying to fit it according to its own views and standards.

Water exploitation is a case in point when it comes to the role of development aid and how it corrupted African minds. Right now, water is exported even though there is not enough of it to use for African economic prosperity. In this respect, James Shikwati urged for a changed approach, i.e. reconsidering and, ultimately, changing development aid as it is currently done.

Looking at the two opposing sides on development aid and, in that respect, economic progress in Sub-Saharan Africa, it is interesting to note that main objections come from Africans themselves. They question its efficiency and overall purpose, claiming that it brings corruption rather than competitiveness to Africa. Providers of development aid, in contrast, consider their activities to have overall positive outcomes, asking for them to be continued. The discussion showed obvious discrepancies going beyond just mere development aid. It showed differences in perception of not only the relations between Africa and the Western World, but also the latter's engagement in Africa.

## 2.16 Social Media as a Tool for Political Change

Speakers: *Sandro Gaycken*, Senior Researcher, Institute of Computer Science, Free University of Berlin
*Gregor Hackmack*, Co-Founder, Parliament Watch, Hamburg.

Rapporteur: *Francisca Bostyn*, Belgium

Session 16: Monday, August 20

**The discussion on the use of social media as a tool for political change demonstrated the opportunities as well as the risks which the use of these media entails. Social media have triggered new ways of information flows and dialogue. Combined with the right social and political factors, social media can be a tool for political change. At the same time, however, social media can also be a tool for repression. Intelligence services have mastered the learning curve for social media and are more and more able to match the media savvy of activists. Hence, it is important to remain critical when assessing the democratic potential of social media and to be aware of the substantial downsides, especially in repressive regimes.**

Parliament Watch, a civic dialogue platform, is an example of the positive power of the Internet and social media. It offers a simple, meaningful policy forum for citizens to submit questions to parliamentarians and fosters a direct citizen–politician dialogue. The Q&A forum is complemented, for the sake of transparency and accountability, by a catalogue that features data on the voting records of parliamentarians, their extra earnings, their public positions and their committee membership and attendance. The platform also has a strict moderation protocol and code of conduct. All questions are screened to ensure that nobody uses the platform to lobby or slander politicians or make racist statements.

Parliament Watch currently covers 42 parliaments worldwide. As for the German Bundestag, approximately 80 percent of the submitted questions have been answered substantially. In spite of the fact that this adds to the volume of workload of parliamentarians and their staff, almost all MPs of the covered parliaments actively participate. The incentive for deputies to participate in this platform is driven by competition amongst each other.

Parliament Watch's main objective is to trigger a shift from one-way communication where parliamentarians speak to their voters to a two-way communication exchange on a wide range of topics. It challenges parliamentarians to go beyond traditional information-sharing practices. The platform's success has shown that even in Western representative democracies citizens are interested in direct participation. They expect more direct access to their representatives and to the processes involved in shaping policies and legislation. This does, however, not imply that this form of direct participation should replace parliaments as the backbone of our democratic systems.

The use of the Internet and social media, however, does not only trigger new ways of information flows and dialogue in democratic regimes. Both also have proven of utmost importance in repressive regimes. The Arab Spring undoubtedly is an excellent example of how a free and open Internet can foster democracy. However, at this point in time, it remains difficult to assess whether a real trend has been set and

whether an open and free internet can have a sustainable impact on democracy, or whether it was just a single incident.

At the same time, one should also not overrate the role of the Internet and social media in the Arab uprisings. After all, there were many other forces beyond social media at work. Social media alone did indeed not cause a revolution, but combined with the right political and social forces they most likely accelerated the uprisings.

A free and open internet and social media, unfortunately, do not only allow activists and opposition to organise themselves and express their opinions, but they are also open to intelligence services for monitoring and influencing purposes. Repressive regimes can leverage social media tools in an even more effective way than the opposition, for example to gain greater insights into activists' activities. Given that the use of the Internet and social media in the Arab Spring countries did take the intelligence services by surprise, one could assume that repressive regimes will try to catch up on the media revolution. Tools for complete Internet surveillance are currently being developed and hence, Internet and social media might no longer bring about the same level of political change in the future.

