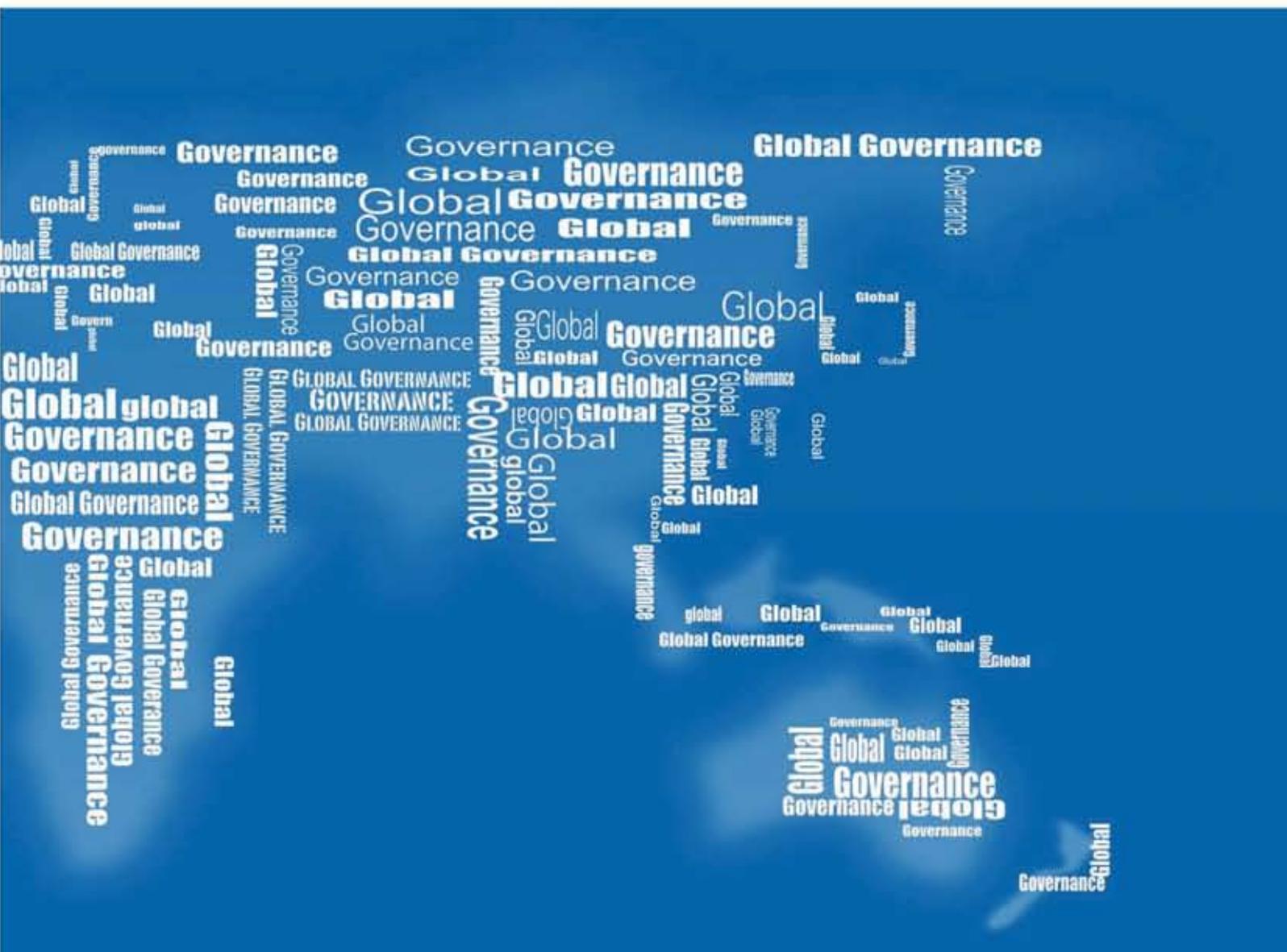


Reconfiguring Global Governance

– Effectiveness, Inclusiveness, and China’s Global Role



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The mission of the China Centre for International Economic Exchanges (CCIEE), founded in 2009, is to promote international economic research and exchanges and provide consulting services. CCIEE attracts experienced economic researchers and conducts research in various fields. It operates under the guidance and supervision of the National Development and Reform Commission (NDRC) and is registered with the Ministry of Civil Affairs. The main focus of CCIEE's work is directed towards the study of economic issues and the promotion of economic cooperation. One of its core components is to set up and facilitate exchanges among academics and practitioners, both domestic and international.

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FOREWORD

As a first step towards generating fresh ideas for improving global governance, the China Centre for International Economic Exchanges (CCIEE) and the United Nations Development Programme (UNDP) China co-hosted the First High-Level Policy Forum on Global Governance, entitled 'Is Global Governance Advancing or Receding – Perspectives of Developing Countries', on 17 December 2012 at the Diaoyutai State Guesthouse in Beijing, China. The inaugural forum brought together more than 100 academics and policy practitioners from five different continents: Africa, Asia, Europe, and North and South America. International experts discussed the current state and possible future configurations of global governance with some of China's most renowned thinkers in international relations and global politics. Experts focused their contributions on the role and perspectives of developing countries and emerging powers in global governance. The initiative not only advanced a more nuanced account of China's views of the world and its global role as a large developing country, but also enabled Chinese experts to acquire a more textured understanding of the international expectations being placed on China. Part I of this report captures the essence of the discussions at the forum against the backdrop of major global governance trends and discourses. Some of the experts have fleshed out these insights in concisely written inputs that figure in Part II of this report.

Global governance is in flux. The current global order confronts several challenges simultaneously, including managing the global shift of power, securing the provision of global goods, and doing so in a legitimate and accountable manner for the citizens most affected. Existing governance arrangements at the global level are tackling numerous and increasingly complex issues including climate change, financial instability, food security, trade protectionism and many other issues that have intensified through globalization. There appears to be global resolve to address critical challenges and vehicles such as the G20 that has made headway in tackling certain global economic problems following the recent financial crisis.

In addition to older mechanisms for global responses, we are now witnessing a multiplicity of governance arrangements at regional, South–South, minilateral and non-state levels. As a result, coordination and coherent institutional pluralism assume greater importance. As the global landscape becomes more diverse, there is a need to synchronize positions through institutions such as the UN, the G20 and other minilateral and South–South governance arrangements to ensure the effective provision of global public goods.

The rise of non-state actors and multi-stakeholder coalitions is a transformative development in global politics, which calls for efforts to harness new agencies and the energies of a multitude of stakeholders to address global problems. There are a number

of examples of new, innovative arrangements uniting public and private actors in global governance, including initiatives such as the Extractive Industries Transparency Initiative, Sustainable Energy For All, and the Global Alliance for Vaccines and Immunization.

To further strengthen global governance, the relationship between developed and developing countries is increasingly important. Through greater infusion of creative ideas and individuals from developing countries and emerging powers, we can better tackle collective global problems. In addition, there is scope to bridge normative principles across major powers to address salient global issues such as climate change, financial deregulation, protectionism and other traditional and non-traditional security concerns.

The Global Governance Forum and this report reflect upon and elucidate China's global role, and make clear its global imprint. Over the past 40 years, the country has embedded itself within the multilateral system. In particular, China has participated in and contributed to the UN and its agencies, global institutions such as the G20, various regional arrangements in East and Central Asia, minilateral frameworks such as the Brazil-Russia-India-China-South Africa group (BRICS), South-South institutions such as the Forum on China-Africa Cooperation (FOCAC), a myriad of bilateral agreements and treaties, and as a development partner through its development assistance. China's development experiences and its great strides in areas such as rural development, agriculture, and public health and sanitation should be harnessed by multilateral organizations as they assist other developing countries. There is wide agreement that future dialogues and forums, such as the Global Governance Forum, are critical to deepening mutual understanding on global issues and global governance.



Wei Jianguo
Vice-Chairman
China Centre for International Economic Exchanges



Renata Lok-Dessallien
UN Resident Coordinator
UNDP Resident Representative

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Acronyms and Abbreviations

- APEC** – Asia Pacific Economic Cooperation
- ASEAN** – Association of Southeast Asian Nations
- ASEAN +3** – Association of Southeast Asian Nations Plus 3: Japan, China and Republic of Korea
- ASEM** – Asia-Europe Meeting
- AU** – African Union
- BRICS** – Brazil, Russia, India, China and South Africa
- BRICSAM** - Brazil, Russia, India, China, South Africa and Mexico
- BASIC** – Brazil, South Africa, India and China
- CASS** – Chinese Academy of Social Sciences
- CBDR** – Common-But-Differentiated Responsibilities
- CCIEE** – China Centre for International Economic Exchanges
- CMI** – Chiang Mai Initiative
- DAC** – Development Assistance Committee of the OECD
- EAS** – East Asia Summit
- ECOSOC** – Economic and Social Council of the United Nations
- EITI** – Extractive Industries Transparency Initiative
- FAO** – Food and Agriculture Organisation
- FOCAC** – Forum on China Africa Cooperation
- FTA** – Free trade agreement
- G8** – Group of Eight
- G20** – Group of Twenty
- GATT** – General Agreement on Tariffs and Trade
- GAVI** – Global Alliance for Vaccines and Immunisation
- GFATM** – Global Fund to Fight AIDS, TB and Malaria
- GDP** – Gross Domestic Product
- HDI** – Human Development Index
- IBSA** – India, Brazil and South Africa
- IFIs** – International Financial Institutions
- IMF** – International Monetary Fund
- IPCC** – Intergovernmental Panel on Climate Change

LAC – Latin America and the Caribbean
MAP – Mutual Assessment Process
MDG – Millennium Development Goal
MERCOSUR – Mercado Común del Sur (Southern Common Market)
NDRC – National Development and Reform Commission
NGO – Non-Governmental Organisation
OECD – Organisation for Economic Co-operation and Development
PPP – Purchasing Power Parity
R2P – Responsibility to Protect
SCO – Shanghai Cooperation Organisation
SE4ALL – Sustainable Energy for All
UN – United Nations
UNIDO – United Nations Industrial Development Organisation
UNDP – United Nations Development Programme
UNSC – United Nations Security Council
WTO – World Trade Organisation

PART I – Global Governance Forum Discussions

“Our world of today is more than ever before one world. The weakness of one is the weakness of all, and the strength of one — not the military strength, but the real strength, the economic and social strength, the happiness of people — is indirectly the strength of all. Through various developments which are familiar to all, world solidarity has, so to say, been forced upon us.”

— Dag Hammarskjöld, Former UN Secretary General, 1960

1. Introduction

In recent decades, far-reaching shifts have transformed global politics and the global economy. The end of the Cold War unleashed an era of unprecedented economic and political change across the globe, and new powers now dot the global landscape. Today’s economies are characterized by interdependence and the intensity of their links with each other. Globalization has engendered a myriad of transboundary issues such as climate change, infectious diseases and pandemics, global financial and macroeconomic stability, the wellbeing of the global commons and maritime navigability — all of which transcend the capacity and scope of a single sovereign country to manage alone. Furthermore, power and authority has diffused to non-state actors that have emerged and function within and around states and markets, tackling a range of global issues and mobilizing public opinion.

As a result of these developments, conditions and arrangements of governance are also experiencing rapid change and a period of considerable flux and innovation. Notions of what governance means are being questioned, and debates and experiments on how to improve governance are expanding.

The term ‘governance’ has been subject to scrutiny since its first usage, and it has assumed several meanings over the past two decades. One of the earliest definitions by the World Bank (1999) identified it as the exercise of power in the

management of a country’s social and economic resources for development. Today, it is generally considered to be broader than government, and its core legislative, executive and judiciary elements also capture “changes in processes of governing, or changed conditions of ordered rule, or new methods by which society is governed” (Rhodes, 1996: 652). Gerry Stoker defines governance as human activity that is concerned with creating conditions for ordered rule and collective action, and stresses that — more than outcomes — what essentially matters here are the ‘processes’ that characterize collective action (Stoker, 1998). Similarly, Enderlein et al. advance that governance refers to “the sum of rules and regulations, processes as well as structures, justified with reference to a public problem” (Enderlein et al., 2010: 2).

For our purposes, it is helpful to understand governance through three frames of reference — structure, process and mechanism — to better analyse and situate the shifts that are transforming the global order. First, governance can be viewed as a structure or as “systems of rules”, “institutionalized modes of social construction”, and as “comparatively stable institutional, socio-economic and ideational parameters as well as the historically entrenched actor constellations” (Kjaer, 2009). Viewed this way, governing is undertaken through historically shaped rules and systems that are institutionalized and maintained by an existing group of powers. Second, governance is a process characterized by interaction and participation among different actors to coordinate and manage issues as they arise; it is, therefore, a ‘norm generating process’ through different ‘practices of governing’. Kooiman (2003) argues that socio-political interactions are central to governance, being cognizant of the reality that several actors share the responsibilities of governing. Finally, governance is about decision-making and developing the mechanisms and institutions required for achieving desired policy outcomes (Kooiman and Jentoft, 2009). This aspect deals with the extent to which existing governance mechanisms are effective in addressing problems, bringing their efficacy into question.

Ongoing global power shifts are demanding new ways of thinking about the global system. These

shifts require new ideas to improve the international system of global governance: reforming to encourage inclusiveness by opening up the processes of deliberation and participation; and reforming to encourage effectiveness by strengthening institutional mechanisms to deliver their respective mandates. The process of reformation to encourage inclusiveness and effectiveness should also be informed by a greater understanding of China's role in the global order.

1.1 Global governance

Simply speaking, global governance refers to 'governing' through a multiplicity of actors at various venues to regulate and address issues stemming from interdependence. James Rosenau's initial definition captured the broadness of the concept by defining global governance as the "systems of rule at all levels of human activity — from the family to the international organization — in which the pursuit of goals through the exercise of control has transnational repercussions" (Rosenau, 1992: 13). Thomas Weiss calls on us to consider global governance as "the capacity of the international system to provide government-like services in the absence of a world government" (Weiss, 2012: 7). And one of the most frequently used definitions is put forward by the United Nations Commission on Global Governance that defines it as "the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken" (UN, 1995: 2). But in reality, the concept means many things to many people, which makes it important to acquire an organizing handle. In the context of exploring global governance, it may be helpful to use these three frames of reference — structure, process and mechanism — for achieving policy outcomes, as elaborated upon in the following sections.

1.1.1 Global governance as a structure

Structurally, the global economy has been sustained for many years by an institutional architecture consisting of major economic institutions such as the International Monetary Fund (IMF), the World Bank Group and the General Agreement on Tariffs and Trade (GATT), which was created under the auspices of the Bretton Woods system and led

by the transatlantic alliance after World War II. These intergovernmental institutions use rules and resources to establish and manage the global economy, enabling countries to derive benefits from globalization and shield themselves from its vagaries (Woods, 2001: 75). Experts often use 'global economic governance' to identify and distinguish this form of governance, and until the end of the Cold War this proved to be a fundamental manifestation of governance at the global level (Drezner, 2012: 13). Following the end of the Cold War, this system has come under heavy stress. The rise of several emerging economies, coupled with the proliferation of information technologies, has altered the global geopolitical landscape, in turn creating opportunities for non-state actors to emerge as public goods providers and emerging powers to call for greater representation and a voice commensurate with their weight in the existing global order.

The United Nations Security Council (UNSC) is another example of a dominant global governance structure. Other less visible, but important, structures of global governance include the World Postal Union and the International Civil Aviation Organization, both part of the United Nations system. There are many more examples of such structures that, through the harmonization of international norms and standards, have a direct and positive impact on millions of people around the world each day.

1.1.2 Global governance as a process

Contemporary debates on global governance often highlight and exalt the array of **processes** that exemplify the global order and the massive proliferation of actors engaged in governing. With this has come a diffusion of authority and an inexorable loss of control, resulting in both states and intergovernmental organizations finding themselves jostling with a plethora of non-state actors, from private firms to non-governmental organizations (NGOs) and multi-actor coalitions and partnerships that are wielding considerable material power to shape global norms and agendas (Fidler, 2008: 257). Paul Heinbecker affirms that even though "*nation-states remain the fundamental organizing principle of international affairs,*

they find themselves increasingly sharing responsibility for global governance with non-governmental stakeholders, civil society and business.” Consequently, global governance is framed more comprehensively to encapsulate a range of actors who are exercising authority at the global level and justifying calls for processes to become more participative and inclusive.

1.1.3 Global governance as a mechanism

Finally, global governance can be seen more practically as a **mechanism** to make collective decisions, enforce global rules and address common problems. Agents which seek to ‘govern’ activities in their respective issue areas may collectively encourage these mechanisms (Finnemore et al., 2010: 5). Alongside the established global governance institutions or mechanisms, we have also witnessed the rise of loosely organized transnational policy networks or mechanisms that unite public and private actors on issues that are of great importance to the global public.

These mechanisms often focus on creating ways for different groups of actors to undertake and perform various governance functions, such as agenda setting, furnishing expertise, negotiating criteria and monitoring compliance on various issues (Slaughter, 2004: 9). Increasingly, there has been a proliferation of policy networks based on their capacity to effectively address global challenges. Their inherently flexible and ‘networked’ structure means that they can deftly respond to problems. For example, by shifting their core focus from inputs to outputs and by altering their response from deliberating to deciding, policy networks can more effectively address global issues. This flexibility is partly due to the fact that many of the experts who participate in these policy networks are already equipped with the in-depth knowledge and capacity needed to address current issues.

Paul Heinbecker invokes Richard Haass’s (2010) conceptualization of many “*messy multilateralisms*” to capture this phenomenon, which is “*one that will involve a wide variety of policy responses — some evolutionary, others revolutionary, some inside the United Nations System and Bretton*

Woods institutions and others outside them; and it will also entail subsidiarity or the practice of addressing problems at the levels of governance — global, regional, national or sub-national — where conditions best facilitate problem-solving.” Some of these manifestations include the Asia-Pacific Economic Cooperation Forum (APEC), the Basel Committee on Banking Supervision, the International Organization of Securities Commissions (IOSC), the Bank for International Settlements (BIS), and the Financial Stability Board (FSB) that succeeded the Financial Stability Forum (FSF) (Woods, 2001; 78).

1.2 Current global order and global challenges

1.2.1 Managing the global power shift

For decades, the preponderance of America’s global power and reach bankrolled a great deal of the world’s global security. By extending blanket security and opening up its markets, Washington spurred the growth trajectories of European and Asian partners while establishing a liberal international order, buttressed by a shared desire to advance global stability and prosperity. As the Cold War waned, this momentum surged because of the liberal reforms being implemented by many countries across the global South. Internal policy shifts in China and India led both nations to undertake economic reforms, which in turn generated impressive growth records, lifted millions of people out of poverty, and dramatically raised their global influence.

Coupled with China’s and India’s ascent, the rise of other emergent powers such as Brazil, South Africa, Turkey, Russia and Indonesia has transformed the global landscape. For the first time in over 100 years, the combined total output of three emerging economies — Brazil, China and India — is roughly the same as the combined Gross Domestic Product (GDP) of several advanced economies, including Canada, France, Germany, Italy, the United Kingdom and the USA. By 2050, Brazil, China and India are predicted to constitute 40 percent of global output, up from 10 percent in 1950 (UNDP, 2013: 2). Kishore Mahbubani adds “*In [the] 1980s, the US share of global income was at 25 percent and China’s share of global income was at 2.2 percent in PPP terms. But by 2016, which*

is only 3 years from now roughly, the US share is to go down to 17.6 percent and China's share will be 18 percent." Betty Mould Iddrisu, former Ghanaian Minister for Education, stresses that over the last decade Africa "was home to 6 of the world's 10 fastest growing economies."

These are historic developments. According to UNDP Associate Administrator, Rebeca Grynspan, "the last two decades have seen the rise of major emerging powers and the elevation of a host of other developing countries to middle-income status with an unprecedented decline in extreme poverty rates. China's extraordinary trajectory very well illustrates this reality. The rise of the emerging economies and their growing geopolitical importance is putting real weight behind solutions driven from the perspective of the South and different paths and policy options to development." Presciently, Qin Yaqing, Vice President of China Foreign Affairs University, states that the "future of the world and the success of global governance are very much dependent on the interaction between the existing and emerging powers." Managing and harnessing this shift of power is critical for global governance at large.

1.2.2 Provision of global public goods

We live in an era of unprecedented technological and scientific progress, yet find ourselves tackling a variety of challenges, from financial contagion to the onset of infectious disease strains and a warming planet. The impact of these challenges is becoming more unpredictable by the day. Ms. Grynspan notes that "economic globalization has outpaced political globalization" and that "the number of global problems requiring international cooperative solutions has expanded much faster than the capacity and needed speed to deal effectively with them, affecting their credibility and perceived effectiveness. Our increasingly multipolar world is struggling to come to terms with what it will take to address these complex multifaceted issues — and more — in the face of divergent perspectives, fragmented institutions and abundant rivalries that limit our ability to provide for essential global public goods."

For instance, as we have painfully witnessed since 2008–09, inadequacies in regulating domestic

financial markets can result in devastating regional and global economic downturns, which then require global action. Toshiki Kanamori argues that "economic stability has become a global public good" required for continued economic exchange, which is one of the backbones of global development. If regulators are able to competently manage and oversee domestic financial markets, it will prevent irresponsible risks from occurring and being transferred globally through the existing system. As Zeng Peiyan, Chairman of the CCIEE notes, "Global challenges are becoming more prominent and pronounced. In particular, the financial crisis this time has sounded the alarm for us to reflect on the issue of global governance and made it even more imperative for us to find solutions to the challenges with a long-term perspective."

On the health front, by building robust and vigilant public health systems that can tackle emergent problems such as SARS or H1N1, preventive measures can be instituted to shield us from global epidemics. The responsible and effective domestic management of communicable health conditions thus increasingly contributes to the provision of global public goods — or "benefits that extend across countries and regions, across rich and poor population groups, and even across generations" (Kaul et al., 2003: 3).

Many of the big issues challenging global governance today are inherently multifaceted. They are inherently complex, interlinked and constantly evolving. They often generate unintended consequences and, thus, are ideally addressed by highly flexible, nimble, informed and participative policy processes that allow for collaboration, innovation and adaptation (Ritchey, 2005: 1). For example, adapting to climate change requires us to restructure our urban and rural infrastructures, incorporate greener technologies into our production practices, expand investments and financing to fund climate mitigation technologies, and liberalize tariffs and duties to import sustainable energy technologies. Clearly, addressing climate change requires a multi-pronged approach that unites various actors. The costs and challenges of coordination and regulation under various overlapping and independent arenas and institutions complicate the process of addressing the issue through transnational governance. Policy coherence becomes critical in this fragmented institutional milieu and it must improve

“between institutions of global governance, especially between and within the UN, the International Financial Institutions, and the G20”, according to UNDP Associate Administrator Rebeca Grynspan.

1.2.3 Legitimising global governance

With multiple new actors increasingly delivering and/or concerned about global public goods, there has been an increase in questions related to the legitimacy of global governance. Legitimacy exists when “authority has the consent of those that are subject to it”, or in other words, the governed have a say in who governs them and those in power comply with their decisions (Scholte, 2011: 111). Legitimate governance processes are usually better able to deliver and be accountable. To legitimize processes and institutions of global governance, two interrelated issues are important: effectiveness and inclusiveness.

Effectiveness deals with the ability of international organizations to both achieve outcomes and to deliver their respective mandates. Managing and achieving effectiveness has become more complex due to the inertia often found in international organizations and their inability to adapt, to mount collective solutions and to deliver public goods (Held, 2008:5). Institutional complexities can engender inaction and breed ineffectiveness. Reforming organizations with institutional reforms that raise efficiency and capacity can mitigate the risk that functions and mandates overlap, and therefore prevent conflict and incoherence (Held, 2008: 7). Organizational reforms in vital global institutions such as the UNSC, World Bank and IMF have been waning, despite some steps in the right direction, and this scenario has complicated international cooperation, since it becomes harder for international organizations to manage and achieve their respective mandates.

