

Conference

Paris, 6-7 July 2007

Amphithéâtre Chapsal, Sciences Po | 27, rue Saint-Guillaume, Paris 7^e
Maison de l'Amérique latine | 217, bd Saint-Germain, Paris 7^e

Emerging Powers in Global Governance

New Challenges and Policy Options

The growing economic and demographic weight of Brazil, India, China and South Africa, or the BICS, has led over the last five years to an impressive shift in the status of such countries, from emerging countries to emerging powers, and from emerging powers to new world leaders. While the rise of these new powers in the globalization process is taken for granted and widely commented, how such countries exercise their growing power and whether they relate cooperatively or competitively to other powers in the international system are key uncertainties. In particular, the way these new world leaders will handle and embody their anticipated leadership in the management of the global 'public bad' aspects

of economic growth is still subject to considerable controversy. The aim of this conference is to explore such controversy in order to provide new insights into the contribution of the BICS and other new world leaders to a range of sustainable development issues and, ultimately, into avoidable pitfalls and promising avenues for policy coordination and collective international action.

While the causes of GDP growth in the BICS have received sustained attention by policy analysts over recent years, the consequences on global issues have been only partially explored, with priority given to improving knowledge of the unsustainable consequences of various growth scenarios. Complementary to ■■■

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■■■ this, a better understanding of new world leaders’ behavior and rationale when confronting the challenges their own growth is likely to intensify would help reduce the uncertainty raised by the anticipated leadership of the BICS. The former priority relates to the magnitude of the public bad problem caused by growth unsustainable. The latter points to collective preferences that different countries do or do not share across a set of policy options, and consequently on the definition of appropriate rules and institutions for burden-sharing where policy coordination mechanisms are ineffective, or simply lacking. So far, these two issues seem to have been addressed separately. The main contribution of this conference will be to bridge the gap between policy-oriented research on sustainable growth and current reflections on the crafting of a new global governance regime.

Growing contestation and disputes over the distribution of rights and obligations across countries demonstrate that bridging such a gap is an urgent matter. Indeed, if we think about the BICS initiative for renewed membership of the UN Security Council, the G20 club, the OECD development funding framework or trade disputes at the WTO, what becomes clear is that the governance regime inherited from World War II and reoriented after the Rio Summit is being pushed into a transitional process. What driving forces may lie behind such transition is the question structuring the conference. Current knowledge seems to agree on two points. First, the development model adopted after WWII by OECD countries is unsustainable, and consequently inaccessible to

new leaders, who must therefore design a new development model from scratch.

Second, there seems to be far more scope for innovation in such countries than in OECD countries because of strong path dependency in the latter. A new sustainable development paradigm may therefore arise from new world leaders’ innovations, which OECD countries should examine carefully, as it would be in their interest to support it.

After describing the behavior of new world leaders in multilateral forums and analyzing its impact on international regimes, the conference will provide a thematic overview of key global public goods such as health, security, trade, environment and development.

The possible outcomes of transition, such as the re-nationalization of policies on the basis of the supremacy of national interest on the one hand, and the modernization and adaptation of the regime shaped in the wake of WWII on the other, will be debated during the conclusion, with particular attention paid to the implications for the European Union.

The conference will provide academic contributions to policy advisers and policy-makers from both the BICS and OECD countries and will assess the need for future research.

Day
one

FRIDAY 6 JULY

8:30 - 12:30

AT AMPHITEÂTRE CHAPSAL
SCIENCES PO

08:30 Registration
of participants
and coffee

09:00 **Welcome:**
Richard Descoings
Director, Sciences Po

09:15 **Opening address:**
Nathalie Kosciusko-Morizet
Minister of State, Responsible for Ecology

09:30 **Introduction:**
Lisa Anderson
Dean, School of International Public Affairs, Columbia University
Mark Halle
European Representative, International Institute for Sustainable Development
Laurence Tubiana
Director, IDDRI and Center for Sustainable Development, Sciences Po

10:00 **Changing Times: The Role of New Players in Today's Global Governance**

The implications of the growing size, wealth and power of new world leaders for sustainable development governance are shrouded in uncertainty. The opening session will streamline academic contributions on this issue in order to define the potential building blocks for reflection and further analysis. The first presentation will propose a framework for analysis by answering the following questions: Why is a new development model inescapable? And why are new world leaders less hampered by path dependency than OECD countries, and therefore more likely locations for new governance and development initiatives? Conflicts over collective preferences about what sustainability implies in terms of policies across countries will be addressed in a second presentation. Existing and promising patterns of change and innovation in sustainable development governance among new world leaders will be examined in the final presentation.