Whether these disadvantages heavily outweigh the advantages remains subject to discussion. Activists are often very well aware of the fact that their online activities are being monitored by the intelligence services, but they are willing to take the risk. Also, in spite of government control, they still seem to find ways to spread their message, raise awareness about acts of oppression, and coordinate their actions in an efficient way. So, Internet and social media do allow them to draw external attention from citizens and governments outside the region to the place that is experiencing protest or conflict.

Last but not least, in order to overcome the downsides of the use of social media, there is a clear need for public-private partnerships and a discussion on the role of the private sector. How to ensure a transparent involvement of the private sector, especially in terms of data protection? What incentives could be given to private companies that appeal to their corporate social responsibly? How can more awareness be raised among Internet and social media users about a more responsible use? These are just some of the questions that will need to be answered in future debates.

## 2.17 How to deal with the Commons

Speaker: *Prue Taylor*, Deputy Director, New Zealand Centre for Environmental Law, University of Auckland, Auckland

Rapporteur: *Jacqueline Hale*, United Kingdom

Session 17: Monday, August 21

**The session focused on the diagnosis of the problems we face in managing our Commons collectively and critically assessed the response of the international community to date. Referring to growing ecosystem stresses, including climate change, Prue Taylor spelled out the urgency of the problem and called for an idealistic and normative response from the international community based on social reciprocity and responsibility rather than economic self-interest. The discussion addressed the failure of global governance structures, chiefly the United Nations, to reach agreement on managing the Commons. In the face of evidence that governments and societies are still far from willing to take steps to govern the Commons in the collective interest, participants in the discussion addressed the incentives and leadership required to make the changes called for by the speaker.**

The question of how we manage ourselves in relation to the Commons (resources that are shared among communities) is not new to international law. The development of the 1982 Law of the Sea Treaty can be traced from Hugo Grotius in the 15th Century to the 20th Century movement which declared the moon, seas and oceans the Common Heritage of Mankind, since they could not be owned by any state private entity. Yet in practice governance systems are still not in place to deal with the Commons in an equitable and sustainable manner. Self-interest continues to drive decision-making in the international system: States have weakened the Common Heritage of Mankind commitments with regard to the seas; the UN Security Council recently refused to discuss climate change as a threat to peace and security when called upon to do so; and the attempts to agree a multilateral response to climate change failed at Copenhagen.

Against this background, Prue Taylor argued that collective action is now urgently required because of growing interlinked ecological stresses on planetary systems, ranging from climate change to biodiversity depletion and the nitrogen cycle. These stresses have arisen because of behaviour described by Garrett Hardin as the 'Tragedy of the Commons' in which multiple individuals, acting independently and rationally consulting their own self-interest will deplete a shared, finite resource.

The speaker tackled the question of ownership, citing Rousseau's conviction that 'the fruits of the earth belong to us all and the earth itself to nobody'. She declared that peace, social justice and sustainability are not secured using notions of property and challenged the notion that wealth creation can be an adequate approach to managing the Commons. Policy responses are still falling short of recognising that the global Commons cannot be owned nor wealth extracted from them for private benefit. For example, instead of creating a policy to protect ocean habitats and ecosystems, states agree fish quotas so we continue to operate according to principles of economic self-interest rather than collective gain.

In Prue Taylor's vision rights are linked to moral responsibility. Our 'use rights' need to be constrained by collective decisions. All of us need to take responsibility for managing our shared Commons based on principles of equitable sharing. States should act as trustees with a responsibility to protect ecosystems.

This has implications for governance: The speaker advocated for direct citizen participation in government and decentralisation of decision-making, whilst at the same time for global constitutionalism. In this context the Rio+20 UN Conference on sustainable development brought some gains but failed to reform international environmental governance, such as founding a World Environmental Organisation (a High Commission for Future Generations was created instead). Developments in other spheres, notably attempts to develop global governance norms for the internet, and the development of a civil society movement pushing for open and universal online access, provides a useful inspiration and an analogy for the environmental movement.

Participants in the discussion raised a number of challenges to achieving the utopian vision of collective action presented by the speaker. It is unclear, for example, where leadership can come from, be it at state level, or by individuals and coalitions. The important question of incentives will have to be tackled: History shows that simply stating the moral case for change will not be enough to enforce action. Under which conditions will human beings and states be willing to make individual sacrifices for future collective gain? How far will developing countries such as China and India, who are powering their economies on fossil fuels, be prepared to accept responsibility for preserving the Commons? How can the principle of shared but differentiated responsibility enshrined in the Kyoto protocol be put into practice without allegations of free-riding by countries who do less?