Inclusiveness refers to openness or the capacity of global institutions to become more open to all citizens and groups willing to participate in achieving that institution’s goals (Keohane, 2011: 111). Much of the thinking on this equates global governance with inter-state and intergovernmental organizations, but this is limiting. As Hu Huaibang, Chairman of the Bank of Communications, astutely points out, “global governance is not global government.” The global

remit has widened, and non-state actors, networks, partnerships and coalitions of varied forms populate the global landscape. Hu Huaibang continues by arguing that it is a “*must for us to recognize and respect the considerations of interests of all parties and settle our differences and achieve common ground.*” Thus, the interests and views of different entities must be taken into account to strengthen legitimacy. These include the following: regional organizations (ASEM, FOCAC); municipal networks (United Cities and Local Governments, Cities against Climate Change); private authorities (International Accounting Standards Board); supranational institutions (Financial Stability Board); and public–private partnerships (the Global Alliance for Vaccines and Immunization (GAVI) and the Global Fund to Fight AIDS, TB and Malaria (GFATM)).

1.3 Major global issues

Throughout the proceedings of the High-Level Policy Forum on Global Governance, experts from all parts of the world provided their thoughts on the major global issues of our times, from climate change to food security and financial stability. A brief overview of some of the most pressing global issues and challenges is outlined below.

1.3.1 Climate change and environmental pollution

Empirical evidence indicates that planetary warming is adversely affecting global climate patterns by causing extreme weather events such as hurricanes, floods, tornadoes, heat waves and droughts to occur more frequently. According to the March 2012 IPCC Special Report, climate change will continue to produce extreme weather patterns over the next 20 years. Current carbon dioxide (CO₂) emission patterns show no sign of abating, and this is expected to increase the global temperature by more than 2°C by 2050, with serious consequences for humankind and our biosphere (IPCC, 2012).

Devesh Kapur identifies climate change as “*the single biggest challenge of humanity*” and highlights the asymmetric nature of it since “*those who have caused most of the problems cannot be affected by its worst conditions.*” Rebeca

Grynsplan also notes that climate change is “*hitting the poorest the hardest*” and that more than “*200 million people annually have been affected by extreme weather and climate-related disasters and much more is coming, from malnutrition to water shortages.*” Yet the global climate agreement needed to arrest and reverse these trends remains elusive. Ms Grynsplan further notes that despite the UN’s efforts and commitments, “*greater economic and financial stability is unlikely to be achieved in the absence of more coordination, regulation and oversight of climate change.*”

Huang Jing added that ‘*environmental pollution*’ represents the leading global issue of our time; and that there is a need to better reconcile modernization and industrialization to avoid the pernicious environmental impact caused by modern society. Huang also added that developing countries such as China and India should not be absolved from their responsibilities in tackling global warming, and called for these countries to increase their contributions to this issue. However, Yang Jiemian added that vis-à-vis climate change, we must adhere to the principle of “*common but differentiated responsibilities*”, further emphasizing that developed and developing countries must share the burden based on their respective roles in the world order. This was affirmed by Martin Khor, who stipulates that despite the challenges defined by the ‘common versus differentiated responsibilities’ principle, we must continue the negotiations for a global climate accord, since we are “*negotiating the distribution of the world’s future.*” András Inotai also called for more attention to the global climate issue. In his words, “*environmental security cannot be separated from sustainable development, job security, and competitiveness. Since countries of the world economy are in different stages of economic development, their priorities — and security needs — are also likely to differ. Therefore, all efforts have to be concentrated in order to find a suitable and fair solution for all countries contributing to environmental pollution and global warming.*”

Irene Giner-Reichl, Austrian Ambassador to China, links energy security to climate change, calling climate change the most critical global

public good requiring robust international cooperation. She cites the example of Sustainable Energy for All (SE4ALL), which epitomizes how innovative collective action is addressing this global issue. SE4ALL tackles climate change and energy security and is a partnership that unites several leading actors: countries, regional integration organizations, international institutions, development banks and other financing institutions, multinational corporations and small and medium-sized enterprises (SMEs), academia and civil society organizations. She states that the climate change challenge is about “*seeking ways to address ever increasing energy demand in ways that are compatible with stabilizing the climate system within a range of temperature increases that will allow human civilization, as we know it, to continue*”.

1.3.2 Global financial stability

Few events in the 21st century have had as dramatic an impact beyond borders as the 2008–9 global financial crisis. The crisis was a result of a mix of sustained low interest rates, lax financial regulation, negligent subprime lending and anaemic risk management across financial institutions in the USA and Europe. Although the risks and consequences of the crisis were not evenly spread throughout the world, there was recognition that sensible financial regulation is a critical global public good. This was evidenced by the significance given to the issue at the 2009 London G20 summit.

On the subject of global finance, Martin Khor argues that “*the problem is the absence of global governance, rather than wrong global governance. In this absence, the financial institutions and markets are in charge because they are not regulated. They have been deregulated. There is damage caused by the free flow of finance across borders.*” Huang Jing noted that the growing ‘*financialization*’ of the world has elevated financial stability as a global issue, flagging the prevailing asymmetries between developed and developing countries in terms of financial reserves. This is a development that “*has never happened in human history before.*” Most countries holding foreign exchange reserves today are in the developing world, with the exception of Germany, and most developed

countries are mired in deep deficits for the foreseeable future (Huang Jing, 2013).

Zong Liang drew attention to several critical financial issues: the under-provision of insurance in global currency markets, the demerits of quantitative easing by the central banks of major powers and the issue of the global management of deficit capital. He concluded by calling for altering global rules and more institutionalization and coordination of financial issues at the global level through *“building more agencies that can participate, more competition and stepping up supervision.”* Wang Zaibang also highlighted several financial issues as major global problems. At the top was the issue of the global reserve currency, the dollar. He called for *“effective and moderate use of the reserve currency”*, since it can pose a serious problem for developing economies as a vehicle for inflation. And he echoed Zong’s plea for effective international supervision, given the ability of global reserve currencies to disrupt global financial order, if overly pumped through capital markets. Yizhou called for international financial institutions to *“shift their focus from the minority of the world to the majority of the world”* vis-à-vis financial issues, questioning their desire to *“focus on the European debt crisis and financial crisis in the United States and ignore the developing challenges in developing countries, for example, in Africa”*.

András Inotai called for more robust regulation of global capital, stating that *“capital flows started to surpass national legislation in the late seventies and became increasingly globalized, but this has not been accompanied by an adequate global regulation, so that the unquestionable advantages of liberalization of capital flows during two decades turned [out] to be a major factor of the financial crisis in 2008.”* Inotai also impels countries across the world to pursue sound fiscal policies at home through *“sound budgets, balanced budgetary position, sufficient levels of private savings and the successful management of public debt”*. Externally, he points out the risks of holding a *“high level of foreign exchange reserves”*, given its propensity to *“generate unwelcome inflation and increase dependence on financial vulnerability by one country”*. Natalia Ivanova stated that the *“growing prevalence of global financial problems and its consequences for growth, especially concerning*

countries with huge debt, is now commonplace.” She also identified *“major systemic failure”* as one of the most critical risks in the world today. Furthermore, her surveys detected *“chronic fiscal imbalances as the centre of gravity”* in the global economy. This could be associated with financial risks and crises such as liquidity shortfalls, inflation, deflation, or extreme volatility in energy and agricultural prices. All of these challenges can only be mitigated through better global governance.

1.3.3 Global trade

With tepid growth in the USA and Europe in recent years, the engine of the global economy has been China and other emerging markets. For the USA, Europe and the emerging market economies, global trade is key to sustaining growth. However, the global trading system has been fragmented, with the World Trade Organization (WTO) declining in clout and influence during the rise of bilateral, trilateral and regional trade agreements across the world. Complications surrounding the Doha Round have been a contributing factor to the rise of regional and bilateral trade agreements. Launched in 2001, the Doha Round endeavoured to address several critical trade issues between developed and developing countries but was thwarted by prevailing norms and views on trade and development that could not be reconciled (Park, 2013: 367).

András Inotai highlighted the significance of global trade as a *“key engine of economic growth and that access to markets is a security concern”*, especially for small and open economies, but also *“large economies that used to base their sustainable economic development on export-oriented strategies like China and Germany.”* Martin Khor regretted the lack of content and balance in extant global trade agreements under the WTO, since they are formed by *“rules that are created by developed countries”* that effectively protect their interests and their domestic interest groups. He said that developed countries had *“an upper hand”* in terms of the expertise and capacity required for the successful negotiation of free trade agreements (FTAs). Natalia Ivanova highlighted the *“increasing use of restrictions on international trade and protection of domestic sectors in both developed and developing countries”* as a problem in the global

trading system today, despite affirmations by the G20 countries to keep the system open.

1.3.4 Food security

The recent report on global food security by the UN Food and Agriculture Organization (FAO) estimates that almost 870 million people suffered from chronic hunger in 2012; and the predominant majority — roughly 850 million people — are from the developing world (FAO, 2012). This issue is closely linked to other global concerns. For instance, weak growth trajectories exacerbate malnourishment. Sustainable agricultural growth and productivity is contingent on climate patterns and technologies. And pro-food programmes and policies that ensure nutrition-sensitive growth through dietary diversity and improved access to clean water, sanitation and health services are all necessary to curb food security and hunger.

The issue of world hunger figures prominently in the global development agenda. The first Millennium Development Goal (MDG) is to halve the number of people whose income is less than US\$1.25 a day by 2015. Current discussions about the post-2015 MDG development agenda also take up the issue and place a particular emphasis on “food security and nutrition” (UNDP, 2013: 2). Notwithstanding substantial improvements in the relative number of people below the global poverty line and explicit commitments to support the fight against hunger, experts argue that the situation remains bleak. In a recent publication, Jean Ziegler (2011), the former UN Special Rapporteur on the Right to Food, asserts that hunger is currently raging as “a weapon of mass destruction”. According to Ziegler, the agro-industry, indirectly supported by policies at the IMF, the World Bank, the WTO and various Western governments, enjoys considerable leverage over food prices on global markets and is to blame for a “colossal mismanagement for profit” (O’Neill, 2012).

Without a clear champion in the fight against world hunger, it is uncertain who will take the lead in pushing for a more effective framework to ensure the stable provision of affordable food. The issue of biofuels, in particular, highlights tensions between different challenges: while hailed by some as a path towards more sustainable energy consumption, the production

of biofuels is criticised by experts who underscore their detrimental impact on food security.

The Global Governance Forum discussions on climate change, global financial stability, global trade and food security all pointed to deficits in our global governance systems. Many of these deficits relate to the evolving global power shifts and the slowness of global institutions to adjust to this. These shortcomings may also be related to issues related to the inclusiveness and effectiveness of global governance mechanisms, both of which will be expounded upon in the following sections.

“Provision of global public goods should be the responsibility of all the actors, namely the nation-states in the international system be they big or small, developed or developing, through effective cooperation with international regimes.”

— Ye Jiang, Acting Director of the Institute for Global Governance Studies, Shanghai Institutes for International Studies, High-Level Policy Forum on Global Governance (2012)

2. Towards more effective and inclusive governance

To improve global governance, participants at the Global Governance Forum stressed the need to widen global policy processes to include more actors and increase openness to alternative views and ideas. We are mainly concerned with whether global governance systems are representative, accountable and transparent, and whether countries and their citizens find their interests reflected in the global order. The participants also emphasized the need for greater effectiveness, thus ensuring that requisite outcomes are more impactful in addressing the problems at hand. The primary concerns in addressing effectiveness relate to both the policies of global governance and the question of whether multilateral institutions are capable of providing the required global public goods.

2.1 Effective global governance: providing global public goods

Governance arrangements are ultimately evaluated on their capacity to address a particular problem for which they were created. Most of the major problems today are global in scope and indiscriminate in their impact. Issues such as global warming, terrorism, piracy, nuclear proliferation and health pandemics are all beyond the scope of a single government to address. To tackle these problems, the world must provide and protect global public goods thus, effective global governance hinges on the provision and protection of global public goods. To qualify as a global public good, two criteria must be met: first, it must be public or non-rival in nature vis-à-vis consumption; second, it must be non-excludable such that its impact, usually positive, will be near universal and affect everyone equally (Nordhaus, 2005: 3). Inge Kaul defines them as

goods “whose benefits or costs are of nearly universal reach or potentially affecting anyone anywhere” (Kaul, 2003: 10). It is also important to define the **global public**, which includes states, their people, as well as transnational non-state and non-profit actors. Critical here is the relationship between state and non-state actors in the provision of public goods (Kaul, 2003: 10).

Ye Jiang identifies some examples of global public goods: “*global security, open and fair free trade, international financial stability, public health (especially communicable disease control), international law and order (or the control of crime and violence, including terrorism), food safety and security, a stable climate and clean air.*” We need to supply and protect these goods to negate the onset of public ‘bads’, including banking and financial crises, global pandemics, nuclearization and terrorism. The further integration of citizens, markets and economies can result in new global goods, or global ‘bads’ if the process is not managed effectively.

2.1.1 Advancing international cooperation

For most global issues, the provision of public goods is imperative. Ye Jiang notes that in a world without a hegemonic presence, the “*provision of global public goods should be the responsibility of all actors, namely the nation-states in the international system be they big or small, developed or developing, through effective cooperation with international regimes.*” As the UNDP ‘2013 Human Development Report’ highlights, public goods are often dependent on policy choices. At the national level, governments take the lead in deciding the definition and provision of public goods. At the global level, defining and providing public goods requires “international cooperation [...] and can happen only by the voluntary action of many governments” (UNDP, 2013: 122).

Kaul and Le Goulven (2003) identify several possible ways for international cooperation to tackle current global challenges. The most common form of cooperation is **joint intergovernmental production**, which occurs when international organizations such as the IMF and World Bank are assigned to tackle problems on behalf of Member States and are given the resources and authority to do so. Other ways include **outward-oriented cooperation**, through

which states cooperate with other global actors to ensure that a particular good is delivered at home. **Inward-oriented cooperation** occurs when global regimes and public demands force countries to undertake domestic changes to ensure trans-border harmonization on a particular issue. For example, international financial codes require domestic financial reforms and compliance to advance financial stability. The last form of cooperation is **networked cooperation**, where being part of a global network or regime requires states to fulfil certain entry and participatory requirements (Kaul and Le Goulven, 2003).

Despite many examples of these four forms of international cooperation, the provision of global public goods is often inadequate. Providing global public goods is a two-step process, starting with a political process that determines which good to provide, at what cost and in what manner. The second step is an operational process that deals with production and distribution of the good. Most often, the political process entails dealing with problems related to actors getting benefits without adequately contributing (i.e., a 'free ride') or equity, and the operational side covers thorny problems of sovereignty and territorial access (Kaul, 2013: 7). Wang Yizhou attributes recent deficits in the provision of global public goods to weaknesses in global structures. He suggests that this has been caused by economic slowdowns that have constrained major powers, such as Europe and the USA, from functioning as "*providers of solutions in global governance*". For the most part, international cooperation among and between states is voluntary, and few global institutions have enforcement power. As a result, most states either get a 'free ride' without contributing their fair share or tend to pursue narrow interests that go against global interests.

The second problem deals with the issue of sovereignty and the distinction between global and national interests and issues. Delivering global public goods stems from a deliberative process that transmits national interests and concerns onto the global agenda for negotiation and operational consideration. At the global level, decisions concerning transnational problems are taken on with national governmental support. This process is complicated, since trade-offs need to be made between national and global objectives, keeping both national interests

and institutional capacities in mind. Many government departments have not yet adapted to today's reality of globalization and intense interdependence. Addressing global problems invariably involves a number of different ministries, including sectoral agencies responsible for issues such as agriculture, health and energy. Therefore, the onus for addressing global problems does not fall solely on foreign or trade ministries, but on an array of different portfolios, requiring domestic policy coordination. This complicates the provision of global public goods, since all stakeholders need to be engaged together and in a coherent way during the process (Kaul, 2010: 25).

For global governance to work more effectively, international institutions and developed countries should enable developing countries to actively shape the global governance agenda. This can be done by providing them with incentives and support for making their domestic institutions more globally attuned and relevant.

In addition, as Qu Yaqing maintains, "*existing rules are not designed for managing transnational threats because they exist for individual states and not the global community*". Much more thought must go into how to make the international rules more conducive to solving international, as opposed to national, problems. This calls for a new set of criteria for good international rules and norms.

2.1.2 Reforming international institutions: IMF, World Bank and UN Security Council

Delivering global public goods is a collective process. Yet important parts of the multilateral system, including international financial institutions such as the IMF and World Bank, do not include developing countries — or even large developing countries — in their decision-making processes. Ngaire Woods argues, "*The International Monetary Fund and the World Bank are under continuing pressure to change. After a decade of significant reform, they are still accused of being overly secretive and insufficiently unaccountable. It is now widely believed that both institutions should be more accountable, transparent, and participatory, not just as a matter of better public relations, but in order to improve their own effectiveness*" (Woods, 2001: 7). In terms of structure, the USA is the largest shareholder of the World Bank and the IMF, with

roughly 16 percent, followed by Japan, Germany, the UK and France. These five countries have about 38 percent of the total shares, and each holds a seat on the board. China, Saudi Arabia and Russia each hold a seat on the board, though they make up 9 percent of the shares (Ottenhoff, 2010: 1).

In terms of leadership, a historical convention grants the World Bank presidency to a US national and the IMF directorship to a European. This is the result of an informal understanding between the USA and Europe following the establishment of the Bretton Woods covenant in 1944. This historical legacy is important, since leadership of these institutions, partly determined by voting power, has a tremendous impact on institutional policies and priorities. There can be discrepancies between what major shareholders from developed countries seek to focus on and the issues that debtors from developing countries want to address. Major shareholders use their leadership and voting power to direct funds to areas that reflect their interests and values. Zong Liang contends that IMF reform is long overdue, and that major decisions of the institution “*should not be made with an 85 percent majority with a veto of one single country. It means that even if we have more than a 50 percent majority in certain cases, there will be no possibilities for settling problems. We need to change this.*” With respect to reforming the IMF, Ma Zhaoxu pushes to implement the “*2010 quota and reform plan of the IMF, improve international financial supervision mechanisms, in particular the supervision and regulation of financial innovation, flow of cross-border capital and credit rating agencies*”.

Overall, there is widespread belief that international financial institutions would be more legitimate and effective if their governance arrangements were better aligned with extant power realities. However, there also needs to be solidarity among developing countries to urge multilateral reform. As Devesh Kapur argues, “*one of the lessons which we have to really take to heart is that when developing countries are more united on what rules they do not like of the current system, they are*

much more divided when it comes to how we change that.”

Though the nature of geopolitics has changed drastically, the UNSC’s membership and working methods have not kept pace with ongoing power shifts. This undermines the forum’s legitimacy and transparency. As a result, the desire to expand UNSC membership is justified on the basis of including a more diverse and regionally representative group of countries (Global Policy Forum, 2011). While it is agreed that the case for reform is urgent and pressing, the paths to achieving this are laden with difficulties. Reforms to the UN Charter, like all constitutional changes, must have a very high degree of support from the Member States. Critically, changes in the Security Council’s membership and veto power — the thorniest issue of all — require great negotiating and collaborating efforts from all countries, which is invariably hard to achieve (Paul and Nahory, 2005). Although the prospects of reform are uncertain, efforts have been made to strengthen the UNSC’s representativeness, transparency and efficiency. The forum now holds more public meetings and consultations and frequently consults with external actors, such as NGOs, on various issues. As Shashi Tharoor argues, “A reform package that incorporates both the Security Council and Bretton Woods institutions could transform global governance, whereas failure to reform could doom the prospects for an effective and equitable world order.” Reform of the Security Council, however difficult, is inevitable, because the needs for increased, more democratic and more equitable global governance are bound to increase (Tharoor, 2011).

2.1.3 G20 and global governance

Of all the major global governance arrangements and developments, none has received more attention than the G20. The G20 brings together the 20 leading industrial and emerging countries in the world¹ (AIPS, 2010: 2). G20 leaders convened in 2008 to coordinate actions that would prevent the global economy from collapsing. Progress was made as leaders agreed on intensifying policy coordination, eschewing



1. G20 countries are: European Union, Australia, Saudi Arabia, Argentina, Brazil, China, India, Indonesia, Mexico, South Africa, Turkey, Canada, France, Germany, Italy, Japan, Russia, United Kingdom, South Korea and the United States of America.

protectionism, bolstering regulatory frameworks of global financial markets and commencing the process of reforming international financial institutions. At successive gatherings in 2009 in London and 2010 in Pittsburgh, the group also pledged US\$5 trillion to quell further damage to the global economy. On a positive note, the Pittsburgh summit officially designated the G20 the preeminent venue for international economic cooperation and expanded its remit to further address issues related to the safety and wellbeing of the global economy and the international financial system. Natalia Ivanova, from the Institute of World Economy and International Relations, adds that despite the G20 being a “*work in progress, it is important to maximize its effectiveness on its core responsibility for economic growth and financial regulation.*”

Compared to the G7, the G20’s rise signifies an important step towards democratization of global governance by giving voice and greater representation to the emerging economies in the world. As Pang Zhongying notes, the G20 introduces a “*mutual assessment process in global governance*” that predisposes countries towards coordination of major economic and financial issues, especially when involving developing countries. Further, Prof. Pang puts forward that this process must evolve towards inclusive governance to address global challenges in other policy areas. By promoting and institutionalizing international policy coordination, the G20 epitomizes the reality of the global economy being shouldered by many countries. Stephen Krasner argues that the G20 will prevail in its efforts to function as a coordinating body, since it closely reflects and embodies contemporary power realities. If this is true, the G20 could play a complementary role among existing international organizations that are leading and overseeing certain critical reforms (AIPS, 2010: 11); however, this remains to be seen.

Despite its advantages, the G20 does not always enjoy the political support of its member nations, and this complicates the process of addressing the highly political task of resolving the conundrum of current account, trade and budget imbalances afflicting major economies. As Paul Heinbecker argues, this is because of deeply entrenched “*national political and economic philosophies as well as a strong adherence to sovereignty.*” Also, countries that are not represented in the G20 question its legitimacy.

2.1.4 Regionalism and South-South Cooperation

A considerable amount of political capital is being invested to develop regional institutions so that they can deliver public goods at the regional level. This focus on regionalism is often cited as being more efficacious than delivering goods at other levels. Smaller and more cohesive groupings have a track record of being more efficient and effective at making decisions, especially if the unit is governed by a major power that can absorb the costs of leadership and policy coordination. Martin Khor argues that the numbers of regional groupings have risen because developing countries are now “*more aware that they can negotiate better as a group and because it is very hard to take part in global decisions now. They are not strong and coordinated enough to put forward their own positive agendas in a way that can also be effective.*”

Regional arrangements within and beyond the global South have existed for decades and possess a rather mixed record in terms of effectiveness. From the advanced supranational projects in Europe to the Association of Southeast Asian Nations (ASEAN), the African Union and Mercosur, regional governance assumes a variety of forms. Yang Jiemian argues that cooperation with and among regional institutions is one of the great potentials that emerging powers are yet to fully recognize. Ren Xiao contends that regional governance approaches are far more likely to yield effective results than many global arrangements. While often portrayed as contradictory impulses, governance at regional and global levels can be complementary. Ngaire Woods argues that “*regional arrangements are a crucial component of effective global governance.*”

The importance of regional governance is exemplified by regional development banks, which have outpaced the World Bank in terms of lending volume and focus. As Rampa et al. (2012: 266) highlight, regional development banks are crucial players in increasing the negotiating capacity of developing countries when setting up cooperative arrangements with potential partners. Regional development banks also focus on specific regional issues, such as regional infrastructure, health and environmental protection. Moreover, they support projects funded and managed by patron countries. A good example is the creation of a Credit Guarantee and Investment Facility within the Asian

Development Bank (ADB). Another example is the promotion of local currency bond markets and the establishment of a financial surveillance arm under the ASEAN+3's ASEAN Macroeconomic Research Office (ADBI, 2010).

