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- It's my distinct pleasure to summarize the rich discussion from our breakout session on the Current State of Global Governance.
- Before I begin I'd like to add my profound thanks to Thierry de Montbrial inviting me to this 4th World Policy Conference—and more generally pay respects to his vision and leadership in organizing such a valuable gathering. It must be a Herculean effort to bring us all together. But it is certainly worth it.
- The topic of our session was—in a sense—the topic of our entire conference: an examination of how the World is adapting to growing political, security, economic, ecological, and indeed moral interdependence. We looked at how existing institutions are adapting—or failing to adapt—to new global challenges that transcend national boundaries; to the rise of non-state-actors, both benevolent and malevolent; and particularly to the emergence of new global power centers that are challenging the Western liberal order that has dominated since 1945.

A Few Major Themes Emerged:

**First: The Complexity of the Contemporary Global Agenda is Straining the Capacity of Existing Institutions in Profound Ways.** And Institutional adaptation has been uneven at best. Most international institutions were created for a very different world, characterized by traditionally Westphalian problems, such as great power competition. Thanks to globalization and awesome technological change, the substance of world politics has shifted fundamentally, to the management of mutual and unprecedented risks and vulnerabilities, from financial instability to global warming, terrorism, WMD proliferation, resources scarcity, infectious disease, transnational crime, to name a few. The Object of Global Governance is to permit states—increasingly in collaboration with corporations and civil society actors—address problems that transcend sovereign boundaries; contain and manage competition among themselves, and facilitate collaboration in providing global public goods and mitigating global bads.

The challenge is partly a cognitive one. The sheer complexity of global interdependence has outpaced our ability to see connections among multiple domains. We continue to take stove-piped approaches to global problems, rather than multi-disciplinary approaches that cross institutional boundaries. Our typical response is to simply add agreements and institutions—by one estimate there are 158,000 international agreements and other instruments addressing global problems, the vast majority since 1945. Are we even aware that these agreements exist? How do they relate to one another.

We also live in a world in which former verities have collapsed—or at least been chastened. Consider the Neoliberal consensus that dominated “global governance” of the world political economy after the end of the Cold War. This was by some measures hugely successful, lifting 1.5-2 billion people out of poverty and unleashing opportunity in the developing world. But it also unleashed a level of connectivity that exceeds our ability to comprehend or control. In the aftermath of the global financial crisis, there is much less deference to the Western liberal paradigm. And the global financial crisis may simply be the tip of the iceberg in this regard. Ecologically, too, we may be beginning to hit



planetary boundaries, including catastrophic climate change. Do we need to ramp back our “hyper-globalization”, and make it more manageable, since our core institutions are failing so manifestly? Do we need a more modest approach?

### **Second, Global Institutional Reform has Lagged Badly behind changing realities:**

- In the wake of the Global Financial crisis, there has been significant innovation in mechanisms of global economic governance. The most important of these is the rise of the G20 as the premier forum for economic coordination. Additional steps include the creation of the FSB, the reinvigoration of the IMF, and modest, incremental changes in “chairs and shares” of the IFIs, though they continue to lag behind recent shifts in global economic power.
- But even in this area of global economic governance, we see limitations. The G20 is a case in point. On one level, it is the most profound development in global governance since the end of the Cold War—the only setting in which leaders of the world’s main Established and Emerging powers meet together, exclusively, in a setting of formal equality. But Despite ambitions that it would shift from an Emergency Crisis Committee to a more enduring Global Steering Group, the G20 has been subject to internal divisions and drift since its high-water mark at the April 2009 London Summit. The less one would seem to be that in the absence of Crisis and the “solidarity of the life boat”, narrower national interests and preferences will tend to block progress.
- Moreover, If we look more generally, however, we find much more resistance to institutional reform, and entire global arenas where institutions have not been created or remain moribund.
  - The most fundamental blockage continues to be in reform of the UN Security Council, whose permanent membership has not changed since 1945. While the Council is not yet in fundamental crisis, the current glide path is not indefinitely sustainable and a legitimacy crisis is inevitable.
  - Beyond the Security Council, panel participants noted several other areas crying for institutional adaptation. These include:
    - The Global Environment: beyond Climate Change, there is an enormous global environmental agenda currently addressed by a weak and fragmented system of programs and agencies, Might the time be ripe for a robust World Environmental Organization?
    - Migration: where no international regime exists
    - Crime: Organized criminal groups are leading beneficiary of globalization, but Global institutional response is Anemic
    - Energy: Increased obsolescence of the IEA, given its restricted membership, particularly failure to include major consuming nations like China and India, as well as producer states— notwithstanding some outreach efforts.
    - Trade: where the moribund Doha round has called into question value of WTO and encouraged growing reliance on bilateral, regional, and “plurilateral” arrangements
    - Fisheries and Crisis of the World’s Oceans