Given the absence of overarching governance structures and laws to manage the Commons, participants highlighted the role of the commercial sector, particularly the Green Economy, in mitigating against exploitation of the Commons. In her response the speaker cautioned against overreliance on the Green Economy (especially since the term is used by different actors to describe different processes) and referred to the risk of 'Greenwashing' whereby corporate strategy uses 'eco-labelling' or the language of sustainable development as a sales tool or to mask continued environmental or social exploitation.

The speaker placed much hope in growing civic movements, such as the Earth Charter Movement in South America, or transnational bottom-up movements, like Occupy. She called for a legal basis for civil society to hold governments and corporations to account, given that international law remains poorly developed and cannot the sole province of decision-making on the Commons.

## 2.18 Resource Scarcity, Resource Rivalries, Resource Wars?

Speakers: *Ania Grobicki*, Executive Secretary, Global Water Partnership, Stockholm
*Richard Matthew*, Professor, School of Social Ecology, Director, Center for Unconventional Security Affairs, University of California, Irvine
*Harald Welzer*, Founder, FUTURZWEI Stiftung Zukunftsfähigkeit, Berlin

Rapporteur: *Antje Buschschulte*, Germany

Session 18: Tuesday, August 21

**The panel discussion focused on worldwide water management and security issues arising from resource scarcity with a particular focus on Africa. Given the common agreement that the world faces climate change, resource scarcity, and environmental pollution, the discussion focused on how to address these issues differently than in the past 50 years. From a socio-psychological point of view, there seems to be no correlation between people's knowledge about all these urgent threats and their involvement in actually tackling these problems. One newly proposed approach to make people not just care but also act could be positive story-telling. Local and regional collaboration in water management might be one such positive story to build on in order to live in a more sustainable way in the future.**

Ania Grobicki gave an overall positive picture concerning water management, even though the United Nations' (UN) Watercourses Convention has not been ratified for 14 years. As water is recyclable, it is not a real resource, but one of the world's most important common goods. The aim would be a water-secure world in terms of health, food and national security, where no one could say, with Mark Twain: "whiskey is for drinking; water is for fighting over".

As water pollution and droughts affect people more directly than for instance climate change, people get more passionate about it and local solutions can be very effective. African nation states, for instance, try to overcome colonial borders while Indus negotiations continue between India and Pakistan in spite of the political differences. Since the UN 'Earth Summit' conference in Rio in 1992, many countries have implemented water resource management principles. Ania Grobicki outlined a positive new way of dealing with the problems within the UN in three new virtual organization areas: UN oceans, UN energy and UN water, the latter being eight years old. This is an attempt to work together on the international, regional and sub-national level with civil society and corporate players. Stressing that governance does not yet work in the context of water, she proposed to not price the water itself, but rather water solutions.

Drawing a broader picture, Richard Matthews looked at resources such as water, oil, minerals, and rare earths through the lens of security. This, he believes, is an American strategy to raise people's interests and getting a problem on the agenda. He also mentioned that investments in land in Africa may not always harm local development, but that currently there is little transparency. Concerning Africa, he illustrated that resource scarcity can cause conflicts, but also that weak governments are not able to face natural disasters appropriately.

In addition, the character of security might change. For instance it is hard for governments to provide public goods in such an interconnected world where the categories of foreign and domestic have largely been eroded. This view was challenged in the discussion where it was argued that adding the security dimension to these problems might not be constructive, and instead lead to treating other countries as enemies. Ultimately, Richard Matthews claimed that better information about all the resources in the world is needed in order to create meaningful strategies. The massive system of international communication should be used to this purpose.

Harald Welzer presented the perspective of a social psychologist to the issue. He pointed out that people simply do not act when told that there is too much CO2 in the atmosphere. You can drive an SUV in daytime and talk about climate change at a cocktail party in the evening. Thanks to 'catastrophe' communication in the last 40 years, there has been enough knowledge around, and 'being concerned' became normal. People virtually expect the latest (negative) scientific results.