Interregional cooperation — South–South (BRICS, BASIC) or South–North (ASEM, APEC) — is also an important step in achieving effective global governance. Makarim Wibisono says, “*supporting South–South cooperation is essential because it holds high benefits for developing countries, including the fostering of economic, scientific and technological self-reliance and strengthening of the voice and bargaining power of developing countries in multilateral negotiations.*” In this vein, one of the central tasks for improving the effectiveness of global governance is to strengthen regional integration. On the African continent, this will require substantial resources, and it will be more challenging for some regions than others. For example, the organizational capacities of the African Union “*remain logistically and financially weak*”, according to Betty Mould-Iddrisu. This means that safeguarding public goods, such as Africa’s peace and security, through the African Union is a considerable challenge. For example, while an African Union standby force might be an important and desirable step in strengthening African ownership over peace and security on the continent, inadequate institutional and financial support for this might actually lead to an expansion of ineffective global governance arrangements (Mould-Iddrisu, 2012).

Depending on resources, context and political will, regional initiatives can either foster or undermine attempts to usher in more effective global governance. Paul Heinbecker argues that these regional and interregional partnerships will persist provided that major countries have a “*strategic interest in cooperation, the economic weight to bear the costs of participation and the diplomatic capacity to promote change*”.

2.1.5 Rising minilateralism

At the same time that multilateralism is becoming increasingly complex, new institutional innovations are emerging, often in an attempt to replace grand multilateral vehicles. ‘Minilateralism’ refers to the process of bringing together the smallest possible number of countries required to have the largest possible impact on addressing a problem. It has also

been defined as “the sometimes informal, sometimes structured, cooperation among coalitions of the policy willing” (Naim, 2009; Heinbecker, 2012). The magic number of countries that is required varies according to the problem. For example, the 20 largest countries that make up 85 percent of the global economy convene for the G20 summits, where they discuss issues related to global finance and trade with the hope of reaching solutions to problems that affect the critical mass.

Moises Naim argues that reaching a global climate deal will entail the mobilization of a minilateral coalition including, at least, the 20 top polluters, who emit 75 percent of global emissions (Naim, 2009). There is already some evidence that minilateral groupings could accelerate global climate diplomacy. Given recent disappointments at global Conference of the Parties (COP) forums, there has been a surge of different governance arrangements to tackle climate change. Over the past decade, several arrangements, including the Asia-Pacific Partnership on Clean Development and Climate (APP), APEC Sydney Leaders Declaration of 2007 and US Major Economies Meetings (MEM) of 2007–08, signify a shift towards addressing this issue within smaller, more close-knit groups. Robyn Eckersly argues that minilateral climate arrangements often provide a way of “*reconciling, or at least closing the gap between, these competing positions, and moving the negotiations forward*”, and this could facilitate effective action during windows of opportunity. Also, Paul Heinbecker points out “*muscular minilateralism*” can be found in the “*Bretton Woods institutions, notably the IMF Executive Board, with its weighted voting shares and also within the inclusive setting of UN treaty negotiations, where negotiations routinely take place among small, often self-selected groups who conclude understandings that they then commend to the larger membership for agreement.*”

Examples of other notable minilateral groupings have also emerged, including BRICS, BASIC, IBSA and BRICSAM. Over the past few years, emerging countries such as Brazil, China, India, Russia and South Africa have been collaborating and convening to advance South–South cooperation in areas including trade, health, environment and finance. They bring together and organize developing countries for collective action across the global South. The most recent and interesting development under this rubric has been

the announcement of the BRICS Infrastructure Bank, designed to facilitate infrastructural spending across emerging countries. Current developments suggest that this bank might be in operation from 2015, with an initial capitalization of roughly US\$10 billion, to promote joint investment initiatives in infrastructure and strengthen member currencies as a whole (RT News, 21 June 2013). Sun (2013) argues that this institutional innovation will lead to “more legitimacy and increase competitiveness of their [the BRICS] development assistance”. Jaffrelot argues that notwithstanding future challenges, the BRICS platform has been “much more resilient than many observers expected.”

2.2 Coordinating a burgeoning pluralist landscape: issue of coherence

While the proliferation of global governance groups, mechanisms and views in recent years is a positive development, it also begs the question of coherence. The first step towards greater global governance coherence in the new, emerging world order lies in finding ways to better hear the diversity of views expressed. Zong Liang emphasises that “*there should not be monopoly. There should be more participants and more competitions*”. Qin Yaqing adds that accommodating diverging voices in the transnational arena is the sine qua non of effective global governance. It is what differentiates “pluralistic governance” from “hegemonic governance”. But how to expand participation, accommodate diversity, and at the same time come up with coherent, workable solutions? “Coherent pluralism” (UNDP, 2013:113) emerges as the necessary paradigm for governance arrangements in various transnational arenas. This requires both institutional reform as well as mindset changes and mechanisms for balancing greater participation with informed expertise.

On the institutional front, the 2013 'Human Development Report' suggests “The challenge facing the multilateral system is not a false choice between older structures devised by the North and newer arrangements responding to the needs of the developing world. It is integrating, coordinating and in some cases reforming these institutions so that they can work more effectively together (UNDP, 2013:112).” UNDP Associate Administrator Rebeca Gryspan thus calls for a “*strengthened and supported UN to continue its on-going reform and to better address the complexity of global*

challenges and avoid paralysis and disappointment that in turn may increase the incentives for the search of more informal mechanisms. For example, a more robust Economic and Social Council will strengthen the UN's role in global economic governance, and improve dialogue and co-ordination between the UN, the BWIs, and the G20.” The UN, as the world's most universal and legitimate institution, must spearhead the move towards effective, coherent pluralistic governance. In fact, this has already begun in many domains, as exemplified in the inclusive process toward identifying the Post-2015 Development Agenda and other recent UN endeavours. But to succeed, the UN needs stronger support from its member states.

Achieving coherent pluralistic global governance is not only about institutional change; it is also about changing mindsets. The world must instigate a ‘cultural’ shift, so that it is no longer acceptable for one power to impose its will forcefully or otherwise on another. This is, after all, what the principles of the Charter of the UN are all about. It requires us to find ways of expanding our understanding of others’ views and perspectives and becoming better at identifying opportunities for mutual benefit and accommodation. The UNESCO Constitution states, “Since wars begin in the minds of men, then it is in the minds of men that the defences of peace must be constructed.” Improving our understanding of different contexts and frames of reference will enhance our collective abilities to amicably accommodate diverse views. In this effort, politicians, media, education systems, civil society organizations and others have vital roles to play.

But the quest for greater coherence among numerous, often diverging, voices requires more than enhanced institutional coordination and greater broadmindedness: it also requires mechanisms for bringing together multiple views and opinions with expertise, knowledge and experience. In some ways, the challenges facing global governance – to expand the numbers of voices while deriving informed and coherent decision-making and results – could draw on recent literature and innovation in the field of democracy. For example, ‘deliberative polling’ and other innovative attempts to marry democratic voice with informed analysis for coherent decision-making might hold seeds for reflection on how countries could work across borders to solve national challenges.

“Power has been dispersing from the nation-state toward civil society, including NGOs and other social forces. The past few decades have seen a remarkable increase in the number of NGOs and a corresponding increase in their influence in world affairs as international activists, agenda-setters, and norm-entrepreneurs.”

— Qin Yaqing, Professor of International Studies,
China Foreign Affairs University, High-Level Policy
Forum on Global Governance (2012)

3. Democratizing global governance

Changes in the global governance landscape are not merely about increasing numbers of overlapping state groupings. New actors and coalitions have risen to tackle problems hitherto left to state authorities. Harnessing these partnerships and stakeholder arrangements is crucial, given the respective authorities of actors, whether it be moral, political, intellectual or technical. Given the cross-cutting nature of global problems such as climate change or financial instability, leveraging the insights and know-how of different stakeholders is critical. Policy processes need to draw in and integrate the input of the myriad of stakeholders. At the same time, there is a need for a wider appreciation of different perspectives and norms, to improve mutual understanding of each other's positions and find common ground to address transnational problems.

3.1 Institutional diversity in global governance

There is a growing recognition that conventional notions of authority in the global order are eroding. The rise and influence of non-state actors in world politics has transformed the delivery of global public goods, and this influence appears to be on the rise. Paul Heinbecker argues that *“though nation states remain the fundamental organizing principle of international affairs, they find themselves increasingly sharing responsibility for global governance with non-governmental stakeholders, civil society and business”*, and their rise is *“perhaps the most innovative and controversial — and game-changing — response to contemporary global governance challenges”*. Boundaries between the domestic and

international are also blurring, and this is altering the range of issues considered to be under sovereign authority. These challenges are now being addressed by non-state actors and by innovative governance arrangements that bring together international organizations, governments and non-state entities. Qin Yaqing affirms that the emergence of non-state actors has fundamentally altered *“the nature of world politics”*.

John Ruggie argues this has led to “a fundamental reconstitution of the global domain — away from the one that equated the ‘public’ in international politics with states and the interstate realm to one in which the very system of states is becoming embedded in a broader, albeit still thin and partial, institutionalized arena concerned with the production of global public goods” (Ruggie, 2004: 500). He highlights the historical nature of this development of a global public domain by arguing that it exists and functions as an “institutionalized arena of discourse, contestation, and action organized around the production of global public goods” (Ruggie, 2004: 519). This is a domain that is no longer contiguous with state boundaries but characterized by a litany of transactions between non-state and state actors. Qin Yaqing argues that, *“power has been dispersing from the nation state toward civil society, including NGOs and other social forces. The past few decades have seen a remarkable increase in the number of NGOs and a corresponding increase in their influence in world affairs as international activists, agenda-setters, and norm-entrepreneurs.”*

Kaul et al. (2003) argue that these non-state actors, either NGOs, multinational corporations, social entrepreneurs or coalitions that cobble together different actors from these groups, largely assume three functions. They set agendas (fair trade, debt relief, infectious diseases), negotiate details and contours of agreements (Ottawa Landmines Convention, OECD Anti-bribery Convention, post-2015 MDGs), and monitor and enforce agreements (Extractive Industries Transparency Initiative — EITI). The number of international NGOs (INGOs) formally recognized in the UN system has increased dramatically since the end of the Cold War. As of 2008, a total of 3183 INGOs were registered with consultative status with the UN Economic and Social Council (ECOSOC, 2008). The United Nations

Conference on Trade and Development (UNCTAD) believes that the number of transnational corporations has risen from roughly 7000 in 1972 to some 82 000 in 2008 (UNCTAD, 2009a). In tandem, we have seen a rise in the amount of epistemic authorities (Haas, 1992) or scientific organizations, such as the Intergovernmental Panel on Climate Change (IPCC), operating in various global policy settings. The International Council for Science (ICSU) includes national science organizations and professional bodies covering major scientific and technological areas from roughly 141 countries (ICSU, 2013).

Non-state actors have actively formed transnational policy networks (Keck and Sikkink, 1998), which are largely independent of existing international organizations and often engage governmental and other non-governmental actors to advance their causes. These networks often concentrate on global agendas and mobilize various actors and expertise to address specific global objectives. For example, the EITI includes a coalition of governments, companies, civil society groups, investors and international organizations to increase transparency over payments by companies from the oil and mining industries to governments (EITI, 2012). Edward Mortimer adds that civil society networks augment the democratization of global politics and global governance by *"giving power to the people or peoples — allowing them some input into global governance, through governments that genuinely represent them, but perhaps also through civil society organizations"*.

Other forms of transnational policy networks and arrangements include the following: public–private partnerships that connect businesses, NGOs and government agencies to address specific policy issues (e.g. sanitation, energy access, environmental issues); private regimes that involve non-state actors committing to self-regulatory norms and rules (e.g. corporate social responsibility); global supply chains, where private firms institute and internalize quality standards on production practices; and transnational advocacy networks, composed of NGOs, government and knowledge actors mobilized to raise awareness and address particular social problems (e.g. cyanide ban campaign mobilized to ban cyanide-based mining).

3.2 Non-state actors and global governance

In contrast to intergovernmental or inter-state relations, global governance is distinguished by the emergence and involvement of non-state actors in setting agendas and rules, compliance, monitoring and enforcement. What has contributed to their emergence over the recent past? Broadly, we can attribute their rise to three key trends that have transformed global politics, creating conditions for their emergence and participation: economic liberalization, technological diffusion and intellectual authority.

3.2.1 Economic liberalisation

Since the 1970s, the rise of neoliberalism and its advocacy for the liberalization of finance, trade and production, set the stage for the rise of non-state actors. In this liberal environment, transnational corporations derived support to expand their market operations globally, building large-scale operations worldwide. The comparatively easier movement of goods, capital and technology has had a significant impact on domestic policies across the world, as countries attempt to cope with the effects of global commerce on health, social and environmental policies. Economic liberalization has complex consequences, and produces political agency, to mount collective action responses to tackle salient issues.

3.2.2 Technological diffusion

Technological advances have hastened the emergence of global networks. In particular, the rise of information communication technologies has created the means and tools to facilitate international exchange. The ease with which these tools can be harnessed and used has spawned robust activism and agency on the part of non-state actors across numerous policy areas. Information technologies allow people to transcend national boundaries easily, reducing the ability of the state to act as a gatekeeper or a designated arbiter. More amenable and affordable communication tools have closed gaps between sovereign boundaries, providing a fillip for new platforms to emerge and operate. These same tools also assist organizations to perform their core functions of agenda setting, monitoring and compliance with relative ease.

3.2.3 Intellectual authority

Non-state and state actors are often characterized by differences in their capacities — specifically, knowledge capabilities. As issues become more global, complex and interconnected in nature, states will have no choice but to rely on the intellectual reservoir of non-state actors, leveraging their know-how when possible to function as purveyors of public goods. Governance challenges are no longer unilaterally addressed by states; non-state actors often possess the requisite knowledge to implement and direct change.

3.2.4 SE4ALL: global governance in action

Dr. Irene Giner-Reichl identifies one important innovation to global governance that exemplifies the involvement and contributions of multiple stakeholders: the UN Sustainable Energy for All (SE4ALL) programme. This global initiative, led by the Secretary-General of the United Nations and the President of the World Bank, with strong support from the CEO of the Bank of America, represents an effort to achieve universal energy access, improve energy efficiency and increase the use of renewable energy. By doing so, it is closely linked to global efforts to secure climate stability, as well as efforts to advance food and water security. Since its official launch in November 2011, Dr. Kandeh Yumkella, currently Director-General of UNIDO and the Special Representative of the Steering Group for SE4ALL, has marshalled the support of a large number of partners. These include countries, regional integration organizations, international institutions, development banks and other financing institutions, multinational corporations and SMEs, academia and civil society organizations. SE4ALL aims to realize these concrete objectives by 2030.

Currently, some 1.3 billion people are without access to energy supplies. A further 1 billion use solid fuels (such as traditional biomass and animal dung) for cooking on what are usually very inefficient stoves. This places a huge burden on the environment (contributing to deforestation and desertification), human health (through indoor air pollution) and the productive capacities of the population (mainly women and children, who spend long hours gathering firewood). SE4ALL focuses on reducing energy poverty, recognized as a root cause of extreme poverty and a

main obstacle to economic and social development. Drawing on abundantly available renewable energy sources, the initiative also attempts to facilitate a transition towards low-carbon energy systems, thus freeing developing countries from volatile petroleum prices and creating local employment and income.

SE4ALL was officially endorsed at the Rio+20 Conference in Brazil in June 2012. As of September 2013, some 65 countries, 26 of which are from Africa, have opted in to the accord; they were assessed in terms of their investment readiness and began to receive tailored support at the country level in early 2013. Private-sector firms have identified more than 50 high-impact opportunities. Many initiatives have already made significant progress: the Global Gas Flaring Reduction Initiative, led by the World Bank; the Innovative Financing Initiative, led by Bank of America and the United Nations Foundation (UNF); and the Global Cook Stove Alliance, led by the UNF. A multi-partner trust fund has also been established at UNDP to receive funds from key donors. This will cover the operating costs of SE4ALL. Despite the difficulties associated with making global progress on the climate issue, SE4ALL has made strides, which is at least partly attributable to its distinctive governance structure. Dr. Giner-Reichl emphasizes that, *“it is crucial to take a close look at formats and agendas. Not every format is suited to bring results for each and every agenda. Sometimes it is necessary to have universal participation in a negotiation, sometimes it is more conducive to achieving outcomes to work in smaller, more specialized settings.”* The SE4ALL initiative has tried to internalize this approach and has so far achieved interesting results.

3.2.5 High-Level Panel report on post-2015 MDGs agenda

In July 2012, UN Secretary-General Ban Ki-moon announced the names of a 27-member High-Level Panel to advise on the global development framework beyond the 2015 target date for the MDGs. The Panel was co-chaired by President Susilo Bambang Yudhoyono of Indonesia, President Ellen Johnson Sirleaf of Liberia, and Prime Minister David Cameron of the United Kingdom; it included leaders from civil society, the private sector and governments. The High-Level Panel was part of the Secretary-General's post-

2015 initiative mandated by the 2010 MDG Summit. It was a response to UN Member States' call for open, inclusive consultations involving civil society, the private sector, academia and research institutions from all regions, in addition to the UN system, to advance the development framework beyond 2015.

The Co-Chairs of the High-Level Panel submitted their report and recommendations to the Secretary-General on 30 May 2013. The Panel's deliberations were enriched by national and global thematic consultations under the aegis of the United Nations Development Group (UNDG), regional consultations undertaken by the Regional Commissions, consultations with businesses around the world under the guidance of the UN Global Compact, and the views of the scientific and academic community, as conveyed through the Sustainable Development Solutions Network. As such, the report and recommendations were informed by the views and voices of people around the world.

The Panel concluded that the post-2015 agenda should be universal and should drive five big transformative shifts: leave no one behind; place sustainable development at the core; transform economies for jobs and inclusive growth, especially for youth and women; recognize peace and good governance as core elements of wellbeing; and forge a new partnership characterized by a common understanding of our shared humanity, underpinning mutual respect and mutual benefit. This involves governments, civil society, indigenous communities, traditionally marginalized groups, multilateral institutions, state and local authorities, business communities, academia and private philanthropy.

3.3 Ideational inclusion: incorporating ideas of the global South

As countries such as China, India, Brazil and South Africa rise within the global order, questions surrounding their normative integration into the existing multilateral system will become increasingly significant: will the existing system incorporate and reflect some of their normative preferences? And if yes, how?

Qin Yaqing argues that it is necessary “to include and integrate different ideas and arguments from various actors in governance without a priori ‘either/

or’ judgement. Also inclusiveness helps us to find and define our differences in fundamental concepts and for issues of global governance; imposition is hardly accepted as legitimate in today’s increasingly diversified world.” An open exchange of views and ideas is critical for broadening mutual understanding between different countries and actors, from the North and South. Xue Lan underscores the importance of mutual respect and understanding to strengthen global governance. He argues that to have “good global governance, there are some basics that we have to try to achieve. The first is an understanding. It’s important to understand each other in very basic terms. And the second is to develop knowledge and understand its relevance. And then, we need to work on practical issues through existing mechanisms.”

3.3.1 Global economic norms

Globalization and the rapid movement of information, trade, investments, energy, technology and production have led to the rapid integration of economies. Developing countries have tried to leverage existing networks and economic patterns to realize their potential for growth. As they succeed, it is important to understand their ideas and norms and gauge how they can contribute to global governance. Consequently, developing and emerging countries must advance their ideas on development and economic modernization as they manage their domestic economies. Wang Yizhou argues that the paucity of ideas in the global arena is troubling: developing countries have “their own ideas and inspirations, but their voice is not reflected in the international media”. In fact, ensuring that developing countries’ voices are heard can help to avoid global ‘bads’. For example, Jomo Kwame Sundaram draws attention to the financialization of agricultural products. This results in “food price volatilities” which creates food shocks by raising food prices for citizens in the global South who cannot afford them.

Martin Khor identifies a range of issues where the inclusion of developing countries in formal and informal decision-making processes would help realign existing institutional arrangements. From the current structures regulating the transfer and sharing of technology and intellectual property, to many bilateral investment and multilateral FTAs, the rules and policies governing transnational economic exchanges are, in general,

biased towards the interests of developed countries. This can be remedied by opening up to ideas from the global South on critical economic issues.

3.3.2 Global security and responsibility to protect

Concepts of global order are continually evolving. Following the end of the Cold War, the USA continued to exert global influence through its traditional security alliances in Europe and East Asia, but this order has begun to change in the wake of interventions in Iraq and Afghanistan, coupled with ongoing shifts in the distribution of power (Prantl, 2012: 2). As the nature of conflicts changes, the evolving multilateral order is attempting to adjust and respond. This situation is complicated by the rise of non-traditional security threats, which affect states and citizens in unconventional ways. Qin Yaqing captures this dynamic: *“since the end of the Cold War, traditional security threats, existent and serious as they are, have been at least equalled in both quantity and quality by non-traditional security threats, which pose threats not by one state toward another, but towards all states and all mankind. It is no longer a question of how one state tries to protect its own security, but a question of how all countries work together as partners to protect the global commons as well as the security of all.”*

The core objective of the principle of Responsibility to Protect (R2P) is to prevent large-scale atrocities within countries. Despite R2P’s universal adoption in 2005, there are considerable reservations over its interpretations and applicability. Most recently, the concept’s application in Libya through military intervention has exposed deep-seated concerns over prevailing views of intervention, provoking a great deal of debate. The abstention by Brazil, China, India, and Russia on the Libya UNSC vote indicates varied views on the R2P principle and gaps in interpretation. Recently, the IBSA Dialogue Forum sent a delegation to Syria to examine the situation on the ground. Brazil proposed the Responsibility while Protecting (RwP) principle, which emphasizes sequencing measures to ensure that all possible options are exhausted before resorting to force (Prantl, 2012: 2). The objective of this overture was to mediate between the positions of the USA and Europe, on the one hand, and BRICS members, such as China and Russia, on the other.

Introducing the concept of RwP, Brazil stressed the importance of R2P but indicated the need for a complementary set of norms that ensures the accountability of those to whom authority is delegated to exercise military force (Prantl, 2012: 4). Brazil’s lead in introducing RwP underscores the need for further dialogue on this important issue.

3.3.3 Climate change: common but differentiated responsibilities

Another example of an important global norm is the principle of Common but Differentiated Responsibilities (CBDR), which formally recognizes historical differences in the expected contributions of developed and developing countries to global problems, commensurate with their respective economic and technical capacities. It is captured in Article 3 of the UNFCCC, which stipulates that, “parties should protect the climate system for the benefit of future and present generations of humankind on the basis of equity and in accordance with their common but differentiated responsibility and respective capabilities. Accordingly, developed countries should take the lead in combating climate change and the adverse effects thereof” (UN, 1992).

In practical terms, the principle has two implications. First, it expects all countries, developed and developing, to participate in addressing global climate change. Second, it states that these expectations impose different obligations on countries (Rajamani, 2000). Developing countries have been insistent that the principle must be applied globally. Martin Khor states that there is ample evidence that members of the Organization for Economic Co-operation and Development (OECD) have come to realize that international “*social distribution elements*” in the form of special treatment clauses are important components of a more inclusive and stable global architecture. However, the recent financial and economic crises that hit Europe and the USA in an unforeseen manner have weakened the capacity of the West to lead on the climate front, undermining the CBDR principle. Ma Zhaoxu argues that adherence to CBDR is important and that we need to stick to it and “*support all countries in taking green development measures to advance economic, social and environmental development in a balanced way*”.

Globally, the principle of CBDR calling for the protection of the global commons is enshrined across treaty and state practices. For instance, the Stockholm Declaration called for considering the “applicability of standards which are valid for the most advanced countries but which may be inappropriate and of unwarranted social cost for the developing countries”. The Rio Declaration affirms that, “environmental standards, management objectives and priorities should reflect the environmental and developmental context to which they apply.” This, in effect, assigns different responsibilities for countries based on their development trajectories (CISDL Legal Brief, 2002).

Ye Jiang argues that the CBDR principle should not be used by developing countries as a ruse for inaction; the need for joint action requires that “*developing countries not be free riders*”. Developed countries have a particular responsibility for investing in the provision of global public goods, but all countries possess the right to be included in decision-making processes and must contribute to collective action. In a similar vein, Liu Youfa explicitly highlights the responsibilities of developing countries in strengthening their cooperation via mutual accountability. To ensure a strong and coherent voice, “*no country should pursue national development goals at the expense of others*.” Instead of highlighting the **differences** in the respective responsibilities of developing and developed countries, their **common** nature could be better used as a rallying point for collaboration.