CHAIR:
Laurence Tubiana
Director, IDDRI and Center for Sustainable Development, Sciences Po

PANEL:
Luis Ernesto Derbez
Director, Instituto para la Globalizacion, la Competitividad y la Democracia,
Instituto Tecnologico de Monterrey

Kemal Dervis
Administrator, UNDP

Claude Martin
Former Director General, WWF-International

Arvind Panagariya
Professor, School of International Public Affairs, Columbia University

12:30 Lunch at Maison de l'Amérique latine (217, bd Saint-Germain)

New Players in Key Areas of Global Governance: Towards Sustainability?

14:30 - 16:00

1 Innovations in macro-economic and fiscal policies and economic regulation

■ The international institutions involved in economic, fiscal and monetary policies are being challenged by the results of seemingly heterodox policies encompassing competitive real exchange rate strategies, export tariffs, and subsidies, that have been introduced in some Latin American countries over the past 20 years or so. This has fuelled certain attacks from the academic community on the Washington consensus, based on empirical evidence and new scientific questioning. Criticism has been renewed by China's growth strategy whose spectacular performance over the last decade has been all but stemming from a studious implementation of Washington's consensus policy package. This workshop will provide an overview of the lessons learned from innovative policies in both Latin America and Asia, looking into their similar and distinct components, their macro economic implications and their contribution to present debates and controversies within academic circles and more importantly, within international financial institutions.

CHAIR: **Olivier Lafourcade**, President, OML International

PANEL: **Uri Dadush**, Director, International Trade Department, World Bank; **Alejandro Izquierdo**, Senior Research Economist, IADB; **Guillermo Perry**, Regional Chief Economist, World Bank

PARTNER: Inter-American Development Bank, Europe Office

2 Labor market and migrations

■ While labor market adjustments has long been scrutinized from an "old", e.g. developed country perspective, unemployment and low real wage issues pervade also into emerging countries politics and economic debates. Imbalances between rural and urban wage growth, rising inequality in skilled and unskilled labor returns, as well as radical adjustments such as labor exports in case of crippling market failures will be examined and discussed. Policy challenges raised by labor market adjustments, including migrations, will also be tackled.

CHAIR: **P. Kamalam**, Director, Equality Department, International Trade Union Confederation

PANEL: **Stephen Castles**, Co-Director, International Migration Institute; **Saskia Sassen**, Professor, University of Chicago and Committee on Global Thought, Columbia University; **Elena Zuñiga**, Professor, University of Zacatecas

3 International trading system and development

■ The current impasse in the Doha Round of trade negotiations suggests that all is not well with the present system. Developing countries tend to view these negotiations as occasions used by industrialized countries to extract trade concessions from them and as instruments used to circumscribe their development policy space. Although the Doha Round was to address the development concerns of poor countries, the proposals on the table might deliver the opposite. The emergence of coalitions of developing countries in the present Round e.g. G-20, led by larger countries such as Brazil, India, China, South Africa, Indonesia has helped them raise their concerns in a more effective manner. The present impasse offers an opportunity to take a pause and reflect on the broader issues of reform negotiations and consider ways and means of making developing country participation more effective and broad-based to ascertain a development-friendly outcome of the Doha Round. The World Trade and Development Report 2007 prepared by RIS, has summarized an agenda for reform of the multilateral trading system and make it more development-friendly and will provide a basis for a discussion.

CHAIR: **Mark Halle**, European Representative, IISD

PANEL: **Werner Corrales-Leal**, Senior Fellow, International Centre for Trade and Sustainable Development; **Faizel Ismail**, Permanent Representative of South Africa to the World Trade Organization; **Nagesh Kumar**, Director-General, RIS

PARTNER: Research and Information System for Developing Countries (RIS)

4 Security

■ The pattern of 20th century inter-State warfare involved States struggling for supremacy over one another. The emerging pattern of warfare brings new actors into the fray and new types of conflict involving non-State actors, ethnic groups, religious factions and so on. The governance of global conflict, embedded in the UN charter and Security Council, was founded at the end of World War II. How can this old regime be adapted to cope with emerging conflict patterns and new actors? And what role do the new emerging powers play in this field? How do emerging powers contribute to regional global conflicts and to the prospects of their resolution?