Nobody is shocked anymore because people have learned to cope with it. 'Being concerned' became a new business alongside the real business destroying the environment. New records of extraction every year seemed to go along with being concerned. Living at a very high civilisational standard in the context of the supremely successful principle of western capitalism based on an early industrialized economy, means to extract as much as possible out of the planet.

According to Harald Welzer, the future task will be to change our way of living. Otherwise it would be impossible to keep outputs while reducing the level of extraction and emissions by factor 5. Personally, he left academia to establish FUTURZWEI, a foundation aiming to contribute to a solution of these problems by establishing a new relationship between people's every-day life and the worldwide task of living in a sustainable matter. He sees a valuable approach in helping companies to find new strategies for their own sake and to gather transformatory knowledge by trial and error while doing this.

The second approach is story telling to create role models. As an example Harald Welzer mentioned people starting a business without the principle of growth. Concrete examples affect people's lives far more than scientific results. This approach was challenged in the discussion on the basis that it could make the problem look smaller than it is and therefore take away the pressure from political leaders, thus limiting the possibility of progress on a larger scale. Harald Welzer replied that the danger of good stories would be relatively low, because far much more bad stories exist. People would also heighten pressure on politicians as soon as they get involved, becoming "repoliticised".

At the moment the prevailing idea is that nothing can be done, and politics is what politicians (can) do; hence the need to "repoliticise" society. Still, there is no perfect solution as to how small achievements can be transformed to a larger scale. However, the richer and higher ranked in society you are, the wider your possibilities for action. Plus there is a need for an avant-garde: Since social movements are only driven by three to five percent of a population, majorities are not necessary. One also has to take into account the principle of nonsimultaneity (Ungleichzeitigkeit), meaning that there are different logics of time. Finally, Harald Welzers outlined the need to create a sustainable modernity since the way that our societies currently work "will change anyway, either by design or disaster."

## 2.19 Challenges and Opportunities for Advanced Economy Growth

Speaker: *Michael Ettlinger*, Vice President for Economic Policy, Center for American Progress, Washington DC

Rapporteur: *Christine Klaubert*, Germany

Session 19: Wednesday, August 22

**Until today no one has discovered the one single key for economic growth. Driving growth in the advanced economies rather seems to be a balancing act of where the limited resources are best spent. This is a major challenge for policy makers. As a result we see a lot of "trial-and-error" and complex policies. Furthermore in today's interconnected world trade-offs do not only need to be considered at a national but also at an international or global level. Michael Ettlinger argues that to drive advanced economy growth one of the most important strategies is to invest in the middle class. Middle class workers and consumers, innovators and entrepreneurs are the motor. In the years to come we need strong and responsible national, regional and global governance, careful budgeting and political balancing as well as economy measures that include social and ecological issues.**

The current situation presents a number of challenges for advanced economy growth. Until today no one has discovered the one single key for economy growth. Driving advanced economy growth rather seems to be a balancing act of where the limited resources are best spent. First understanding and then managing the trade-offs is the major challenge for policy makers. As a result we see a lot of "trial-and-error" and complex policies in national governance. To simplify the situation for the purpose of this discussion Michael Ettlinger only looked at balancing the right amount of taxes versus the right amount of public investment.

To make things even more complex and challenging in today's interconnected world trade-offs do not only have to be considered at a national level but also at a regional level and at a global level. So far it seems that too little focus has been put on the regional and global perspective. One country's decline or failure drags down other countries as well; one country's advancement could and should foster another countries development as well. "Do you want to see my country succeed"? The answer to this question should be "Yes, I want us to succeed together".

In the course of balancing taxes versus public investment, there is a debate on income inequality. Is it a good thing or a bad thing? Should policy makers find measures to reduce income inequality? Whereas some income inequality can help foster competition and advancement, a high and even rising income inequality as many countries are faced with today, will actually hurt economy growth. Rising income inequality is not only an issue in the US and other developed countries. It is also an issue in developing countries. Income inequality has risen in the US for over a decade. Today less people belong to the middle class as the distribution of households is much more spread out in both the upper class and lower class.

Michael Ettlinger argues that middle class workers and consumers, innovators and entrepreneurs are the motor for economy growth. Therefore policy making should focus on strengthening the middle class. The last crisis showed that in the US still too

little attention is paid to the middle class. Ensuring that policymaking strengthens the middle class is a challenging issue in the US. Policies often support the wealthy and business owners. The fact is neglected that for a business to successfully grow, it needs stable or rising demand from middle class consumers, a skilled and productive middle class workforce, risk-taking creative middle class innovators and entrepreneurs and public investment (e.g. in infrastructure) and constraints on purely short-term rent-seeking investment behaviour.