3.4 Coordinating voices from the global South

The democratization of global governance at this particular juncture requires developing countries to enhance coordination among themselves so that they can better contribute to addressing global problems. Devesh Kapur argues that, “*while developing countries are united on what they do not like, they are much more divided about what should be done*.” Edward Mortimer affirms that from a historical perspective, “*rights have almost always been gained by struggle*” — meaning that those who currently hold power have to be convinced that sharing power is the best way of protecting their interests and advancing global causes. Along that line, Kishore Mahbubani provides a range of cogent arguments for why we all have an interest in

supporting governance arrangements that are more inclusive of both developed and developing countries. While demographic and economic developments are among the more convincing reasons to invest in democratizing global decision-making processes, it is also in the collective interest to advance reform. Beyond mere deliberations, developing countries “need to devise a common strategy”, according to Edward Mortimer, to make their voices heard in global governance. The general plea for more “regular meetings” and summits between developing countries in Africa, Asia and Latin America must evolve and translate into more institutionalized structures (Rampa et al., 2012: 266). Betty Mould Iddrisu argues that it is incumbent on existing institutions to “*ensure that the 54 African countries have a legitimate voice in global governance to enable them to meaningfully participate in global decision making; it should not be Africa’s sole burden. Developed nations have an important role and responsibility in the process*.”

Building on recent developments and former initiatives, the ‘2013 Human Development Report’ suggests the establishment of a South Commission as an important component of streamlining and coordinating the actions of the governments of developing countries. This commission could provide the framework for exchange and joint action to explore ways in which “the diversity of the South can be a force for a new kind of solidarity” (UNDP, 2013: 119) among developing countries and to foster “the recognition and implementation of win-win strategies” (UNDP, 2013: 122). To raise their collective influence, developing countries will also have to increase multilateral contributions. Devesh Kapur states, “*if emerging powers want more power in the system, they have no alternative but to invest more money. The fact is that if you look at the country resources in the UN, the share of emerging markets is very small. If it has to be changed, I am sure that the Western countries will not come up with their money due to the fiscal crisis*.”

“China’s size and great diversity enable it to understand global problems from different perspectives. The fact that the country is experiencing several stages of development concurrently makes it an important partner and a bridge between developed and developing countries and for ensuring that the voices of developing countries are heard and reflected in Global Governance systems and outcomes.”

— Rebeca Grynspan, UNDP Associate Administrator, High-Level Policy Forum on Global Governance (2012)

4. China’s role in global governance

As the second largest economy in the world after the USA, China’s ascent has invigorated debate on its role in the world and how it needs to grapple with its impact on the global economy and world politics. China’s rapid development has a significant impact on global development, being the largest trading partner for several major economies including Japan, South Korea, Taiwan and India. China also relies extensively on European and American markets and has a robust trading presence in Africa, Latin America and the Middle East (Congressional Research Service, 2010).

No doubt, as we seek to improve governance arrangements to address global issues, there will be greater regard for and awareness of China and its role in global politics and global governance. There has been a profusion of calls by various international experts to reform global governance by taking stock of the rise of China, and calls for China to proportionally contribute to challenges affecting the global community. What is China’s role in global governance? As China engages more with global issues and challenges, there is a dynamic debate within and between domestic policy settings and intellectual communities on this critical subject. The various actors are attempting to gain a better understanding of the domestic implications of globalization and how China can harness opportunities and advance its interests by engaging with the global order. Given Beijing’s rising clout, it is useful to consider ideas and discourses shaping China’s global engagement, by surveying the range of global issues and areas in which China

has participated in the recent past, and also by examining how China can deepen its role in global governance in the near future.

4.1 Chinese views of global order and global governance

4.1.1 Chinese views of global order

Global governance, as a concept, is nascent in China. The first mention of the concept in policy circles occurred in 2009, when State Councillor Dai Bingguo at the G8+5 Summit referred to “global economic governance” (Shambaugh, 2013: 128). Within academic circles, Wang Yizhou was the first Chinese scholar to refer to it when he pronounced that the UN was the centre for global governance (Yizhou, 1995). Chinese conceptions of global governance are principally derived from its views on the nature of the global order and whether international engagement is, by and large, a net gain for China (Tan, 2009: 4).

Leading historian Wang Gungwu argues that China’s approach to the world is predicated on a fundamental notion of the “prevalence and inevitability of change” (Wang, 2008: 27). Change is constant. As a result, Gungwu argues that China will adopt a largely pragmatic approach to the existing global order and fashion its approach accordingly, harnessing opportunities that advance China’s interests while seeking opportunities to contribute to the global community. This is echoed by Hu Huaibang, who argues that the “*Chinese believe in the pragmatic approach to achieve success. This is the wisdom of global governance. In global governance, we cannot accept hegemony or power politics, and we need not gain at the expense of others. To seek common ground while sharing our differences is the only practical choice.*”

At the same time, China is balancing its domestic and global responsibilities and looking for avenues to further its contributions on the global stage. This entails a process of institutional calibration where both government agencies within China and multilateral institutions work to deepen their understanding of each other. This process of balancing will continue as China further integrates into the global order.

4.1.2 China's global approach: 'harmonious world' discourse

What shapes China's thinking of the world, and what principles will China adhere to while contributing to global governance? In recent years, the Chinese government has unveiled its line of thinking in this regard. On the foreign policy front, the 'harmonious world' discourse (*hexie shijie*) has emerged as the blueprint to understand and map China's position in the world and, correspondingly, its visions and strategies for global governance.

'Harmonious world' was officially unveiled and invoked by President Hu Jintao at the 60th anniversary of the UN in September 2005. It was further explained in two official documents: 'China's Peaceful Development White Paper' (2005) and Hu's 'Report to the 17th Party Congress' (2007). From the government's point of view, China's repositioning at this juncture stems from both the onset of an international environment that has become, in China's view, increasingly untenable and a palpable ebb in the faith in multilateralism, international law and the UN (Callahan, 2012: 624). It also signified the importance, for China, of a peaceful and tolerant international environment, which would allow its domestic transformation to proceed smoothly, and the government's desire to contribute to this through the promulgation of several principles.

First, the concept calls for further democratizing international relations by making international institutions more transparent and representative of the current world and highlighting the inequities pervading many global economic institutions. In other words, global institutions must accord more institutional recognition to developing countries. As the White Paper states, "Politically, countries should respect each other and treat each other as equals, and work together to promote democracy in international relations. All the countries in the world, whether big or small, strong or weak, rich or poor, are equal members of the international community and should receive the due respect of the international community" (Xinhua, 6 September 2011).

Second, the concept espouses social justice and prosperity. With an eye towards making globalization

fairer and more equitable, the concept of a 'harmonious world' calls for redressing economic imbalances between rich and poor countries. This impels both to economically "cooperate with each other, drawing on each other's strengths and making economic globalization a more balanced and win-win process that benefits all countries" (Xinhua, 6 September 2011). To achieve this, China calls for responsibility to be divided between countries based on their economic characteristics. Thus, for rich countries, the onus falls on them to desist from protectionism, transfer technological and financial assistance to developing countries and forgive incurred debts. For developing countries, it encourages them to engage in South-South cooperation in order to fulfil their development responsibilities. Ma Zhaoxu captures this sentiment by stating, "*China will work with other countries to uphold international justice and fairness, and be more active in international affairs. China will remain committed to the path of peaceful development and continue to pursue the win-win strategy of opening up. While pursuing our own interests, we will accommodate the legitimate concerns of others and promote the common development of all countries.*"

Third, the 'harmonious world' concept advances tolerance and diversity in international cooperation. The White Paper identifies that only "through mutual dialogues, exchanges, and cooperation" can we begin to address problems affecting our common welfare and by "upholding tolerance and opening to achieve dialogue among civilizations" (Xinhua, 6 September 2011). In Ma Zhaoxu's words, "*China will embrace the spirit of equality, mutual trust, inclusiveness, mutual learning, cooperation and mutual benefit in international relations.*" China extols the primacy of self-development, giving countries the scope and space to determine their respective national paths without interference. Additionally, China hopes the global community will respect these choices, which will in turn create conditions for a better and safer world. The overarching goal is to build a world that is more "democratic, harmonious, just, and tolerant" (Xinhua Newsnet, 6 September 2011).

Regarding security, the concept advocates peaceful resolution of international conflicts, rather than the

use of force. To enhance mutual trust and amity, the White Paper encourages more consultations and dialogues. Building on Zhou Enlai's enduring Five Principles of Peaceful Coexistence,² the document adds features such as 'common security', 'collective security' and 'confidence building'. The insertion of these ideas into China's lexicon denotes the widening of the country's security thinking, transcending traditional security concerns to encompass newer and potentially more vicious non-traditional security threats — for example, the SARS crisis, 9/11, and the Asian Financial Crisis. To counter these threats, the discourse urges the international community to "adopt comprehensive measures to address security threats and their root causes" and for "countries around the world to work together to meet various challenges to security" (Xinhua Newsnet, 6 September 2011). Finally, the concept emphasizes the role of the UNSC in collectively mobilizing against threats to world peace.

For many, the 'harmonious world' rhetoric dovetails with existing norms of global governance, supporting the provision of global public goods to advance global stability and prosperity (Wang and Rosenau, 2009: 12). The discourse clearly recognizes the global space, the existence of global problems such as environmental degradation, disease epidemics and financial meltdowns and the need for effective collective action. The document realizes the importance of international institutions and rules and identifies the need to institute uniform principles to manage and govern global issues. Yet it also stipulates that the expectations of nations to play a global role must hinge on their capacities and must involve aligning national and international interests where they find synergies. The document implies that China promises to do more as its capability rises. Liu Zhenye argues "*when participating in global governance reform, China has been trying to strike a balance between contributing to global governance and domestic development; global governance should have Western standards and*

Chinese standards, and China's contributions to global governance should be based on its level of development."

4.1.3 Chinese views on global actors

On identifying and recognizing who should be governing globally, China supports a wide canvas of actors, centred on the nation state (Wang and Rosenau, 2009: 13). China exhorts each sovereign state to develop its own systems of authority and governance consistent with domestic traditions, cultures and histories. In turn, it calls for nation states to contribute globally in accordance with their capacities and interests (Xinhua Newsnet, 6 September 2011).

China's 'White Paper on Peaceful Development' stipulates that, "as countries vary in national conditions and are in different stages of development, they should match responsibility in accordance with their national strength" (Xinhua Newsnet, 6 September 2011). In Wei Jianguo's words, "*China does not want to be the number one.*" On recent calls for a potential 'G2' by some experts, China has demurred. Pang Zhongying adds that even though China rejected the notion of a Sino-US 'G2', it has adopted a new strategy to "*expand the fields of cooperation, manage differences better and forge a new type of stable and healthy great power relationship for the long run and to seek a new level of cooperation and coordination with the USA.*"

At the same time, China has become progressively more involved in international organizations. Until 1971, China largely operated outside the international system (Wang and Rosenau, 2009: 14); however, now it has gradually integrated into the international order. With Deng Xiaoping's ascent, the process continued, and China leveraged the opportunity to propel its domestic economic transformation. For instance, after deciding to institute reforms, it sought and subsequently received financial and technical assistance from the IMF, GATT, World Bank, UNDP



2. The five principles are 1) Mutual respect for each other's territorial integrity and sovereignty; 2) Mutual non-aggression; 3) Mutual non-interference in each other's internal affairs; 4) Equality and mutual benefit; and 5) Peaceful co-existence.

and ADB in quick succession. In the early 1990s, China further deepened its international integration and concurrently participated in discussions on several key international treaties and conventions, including the Conference on Disarmament, Comprehensive Test Ban Treaty, Protocol II of the Conventional Weapons Convention, and the ASEAN Regional Forum (Johnston, 2007: xxvi). Over the past decade, China has further deepened its membership and participation in major international organizations; Beijing appears to be more open to calling for global institutions to be more representative of and sensitive to differences and views of developing countries (Shambaugh, 2013: 136).

Despite these strides forward, there is further scope to deepen China's role in global governance. Xue Lan argues that by widening the discourse surrounding global governance in China, we can stimulate fruitful insights that could bolster Chinese participation. He argues, *"the people in China who study global governance are almost exclusively from the international relations discipline. Very few people from public policy and public management fields enter this field. There are many interesting domestic issues people are focusing on, but very few are also paying attention to global governance. We need to encourage more Chinese scholars to get out of their corner and engage in research and exchange with international scholars on global governance issues."*

Devesh Kapur adds that there are gaps in Chinese representation in global institutions and this needs to be remedied. He states, *"There are very few Chinese nationals who are working in these organizations. I think the Chinese government should take concerted steps to have far more of its nationals who will carry new ideas into these organizations."* Makarim Wibisono posits that, *"China is clearly determined to take its rightful place at the head table of world politics and enjoy its attendant prerogative, but its government has not yet formulated a clear view of the country's role as a global power and the commitments this may entail."* Though China has institutionally integrated into the multilateral order, there is considerable scope to deepen its engagement. The provision of global public goods relies to a substantive extent on China's "national institutional capacity and a willingness to cooperate regionally and globally" (UNDP, 2013: 116). As national action is the crucial foundation for the

effective provision of regional and global public goods, national policy measures of emerging powers have far-reaching influence beyond their borders.

Alongside international organizations, China has supported and participated in regional organizations. China finds regional institutions more amenable to diversity and tolerance, better calibrated to confront and navigate globalization and, thus, more deftly suited to advance cooperation in global governance (Lansong, 2009: 82). Beijing's extra-regional linkages with Africa (FOCAC) and its BRICS counterparts are a clear indication of its inclination to contribute to regional groups that promote mutually agreed objectives. Supporters of this view also point to China's increased involvement in the Asian regional architecture through ASEAN and more recently ASEAN +3, and the East Asia Summit, as evidence of its support for regional diplomacy and as a function of its global role (Shambaugh, 2011:15).

Finally, China's views on non-state actors have been evolving. As China's economic prospects grow, there has been an increase in opportunities for citizen participation. Groups are looking for innovative ways to collectively organize and address salient gaps, resulting in the rise of different forms of NGOs. In the early 1990s, policy changes by the State Council and the National People's Congress encouraged the formation of such social organizations (Zhang, 2003: 11). According to the Ministry of Civil Affairs (MCA) in 2008, over 415 000 NGOs had been registered, including 230 000 social organizations, 183 000 non-commercial organizations and 1597 foundations (MCA PRC, 2009). Most of these organizations, such as the All China Women's Federation, All China Federation for Trade Unions, Chinese People's Association for Friendships with Foreign Countries, China Environmental Protection Foundation, and Boao Forum for Asia, largely function by undertaking and discharging tasks for various government agencies. The sheer plurality of Chinese NGOs makes it difficult to collectively organize for specific purposes or campaigns that are advanced by their global counterparts. However, some organizations such as the All China Women's Federation, China Society for Human Rights Studies and the China Disabled Persons Federation do hold consultative linkages with the UN (Wang and French, 2013: 103).

Of late, winds are shifting in this fertile space for civil society organizations. Before his term ended, President Hu Jintao called for stronger and more creative forms of social management. Alongside the release of draft guidelines for Chinese philanthropy, this is evidence that the Chinese government is ready to recognize the growth of the non-profit and NGO sectors and their contributions to Chinese society and, importantly, their abilities to provide services that the State is unable to provide (Guo et al., 2012).

4.2 Surveying China's global role

China's role in global governance is yoked to its economic emergence. Since 1971, its role has been characterized by gradual integration with multilateral systems and accompanied by close study of the dynamics of the existing order and how it operated. This gave way to a period of leveraging the system to propel its domestic transformation. Through these efforts, China's institutional membership in the global order has swelled. In 1977, China was a member of 21 international organizations; it is now a member of more than 130 intergovernmental organizations and over 24 UN agencies. It is also a signatory to more than 300 multilateral treaties (Shambaugh, 2013: 136).

4.2.1 China and global economic governance

For several decades, before the recent global financial crisis, China had established an increasingly robust role within the global economic order and had regularly engaged major global economies and international financial institutions. Furthermore, Beijing's accession to the WTO deepened its integration as it became inextricably linked to the global economic system. Since the 1998 Asian financial crisis, Beijing also began bolstering regional development banks across the global South by supporting regional trade agreements such as the China–ASEAN free trade zone and by championing new institutions such as the ASEAN+3 Macroeconomic Research Office (AMRO) to monitor regional financial flows. This momentum has accelerated since the global financial crisis in 2008–9 (Chin and Thakur, 2010: 126).

The recent global economic meltdown was a game-changer for China with respect to global economic governance. Natalia Ivanova argues that “*the*

psychological outcome of the global financial and economic crisis of 2008–2009, when the West suffered serious ‘reputation’ losses in the eyes of the developing countries, was that China proved itself quite capable of dealing with economic disturbances. This, moreover, means that for many developing countries the Chinese model of modernization is becoming more attractive than the Anglo-Saxon one and, more broadly, the Euro-Atlantic one.” With this shift, Beijing has become more vocal in calling for reform of the international financial system, for “developing countries to have a greater say in international financial institutions” and for the G20, alongside the IMF, World Bank and Financial Stability Board, to function as the fulcrum championing reform of the international financial order (Wang and Rosenau, 2009: 28). Wang Yizhou of Peking University contends that in “*discussions in the IMF, World Bank and other international institutions, the participants focus on the European debt crisis and financial crisis in the United States, but they tend to ignore challenges in developing countries, for example, in Africa. I think international financial institutions need to shift their focus from the minority of the world to the majority of the world.*”

Beijing participated in key global discussions following the financial crisis to map out strategies, contain the persistent crisis and avert the next one. Ma Zhaoxu notes that “*since the outbreak of the 2008 global financial crisis, China has actively coped with the crisis and taken full part in the G20 and other discussions on global governance. We have strengthened macroeconomic policy and coordination with major countries, contributed more to [the] IMF, and provided assistance to the best of our ability to other developing countries. I think it is fair to say that China has played its due role in global governance.*” Zhu Zhixin emphasises that in the foreseeable future, “*China will take a more active part in global economic governance, with the growing weight of the Chinese economy as well as its influence and responsibility, and be more proactive in global institutions, including [the] G20, World Bank, and IMF. We will continue to strengthen macroeconomic policy coordination with major economies in the world, [and] promote trade facilitation and liberalization.*”

Alongside these efforts, China has been advancing regional economic governance. To gradually hedge

against holding excessive reserves of the US dollar, Beijing has taken steps to regionalize the RMB by signing currency swap agreements with major regional economies, thus further strengthening the Chiang Mai Initiative (CMI), increasing the pool of emergency funds available to US\$120 billion and establishing the AMRO to manage that reserve fund to ensure regional financial stability through macroeconomic surveillance (Chin, 2012: 5). These regional initiatives have emerged from a global financial order that is imbalanced with “seven Asian countries among the top 10 foreign exchange reserve holders”, as Huang Jing highlighted at the forum, which has in turn spurred regional collective action. Ren Xiao added, “Regional governance might entail more effective approaches to cooperation — ‘small things are beautiful’.”

In terms of world trade, China has accelerated its integration since acceding to the WTO in 2001, having largely complied with its obligations as a Member State. China has also been vigorously exploring trade opportunities through bilateral and free trade agreements (FTAs), which is evidenced by its signing the Framework Agreement on China–ASEAN Comprehensive Economic Cooperation in November 2002 (Li, 2010: 29). Since then, China has also signed nine FTAs and Economic Partnership Arrangements (EPAs) with Singapore, Pakistan, New Zealand, Chile, Peru, Costa Rica, Hong Kong, Macao and, most recently, Taiwan. In addition, FTAs are being negotiated between China and the Gulf Cooperation Council, Australia, Norway, Iceland and the Southern African Customs Union, while feasibility studies have been completed for regional trade arrangements with India, South Korea, Japan and Switzerland (Li, 2010: 29).

As Zhu Zhixin notes, “It is significant for us to improve the structure of foreign trade and promote more balance to international trade, by combining attraction of capital, talent and technology, pushing forward the development of multinational cooperation with global influence and promoting equal progress in openness and cooperation at various levels. At the same time, protectionism in all forms must cease.” In recent years, Beijing has become an important voice of the global South within the WTO by highlighting the burdens and costs that developing countries shoulder, especially in relation to institutional capacity and requisite skills to engage with adroit global trade players in the West

(Chin, 2012: 213). Martin Khor affirms that “in the WTO, the content of the agreements are skewed, because the rules are created by the developed countries at that time. For example, in agriculture, where developed countries are weak, they have devised rules that can protect agricultural interests at home. But by the same token, in manufacturing, developing countries are not allowed to have more subsidies.” To mitigate this situation, Ma Zhaoxu urges the “establishment of a multilateral trading regime that is balanced and win–win, which brings benefits to all sides”.

Clearly, China’s rapid economic growth and global economic integration have been key in drawing China ever more into the global governance arena.

4.2.2 China and the United Nations

For China, the UN is the most important multilateral organization, the de facto centre of global governance and the venue through which a more open, tolerant and just international system can be achieved. In 2005, this sentiment was clearly captured in President Hu Jintao’s speech at the UN Assembly on its 60th anniversary, where he validated the UN as the “core of the collective security mechanism”, which “plays an irreplaceable role in international cooperation to ensure global security”. Hu called for “safeguarding the authority of the UN through reasonable and necessary reform” and efforts to “raise the efficiency of the organization and strengthen its capacity” to cope with new threats and challenges.

Since 2011, China has been the seventh largest contributor to the UN, providing 3.2 percent (approximately US\$80 million) of the UN’s operating budget, ranking just behind the USA, Japan, Germany, the UK, France and Italy (UN Committee on Contributions, 2013). This commitment is expected to rise gradually but exponentially. In 2013, Beijing upped its contributions by 61 percent to US\$131 million (Xinhua, 2012).

Through its UN activities and support, China advances several goals. It bolsters the institution’s standing as the preeminent multilateral organization that can represent and voice the views of developing and developed countries, and, by doing so, it promotes



“democracy in international affairs” (Xinhua Newsnet, September 2011). China favours the structural makeup of the UN, which tempers unipolarity, thereby balancing out the international playing field. And, of course, it highly values its position in the UNSC, which comes with veto power (Fullilove, 2011: 67). Through the UN, China seeks to validate its status as a major power that is worthy of respect and privilege, capable of contributing to salient global challenges and able to demonstrate, through its UN and UNSC actions, its ability to perform its global roles (Medeiros, 2009: 171).

China’s UN engagement has been most extensive through its contributions to UN peacekeeping operations. Beijing commenced voting for peacekeeping operations in the 1980s, backing this up with financial contributions thereafter. In the past two decades this commitment has matured despite China’s sacrosanct view of state sovereignty and its adherence to the concept of non-interference (Fullilove, 2011: 69). China has contributed nearly 20 000 personnel over the last two decades, with approximately 2000 personnel currently deployed. Beijing is the largest contributor to UN peacekeeping operations among the five permanent members of the UNSC (P5) (Shambaugh, 2011: 139). Its support for UN peace missions has extended beyond traditional peacekeeping; it now includes post-conflict peacekeeping operations in Darfur, Sudan, the Democratic Republic of Congo, and transitional administrations in Cambodia and Timor-Leste.

4.2.3 China’s development experience

For many experts, China’s greatest and most enduring contribution to global governance is its own development achievements, which have lifted hundreds of millions of people out of abject poverty over the last 30 years. David Shambaugh argues that by governing itself, China makes “an important contribution to global governance” (Shambaugh, 2013: 132), and through impressive growth rates, China is not only maintaining and protecting its own development but is contributing immensely to numerous other countries’ development. China’s development model is arguably its greatest asset and global contribution, serving as a lodestar for many developing nations seeking to escape the scourge of poverty and underdevelopment.

Former President Hu Jintao’s exhortation to make growth more ecologically sound at the 18th National Congress indicates that China’s development trajectory is evolving to meet challenges that are now both global and domestic, such as climate change and environmental degradation (Xinhua Newsnet, 8 November 2012).