CHAIR: **Mary Kaldor**, Professor, London School of Economics

PANEL: **Lakhdar Brahimi**, former Special Adviser to the Secretary-General of the United Nations; **Klaus Reinhardt**, former Commander of KFOR

PARTNER: Center for the Study of Global Governance, LSE

16:00 Coffee break

16:15 - 17:45

5 Energy and climate

■ From the beginning of the 20th century, development patterns have been based on widespread access to low-cost energy. This pattern is not a real option for emerging countries. Climate change and energy security concerns demonstrate the need for a shift in economic and technological models. This constitutes a major challenge both for these countries and for the rest of the international community, as their development choices will largely determine the level of GHG emissions. On the other hand, they are not locked into the kind of infrastructure or social organization path dependencies that would make a shift impossible. Questions raised include: what domestic policy options and economic incentives would make this shift possible? How can international investment help domestic efforts? What kind of international regimes would constitute an enabling environment?

CHAIR: *Jean-Charles Hourcade*, Director, CIRED

PANEL: *Rajendra K. Pachauri*, Director General, The Energy and Resources Institute; *Bruno Lescoeur*, Deputy Director General, EDF; *Jiahua Pan*, Executive Director, Research Centre for Sustainable Development, Chinese Academy of Social Sciences; *Sir Nicholas Stern*, IG Patel Professor of Economics and Government, Director, Asia Research Centre, Director, India Observatory

PARTNER: The Energy and Resources Institute

6 Global capital governance

■ World capital markets have been subject to tremendous changes over the last decade, with a progressive overlapping of two contemporary features. On the one hand, financial reforms have created new opportunities for investment and diversification of risk but also new challenges for regulators with the emergence of 'alternative' investment vehicles, such as hedge funds and private equity, and products including credit derivatives. On the other hand, key emerging countries, such as India and China, have in recent years become net capital exporters and have diversified their foreign portfolios away from traditional bond to more active investments, and to foreign direct investment in strategic industries such as energy and household brands. The superposition of these two features is forcing a re-think of world capital markets, sustainable development private initiatives, and more broadly, of the crafting of global capital governance in the following decade. This workshop will revisit these issues with contributions and comments from key actors involved at different stages of the global capital chain.

CHAIR: *Gerald Pachoud*, Special Adviser to the Special Representative of the UN Secretary General on Human Rights and Transnational Corporations and Other Business Enterprises

PANEL: *Xavier de Bayser*, IDEAM (CAAM Group); *Ken Davies*, Principal Economist, OECD; *Joël Ruet*, Visiting Fellow, Asia Research Centre, LSE

PARTNER: Entreprises pour les droits de l'homme

7 "Emerging" donors: Free riders or welcome opportunity for international development finance

■ Following impressive domestic development, many non-OECD economies have become increasingly able and willing to take on responsibilities in promoting development elsewhere. While many have had co-operation activities for a long time, the scope and impact of the contributions of these 'emerging donors' have risen significantly. Their contribution to development in other countries stems not only from the lessons which can be drawn from their own development and transformation, and which may be shared with others. Importantly, it also comes from their growing volumes of financial assistance. In this context, there is much scope to learn about the opportunities and implications of emerging economies in development assistance. How do emerging economies relate to the MDGs when designing development co-operation policies, and how do they factor in the ownership principle? What is the perspective of recipient countries on emerging donors? How can emerging economies work together with other donors on collective action challenges to safeguard the effectiveness and sustainability of their interventions?

CHAIR: *Gancheng Zhao*, Director, South Asia Department, Shanghai Institute for International Studies

PANEL: *Jay Naidoo*, Chairman, Development Bank of Southern Africa; *Helmut Reisen*, Counsellor, OCDE Development Center; *Jean-Michel Severino*, Director General, Agence Française de Développement

PARTNER: Development Centre, OECD

8 Global disease management

■ On the one hand, the UN system develops cooperation mechanisms (PPPs for example) with the private sector, private funds and NGOs for the provision of health goods. On the other hand, new world leaders develop cooperation initiatives to implement new trade rules considering health as an exception. Due to the elevation of health issues to 'high' politics since the late 1980s, both of these approaches must now converge and the way new world leaders address the global health issue could determine the future for action and implementation.