What is the way forward to create opportunities for advanced economy growth? What can or should be done? In the years to come we need strong and responsible national, regional and global governance, a careful budgeting and political balancing as well as economy measures that include social and ecological issues. Energy should be put into thinking about ways on how to increase “the overall size of the pie” as well as about how to distribute the “current pie” differently. Therefore more focus than today should be put into finding measures to support the middle class to be the motor for growth. To strengthen the middle class, topics like for example labour rights, minimum wages, protecting intellectual property rights should be addressed.

To reflect today’s complexity for an evaluation of growth we should not look at the gross domestic product (GDP) alone. We should integrate ecological and social issues into the measurements to get a more balanced picture on growth itself as well as important drivers for growth (e.g. exploitation of people and natural resources). How can we prevent people and natural resource exploitation? Creating a shift in mindset from an individualistic to a more collective way of thinking will be hard, maybe impossible and will take a lot of time.

So far no one knows where “new growth” should or will come from. Also the question is whether this notion of “eternal growth” is the right path to pursue. Maybe we need to start a discussion on a healthy equilibrium with constant advancement but not only growth.

Tapping into advanced economy growth, there is no silver bullet, not the single simple answer that we eventually find, if we keep looking hard enough. It is hard work in careful balancing, the willingness to constantly learn and improve, and in working together with other states, governmental and non-governmental organizations and corporations to create joint growth opportunities. We need strong governance to guide single nations as well as the group of sovereign nations into this kind of thinking.

## 2.20 Collective Impact

Speaker: *Marc Pfitzer*, Managing Director, Foundation Strategy Group, Geneva

Rapporteur: *Markus Szczesny*, Germany

Session 20: Thursday, August 23

**Marc Pfitzer presented "Collective Impact" – a new approach to problem-solving especially in the social sector. Collective impact is a concerted activity of various players to elaborate solutions for complex issues. The key features of this concept are scale by sector alignment based on a common agenda and mutually reinforcing activities to gain momentum. With Collective Impact, Marc Pfitzer presented a concept that could help implement the multilevel governance approach that was one guiding topic through the discussions of the Bucerius Summer School 2012 on Global Governance.**

In the past social problems were often seen as simple or complicated (compare sending a rocket to the moon: technically sophisticated) issues and thus faced several severe challenges in the process of elaborating possible solutions. The concept of Collective Impact considers social problems as complex issues (compare raising a child: various influences, outcome not predictable), requiring concerted, aligned activities by willing actors from various sectors.

The five main principles of Collective Impact are the following:

1. Common agenda-setting, which is the most important part. It includes the definition of the objectives and usually takes 1-2 years;

2. Shared measurement, i.e. agreed success indicators, facilitated by modern communication and computing equipment;

3. Mutually reinforcing activities, which include diverse actions in aligned activities;

4. Continuous communication, i.e. activities to keep everyone motivated, to promote the project to external recipients etc.;

5. Backbone organization, because as in every successful project, Collective Impact needs to rest on a well-prepared foundation.

The involvement of influential leaders is one important step to command respect and attract important cross-sectors actors to engage. In addition it is important to create a shared feeling for the need for action ("feel the pain") and to focus on solving problems. Last but not least the necessary project funding has to be secured.

One very important aspect that must not be underestimated is the timeline for solving a problem. Marc Pfitzer claimed that we must change our time horizon for elaborating a solution for complex issues. Realistic estimations avoid disappointing experiences.

Collective Impact attacks different fields of social challenges. Marc Pfitzer showed various examples of successful initiatives, for instance in the sector of education ("strive together", "ready by 21"), global warming (WWF "networking initiative") or medical care (an initiative by the Caisse d' Epargne in Ardeche). But there are also issues that cannot be solved by Collective Impact, for example the challenges of fed-

eralism. He personally made rather disappointing experiences with Collective Impact in health care reform.