Zhu Zhixin argues that China will “*not be complacent about what it has achieved*” and will continue its economic pursuits, striving to double GDP and national income by 2020. But, Zhixin adds, the emphasis is no longer solely on GDP growth. China is now focusing on “*modernization and industrialization, by making sectors more competitive, reducing income gaps, improving people’s living standards and improving the ecological environment*”. Devesh Kapur states that the power of China’s example is “*its single biggest strength and a counter-balance to Western models of development*”. As Jennifer Hsu argues, the broad tenets of the ‘China model’ do offer lessons for developing countries as they chart respective development agendas (Hsu, 2012: 1). In this way also, China contributes to ideas and models of global governance. Rebeca Grynspan underscores that “*in China’s case, its size and great diversity enable it to understand global problems from different perspectives. We also appreciate that China is uniquely well placed to promote this discussion. As one of the emerging powers benefiting from the global trading order, China has an important role to play in improving global governance and strengthening the global rule of law.*”

4.2.4 South-South cooperation

China’s role in global governance is further exemplified by its support to and leadership in the South–South cooperation agenda, including through the G5, G20 and G77 meetings, and working with its BRICS counterparts India and Brazil.

In the Chinese context, South–South cooperation refers to a broad range of political, economic, social and overall development cooperation. It includes state and non-state actors, including people-to-people cooperation. China has increasingly embraced South–South summit diplomacy, starting with APEC, ASEAN+3, and the Forum on China–Africa Cooperation. It has assumed a leadership role in new

regional initiatives; in regional security, for example, China has made important contributions to the SCO and Boao Forum. Yang Jiemian calls for more attention to the rise of different political groupings across the South alongside the SCO and BRICS. He highlights the importance of similar regional institutions in Africa, Latin America and the Caribbean for furthering South–South linkages. China’s support for South–South cooperation is thus an important element of its contribution to global governance.

4.2.5 China-Africa and China-Latin America relations

Betty Mould Iddrisu, former Ghanaian Minister of Education, states that “*China, unlike the West, is investing heavily in Africa’s infrastructure sectors — roads, railways, electricity — and has become a central player in this process of economic transformation throughout the continent.*” The big push commenced in 2006, when Beijing hosted over 50 African leaders at the 4th Forum for China–Africa Cooperation (FOCAC). Then, China announced a major US\$10 billion package consisting of a mix of preferential credits, direct foreign investment, debt relief and development assistance to help build domestic infrastructures across the continent (Iddrisu, GG Forum, 2013). Also, the Central Bank of China, working with its financial and economic counterparts, imparted important lessons to several African nations. These lessons were related to prudential fiscal management of national development projects and policy coordination between the financial, industrial and agricultural sectors to ensure that a coherent economic agenda exists to drive domestic development (Chin and Thakur, 2010: 126). Through experience and sharing knowledge, Iddrisu further adds that, “*It is important for African countries to ensure their growth is as inclusive as possible, learning lessons from China, which has prioritized growth over development and is now facing challenges such as huge wealth inequality and environmental problems.*”

Enrique Dussel Peters brought attention to the budding economic relationship between China and Latin America. He notes “*the options and opportunities of global governance between developing countries have increased dramatically in the past few years, concretely between Latin America and the Caribbean*

(LAC) and China. In the last 10 years, China has become the second main trading partner of LAC, and the LAC is China’s 5th main trading partner; in the current second phase of their engagement, China is becoming increasingly important in terms of foreign direct investments (FDI). Within the South, countries can work on the development agenda, based on equity, reciprocity and cooperation.” Generally, cross-continental relations between China and most Latin American countries have deepened in the last two decades. Jorge Dominguez argues that ‘China fever’ has gripped the region as political leaders of all stripes have recognized China’s rapidly increasing economic impact on Latin America (Dominguez, 2006: 2).

Over the last decade, Sino-Latin American trade and economic relations more generally have grown at a spectacular pace. Exports from Latin America to China increased nine-fold between 2000 and 2009; by 2009, LAC exports to China reached US\$41.3 billion (Gallagher, 2010: 2). Increasing economic and political linkages have also created conditions for the negotiation of FTAs between China and many LAC countries. An FTA between Chile and China was signed in 2006, followed by another with Peru in 2009, while negotiations are ongoing with Costa Rica. China is also a member of APEC, which includes Peru, Mexico and Chile, and has conducted dialogues with MERCOSUR and the Andean Community (Jenkins and Peters, 2009: 8).

4.2.6 Aid and development cooperation

For Beijing, official development assistance (ODA) is couched under the rubric of South–South cooperation. It forges solidarity under a shared understanding that both donors and recipients are in development mode, and assistance is given to advance each other’s efforts on that path. The White Paper on Chinese Aid officially enshrines this notion: “China is the world’s largest developing country, with a large population, a poor foundation and uneven economic development. As development remains an arduous and long-standing task, China’s foreign aid falls into the category of South–South cooperation and is mutual help between developing countries” (Xinhua News Net, April 2011).

China has been providing development assistance to other developing countries since the Cold War. Beijing

began extending assistance to African countries in the early 1960s to fuel national development and self-sufficiency by transferring technology and know-how to enhance the self-development capacities of recipient nations (Jing et al., 2011: 2). As China's economy surged in the 1980s, assistance became a regular component of bilateral economic cooperation. This focus further evolved under the context of FOCAC, which bases bilateral cooperation on sustaining mutually beneficial partnerships forged through South–South cooperation (Davies, 2010: 4). In terms of ODA, China provided and disbursed US\$3.9 billion in 2010 (GHS Report, 2012). Africa received the lion's share of loans and development assistance, followed by Latin America and Southeast Asia (Congressional Research Service, 2010). Infrastructure, training and public works ventures constitute the major portions of Chinese assistance, and this trend is expected to continue in the foreseeable future, given Beijing's comparative expertise in these areas (Davies, 2010: 7).

Betty Iddrisu states that *“relations between China and Africa have evolved into a completely new strategic partnership and the dynamics of this relationship have contributed significantly to the economic growth and the rising global profile of Africa.”* Makarim Wibisono adds that *“supporting South–South cooperation is essential because it yields high benefits [to] developing countries; ... these benefits include the fostering of economic, scientific and technological self-reliance and the strengthening of the voice and increasing the bargaining power of developing countries in multilateral negotiations.”* Assistance is a ‘two-way street’, with mutual benefits advanced through economic cooperation, trade and market access. Zhu Zhixin adds that China's development assistance acts as another way of contributing *“to the development of all other countries”* and that China *“will promote strong, balanced and sustainable world economic growth through cooperation among countries. China is playing a positive role in global governance in diverse ways, such as providing wider market opportunities for the world, and narrowing the ‘South–North gap’.”* UNDP Associate Administrator Rebeca Grynspan concludes by affirming that *“more of the know-how, experience and assistance for developing countries will need to come from across the global South as a component and not as a substitute to the traditional*

forms of cooperation. The UN development system is well positioned to partner with developing countries, as it is doing here in China, to facilitate South–South cooperation.”

“If you want to go fast, go alone; if you want to go far, go together”

— African proverb

5. Concluding remarks and suggestions

The debate surrounding inclusiveness and effectiveness is age-old. If policy processes are both inclusive and effective, they enable us to achieve desired outcomes and address existing problems. However, there can be inherent contradictions between these two objectives. The inclusion of more voices and the opening up of existing processes to more actors harnesses the knowledge and experiences of a diverse range of stakeholders; however, it also decreases the likelihood of timely and targeted action, since it takes time to hear, understand and incorporate the views of many participants. The role of the ECOSOC illustrates the complexities of broadening institutional participation. While the ECOSOC Development Cooperation Forum, as part of the UN’s inclusive framework, is “universally recognized” as an arena for debate on global development, the sheer amount of participants leads to “excessively broad-ranging discussions and slow decision making” (Rampa et al., 2012: 264).

While having more voices around the table raises complexity, the alternative solution — delaying multilateral reform towards greater inclusiveness — might lead to further institutional fragmentation. For the contemporary institutional architecture to operate well, we therefore need to find a workable balance between these two aspects. Behind this current dilemma in global governance, framing both challenges and opportunities, awaits the rise of emerging economies, including China, and the ensuing shifts in power dynamics.

China’s rise is transforming the global arena in many ways. With its growing weight, grounded in strong economic and development performance, China is poised to increase its institutional footprint within the global order and help address some of the most pressing challenges. China’s global role is intensifying expectations, some justifiable and some erroneous. But it goes without saying that there is an emerging consensus within academic and policy circles in China

and abroad that China should play a greater role in global governance.

5.1 Making global governance more effective and inclusive

Global governance arrangements need to balance inclusiveness and effectiveness to secure the provision of global public goods. In a diverse world where power patterns are shifting, inclusiveness is, in many cases, a prerequisite for effective cooperation; however, inclusive arrangements will only prevail if they are relatively effective. To steer the global governance institutional architecture in this direction, developing countries have a crucial role to play. Through its broad and multifaceted engagement with the existing multilateral order, China is at the forefront of this global role. Participants at the Global Governance Forum not only discussed the challenges but also suggested ideas for making global governance more inclusive and effective in the current changing world order. These suggestions include:

Multilateral reforms

- Promote institutional reform in key multilateral institutions (UNSC, IMF, World Bank, WTO) to ensure that emerging powers are accommodated commensurate with their economic weight and to ensure that other developing countries are also better represented. This will require both greater unity of position between emerging and developing countries and increased political will among the developed nations.
- Require international organizations to establish and follow detailed strategic plans with concrete goals and objectives that can be verified and monitored through rigorous and transparent accountability mechanisms. This can help ensure that their agenda remains universal in spirit and character.
- Urge the leadership of intergovernmental organizations to seek out and leverage innovative means, such as creating coalitions and partnering with various non-state actors to fulfil their mandates.
- Publish the terms of reference for leaders of



international organizations to ensure their universal nature. Assess the leadership of international organizations based on their implementation of institutional strategic plans and impartial fulfilment of their terms of reference.

- Institute policies of affirmative action and/or regional recruitment that increase the proportion of staff in international organizations from the global South, at both the working level and the management level of international organizations.
- Ensure that if UN Member States delay in finding solutions to greater UN effectiveness, then the UN itself should be empowered to ensure such mechanisms.
- Study the democracy literature and recent innovations to combine inclusiveness with effectiveness (e.g. deliberative polling) and pilot some of the most promising techniques within key international organizations such as the UN.
- Encourage developed countries and emerging powers to increase financial contributions to multilateral systems, including the UN and its various related agencies.

Broadening global mindsets

- Conduct multilateral dialogues and forums that enhance awareness and coordinate the positions of major powers on key global issues such as humanitarian intervention, climate change and financial stability.
- Encourage scholars from various disciplines and schools of thought from around the world to deepen and broaden their understandings on global governance from various perspectives. Desecuritize the global governance discourse to enable broader policy research and dialogue to occur between scholars and practitioners of global governance.
- Launch global media campaigns to chip away at the current national-centric approach to global governance and global public goods. Promote a new frame of reference for facing global challenges collectively and reduce the ability of national-centric views to retain traction.

Policy coordination between various actors

- Establish links between regional, minilateral and multi-stakeholder governance arrangements and their multilateral counterparts to enhance policy coordination and ensure their goals and objectives are broadly aligned.
- Support multilateral institutions to explore ways of setting up joint initiatives that include state and non-state stakeholders. Develop innovative approaches to tackle transnational challenges.
- Evaluate ongoing inclusive global governance initiatives (e.g. post-2015 MDG agenda and SE4ALL), analyse their inclusiveness/effectiveness outcomes, and make recommendations for enhancing both objectives.

Heeding voices from the South

- Create special mechanisms for including the most disadvantaged and vulnerable nations in global governance.
- Assist developing countries in strengthening domestic institutional capacities in issue areas that are globally relevant as they engage with regional and multilateral institutions and contribute to the provision of public goods.

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PART II – Written Inputs from Experts

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New Modalities of Global Governance Matter

Dr. Pang Zhongying, Professor of International Relations and Director, Centre for the Study of Global Governance at The School of International Studies, Renmin University of China in Beijing

The term ‘global governance’ refers to the complex of institutions and processes that govern how things happen in the world. It highlights the global scale of many of the world’s pressing issues, such as economic interdependence, migration, financial crises, drug trafficking, environmental degradation, massive poverty and various health pandemics. It emphasizes that while governments and intergovernmental organizations continue to perform important functions, non-state entities, such as multinational corporations, transnational activist networks, civil society organizations and individuals, have become significant actors in making demands, framing goals, issuing directives and pursuing policies — thus shaping how the world is governed.

Traditional approaches to governing are increasingly proving inept at the tasks of managing contemporary globalization. Moreover, there exist many failures and drawbacks within international institutions and regimes themselves. For example, the International Monetary Fund failed to respond effectively to the ‘Asian financial crisis’ in 1997 and the ‘European debt crisis’ in 2009. The domination of the West and the underrepresentation of the Rest in these international institutions will always co-exist. While many non-Western members have accepted the ‘leadership’ of the West in existing international institutions, they have been frustrated and disappointed because their voices are often neglected. These non-Western powers are major driving forces of the transformation of global governance from the old to the new.

China, under its new political leadership, has to revise its foreign policy to respond to new challenges at home and abroad. For instance, China argues that international relations, especially its relationships between great powers, should be conducted with a

‘new style’. China is willing to construct a ‘new style of cooperation or partner relationship’ with the USA and European Union (EU). Since financial crises broke out in the West in 2008, officially, China fully endorsed and embraced the concept of global governance for the first time and declared loudly that it would actively participate in global governance.

In this paper, I will explore new approaches to the system of new global governance. ‘New modalities’ is a key focus point. Unfortunately, we fall largely short of understanding how global governance can be rendered effective. From a practical perspective, new global governance needs new modalities. If political scientists cannot investigate new modalities in global governance, the transformation of global governance will only be superficial.

To emphasize the importance of new modalities in global governance, the paper begins with the topic of Sino-American relations, which is widely regarded as the most important bilateral relationship in a world order that is rapidly transforming.

During the George W. Bush Administration, the USA suffered from serious domestic crises and international challenges. In 2009, the Obama Administration veered from unilateralism, admitting that it is not rational for the USA to act alone but, instead, forge ‘global partnerships’ to deal with common challenges. To some extent, Obama’s foreign policy has been innovative since his inauguration. From a Chinese perspective, a key element of the Obama foreign doctrine — ‘America cannot go alone’ — is not difficult to understand. China has been in a position to react to and interact with the US foreign policy. To Obama’s ‘global partnership’ appeal, China has reacted positively in dealing with global challenges. Though China rejected the notion of a Sino-US ‘G2’, itself a geo-strategically empty slogan, during the financial crisis from 2008 to 2010, China coined a new phrase: “expand the fields of cooperation, manage differences better and forge a new type of stable and healthy great power relations for the long run”³ to seek a new level of cooperation and coordination with the USA.



3. Hu Jintao, Political Report to the 18th National Congress of the Communist Party, 8 November 2012, Beijing.

I have to point out that China's official translation of 'a new type of China–US relations' is not a good interpretation. It should be translated as 'new China–US relations' without the word 'type'. The future of the relationship is not determined by type or style but by substance and content. To date, China has not explained the meaning of 'style' or 'type'. But, in my view, the 'new style' or 'new type' should be understood formally as the 'new modalities', which point out new ways and means to renew bilateral relations.

From the perspective of global governance, the USA's 'global partnership' has engendered a Chinese response — 'new China–US relations' — to cooperate and address global challenges. In other words, I suggest observers and analysts from both sides of the Pacific combine 'global partnership' with 'new relations between China and the USA'. China and the USA are forging a global partnership to deal with common challenges. Other than the China–US dyad, other bilateral relations need to be understood through common responsibilities and actions to meet global challenges. The concept of bilateralism, especially relations between great powers, can be understood in terms of global governance.

G20 and global partnership for governing global economy and finance

The 2008–9 financial crisis has made global financial governance critical. To include China and other 'emerging economies' and address the financial crisis, the West created the G20 and elevated it as a forum of 'crisis management'. Initially, the G20 worked to contain the financial crisis. Since then, China and other G20 members from the global South have contributed to preventing the crisis from escalating. In response, the West rewarded the emerging powers by making the G20 the premier forum for international economic cooperation and agreed to speed up reforming the international financial institutions (IFIs).

To reform the IFIs, we need to look at the 'power shifts' transforming the membership and roles of member countries. Europe controls the International Monetary Fund (IMF) and a European is appointed

as its Managing Director. The USA controls the World Bank and an American becomes its President. With a voting share (or quota) of 16.75 percent, the USA retains an effective veto over important IMF decisions, which require 85 percent support to be implemented. The collective voting percentage of European countries gives the EU a similar veto. At the IFIs, although it has been called a 'rising power', the 'voting power' of China and others — the rights to influence the IFIs' decision-making — are still limited and even symbolic. As Barry Desker points out, "Germany, the UK, and France each have larger voting shares than China, as do the Netherlands and Belgium combined. China seeks an expanded voting share commensurate with it being the second largest global economy. However, there is resistance to the idea that the rise of these powers will lead to changes in the decision-making practices of institutions."

Limited prospects for better representation and rights on the part of emerging powers within the IFIs, coupled with reluctance on the part of the West to decrease its dominance in IFIs, is making alternative global financial governance both necessary and legitimate. Seeking alternative arrangements for global financial governance requires the establishment of new alternate financial institutions, different from those dominated by the West.

Building new IFIs can be easily interpreted as a challenge to the West's dominance, and a confrontational way to remedy existing imbalances. Much concern has been raised regarding such imagined challenges posed by the rising powers, including China. However, alternatives to the existing IFIs do not necessarily pose challenges to them. For example, the BRICS countries (Brazil, Russia, India, China and South Africa) seek to build alternative IFIs, including the BRICS Development Bank and BRICS Fund (a currency pooling system among BRICS states). But such actions are not challenging the existing IFI establishment. "We reiterate that such cooperation is inclusive and non-confrontational. We are open to increasing engagement and cooperation with non-BRICS countries, in particular emerging and developing countries, and relevant international and regional

organizations.”⁴ In addition, “strengthened representation of emerging and developing countries in the institutions of global governance will enhance their effectiveness in achieving this objective.”⁵

Now, all BRICS countries are members of the G20. The BRICS, like the G8, may actually constitute a caucus in the G20.⁶ BRICS, as a whole, interact with the G7 within the G20 framework to promote the reform of existing global IFIs.

In terms of new modalities for global financial governance, the G20 has invented an important tool of ‘policy collaboration’ or collective policy action among members of the group, which is termed a multilateral process of ‘mutual assessment’ (MAP):

“Leaders of the Group of Twenty (G20) industrialized and emerging market economies pledged at their 2009 Pittsburgh Summit to work together to ensure a lasting recovery and strong and sustainable growth over the medium term. To meet this goal, they launched the Framework for Strong, Sustainable, and Balanced Growth. The backbone of this framework is a multilateral process through which G20 countries identify objectives for the global economy, the policies needed to reach them, and the progress towards meeting these shared objectives — the so-called Mutual Assessment Process (MAP).”⁷

The G20 implements the MAP by establishing working groups and has asked the IMF to assist. In response, the IMF supplies technical analysis for the MAP. However, the MAP may be too ideal a model to actually work. As a Canadian scholar and

former diplomat writes, “How is this coordination mechanism supposed to work? For example, would Brazil or China agree to share control of their currency or trade policy in return for the United States restraining quantitative easing, and the European and Japanese central banks also agreeing to some common rules? Just posing this question illustrates that achieving substantial progress through the MAP is very remote.”⁸

Despite the difficulty of implementation, the MAP is a meaningful and significant innovation as a modality of global financial governance. It could be a foundation of what I call a ‘mutual governance process’ of each other’s progress in the next step of global financial governance.⁹

We can find both traditional and new modalities of global financial governance. The traditional modality of global financial governance mainly uses the IMF and G7. But, after China, India, Brazil and others globalized and ascended, the old global financial governance was not good enough. Therefore, we find new modalities of global financial governance emerging. These emerging economies will not only want to play a larger role in existing IFIs but also play a bigger role in emergent groupings such as the G20.

Conclusion: seeking new modalities in realising global governance

Global collective action is the only way to tackle global challenges; and global challenges continue to rise, not recede. At the same time, existing global cooperative



4. ‘BRICS Summit Sanya Declaration’, Sanya, Hainan, China, 14 April 2011.
5. ‘Fourth BRICS Summit: Delhi Declaration’, New Delhi, 29 March 2012.
6. See Pang Zhongying, ‘China and Global Governance: Will China Finally Take the Lead for the New Globally Governable World?’ in Middle Powers and G20 Governance, edited by Mo Jongryn, Asan Institute for Public Policy, Seoul, 2012.
7. IMF, The G-20 Mutual Assessment Process (MAP), International Monetary Fund, Washington, DC, 2013, <http://www.imf.org/external/np/exr/facts/g20map.htm>.
8. Gregory Chin, ‘Global Imbalances: Beyond the “MAP” and G20 Stovepiping’, The Centre for International Governance Innovation (CIGI), Waterloo, ON, 18 October 2011, <http://www.cigionline.org/publications/2011/10/global-imbalances-beyond-%E2%80%9Cmap%E2%80%9D-and-g20-stovepiping-0>.
9. Pang Zhongying and Wang Ruiping, ‘Mutual Governance Process: Europe and the Transformation of Global Governance’, Chinese Academy of Social Sciences: World Economics and Politics, 2012, No. 11.

measures and ways to redress global problems have largely failed. As the West and the 'emerging powers' coexist and depend on each other in this global order, it is highly possible that they would have to coordinate and cooperate in a global partnership to contain these global challenges. There exists a huge gap between global issues and global solutions. Old ways, including existing international institutions, are insufficient to address global challenges. Therefore, new pathways, including new international institutions are sorely needed. In supplying new pathways to global governance, it is the global responsibility of the emerging powers, particularly China, to create the future of global governance modalities as a contribution to the world.

Moving forward, China should emphasize the strengthening of cooperation with other new powers, of various sizes, and deal with their challenges adeptly. At the same time, only when we can recalibrate relations between China and the West and advance a more balanced international order governed by global rules, can relations between China and the West sustainably improve. To make this happen, China needs to introduce more appealing and inspiring proposals for a globally governable world.

The Shifting Global Order: A Dangerous Transition or an Era of Opportunity

Xue Lan, Professor and Dean of the School of Public Policy and Management at Tsinghua University in Beijing

A few months ago, the *New York Times* published a column by two distinguished commentators, Ian Bremmer and David Gordon, with the eye-catching title 'Rise of the Different'. Bremmer and Gordon argue that it is important to distinguish between the "rise of the rest from 1945 to 1990 and the recent rise of the different". The countries denoted as the 'rest' emerged under the tutelage of the USA and to a great extent, modelled themselves after the USA economically and politically. Bremmer and Gordon argue that the 'different' States — including China, India, and Russia — are in another category. Relatively poor, more politically varied and unstable, they refuse to accept the legitimacy of the US-led international system. They also have less experience in leadership within that system. For all of these reasons, Bremmer and Gordon predict that the 'rise of the different' will "shake the global system in unpredictable, uncontrollable, and quite possibly detrimental ways".

We should not accept this pessimistic view too quickly. In fact, there is much evidence that the so-called 'different' States can play a constructive role in world affairs. Whether this potential is realized will depend heavily on the attitude of the USA and its traditional allies. Indeed, it may be unfair to label these rising nations as 'different'. The advance of these 'different' countries has been the result of their embracing the general principles and institutions of the current international system. All have adopted market economic principles, opened up their economies to the outside world, and joined the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO), the key institutions of the Bretton Woods system, and important symbols of the US-led international order after the Second World War. Because of differences in historical and cultural backgrounds, the political systems in these countries are inherently more diverse than those of their Western counterparts. Nonetheless, they all embrace democratic principles and the rule of law, and are making solid progress in reforming their governance

systems. These efforts have enabled them to succeed economically and become part of the rising group of 'different' nations.

To claim that the 'different' do not accept the legitimacy of the current global system is definitely unfair. However, the rising powers have indeed begun to question the adequacy of this system in addressing some of the daunting global challenges we are facing today. The world now confronts many challenges that were non-existent 60 years ago. These problems include climate change, the threat of pandemics, extreme poverty, the rise of global terrorism, and the increasing complexities of the global financial system. The list can go on and on. It has become painfully clear that there is a huge global governance deficit in our current international system for addressing these problems. Existing institutions have been terribly ineffective and for some of these problems we lack any institutional foundation at all.