### **Third Big Point: The Nature of Multilateral Cooperation Is Changing.**

- Disatisfaction and blockage with universal institutions, including the United Nations but also the WTO and others, is encouraging greater reliance on both regional and sub-regional organizations and on more informal, ad hoc arrangements for specific issues and flexible consultative forums like the G8 and particularly the G20. The result is that we live, increasingly, in a world of “multi-multilateralism” that transcends the UN-Centered world order. Such flexibility brings advantages, but there are questions about how such multilateralism “a la carte” relates to multilateralism “a la Charte”—that is, the Charter of the United Nations. Are such mechanisms natural complements to universal bodies grounded in international law, or substitutes?
- The Search for Formal International Treaties to Solve Complex Global Problems may be a Fool’s Errand. Climate change is the archetypal example, here. It is simply unrealistic to assume that a single UN Negotiating process—the UNFCCC and its Annual COP meetings—can provide a comprehensive solution. Copenhagen was not the failure it has been made out to be—and nor will Durban be. Progress on global



issues will increasingly take the form less of binding agreements and more of parallel national actions, ideally with some monitoring.

- Discussion pointed to the need for increased Policy Coherence among proliferating global governance actors. This was true not just within the Broad UN System—among its departments, programs, and specialized agencies. But more broadly, in Global Economic Governance, needs to be greater coherence between the (1) informal steering committee function of the G20 in taking the initiative and setting the agenda, on the one hand, and (2) the formal organizations like the IMF and World Bank that implement these decisions; and (3) a reformed process of UN Coordination, including perhaps a ramped up role for a TRULY reformed ECOSOC.
- Discussion also highlighted the Growing and indispensable role of the Private Sector in solving global issues. This is certainly true in the case of Climate, including in realms of emissions trading, technology, and financing. But also true in Development, in Global Health (vaccines, for instance). Similarly, the role of Global Civil Society—empowered by social networking tools and other forms of connectivity—will only continue to grow in creation of new norms and rules (e.g., cluster munitions) as well as Naming and Shaming.
- Finally, discussion emphasized the linkage between Global Governance and Local governance—both at the level of the state and the sub-state level. Effective global governance will increasingly require getting states and localities to reinforce and implement decisions and actions taken at the global level.

**Fourth, Integrating Emerging Powers into Reformed institutions of Global Governance will not be easy.** In its fantasies, the West imagines socializing China, India, Brazil, Turkey and others as “responsible stakeholders”, who enjoy greater voice and weight in world bodies in return for embracing existing norms +shouldering greater burdens for providing GPGs. In practice, such efforts face several obstacles:

- To begin with, established and emerging powers often diverge in fundamental values and do not agree on the content of global norms—whether the appropriate boundaries of national sovereignty, the balance between state and market, or the foundations of domestic political legitimacy. Emerging powers want to be rule-makers, not just rule-takers, and they are not inclined to allow the West to define what constitutes “responsible behavior. Lack of Normative Coherence, agreement on objectives, will be a big obstacle.
- In addition, Rising powers are often more inclined to enjoy the status and benefits of entrée into global institutions than to contribute to global public goods—an attitude reinforced by their status as developing countries facing daunting internal challenges.
- Moreover, existing institutions are notoriously resistant to accommodating rising powers, given the vested interests of current power-wielders—as we see in the IFIs. Moreover, there are often unavoidable trade-offs, in determining the membership of new bodies, between the competing goals of efficiency, legitimacy, and like-mindedness.
- Effective global governance is increasingly constrained by domestic governance, including often volatile domestic politics and sovereignty concerns. Democracy, far from being a panacea, can actually complicate international agreement on an increasingly intrusive and complex global agenda---whether one is speaking of trade rules or verification provisions of non-proliferation regimes—since leaders must balance political needs at home and the requirements of effective multilateral cooperation. Striking this balance is particularly difficult when international institutions appear to suffer from a “democratic deficit”.
- Finally, it is not clear where the motor for global governance reform will come from. Established powers—the United States, Europe, Japan—are increasingly inward looking and liable to experience retrenchment. Special mention must be made of political Gridlock and paralysis in the United States. But China and others are not ready to lead by themselves. In principle we need to move toward a more collective form of global leadership—some form of concert — but is this possible?