The common agenda setting was the issue which was most discussed. As the most crucial step in setting up a Collective Impact project, most participants saw major challenges in the alignment of different players from various sectors. Starting with the definition of common objectives: Will it only be possible to agree the least common denominator? How to cope with divergent goals in the process of agenda setting? The discussion showed that this would be a challenge. Best practice examples proved however that this challenge could be mastered. One important enabler is the definition of success indicators and the collective measurement of success.

Another discussion arose on the integration of government institutions. Marc Pfitzer agreed that the involvement of government authorities could be an important contribution to the success of Collective Impact projects. Many of the examples he presented found the support of corresponding government officials. The most important aspect in this regard however is the involvement of leaders of the involved sectors – “leaders matter” is the conclusion of Marc Pfitzer.

The concept of Collective Impact represented an adequate approach to the guiding discussions of this year’s Bucerius Summer School. As John Ruggie and Colin Crouch pointed out already at the first day of the program, it takes new collective actors from various sectors to solve collective problems. John Ruggie pointedly formulated the bumper sticker “functionalism first, institutions second” – everyone that can contribute to solving problems should do it and should not wait for any official institution to act. This results in multilevel governance models with new challenges of coordination and alignment.

The discussion showed that participants perceived the concept of Collective Impact as one possible approach to gain momentum by aligning the relevant actors to create successful solutions especially in the social sector. One weakness of the presented concept which participants pointed out is the process of setting a common agenda, which needs further elaboration. It still seems very challenging to make sure that players from different – sometimes competing – sectors would be able to define ambitious objectives and stay committed to these objectives in the course of the project.

## 2.21 Global Challenges and Non-Governmental Organisations

Speakers: *Gerry Salole*, CEO, European Foundation Centre, Brussels
*Lotte Leicht*, European Union Advocacy Director and Director of Human Rights Watch's Brussels Office
*Marc Pfitzer*, Managing Director, Foundation Strategy Group, Geneva

Rapporteur: *Rene Betancourt,* Ecuador

Session 21: Thursday, August 23

**Non-governmental organisations play an important role in addressing global challenges. However, it is important to differentiate between such organisations and what is considered civil society. The former are extensions of the latter; they are agents that do not define civil society as a whole.**

In the context of bringing about peace and resolving conflicts, there are a number of tools to exert pressure on the combatants. Among others, these measures include "naming and shaming", the implementation of individual sanctions (such as travel bans, targeting the assets of individuals, and embargoing arms and security equipment), and pursuing justice (domestically or internationally). Military responses are admissible as a last resort if they aim to protect people from extraordinary atrocities that would amount to a commission of crimes against humanity, war crimes, or genocide.

In this context, the present situation in Syria can function as a case study for applying the above-mentioned measures. The situation in Syria itself displays an escalation of the commission of very serious crimes by the different parties participating in the hostilities, i.e. the government and the various opposition groups. These atrocities include indiscriminate shelling, torture, summary executions, and increasing reliance on air bombing without using precision-guided weapons. It was argued that the longer the conflict is allowed to continue, the more complicated it would be to resolve it.

Confronted with Syria's reality, panellists suggested a three level response: Firstly, targeted periods of sanctions, which require cooperation from Arab countries to implement the sanctions; secondly, a ban on the transfer of arms to both government and militias which would require cooperation from Russia, the greatest supplier of weapons to Syria; and thirdly, pursuing international justice during the conflict and once the conflict is settled. With regard to the latter, it was mentioned that while the hostilities are on-going arrest warrants may be issued, which would have the effect of raising awareness concerning the gravity of the atrocities and at the same time limit the perpetrators ability to travel to other countries, as they may be detained. In relation to the seek justice, it was also mentioned that not only the direct perpetrators should be prosecuted, but also those that aided and abetted conflict, e.g. by providing weapons to the conflicting parties. These three items are crucial components in dealing with the current conflict and the aftermath.

Particular attention was given to "sanctions" and their effectiveness in impacting the more violent issues of global governance such as wars and conflicts. The panel referred to "smart sanctions" and the importance of having international cooperation for implementing smart sanction in a comprehensive manner.

In relation to the future of NGOs, the emergence of hybrid entities and different types of associations with local and governmental actors is a salient feature with regard to how civil society operates. This highlights the importance of choosing adequate partners when having concerted efforts towards common issues. Some of the criteria for this are: the source of funding, the seriousness of the entity, and the involvement of the potential partner in activities at the local level.