The performance of the USA and its traditional allies — what Bremmer and Gordon call 'the rest' — in dealing with these problems has been equally disappointing. The 2008 global financial crisis and persistent European financial troubles have revealed not only fundamental deficiencies in the global financial regulation system but also the inability of the 'rest' to resolve them. On the issue of climate change, many developed countries have not fulfilled obligations contained in the Kyoto Protocol. The USA simply withdrew from the Protocol due to domestic politics. In the last two United Nations (UN) climate conferences, instead of reconfirming some of the previously agreed principles and making up for the unfinished targets, the developed countries backtracked from some of the Protocol's basic principles and threatened to abandon the agreement altogether. In the recent UN-convened Rio+20 Conference on sustainable development, most Heads of State of the G7 countries were simply missing.

By contrast, the emerging powers — what Bremmer and Gordon call the 'different' States — have become increasingly active in the global forums that are aimed at addressing these problems. It is the strong economic growth of Brazil, Russia, India, China and South Africa (the BRICS countries) that has helped the global economic system to avert a greater global

economic recession. The BRICS countries have also become a dynamic force in the G20. While it is unclear whether the G20 can evolve into an effective global governance institution, it has become a stage for the 'different' to show their potential. Recently, during the IMF's effort to raise US\$456 billion to save Europe from the debt crisis, the emerging countries committed over US\$100 billion, including a US\$43 billion contribution from China. In comparison, the USA was unable to make any contribution because of its own financial difficulties.

Emerging countries have also played constructive roles in other areas. China, India and other emerging countries have become new players in the development assistance arena. The South-South cooperation effort has stimulated robust economic development in sub-Saharan Africa. At the Rio+20 Conference held in Brazil in June 2012, China promised to provide US\$6 million to the planned UN Environmental Organization, as well as US\$200 million in assistance for small island countries and African countries. These and other efforts by emerging powers have clearly demonstrated that the 'different' are not that different after all. Instead of making trouble for the global order, they can help rebuild the global system in constructive, equitable and cooperative ways that will benefit all, including the USA and its traditional allies.

However, this much more hopeful scenario will not appear out of the blue. It will largely depend on the attitude and actions of the established powers. If they see the 'rise of the different' as a threat to their hegemony in global affairs and take efforts to contain that transition, we may indeed enter a new era of global affairs with unpredictable and uncontrollable outcomes. But if the USA and its traditional allies are willing to accept diversity, show empathy with the 'growing pains' experienced by rising countries, and govern with them in a mutually respectful and cooperative way, a new global governance system that is stable and effective will still be possible. This is the future for which we should all strive. As scholars of public administration, we should celebrate the rise of the 'different' as a great historical opportunity for the field of governance studies and take it as our responsibility to build bridges of understanding between the 'rest' and the 'different' nations. Our work should be driven by intellectual curiosity on how

different governance systems work and what can be learned. We should try to avoid creating simple labels such as 'authoritarianism' that divide countries into different groups by ideological slant. Instead, we need to work hard to contextualize the development of the 'different' nations in a broader historical and cultural background. In addition, we also need to communicate better our understanding to the general public and politicians. These efforts will not only bring tangible benefits of better global governance but also intellectual rewards for the field of governance studies.

Sailing on a Boat without a Captain

*Kishore Mahbubani, Dean of the National University of Singapore's Lee Kuan Yew School of Public Policy and author of **The Great Convergence: Asia, the West, and the Logic of One World.***

Global governance has become a sunrise industry in the 21st century. Why is this so? Because the world has fundamentally changed. To explain how the world has changed, I will use a very simple metaphor. Before, when 7 billion people lived in more than 193 separate countries, it was like living in 193 separate boats, with captains and crews taking care of each boat. You had rules to make sure that the boats did not collide. Now, the 7 billion people no longer live in 193 separate boats. They live in 193 cabins in the same boat. The problem with this global boat is that you have captains and crews taking care of each cabin but no captain or crew taking care of the boat as a whole. Hence, even though 7 billion people are all sailing in the same boat in the 21st century, we continue to take care of our cabins — but not the boat.

This simple metaphor explains all the crises we are facing now: the global financial crisis, the global warming crisis and the global pandemic crisis — all on the same boat. The main challenge humanity faces in the 21st century is, therefore, how to manage this global boat. To provide the answer to that question, I have written a new book called *The Great Convergence: Asia, West, and the Logic of One World.*

Let me share with you a brief summary of the book. It has good news, bad news and solutions. First, the good news. Ambassador Paul Heinbecker of Canada is right to say that we live in a golden age on many fronts. For example, wars have become a sunset industry. The danger of major inter-State wars is at its lowest. The number of people dying in inter-State wars is also the lowest in human history. A recent book by a Harvard University Professor, Steven Pinker, called *The Better Angels of Our Nature* provides all the statistics we need to prove this.

We do not just have peace. We also have rising prosperity. The UN established several Millennium Development Goals (MDGs) in 2000, but one of the

few goals we will meet in 2015 is that of halving global poverty. The middle classes are also exploding all over the world. In Asia alone, the middle class will grow from 500 million people today to 1.75 billion in 2020. In seven years, it will grow 3.5 times. At the same time, the world is becoming hyper-connected because of technology. There are now over 6 billion mobile telephones in the world. Soon every person in the world will have a mobile phone. And people are travelling. There are already over 1 billion people crossing borders in a world with 7 billion people. So we have a lot to celebrate.

But then we also have bad news. And let me give you some examples of bad news. The first piece of bad news is that at a time when we should be taking care of the global boat, we are still taking care of our cabins. Jomo Sundaram talked about sovereignty. Many people still think that protecting sovereignty is the most important thing. And as a result of this devotion to sovereignty, we are not taking care of the global boat. The second piece of bad news is that we continue to have geopolitical divisions. Geopolitics hasn't ended. Indeed, geopolitical challenges are even bigger now because for the first time in 200 years a non-Western power will become the number one power in the world. And this country is: China. It is going to happen sooner than people think. In 1980, the US share of global income in purchasing power parity (PPP) terms was 25 percent, and China's share of global income was 2.2 percent. But by 2017, which is only four years from now, the US share will go down to 17.6 percent, and China's share will be 18 percent. So when great power relations change, we have to be ready to handle new challenges.

The third piece of bad news is that if you look at global multilateral institutions, such as the UN and others, the Western countries are still trying to keep them as weak as possible. They are doing this by strangling them financially. So you have zero growth budgets for UN institutions. It is truly absurd to have zero growth budgets for UN institutions. In our global village, the global economy is increasing dramatically. Yet for global institutions that have to take care of our

expanding global economy, the budgets are shrinking. This is why they are suffering. This is why the FAO doesn't have sufficient food experts. This is why the IAEA doesn't have sufficient nuclear inspectors and why the WHO doesn't have sufficient health experts. It is truly self-defeating to weaken our global institutions when we need them most.

So this brings me to the solutions. In fact, the last piece of bad news I gave you can also become good news. There are two simple things that the West can do. First, the West can change its policy from weakening multilateral institutions to strengthening them. And this policy change can be made overnight. Second, we can give more money to these multilateral institutions. I began my book by quoting from a speech that former US President Bill Clinton gave at Yale University. This is what he said:

"If you believe that maintaining power and control and absolute freedom of movement and sovereignty is important to your country's future, there's nothing inconsistent in that [the US is continuing to behaving unilaterally]. [The US is] the biggest, most powerful country in the world now. We've got the juice and we're going to use it. ...But if you believe that we should be trying to create a world with rules and partnerships and habits of behaviour that we would like to live in when we're no longer the military political economic superpower in the world, then you wouldn't do that. It just depends on what you believe."¹⁰

Bill Clinton was giving wise advice to America and the West. It is now in their self-interest to change their policies and strengthen a rules-based order. In agreement with Bill Clinton, I do not appeal to the idealism or the altruism of the West. I am only appealing to its self-interest. The West only provides 12 percent of the global population. I personally belong to a minority of a minority in Singapore: 75 percent of Singapore's population is Chinese, and 6 percent is Indian. They come mainly from South India. I am ethnically Sindhi, and we are a minority within a minority. As a member of the minority, I know the best way to protect our interests is to strengthen global institutions. Hence, in the last part of my book, I try to



10. Bill Clinton, 'Global Challenges', public address at Yale University, 31 October 2003.

build on Bill Clinton's wisdom.

My second solution is that we should not try to reinvent the world order. It is very difficult to create new global institutions. We can only build new global institutions after big crises. So let's take the existing institutions and strengthen them. For example, make the UN General Assembly into the Parliament of the world. I also believe that you can reform the UN Security Council (UNSC) through a simple 7-7-7 formula to solve the problem.

How does this formula work? Under this formula, the Security Council would be made up of 21 members: seven permanent members, seven semi-permanent members and seven elected members. The USA, China and Russia would keep their permanent seats, while the UK and France would share their seats in a single EU seat. Brazil, India and Nigeria would then join the ranks as new permanent members.

The seven semi-permanent members would be taken from the ranks of the 28 member countries that make up the largest share of global GDP and population by region. These countries would be guaranteed a seat on the UNSC every eight years. The addition of the new category of semi-permanent members is crucial to surmounting the key hurdle in all UNSC reform: regional rivalries. For every India and Brazil and Nigeria, there is a Pakistan, Argentina and South Africa asking, 'Why not me?' The creation of semi-permanent members would make the 'losers' of UNSC reform winners by guaranteeing them seats at the table every eight years.

The small States also benefit from this formula, as it removes the middle powers from the competition for non-permanent seats, giving them a better chance of winning election to the Council. This way, the 7-7-7 formula is a win-win-win solution to the logjam of UNSC reform.

Third, if you take a look at the IMF and the World Bank, it is so easy to make them into better institutions. There is still a rule that to become the head of the IMF, you must be European; to become the head of the World Bank, you must be American. This is an absurd rule. In 2010, the G20 leaders agreed to stop this practice. Then, in 2011, they replaced a French

man with a French woman at the IMF, and, in 2012, an American with another American at the World Bank. We can change this.

My final solution is also a simple one. I think we would all agree that it is better to live in an environment of law and order than in anarchy. The best way to promote law and order is to strengthen international law. This is also in our common interest and in the interest of both established and emerging powers. Today, the biggest houses in our global village belong to the Organization for Economic Co-operation and Development (OECD) countries. Tomorrow, the biggest houses in our global village will be today's emerging powers, including China, India and Brazil. If you have a big house in a small village, you will want to protect your house with laws and rules. The good news today is that divisions between the global South and North have been replaced by common interests. Today, the number one trader in the world is no longer the USA but China. The number one purchaser of energy and raw materials is China. If you want to trade and if you want to buy energy, you must have a rules-based order. So this is a fundamental interest of the established and emerging countries.

In short, we can create a better world order with some relatively simple and easy solutions. We need no longer sail on a global boat with no captain or crew to take care of it.

Elements of Emerging Global Energy Governance

Irene Giner-Reichl, Austrian Ambassador to the People's Republic of China and President and Founder of the Global Forum on Sustainable Energy

Until very recently, global governance structures and institutions did not extend in any systematic fashion to energy issues. Of course, there is the International Atomic Energy Agency (IAEA), established in the 1940s; the Organization of the Petroleum Exporting Countries (OPEC), a powerful cartel of oil producing countries which manage the supply side of world oil markets; the Energy Charter Treaty, a regional treaty on energy-related infrastructure, mainly in Europe and Central Asia; and the International Energy Agency (the energy arm of the OECD), which has been very influential as an analytical organization. Also, there are other elements of international energy governance, mostly with regional reach and sectoral focus. But all of the institutions are either limited in membership or sectoral in mandate, or both.

At the global level — i.e. at the UN — energy issues arrived late. In 2000, the United Nations Development Programme (UNDP) and the World Energy Council (WEC) together published the 'World Energy Assessment: Energy and the Challenge of Sustainability'. The first global consideration of energy took place in 2001, at the 9th session of the Commission on Sustainable Development (CSD-9, E/CN.17/2001/19), which concluded that current energy systems are unsustainable and need to be replaced. In 2002 the World Summit on Sustainable Development in Johannesburg (A/CONF.199/20) endorsed the outcomes of CSD-9, and, recognizing the serious oversight of the Millennium Declaration, stated that energy is critical to overcoming extreme poverty. In the wake of Johannesburg, UN-Energy was created as an inter-agency mechanism to bring together the more than 20 players of the UN system that have some form of an energy mandate.

Probably fuelled to a great extent by frustration about the inability to arrive at more far-reaching intergovernmental conclusions at Johannesburg, many so-called 'partnerships' were born in and after

Johannesburg. All of them have a multi-stakeholder nature. Among the ones that continue to be vital and productive are the Renewable Energy and Energy Efficiency Partnership (REEEP), the Global Village Energy Partnership, the Global Network of Energy for Sustainable Development (GNESD), the Global Alliance on Clean Cook Stoves and the International Bio-energy Platform.

Frustrated by the lack of consensus on an international target for renewable energies, the EU started to cooperate more intensely with interested countries under the title 'EU Energy Initiative'. It spawned, eventually, a rather structured cooperation with Africa under the title of 'Africa–EU Energy Partnership' (AEEP). During the last few years as well, under the leadership of Germany and with the active support of Spain, Denmark and Austria, a new international organization was created to address the lack of institutional support for renewables: the International Renewable Energy Agency (IRENA). With the creation of IRENA we now have, after the IAEA, a second international organization with global reach that deals with energy questions in a technology-specific manner.

The emergence of global energy governance

Towards the end the first decade of the 21st century, the elements of a global energy governance system are slowly emerging. I see three work streams, which contribute to a multifaceted and diverse governance structure. The work streams partially overlap and hopefully can be mutually beneficial :

- the Sustainable Energy for All (SE4ALL) initiative;
- designation of a decade (2014–2024) for SE4ALL by the UN-GA; and
- striving for a consensus on a post-2015 development paradigm in which 'energy' would play a significant role.

The Sustainable Energy for All initiative

When the Director-General of UNIDO, Kandeh Yumkella, took over UN Energy in 2008, he developed it into a global advocacy platform. He formed high-level groups and worked closely with the UN Secretary-General to underscore that progress on climate

change would only happen if energy poverty and other dimensions of the unsustainable world energy system were more forcefully addressed.

Building on the patient networking and awareness-raising of the eight global and several regional meetings of the Global Forum on Sustainable Energy, the Vienna Energy Forum 2009 addressed energy and sustainable development in a major fashion. For the first time, the global goals on energy were advocated. By the Vienna Energy Forum 2011, these goals were specified. In December 2011, UN Secretary-General Ban Ki-moon, in close cooperation with the President of the World Bank and top private-sector leaders, announced his initiative, SE4ALL.

SE4ALL is a coalition of the willing, a 'network of networks', that brings together governments and international organizations, the private sector, academia and civil society at large, to work towards the realization of three goals, all to be achieved by 2030: universal access to energy; a doubling of the rate of energy efficiency improvements; and a doubling of the share of renewable energy in the global energy mix. In April 2013 the first meeting of the newly established Advisory Group of SE4ALL took place in Washington, DC, in the presence of both the President of the World Bank and the UN Secretary-General.

The Vienna Energy Forum 2013 will be a defining moment in the emergence of SE4ALL as a new form of international cooperation. There are a number of innovative features :

- SE4ALL is driven by the well understood self-interest of all the participants, across all ranges of stakeholders;
- it is not bound by any mandate and hence is able to change, adapt and optimize itself;
- it focuses on leveraging existing institutional and financial possibilities around strategic opportunities and well-defined work streams and sees no need to create a new institution; and
- it is a coalition of self-selecting partners which voluntarily submit to a scientifically rigorous tracking of progress, through the Global Tracking Initiative.

This Global Tracking Initiative — spearheaded by the World Bank and IEA, supported by a Steering Group, including the WEC as industry representative — will play a particularly important role in the evolution of a global energy governance system. The Baseline Report will be formally launched at the Vienna Energy Forum on 28 May 2013. It is expected to :

- provide an overview of the state of progress towards the achievement of the three goals based on the available evidence (i.e. household survey evidence for energy access; aggregate energy intensity as a proxy for energy efficiency; the share of total final energy consumption derived from all renewable sources for the renewables goal);
- build consensus among relevant institutions on the most suitable approaches for tracking progress on the goals through 2030; and
- serve as a basis to produce periodic tracking reports on progress towards achieving the three goals.

The Baseline Report will look at recent trends for energy access, energy efficiency and renewable energy. Against a global backdrop it will ask what relevant commitments countries have made and how much additional investment and regulatory work would be needed — over business-as-usual (BAU) scenarios — to achieve the goals. It will also look at the role different groupings of countries play — or could play — in achieving the SE4ALL goals (fast movers, big-impact countries, for example), and combine this with an examination of high-impact sectors.

The UN Decade on Sustainable Energy for All

Efforts to build consensus around the SE4ALL objectives were also undertaken at the UN General Assembly (GA). In February 2011, the GA designated 2012 as the International Year on Sustainable Energy for All (A/RES/65/151). This resolution, while being fairly procedural, provided sufficient support for the launch of SE4ALL by the Secretary-General in early December 2011. It also provided common ground for all to stand on at the Rio+20 Conference, which went on to note SE4ALL in a general way. In combination with the Global Tracking Initiative described above,

the international community has now endowed itself with the first modest pillars of a global governance system, combining universal normative elements (the GA resolutions) with 'alliance of the willing' tools that need to establish their credibility and usefulness to partners by virtue of their professional excellence (the Global Tracking Initiative) and their economic, social and environmental benefits.

Shaping the future of the globe: the post-2015 paradigm

At the Rio+ 20 Conference in June 2012, the international community agreed that the framework guiding international cooperation beyond 2015 (the current deadline for the attainment of the MDGs) should be one rooted in sustainable development. The framework should be applicable to all countries, reflecting the insight that we share one Earth and that groups of countries cannot continue to develop to the detriment of others; it should take into consideration the different levels of development and special emphasis should be put on overcoming poverty.

Various thematic, regional and country-based consultations are ongoing, including one on energy. It culminated in a High-Level Meeting on Energy and the Post-2015 Development Agenda in Oslo on 9 April. The Oslo meeting resulted in the emergence of several key messages: that energy must be fully integrated into the universal, post-2015 development agenda; that energy is inextricably linked to most of the global challenges of our time, notably poverty, food security, clean water, public health, education, economic growth, the empowerment of youth and women, and climate change; achieving sustainable energy for all is an ambitious but achievable goal; it entails ensuring universal access to modern energy services; and that creating enabling environments is critical, and concerted action by public and private sectors is needed to overcome financing challenges.

Given the importance of energy to meet other overarching development objectives, such as food security and sustainable management of water resources, it might be wise to define indicators with relation to these nexuses. There seems to an emerging sense also that for those regions/countries that will not have reached the MDGs by 2015, the implementation

of the MDGs should be pursued. I would suggest that we propose to systematically incorporate energy considerations in any endeavours to implement the MDGs after 2015.

We are currently witnessing the emergence of a global system of energy governance. It is driven by the imperative of sustainability, which cannot be attained unless the current unsustainable energy systems are dramatically transformed and powered by the economic opportunities of the transformation. It builds on the assumption that a transition to sustainable energy futures is feasible and without an alternative; in addition there is significant evidence that such a transition will be beneficial at many levels: economic, social, human health, sustainable management of natural resources, peace and security.

It encompasses both the supply and demand sides of energy security, is technology-neutral and capable of regional and local differentiations. The emerging global system of energy governance is that of a self-regulating 'network of networks' which eludes centralistic approaches. It is of necessity multi-stakeholder, peer-interacting, interest-driven and evidence-based, with only a very slight normative ingredient. If successful, it might become a model for other areas in search of effective governance structures.

Main challenges confronting the G20 and BRICS in global governance

Natalia Ivanova, Deputy Director, Institute of the World Economy and International Relations, Russian Academy of Sciences, Moscow, Russia

Up to the first decade of the 21st century, global economic regulation and political governance were largely connected with globalization. The economic basis of globalization lies in the existence of an interconnected global financial and economic system; an international division of labour (value-added chains) and foreign investment; the rise of emerging powers and their rising weight in the global economy; and the rise in the number of transnational actors in the global economy and the concomitant expansion of their influence on national, international, regional and global economic and political processes.

The global economy cannot function without regulation and cooperation. International organizations and institutions fulfil a variety of functions for the global economy (for example, the IMF, World Bank, GATT-WTO) but are not perfectly suited for the new level of economic and financial globalization. Emerging powers have not participated in the creation of the existing international institutions. This has to change. The main global economic institutions have survived the recent crisis intact, but they need to change faster to fit and reflect existing times. A separate problem, often mentioned by experts, is the existence of too many multilateral institutions — there are well over 300. A radical pruning of the system, as well as reform of individual institutions, is considered desirable though unlikely.

More importantly, until 2000, G8 countries existed at the apex of the global economy and global governance. These countries actively governed international financial and economic institutions and developed the principles by which they function. Having high quality human capital, dynamic scientific, technological and socio-economic development, and a high level of internationalization of economic systems, these States proved best prepared for shaping globalization and leveraging it to further their interests.

Was the current system rigged against new entrants,

and do they want to change it radically? In practice, emerging powers were rising within the existing system, and in many ways doing rather well, particularly China. At the same time, established powers were suffering from globalization themselves, due to lower competitiveness in some industries and trade imbalances.

BRICS

Since the beginning of this century, a number of countries that are leaders on a regional scale have also stepped up their participation in globalization processes and are coming to play increasingly significant roles there. In 2006 the first meeting of BRIC members (Brazil, Russia, India and China) took place, and later South Africa joined the group. The Fifth Summit on 27 March 2013 in Durban completed the first cycle of BRICS Summits. As of 2013, the five BRICS countries represent almost 3 billion people, with a combined nominal GDP of US\$14.8 trillion and an estimated US\$4 trillion in combined foreign reserves. The data like this are on the positive side of the BRICS countries' possible role in many aspects of global governance. Many experts from the emerging countries express the view that BRICS has the potential to be an economic and political giant focused on the problem of global development from the position of emerging countries.

Nevertheless, some analysts have highlighted potential divisions and weaknesses in the grouping, such as India and China's disagreements over territorial issues, slowing economic growth rates and disputes between the members over reform of the UN Security Council. Cooperation among countries deepens all the time, but it still exists merely in the form of meetings of the leaders of the countries, ministers, regional authorities, representatives of commercial banks, business forums and research centre conferences. If BRICS members are to play a bigger and more unified role in global politics and economics, the group definitely needs more institutionalization.

At the moment, the BRICS group is on the eve of instituting sweeping changes to further cooperation. One of the possibilities is to establish a common foundation, working groups on common problems such as energy efficiency, urbanization, health care and a

BRICS Bank or BRICS Investment Fund. The BRICS Development Bank, which has been approved, could act as a unifying institution and facilitate strategic high-tech projects in BRICS countries.¹¹ The Development Bank should not duplicate the World Bank or other existing regional development banks. It should be designed as an investment bank and a research facility for defining priorities and issues of development in the BRICS countries. Its establishment could strengthen the position of the BRICS in the global economy and global politics, increase inter-BRICS investment and advance development within the BRICS countries.

As the result of the last BRICS Summit in Durban, a strong commitment to foster growth and financial stability to address unemployment was articulated by the respective leaders. They also reiterated their position on reforming the IMF to reflect the growing weight of BRICS and other developing countries and for agreements on the quota formula to be complete by next January. BRICS leaders also agreed that the head of the WTO should be a candidate from a developing country.¹²

G20

The balance of power in the world is adapting, albeit slowly, to new realities, and the new ideas for regulation after the global financial and economic crisis in 2008 have led to the rise of institutions such as the G20. Many critics consider the G20's accomplishments to be in danger of unravelling, because countries have failed to implement the first big idea — reforming the IMF. These reforms would enhance the role of emerging powers and developing countries and help to shape the commitment of those countries to the global system.

The growing realization of global financial problems and their consequences for growth, especially concerning countries with huge debt, is now commonplace. A survey on global risks in 2012 by World Economic Forum experts emphasizes major

systemic financial failure stemming from indebtedness as the critical global risk; it also identified chronic fiscal imbalances as the centre of gravity.

One of the most important issues in global governance is trade protectionism. Despite the positive agenda in G20 forums to combat this trend, many countries have increased the use of these measures to deal with problems generated by the financial crisis. Given the pernicious effects of trade protectionism, it is necessary to maintain openness in international trade. The G20 must play an important role in fostering coordination in global trade policy and developing credible transparency mechanisms, with the WTO, that highlight problems and facilitate negotiations. The G20 may also address non-tariff measures and exchange rate deviations and their impact on global trade.