CHAIR: *Jeffrey Sachs*, Director, The Earth Institute

PANEL: *Bernard Olayo*, Health Systems Specialist, Nairobi MDG Center; *Sonia Sachs*, Health Coordinator for the Millennium Village Project, *Awash Teklehaimanot*, Professor of Clinical Epidemiology, Center for Global Health and Economic Development

PARTNER: Center for Global Health and Economic Development – Columbia

18:00 Cocktail at Maison de l'Amérique latine

Special guest: *Jeffrey Sachs*, Director, The Earth Institute

Introduced by *Daniel Lebègue*, President, IDDRI

Day
TWO

SATURDAY 7 JULY

8:30 - 13:00

AT AMPHITEÂTRE CHAPSAL
SCIENCES PO

08:30 Coffee

09:00 A Road Map to New International Regimes

By the magnitude of the shift in global issues that their growth is likely to induce, along with their capacity to solve some of the problems arising through innovative policies, emerging countries are deemed to play a prominent role in new international regimes. We are faced with several contrasting scenarios, whose differences mainly lie in the various priorities and policy options such countries will include in the global agenda. The aim of this session is to shed light on the uncertainty currently surrounding these two issues. Proposals for a road map to a new international regime will be outlined during the conclusion in relation to a selection of global issues.

CHAIR:

Lloyd Axworthy

President, The University of Winnipeg

PANEL:

Lisa Anderson

Dean, School of International and Public Affairs, Columbia University

Jérôme Contamine

Executive Director General, Veolia Environnement*

Gancheng Zhao

Director, South Asia Department, Shanghai Institute for International Studies

Andrew Hurrell

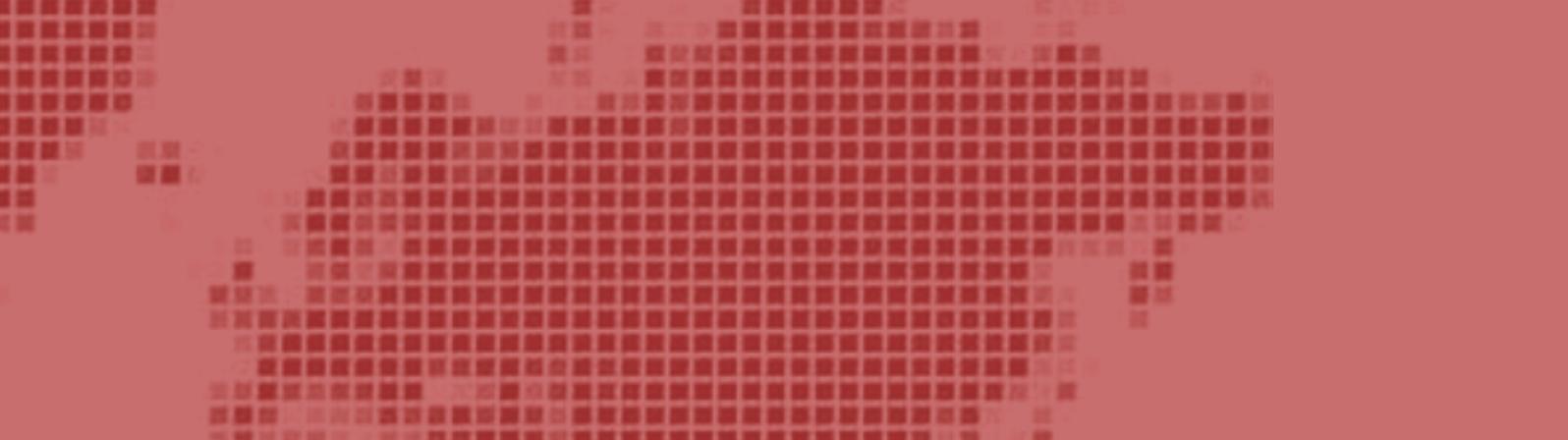
Director, Centre for International Studies, Oxford University

Seiichi Kondo

Permanent Delegate of Japan to UNESCO*

* To be confirmed

10:45 Coffee break



11:00 Lessons for European Global Policy

European policy options addressing some of the global issues debated during day one workshops will be examined from an emerging country perspective. We will investigate in particular to what extent the European view and doctrine on collective responsibility are shared across the different issues by such countries. The major challenges as regards the coherence of European policies will be discussed. The conclusion will focus on possible implications and initiatives within the framework of the European Common Foreign and Security Policy.

CHAIR:

David Held

Co-Director, Center for the Study of Global Governance, LSE

PANEL:

Amar Bhattacharya

Director, G-24 Secretariat

Robert Cooper

Director General, External Economic Relations, Politico-Military Affairs,
Council of the European Union

Ricardo Lagos

Former President of Chile and President, Club de Madrid

Joseph Stiglitz

Professor, Columbia University

12:30 Main Conclusions on Policy and Research Agenda

Sir Nicholas Stern

IG Patel Professor of Economics and Government, Director, Asia Research Centre,
Director, India Observatory

Laurence Tubiana

Director, IDDRI, and Center for Sustainable Development, Sciences Po

13:00 Closing address: *Representative from the French Government*

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