All these problems are important for both developed and developing countries and have to be discussed by experts to provide options for new regulation practices. Decision-makers need to improve their understanding of global risks and improve collaboration in response to the most important challenges for global governance.

On 1 December 2012, Russia assumed the presidency of the G20 with a plan, according to President Vladimir Putin, “to make effective use of our presidency to address our long-term national goals and strengthen Russia's place in global economic governance”. The Russian presidency's main task will be to focus the G20's efforts on developing measures to stimulate economic growth and create jobs, provide investment incentives, enhance trust and transparency in markets and advance effective regulation. Issues include implementing the framework agreement for strong, sustainable and balanced growth; facilitating job creation; reforming the currency and financial regulation and supervision systems; advancing stability in global energy markets; stimulating international development; strengthening multilateral trade; and mitigating corruption. Two new issues have been included on the agenda: financing investments as



11. L. Grigoriev and A. Morozkina, ‘BRICS instruments: specifics of objectives “in search of stability, security and growth” in BRICS and a New World Order’, edited by H.H.S. Viswanathan and N. Unnikrishnan, ORF, New Delhi, 2012: 125–134.

12. The Ambassador of Brazil was elected Director-General of the WTO in May 2013.

a basis for economic growth and job creation, and modernizing national public borrowing and sovereign debt management systems. This agenda corresponds to current problems in global governance. The key question is how to translate rhetoric into actionable measures.

To make the G20's work more effective and transparent and increase trust in what it is doing, Moscow commenced broad consultations with all interested parties, with countries not part of the G20, and also with international experts, trade union organizations, the business community, civil society and youth representatives. The G20, for all its current weaknesses, looked like the best option to combine the interests of established and emerging countries. Though it has only operated for four years, its function as a multilateral body is still a work in progress. It is important to maximize its mandate vis-à-vis economic growth and financial regulation. The G20 has to devise an integrated strategy to reform international financial regulation, reform international financial institutions and provide stimulus for sustainable growth.

BRICS and the G20 have a major problem: they are under-institutionalized to achieve the requisite goals confronting them. But, generally, they have already played a constructive role in global governance. They have considerable potential. In the near future, they have to strengthen their institutional heft to advance cooperation and improve structures of global governance.

Strengthening Africa's Voice in Global Governance

Betty Mould-Iddrisu, lawyer, public speaker and independent consultant (former Minister), Ghana

Global governance includes the totality of institutions, policies and rules by which humankind tries to bring stability and order to transnational challenges such as gender, trade, terrorism, economic inequality, and environmental and climate change. All of these challenges transcend the capacity of a single state to resolve them. Sub-Saharan Africa has more than its fair share of **all** of these issues. However, its voice has traditionally been muted in decision-making on global governance issues, barring its undeniably outstanding contributions to global peacekeeping.

Africa is the second fastest growing region in the world after Asia, and its population of nearly 1 billion consumers provides a boon for global markets. The outlook for the region remains bright at a time when the rest of the world is facing major political and economic challenges. The question to be asked is thus: can Africa strengthen global governance through its rising clout in global politics?

Vis-à-vis national governance, sub-Saharan Africa today enjoys an unprecedented level of democracy and stability, largely due to the collective efforts through regional mechanisms for conflict prevention and good governance. While only four civilian leaders in Africa voluntarily handed over power between 1960 and 1990, it is important to note that over the past two decades ruling parties in Ghana, Senegal, Kenya and Zambia among others have been voted out — with democratic elections in almost all countries of sub-Saharan Africa. The military attempts to subvert democratic regimes in Togo, Mauritania, Madagascar and Niger have been swiftly sanctioned by the African Union (AU).

The African Union and regional mechanisms

What then is Africa's potential for taking a leadership role in global governance? Quite obviously there are inherent weaknesses in the continent. Africa's own governance mechanisms have inhibited its voice in global governance over the past 50 years. The AU was founded in 2002 on a wave of optimism about the

continent's future, and was equipped with stronger administrative mechanisms and greater powers of intervention in the affairs of Member States than its predecessor, the Organization of African Unity (OAU), which came into being in 1960. In the past decade, the AU has sought to establish integrated frameworks to address Africa's security, governance and development challenges.

Though Africa has an extensive institutional architecture for peace and security, it is well known that its organizations remain logistically and financially weak. During its tenure as Chair of the UN Security Council (UNSC) in January 2012, South Africa was angered at what was seen as a disproportionate use of force by Western countries in Côte d'Ivoire and Libya, and the marginalization of the AU in relation to Libya. It argued that African countries should play an important role in dealing with conflicts on their shores. The debate on the issue led to the passage of Security Council resolution S/RES/2033 (2012) in January 2012, which called for strengthening relations between the UNSC and regional bodies, in particular the AU's Peace and Security Council (PSC), in the areas of conflict management and electoral assistance. The resolution also sought the improvement of regular interaction, consultation and coordination between the two Councils on matters of mutual interest.

The Security Council

The 15-member UNSC has a global mandate to maintain international peace and security. It is the UN's most powerful body and the only one whose decisions are legally binding on all 193 members. Although proposed as part of a system of collective security, the Council's open-ended conception and the inequities built into its founding rules for voting and decision-making render it a tool for promoting security on a selective basis, particularly in support of the interests of the five veto-wielding permanent members of the Council (P5): China, France, Russia, the UK and the USA. These countries often initiate, shape or block resolutions to further their strategic interests and reinforce their historical spheres of influence. To date, both Africa and Latin America lack representation among the Security Council's powerful permanent members. Of the 60 resolutions passed by the UNSC in 2011, 38 were directed at African countries. Clearly,

Africa has a stake in global security, and yet its current role in global governance limits its influence.

Relations between the UNSC and African regional bodies — in particular, the AU's PSC — must be strengthened. African members on the UNSC should coordinate their decisions and collaborate with the Africa Group at the UN more effectively through the AU office in New York, taking into account key AU decisions. There have been instances where the UN has stepped aside and left the subregional organizations such as the Economic Community of West African States (ECOWAS) during the Côte d'Ivoire crisis, for instance, to take the lead in resolving issues.

Africa and other multilateral bodies

Additionally, Africa holds limited influence over the strategic direction of key multilateral bodies such as the UNSC, the World Bank, the IMF and the WTO, all of which continue to be dominated by powerful countries despite recent bids for leadership positions.

Africa and China: a challenge or opportunity for a stronger African voice

The mutual importance of the growing economic relationship between Africa and China cannot be overstated. It presents an unprecedented possibility for a strategic political partnership to emerge, in turn, and help augment Africa's voice in global governance. In this context there is a momentous opportunity for China to be a true friend to Africa in its quest for equal partnership at the global decision-making table. As Africa's partnership with China grows, China must be conscious of Africa's previous experiences with developing partners. Throughout Africa's struggle for an independent voice it has been fiercely resisted and sabotaged — often by people who are either supposed to be or claim to be Africa's partners. Through this, we have been exploited; many of our most visionary and revolutionary leaders have been targeted and, in certain cases, eliminated or overthrown, so there is and would continue to be a certain level of caution in Africa's engagement with global actors. China must demonstrate, through concrete action, its commitment and ability to bridge this trust gap. The changing global dynamic presents an opportunity to integrate new voices in global governance — on which Africa should

capitalize. To safeguard its recent development gains, Africa must play a greater role in global governance organizations in the coming decade.

Moving forward

Globally, a new model is needed to account for the fundamental power shifts that are taking place. It is now imperative to acknowledge seismic shifts in geopolitical and geo-economic power from West to East and from North to South, and the resulting need to embrace new models to reflect these shifts. We need to integrate state and non-state actors which now exercise 'collaborative power' to determine the future, not only of global governance but of the way of doing business at the national, regional and global levels. Achieving Africa's aspirations in a new global context will require bold and actionable ideas, as well as strong leadership at regional, national and industry levels.

In 2012, Africa's growth rate of 6 percent was driven by improved macroeconomic indicators and political stability, an ongoing resource boom and a growing consumer base. China has also contributed by investing heavily in Africa's infrastructure, and has positioned itself as a central player in Africa's economic transformation. In addition, deepening links to fast growing emerging economies and an increasing appetite of global and regional champions for long-term investments in Africa's frontier markets are fuelling a renewed optimism of the continent's prospects. At the same time, resource price volatility, youth unemployment, food security and the adverse effects of climate change remain important challenges — and these are global challenges. Strengthening Africa's leadership, accelerating investment in its frontier markets and scaling up innovation will be essential in transforming Africa's growth story into shared opportunities for present and future generations.

How is growth to be achieved in the future? How sustainable is it and at what cost to the environment? How are the gains distributed? What has become of the family and community fabric, as well as of our culture and heritage? The time has come to embrace a much more holistic, inclusive and qualitative approach to economic development, based on the 'stakeholder' and not on a pure 'shareholder' concept.

New ideas and strategies for truly democratizing global governance, an equitable balance of rights and responsibility for Africa and the developed world, need to be pursued to enable the voices of African women and youth to become mainstream. These include :

- The Shared Responsibility Approach: the responsibility to ensure that the 54 African countries have a legitimate voice in global governance to enable them to meaningfully participate in global decision-making, and it should not be Africa's sole burden to facilitate this. Developed nations have an important role and responsibility in the process.
- Global Citizenship of the African: decisions that emanate from global decision-making processes affect the lives, rights and wellbeing of the average African significantly. It is therefore crucial that we create links between people impacted by these decisions and the global powers that make them. The African must not only be a subject — or in many instances — a victim of global citizenship, but must enjoy the privileges and opportunities available to the global community.
- Nothing about Africa without Africans: Africa is often at the heart of major global decisions. Ironically, some of these decisions are made without genuine African input. Moving forward, it should be a guiding principle of all global decision making processes that decisions should not be made without adequate African input.
- Expand opportunities for young people and African women: our ability to promote stability and sustainability behooves us to include and harness all the potential of Africa's overwhelmingly young population and women. Despite great strides towards gender equality on the continent over the past 30 years, systemic inequalities remain between African men and women, and African boys and girls. The UN Economic Commission of Africa (ECA) highlights in its Africa Youth Report that Africa has the youngest population in the world, with over 65 percent of its total population below the age of 35 years, and young people between 15 and 35 constituting over 35 percent. The stakes are even higher for the future. It is

imperative to have these groups at the centre of the conversation.

Despite the enormity of the challenges, I remain extremely optimistic about Africa's future — that sooner rather than later, Africa will be an equal player on the global stage. Through experiences of exclusion in global governance, there exists considerable caution in Africa's global engagement. However, the changing global dynamic presents an opportunity to integrate new voices in global governance — and Africa should capitalize on it. To safeguard its recent development gains, Africa must play a greater role in global governance. It needs to build a truly global community — not just for powerful nations and corporations, but also for the global community. Our actions must impact the African woman or girl who carries the disproportionate share of the twin burdens of poverty and inequity. Only when African voices register such an impact will the letter and spirit of democratic global governance become a reality.

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China and Global Democracy

Edward Mortimer, Senior Programme Adviser, Salzburg Global Seminar and former Chief Speechwriter and Director of Communications to UN Secretary-General Kofi Annan

At the High-Level Policy Forum on Global Governance, convened jointly by UNDP and the China Centre for International Economic Exchanges (CCIEE), I was privileged to chair the panel on 'Democratizing Global Governance', which meant that I was also required to summarize the discussion on that topic in the closing session of the forum. The latter proved an especially daunting task, since the panel included four speakers and five discussants, all highly distinguished and reflecting the points of view from six different Chinese institutions, as well as from other countries in Asia and Africa.

One thing on which we all agreed was that 'democratizing' global governance implies ensuring that decisions affecting humanity as a whole take more account of the concerns and interests of developing countries, by giving those countries a stronger voice in the institutions and forums where such decisions are taken. Personally, I would argue that this is necessary — but not sufficient. Democracy is usually defined as a political system in which power is exercised by the people. 'Democratization', therefore, implies **giving** power to the people — or perhaps, in the global context, to the peoples, in whose name the Charter of the United Nations was promulgated.

People or peoples: does it make any difference? Yes, it does. If one takes democracy seriously. In the national context, democratizing means empowering individuals, enabling them to participate either directly or indirectly in the processes of legislation and public administration. In the international context, they are usually taken to be represented — as separate peoples — by the governments of the sovereign States to which they belong. If 'democratizing global governance' is taken to mean simply a redistribution of power among those sovereign States, without reference to their internal arrangements, or to the vast difference in the size of their populations, it will not go very far to correct the injustices of the present world order.

The Chinese people, especially, would be triply

disadvantaged in this case for a number of reasons. First, China is already in a privileged position in the international system, as one of the five permanent members of the UN Security Council. Although there is no question of it losing that status, it would stand to lose, at least in relative terms, if the power of the five is diluted by increasing their number or if there is a shift of power away from them towards the other 188 UN Member States. So long as China is not a democracy in its internal arrangements, the Chinese people as individuals would not be empowered by any greater role of influence accorded to China in the international system. And, second, even if China does become more democratic internally, its individual citizens would still be grossly disadvantaged by a system of 'one State, one vote', because China is easily the most populous of the world's current States. Formally at least, each citizen of Nauru (population 9 378) has many times as big a say in global governance as an individual citizen of China. More broadly — and perhaps more seriously — Asia is grossly underrepresented in the UN compared to Africa, having only the same number of States but a far larger population.

Chinese people would, therefore, benefit from a global system that was more democratic, not so much in the sense of giving a bigger role in global governance to smaller and poorer States, but rather by allowing its **peoples** to participate more directly through governments that genuinely represent them, and perhaps, also through civil society organizations. And they would benefit from a system where voting power was distributed among States in a way that reflected, at least in some degree, the widely differing size of their populations. These two points are related. Giving greater weight to population size might not benefit the population itself if it were not accompanied by internal democratization.

The global shift of power in favour of new actors implies a dilution, or a relative loss, of power for those who have hitherto held it. As already noted, China can be considered one of the latter in formal terms. But in real terms, it is generally considered one of the former — the new or 'emerging' powers. It may, therefore, share an interest with other emerging powers to bring about the shift in question and arguably thereby realigning formal structures of global governance with the real distribution of power in the 21st century.

For the new powers, the question is how can the established powers be induced or persuaded to agree to such a shift? To transition into this plural order, three principles should be respected :

- **Multipolarity:** the period since 1945 has been unusual in witnessing, first, during the Cold War, a global diarchy, meaning effective domination by two superpowers, and then a 'unipolar moment', during which the USA appeared pre-eminent. Both these models are undesirable for emerging powers that feel marginalized or excluded; and there appears to be a growing impulse to return to an era characterized by major power rivalry. But geopolitical competition in such contexts often begets war, which the new arrangement will presumably strive to avoid.
- **Regionalism:** since the world is too large and complicated to be governed on a unitary basis, the new order will need to follow the principle of subsidiarity, reserving matters that require collective action on a global scale to be settled in global institutions and leaving the rest to regional organizations, enabling States to work together regionally.
- **Common but differentiated responsibilities:** this principle has been adopted in global trade negotiations and — critically — on climate change. It asserts that all States share certain obligations, but recognizes the differences in their respective economic circumstances that may prevent them from fulfilling obligations in the same way or at the same speed.

Over and above these points, it was agreed that climate change is the most urgent issue, because the stakes for humanity as a whole are very high, and the time for any action which can significantly mitigate climate change may have passed. Since our meeting, China's National Development and Reform Commission has responded to this sense of urgency by proposing that from 2016 there should be a ceiling on the absolute amount of Chinese greenhouse gas emissions, rather than merely (as hitherto promised) a reduction in 'carbon intensity' or the amount of CO₂ produced per dollar of economic output.

This is a radical and positive change in China's position, and has raised hopes of a global and legally

binding agreement on emissions reduction. But there are many outstanding questions regarding the ability and willingness of other countries to respond with similar commitments and about the methods by which emissions can be reduced without sacrificing economic growth. Many would argue that growth itself needs to be called into question, at least as conventionally measured, or perhaps above a certain level of per capita income. However, the political problems involved in introducing such a change have hardly begun to be considered, let alone seriously addressed.

What then are the potentials and limits of inclusive global governance mechanisms that take the rights and responsibilities of developing countries? The main limitation appears to be a trade-off between legitimacy and effectiveness. Enlarging the forum to include more voices can make it more difficult to execute — especially when decisions need to be reached quickly. Yet this trade-off — like the often cited one between security and civil liberties — may be more apparent than real. Just as a free society is ultimately stronger and more secure than one ruled by repression, so a legitimacy deficit ultimately becomes an effectiveness deficit, since those not represented do not consider themselves bound by collective decisions. The UN, especially the Security Council, seems increasingly threatened by this syndrome.

There is some confusion about whether this issue is a moral question, involving the rights of those most affected by decisions to be involved in taking them, or a practical one — the need for the global governance structure to be modified to reflect a shift in the distribution of real power which has already happened. But in the end the answer may be the same. Either way, history teaches us that rights have almost always been gained by **struggle**. And the successful struggles are those that raise the price of maintaining the status quo, while lowering the cost of change, for the current power holders.

Can the developing countries, perhaps led by China, forge and implement a common strategy for convincing the current power holders that sharing power, through an agreed procedure, is on balance the best way of preserving their own interests? It is on the answer to that question that the prospects for 'democratizing global governance' in the 21st century will ultimately rest.

Global Governance Innovation

Paul Heinbecker, former Canadian Permanent Representative to the UN and advisor to consecutive prime ministers; currently a Distinguished Fellow at the Centre for International Governance Innovation and founder of the Laurier University Centre for Global Affairs

As we contemplate what we need to do to govern our rapidly changing world, we should remind ourselves that despite the impression of pervasive doom and gloom created by the incessant repetition of bad news in the 24-hour news cycle, we are living in a golden age. People around the world on average have never been richer, healthier, safer, longer lived, better educated or better connected to each other than they are now. For hundreds of millions of people, most impressively in China, life is better than it ever has been.

Geopolitically and geo-economically, the USA is uniquely powerful, and China is advancing rapidly, but neither will be in a position to determine unilaterally the course of world events as the 21st century unfolds. Nor will a new G2 predominate for the same reasons the G8 proved inadequate — too many powerful countries with the capacity and disposition to defend their interests on the outside looking in. Multilateral governance, minilateralism, coalitions of the willing and multi-stakeholder governance will be indispensable.

Multilateralism

The UN has helped to create the governance conditions that facilitated our making this progress. The UN remains the indispensable multilateral institution, the only body that can convene the whole world under one roof and sustain the norms that allow us, at least most of us, to live peacefully. The UN Charter and the hundreds of multilateral treaties concluded under UN auspices have spawned an extensive body of international laws, norms, standards, practices and institutions that help us to govern most facets of inter-State relations. With these ‘apps’, the UN Charter has become the world’s central operating system, the motherboard of global governance.

Although much criticized, over the years the organization has undergone extensive innovation and

renovation and, in the process, substantial reinvention. From peacekeeping to peace enforcement and peace building, to international criminal justice systems, to sustainable development, to refugee protection, to humanitarian coordination and food relief, to democracy and electoral support, to human rights conventions, to health protection, to landmine removal, and to managerial accountability and oversight, the organization has been changing and equipping itself to acquit its increasingly demanding responsibilities. As a consequence, the UN has a broader political reach than any other organization and much substantive expertise in dealing with contemporary challenges.

If the world as a whole is to respond effectively to rapidly changing, post-Westphalia times, more innovation is needed. Nation states will remain the fundamental organizing principle of international affairs, but they will find themselves increasingly sharing responsibility for global governance with non-governmental stakeholders, civil society and business.

Minilateralism

Peace, order and progress will increasingly demand shifting combinations of multilateral, minilateral and bilateral cooperation between and among governments, civil society and private and state-owned enterprise. Global governance will require a wide variety of institutional responses — some evolutionary, others revolutionary, some inside the UN System and Bretton Woods institutions, and others outside them. Effective global governance will also entail subsidiarity, or the consideration of issues at the levels of governance — global, regional, national or sub national — that best lend themselves to solutions. In the descriptive phrase of Richard Haass of the US Council on Foreign Relations, we live in a world of “messy multilateralism”. No country or small group of countries can long dominate this complex, integrating, changing world or alone determine its future.

Further, effective global governance needs ‘minilateralism’, the sometimes informal, sometimes structured, cooperation among coalitions of the policy willing. In minilateralism, cooperation is promoted and advanced through small groups. In some cases, these groups include the major powers; in other cases they do not. Decisions taken under Chapter VII of the

Charter are legally binding on all UN members and can be imposed by force.

A kind of muscular unilateralism prevails also in the Bretton Woods institutions, notably the IMF Executive Board, with its weighted voting shares. Further, in the inclusive setting of UN treaty making, negotiations routinely take place among small, often self-selected groups which conclude understandings that they then commend to the larger membership for agreement. That was the case, for example, for the climate change deal at Copenhagen.

The G20

Elective or persuasive unilateralism is the operating principle of the G20, itself potentially the most important governance innovation in 65 years. The G20's legitimacy derives principally from its effectiveness in addressing the crucial economic and financial crises of 2007–08. Its legitimacy also stems from the fact that its membership accounts for 85 percent of global gross national product, 80 percent of world trade, and 67 percent of the planet's total population. Those factors do not constitute universality, of course, but nor are they trivial assets. When the G20 reaches agreement among its members, a large part of whatever problem it is addressing is on the way to resolution. At the same time, the G20 needs to develop an effective *modus operandi* with non-members to resolve genuine issues of inclusion and exclusion, and to find a way to give voice in its deliberations to the less powerful poorer countries and to the small but competent richer ones.

G20 decisions bind only G20 members, and do so only politically, but because of the significance of those members to the global economy, other governments find it in their interest to accept them too. In addition to stabilizing financial markets during the 2007–8 crisis, the G20 has been effective in promoting regulatory reform, in launching a global economic stimulus and quite possibly in averting a global economic depression. The group has put issues on the table that were once regarded as the exclusive province of sovereign governments — notably, macro-economic coordination, monetary policy, exchange rates and debt levels. The G20 has also spurred reform of the Bretton Woods institutions and could, if its participants

agreed, tackle the issue of reforms of the UN and particularly of the Security Council.

The G20 is thus an important, even potentially crucial, addition to the institutions that nation-states use to govern relations between themselves. Nevertheless the G20 has struggled to address the highly political tasks of resolving the conundrum of current account, trade and budget imbalances afflicting major economies. These problems go to the roots of the national economic and political philosophies of the world's largest economic players and touch their respective concepts of sovereignty. The G20 has put development cooperation on its agenda but has not yet made compelling progress on the issue. Further, the G20 has been reluctant to address the world's most pressing hybrid political-economic issues such as the macroeconomic, energy and financial dimensions of climate change; food security and energy security; transnational organized crime and the illegal drug trade; internet governance and cyber security; and support for the political transformations of the Middle East and North Africa. If the G20 is to remain viable, its leaders will have to begin to broaden their agenda.

Consensus is difficult to generate at the UN, and it is not yet clear whether it will be easier to create at the G20, which could prove to be less a maxi-G8 and more a mini-UN. Bedrock national interests do not vary as a factor of the setting in which they are discussed. Furthermore, ways of thinking and acting established over generations cannot be modified quickly. For the once hegemonic USA, partnership will need to mean not just hearing others before deciding and acting, but also developing shared assessments and acting cooperatively. For some others among the G20, notably China and India, national interests will need to be reconceived to include more directly the wellbeing of the international system itself. All 20 governments will have to reconcile self-interest with the common interest and to privilege cooperation over domination, multilateralism over unilateralism, the effective over the merely efficient, and the legal over the expedient. All of that is easier said than done, especially in the absence of common threats.

Restricted groups of governments, such as the G20, can bind themselves if they wish, but they can only commend their decisions to others, not command

compliance. Remove the UN and its universal membership and legal framework, and smaller, exclusive groups, especially the G8 but also the G20, would be much more controversial, and their legitimacy more contested. As a consequence, they would also be less effective.

The inescapable conclusion is that the UN and the G20 need each other. The UN embodies universality and the G20 efficacy. The G20 can strengthen the UN by reducing the gaps among the major powers on contentious issues, making decision-making in the international community easier and more effective, and the UN can return the favour by extending the G20's effectiveness vis-à-vis the G172, a group that the G20 cannot command but whose cooperation it needs. The UN, for its part, needs to be sensibly responsive and strategically savvy, resisting the blandishments of its 'spoilers'. And the G20 needs to take the initiative to develop an effective modus operandi with non-members to resolve genuine issues of inclusion and exclusion and to find a way to give voice in its deliberations to the less powerful poorer countries and to the small but constructive richer ones.

Other forms of innovation: constructive powers

There are also other promising forms of minilateral governance cooperation. Issue-specific, interregional partnerships of constructive powers will likely form to bring specific problems of common concern to international attention and promote their resolution. Members of these temporary partnerships will likely be second-tier, not major powers, but countries that nevertheless have a strategic interest in cooperation, the economic weight to bear the costs of participation and the diplomatic capacity to promote progress. Another source of innovation will be the entrepreneurial senior officials in the international organizations, who are instrumental in conceiving key policy initiatives, such as the MDGs and the Human Development Index, and bureaucratically capable of carrying them forward.

Perhaps the most innovative and controversial — and game-changing — response to contemporary global challenges is multi-stakeholder governance. Such governance entails the formal and informal cooperation of state and non-state actors, civil society, business

and state-owned enterprises in the development and innovation of rules of behaviour governing complex systems. The most obvious case in point is the internet, where the gulf between those who want the freest possible internet experience and those who favour state supervision of the net is vast. Bridging that gulf will require diplomatic imagination and innovation.

Conclusion

Although much more needs to be done to help 'the bottom billion', we have accomplished a great deal together since the UN was born, notably in establishing norms that guide state behaviour, in negotiating treaties that stigmatize aggression, in embracing principles that advance human rights and in achieving economic progress that lifts people out of poverty. It is not possible to be categorical about what the global future holds. The world is entering a time that will reward enhanced cooperative governance and punish political autarky. We do know that global governance will be subject to further widespread innovation, notably increased minilateralism and multi-stakeholderism, as ageing institutions struggle to adapt to the challenges generated by previously unimagined technologies. In this changing context, the UN remains a necessary but not sufficient response to global governance, as does the G20. The way forward will be found in embracing further international governance innovation.

Annex. Participant Biographies

Christophe BAHUET

Mr. Bahuet is currently the Country Director of UNDP China. He was the Deputy Country Director of UNDP Vietnam from 2007 to 2011, and his earlier UNDP Country Office assignments included Ghana, Uzbekistan and Ukraine. He also worked at UNDP New York Headquarters with the Evaluation Office and the Partnership Bureau in charge of issues about international financial organizations. Mr. Bahuet speaks many languages, including Chinese, and has a specific interest in Chinese history and civilization.



CHEN Wenling

Professor Chen is Chief Economist and Director-General of Strategic Research of the China Centre for International Economic Exchanges (CCIEE). She is also Director-General of the Comprehensive Research Department at the State Council Research Office, and Vice-Chairman of the China Marketing Association, China Business and Economic Association and China Logistics Association. Professor Chen has made contributions to many academic works, including Report on Case Study of China's Economic and Social Frontier Problems, New Theory of Circulation, Integration of Modern Circulation with Foreign and Domestic Business, and Retrospect and Reflections on Chinese Macroeconomy.



CHEN Fengying

Dr. Chen is Director of the Institute of World Economic Studies, as well as a researcher and doctoral supervisor at China Institutes of Contemporary International Relations. She is also on the Expert Advisory Committee of the State Energy Leading Group and an executive member of the China International Economic Relations Association. Her research interests include macroeconomic analysis and forecasting, Chinese economic relations with foreign countries and national economic security.



Costantinos B.T. COSTANTINOS

Professor Costantinos is currently working with the African Union Board on the Convention on Preventing and Combating Corruption and is Professor at the School of Graduate Studies at Addis Ababa University, teaching Public Policy. Professor Constantinos is also Chairman of nine NGOs, Board Chair of Alternative Assets Group Capital Funds and Founding Chair of the Afri-Agro Industrial Bank of Ethiopia. He was previously working at the UN Headquarters as Senior Policy Adviser to the UN and representative of the UN in South Africa, Nigeria, Zimbabwe and Malawi.



CUI Liru

Professor Cui is President of the China Institutes of Contemporary International Relations, member of the Foreign Policy Advisory Group of the Ministry of Foreign Affairs, Vice-Chairman of the China National Association for International Studies, Vice-Chairman of the Chinese Association of American Studies and Senior Advisor of the National Security Policy Committee of China, Association of Policy Science. He is also Guest Professor at the University of International Relations, the National Defence University and Wuhan University. He was Director-General of the Institute of World Information at the State Information Centre in Beijing.



GAO Zugui

Professor Gao is Associate Director of the Institute for International Strategic Studies, affiliated to the Party School of the Central Committee of Communist Party of China. He dedicates his studies to China's peaceful rise, soft power and publicity strategy. Professor Gao has been published in many influential academic journals such as *International Studies and Contemporary International Relations*.



Renata LOK-DESSALLIEN

Ms. Dessallien is the UN Resident Coordinator and UNDP Resident Representative in the People's Republic of China (PRC). She has over 20 years' experience at the UN, with assignments in Africa and Asia, including Myanmar, Mali and Laos. She has previously served as Resident Coordinator in Bhutan and Bangladesh. Ms. Dessallien also worked as the Senior Advisor at the Bureau for Development Policy at the UN Headquarters. As the UNDP Resident Representative in the PRC, she plans and coordinates UNDP's programmes in the country.



Irene GINER-REICHL

Ambassador Giner-Reichl is the Austrian Ambassador to the PRC and Mongolia. She is also President and Founder of the Global Forum on Sustainable Energy, a multi-stakeholder platform for dialogues on energy for sustainable development. During her diplomatic career, which began in 1982, she headed the UNIDO Office in New York as the Assistant Director-General, and was in charge of Austrian development policy and cooperation as the Director-General of the Ministry for European and International Affairs. Her main areas of expertise include economic and social development, women's rights, environment, energy and development cooperation.



Rebeca GRYNSPAN

Ms. Gynspan is the Under-Secretary-General of the UN and the Associate Administrator of UNDP. She served as UNDP Assistant Secretary-General and Regional Director for Latin America and the Caribbean between 2006 and 2010. Before joining the UN, Ms. Gynspan was the Vice-President of Costa Rica from 1994 to 1998. She also served as the country's Housing Minister, Coordinating Minister of Economy, Coordinating Minister of Social Affairs and Vice-Minister of Finance.



HU Huaibang

Professor Hu is Chairman of the Board of Directors and Executive Director of the Bank of Communications, and alternate member of the 18th Central Committee of the Communist Party of China. He was Chairman of the Board of Supervisors of the China Investment Corporation, Director of the Working Department of the Supervisory Committee and Commissioner of Discipline Inspection of the China Banking Regulatory Commission. Professor Hu is also a doctoral supervisor and professor awarded a special government allowance by the State Council.



Paul Earl HEINBECKER

Ambassador Heinbecker is Distinguished Fellow at the Centre for International Governance Innovation, and Professor at Wilfrid Laurier University. As a former Canadian diplomat, Ambassador Heinbecker served abroad as Minister of Political Affairs at the Canadian Embassy in Washington, Canadian Ambassador to Germany, Permanent Representative of Canada to the UN in New York, Chief Foreign Policy Advisor to the Prime Minister, Assistant Secretary to the Cabinet for Foreign Policy and Defence, and Assistant Deputy Minister for International Security and Global Affairs at the Department of External Affairs of Canada.



HUANG Jing

Professor Huang is both Professor at and Director of the Centre on Asia and Globalization at Lee Kuan Yew School of Public Policy at the National University of Singapore. He serves as one of the three Senior Overseas Economic Analysts for Xinhua News Agency and Overseas Advisor to the China Foundation for International and Strategic Studies in Beijing. His publications include *Factionalism in Chinese Communist Politics* (2000), which won the prestigious Masayoshi Ohira Memorial Prize in 2002, and *Inseparable Separation: the Making of China's Taiwan Policy* (2010).



Betty MOULD -IDDRISU

Ms. Iddrisu is a lawyer, public speaker and independent consultant in Ghana. She was appointed Ghana's first female Attorney General and Minister for Justice in 2009 and also served as Minister of Education in 2011. She has over 20 years' consultation experience in the areas of international law, international property law (traditional knowledge and community rights) and multilateral trade issues for the UN, its specialized bodies and other international and regional organizations.



Natalia I. IVANOVA

Professor Ivanova is First Deputy Director of the Institute of World Economy and International Relations at the Russian Academy of Sciences. She has been a project director and consultant for Russian and international projects on R&D and innovation issues. Her contributions include 'Policy Trends and Appraisal Report on Russia' (2007) and 'Innovation Survey and Background Report' for the OECD on Russia (2011). Her major research areas are related to global economy: national and global innovation systems, international comparisons, and forecasting of scientific and technological developments.



Andras INOTAI

Dr. Inotai is President of the Research Institutes of International Economy at the Academy of Science in Hungary and member of the Economic Council at Corvinus University, Budapest. His research interests include major economic challenges in the era of globalization; the shifting balance of global economic power with special reference to China; global financial, economic and social crisis and its medium-term consequences; the post-crisis European integration: deepening, enlarging and global role; and economic transformation in Central and Eastern Europe: retrospection after 20 years in regional comparison.



Toshiki KANAMORI

Mr. Kanamori is Senior Counsellor of the Daiwa Institute of Research in Japan. He has been appointed to many significant posts at the Ministry of Finance of Japan, including the Deputy Director-General for Policy Evaluation, Executive Vice-President of the Policy Research Institute and Director-General of Kobe Customs. He was also Director of Administration Management and Coordination at the Asian Development Bank Institute.



Devesh KAPUR

Professor Kapur is Director of the Centre for Advanced Study of India and Madan Lal Solti Associate Professor at University of Pennsylvania, and non-resident fellow at the Center for Global Development of Washington, DC, and the Brookings Institution's National Council of Applied Economic Research (New Delhi) at India Panel. He received the 2012 Distinguished Book Award of the Ethnicity, Nationalism and Migration Section of the International Studies Association with his book *The Impact of International Migration from India on India*.



LI Yihu

Professor Li is Dean of the Institute for Taiwan Studies and Professor at the School of International Studies at Peking University. He is also Vice-Chairman of the China Universities Association for International Studies, Vice-Chairman of the China Fangxia Association for Cultural Exchange, Board Member of the China National Society of Taiwan Studies and Standing Board Member of the China Asia–Africa Exchange Association. Professor Li is also part-time Professor at the China Defence University and China University of Political Science and Law.



Martin KHOR

Mr. Khor is Executive Director of the South Centre in Malaysia, an intergovernmental think tank of developing countries, addressing a range of issues including the global financial crisis, climate change and sustainable development, and trade issues. He was Director of the Third World Network, and member of the UN Committee on Development Policy, the Helsinki Group on Globalization and Democracy, the International Task Force on Climate Change, and the Expert Group on Democracy and Development of the Commonwealth Secretariat.



LIU Youfa

Dr. Liu is Vice-President of the China Institute of International Studies. He was Counsellor and Minister Counsellor at the Chinese Embassy in the USA from 2003 to 2007, Counsellor at the Chinese Embassy in Ethiopia from 2001 to 2003 and in Tanzania from 1999 to 2001. Professor Liu is also Visiting Research Fellow at Fudan University and Guest Professor at the National Defence University and Xian Communication University.



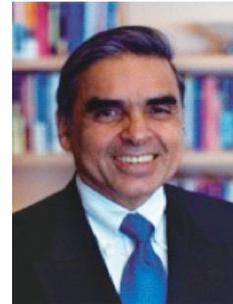
LIU Zhenye

Professor Liu is Deputy Director of the Institute of Globalization and Global Issues, and Professor at the China University of Political Science and Law. He is also Deputy Secretary-General of the China National Universities Association for International Studies and Special Expert of the Chinese Arctic and Antarctic Administration. Professor Liu graduated from Nankai University in 2004 with a doctoral degree in Political Science. His main research areas include global civil society and global politics, NGOs and global governance.



Kishore MAHBUBANI

Professor Mahbubani is Dean of and Professor in the Practice of Public Policy at Lee Kuan Yew School of Public Policy at the National University of Singapore. In his diplomatic career from 1971 to 2004 he had postings in Cambodia, where he served during the war in 1973–74, Malaysia, Washington, DC, and New York, where he served two stints as Singapore's Ambassador to the UN and President of the UN Security Council between January 2001 and May 2002. Professor Mahbubani was also listed as one of top global thinkers by *Foreign Policy* in 2010 and 2011, the top 50 individuals shaping the debate on the future of capitalism by *The Financial Times* in March 2009, and the top 100 public intellectuals in the world by *Foreign Policy* and *Prospect* in September 2005.



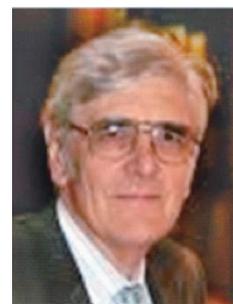
MA Zhaoxu

Dr. Ma is Assistant Minister and spokesperson for the Ministry of Foreign Affairs of the PRC. Dr. Ma joined the Ministry in 1987 and served in various departments and embassies. He was Director-General of the Information Department, Deputy Director-General and then Director-General of the Policy Research Department, Minister Counsellor at the Chinese Embassy in Belgium and Mission to the European Community, and Counsellor at the Chinese Embassy in the United Kingdom.



Edward MORTIMER

Mr. Mortimer is Senior Vice-President and Chief Programme Officer of the Salzburg Global Seminar and Chair of the Sri Lanka Campaign for Peace and Justice. He also serves on the Advisory Board of the Independent Diplomat and Global Centre for the Responsibility to Protect. He was a columnist and leading foreign affairs commentator for *The Financial Times*. He was also the Chief Speechwriter and Director of Communications to UN Secretary-General Kofi Annan.



Jonathan NG

Mr. Ng is Deputy Country Director of UNDP China. He was Senior Management Advisor to the Assistant Secretary-General and Director of the Bureau of Management. Working in strategic partnership with others in bureaus at the UN Headquarters and key internal/external oversight bodies, he has played important roles in promoting a system and culture of accountability, organizational transparency and enterprise risk management in the UNDP. In previous years, Mr. Ng also held several senior executive-level posts in the Singaporean government.



Enrique DUSSEL PETERS

Professor Peters is Professor at the Graduate School of Economics and Coordinator of the China–Mexico Studies Centre at the National Autonomous University of Mexico. He is also a consultant for several Mexican and international institutions. His research interests include economic development, political economy, industrial organization and trade theory, NAFTA and CAFTA, and the evolution of industrial, trade and regional patterns in Latin America and Mexico.



PANG Zhongying

Professor Pang is Director of the Centre for the Study of Global Governance and Professor in International Political Economy at Renmin University of China. He is currently Guest Professor at Frankfurt University and the Peace Research Institute, Frankfurt. Professor Pang also worked with the Chinese Academy of Social Sciences, the China Institute of International Studies and the Chinese Embassy in Indonesia. His major research interests and works are global issues and global governance as well as the research of diplomacy: history, theory and practice.



QIN Yaqing

Professor Qin is Executive Vice-President and Professor of International Studies at the China Foreign Affairs University, Vice-President of the China National Association for International Studies, Chinese Country Coordinator for the Network of East Asian Think-Tanks, and member of the Foreign Policy Advisory Group of the Ministry of Foreign Affairs of the PRC and of the International Advisory Board for policy analysis of the West–East Centre in the USA. He was in the resource team for the UN High-Level Panel for Challenges, Threats and Changes and worked as the Special Assistant to Chinese Eminent Persons and the China–ASEAN Eminent Persons Group.



REN Xiao

Dr. Ren is Vice Dean and Director of the Centre for the Study of Chinese Foreign Policy at the Institute of International Studies at Fudan University. He was previously the First Secretary at the Chinese Embassy in Japan. His research concentrates on the theory of international politics, international relations of the Asia-Pacific, Northeast Asian security and Chinese foreign policy.



WANG Chunzheng

Professor Wang is Executive Vice-Chairman of the China Centre for International Economic Exchanges (CCIEE), as well as a doctoral supervisor and researcher. He was Director of the Office of the Central Financial and Economic Work Leadership Group, and the Social Development Department at the National Development and Reform Commission. He was also a candidate member of the 15th Central Committee of the Communist Party of China.



Jomo Kwame SUNDARAM

Professor Sundaram is Assistant Director-General of the Food and Agriculture Organization of the UN. He was Assistant Secretary-General for Economic Development in the UN Department of Economic and Social Affairs (DESA) from January 2005 until June 2012, and (Honorary) Research Coordinator for the G24 Intergovernmental Group on International Monetary Affairs and Development from December 2006 until September 2012. He was also the G20 Sherpa to UN Secretary-General Ban Ki-moon between 2010 and 2012, and UN G20 Finance Deputy between 2011 and 2012. In 2007 he was awarded the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought.



WANG Xuedong

Dr. Wang is Deputy Director of the Department of International Relations, Executive Director of the Centre for Global Governance and Associate Professor at the School of Asia-Pacific Studies at Sun Yat-sen University. His research interests include the global governance of climate change, China-US relations and Chinese foreign policy.



WANG Yizhou

Professor Wang is Associate Dean of the School of International Studies and Professor in international politics and Chinese foreign affairs at Peking University. He was Deputy Director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences in Beijing. His main research interests are Chinese diplomacy and its process into a global partnership, theories of international relations and its studies in the West and China, and trends in international institutions and laws.



WEI Jianguo

Mr. Wei is Vice-Chairman and Secretary-General of the China Centre for International Economic Exchanges (CCIEE). He was also a member of the Chinese People's Political Consultative Conference. Mr. Wei has held various posts in the Chinese government such as Vice-Minister of Commerce, Vice-Minister of Foreign Trade and Economic Cooperation, Assistant to the Minister of Foreign Trade and Economic Cooperation and Director-General of the Department of Human Resources.



WANG Zaibang

Professor Wang is Vice-President of and Senior Professor at the China Institutes of Contemporary International Relations, which is one of the most important think tanks on international affairs in China. In recent years, he has been working on world politics, strategic and security studies, effective multilateralism, global governance and relations between China and the international system.



Makarim WIBISONO

Dr. Wibisono is Executive Director of the ASEAN Foundation in Indonesia. He was the Indonesian Ambassador and Permanent Representative to the UN in New York and Geneva. As the Director-General for Asia-Pacific and Africa between 2002 and 2004, he negotiated and helped conclude the Bali Concord II, contributing to the establishment of the ASEAN community in 2015. He also led the Indonesian Delegation to Senior Officials Meetings of ASEAN, ASEAN+3, ASEAN Regional Forum and APEC.



Ngaire WOODS

Professor Woods is Dean of the Blavatnik School of Government, Director of the Global Economic Governance Programme and Professor in International Political Economy at the University of Oxford. Her major academic interests include global economic governance, the challenges of globalization, global development, and the role of international institutions. Professor Woods has also served as Advisor to the IMF Board, the Human Development Report of the UNDP and Commonwealth Heads of Government.



XUE Lan

Professor Xue is Dean of the School of Public Policy and Management and Cheung Kong Chair Professor at Tsinghua University, Adjunct Professor at Carnegie Mellon University and non-resident Senior Fellow of the Brookings Institution. He is also Director of the China Institute for S&T Policy, Deputy Director of the China Institute for Strategic Studies on Engineering and Technology Development, Vice-President of the China Association of Public Administration and member of the Expert Committee on Emergency Management of the State Council of China.



WU Zhicheng

Professor Wu is Dean of the Zhou Enlai School of Government, Director of the Institute for Global Studies, Vice-Director of the Centre for European Studies and Professor in International Relations and European Studies at Nankai University. He is also the Vice-President of the Chinese Association for European Political Studies, Vice-President of the Tianjin Political Studies Association and Deputy Secretary-General of the Chinese Association for European Studies. He is the Chief Expert in 'The Studies for Innovation of Global Governance Theory in New Era', which is a key project of Philosophy and Social Sciences Research funded by the Ministry of Education. His teaching and research interests include international relations, European integration and global governance.



YANG Jiemian

Professor Yang is President of and Senior Fellow at the Shanghai Institutes for International Studies, as well as a member of the Shanghai Committee of the People's Political Consultative Conference. Professor Yang is on the Board of the China National Association for International Studies, the Chinese People's Institute of Foreign Affairs, the National Association of China-US Friendship, the National Association of American Studies, the Shanghai Association of International Relations, the Shanghai Association of Taiwan Studies and many other organizations.



YANG Xuedong

Dr. Yang is Executive Director of the Centre for Global Governance and Development and Senior Fellow at the Central Compilation and Translation Bureau. He was a visiting Research Fellow at the Kennedy School of Government at Harvard University from 2001 to 2002. He has authored or co-authored many publications on globalization as well as on Chinese politics and governance. His book *Globalization Theories: Its Development in the West* (2002) is widely used as a reference book in colleges in China.



ZENG Peiyan

Mr. Zeng is Chairman of the China Centre for International Economic Exchanges (CCIEE), Vice-Chairman of and Chief China Representative to the Boao Forum for Asia. He was Vice-Premier of the State Council and member of the Political Bureau of the Central Committee of the Communist Party of China. During his tenure in the State Planning Commission and the State Council, Mr. Zeng held leadership positions in the State Leading Group for Informationization, the Three Gorges Project Construction Committee under the State Council, the State Council Leading Group for Western China Development, the State Council Leading Group for Rejuvenating the Northeast Region and Other Old Industrial Bases and the State Leading Group for Energy.



YE Jiang

Professor Ye is Acting Director of the Institute for Global Governance Studies at the Shanghai Institutes for International Studies and professor and doctoral supervisor at the School of International and Public Affairs at Shanghai Jiao Tong University. Professor Ye is concurrently Vice-Chairman of the Chinese Association of World Ethno-Nations Studies, Vice-Chairman of the Shanghai Institute of European Studies and Council Member of the Shanghai Association of International Relations.



ZHANG Shengjun

Professor Zhang is Vice Dean of the School of Political Science and International Studies at Beijing Normal University. He was Vice-Dean of the Institute of Law and Politics at the university between 2001 and 2004. He graduated from the Department of International Politics at the School of International Studies at Peking University with his doctoral degree.



ZHANG Yongjun

Dr. Zhang is Deputy Director-General of the Department of Economic Research and Research Fellow at the China Centre for International Economic Exchanges (CCIEE). He was Division Chief from 2005 to 2009 and Senior Economist from 2003 to 2009 at the Economic Forecasting Department at the State Information Centre at China's National Development and Reform Commission. His book publications include *Deflation: Theory and Evidence (2000)* and *Measuring Business Cycles in China: Method and Application (2007)*.



ZHU Zhixin

Dr. Zhu is Vice-Chairman of the National Development and Reform Commission of the PRC. He assumed this position in March 2003 when the National Development and Reform Commission was established through the merger of the State Development Planning Commission, the State Council's Office for the Restructuring of Economic System and seven departments covering macroeconomic policies, long-term development planning, employment and income distribution policies, laws and regulations, and the national material reserve. Prior to his current position, Dr. Zhu was the Administrator of the National Statistical Bureau.



ZHANG Yuyan

Professor Zhang is Director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences. He is currently serving as a member of the Foreign Policy Advisory Group at the Ministry of Foreign Affairs of China and President of the China Society of World Economy. Professor Zhang was awarded a special government allowance by the State Council of China in 2004 and was chosen as the national-level expert of the 'China in the New Century' by the Ministry of Personnel in 2006. His research interests include institutional economics and international political economy.



ZONG Liang

Dr. Zong is Deputy General Manager of the Strategic Development Department at the Bank of China. He joined the Doctor Service Group, which was organized by the Central Organization Ministry and Central Chinese Communist Youth League, and became Assistant Mayor of Fuzhou in Jiangxi Province. In recent years, he has taken part in many important projects at the People's Bank of China, the Ministry of Science and Technology of China, the National Science Foundation committee, the Asia Foundation, the Development Research Centre of the State Council and the World Gold Council.

