The Challenges of Inclusive Multilateralism

The 2013 Report of the

Global Governance Group 10

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There is a perceived need for improvements in multilateral institutions and global governance initiatives to reflect the changing international system.

Executive Summary

The world is in transition from unipolarity to polycentrism with a greater multiplicity of actors, from states to civil society organisations, private actors, networks, and regional cooperation groups, playing an important role in shaping the future of citizens around the world. A global middle class is demanding a more effective multilateral system to deal with a number of perceived global challenges but in a polycentric world there are both opportunities for greater effectiveness and a danger of fragmentation. The objective of this Report is to start a process of monitoring the adaptation of international institutions to the new realities of power. To do so, the Report looks at how global governance institutions are responding to global challenges, in particular those of political participation and of development with dignity in a context of climate change and scarcity. The Report places the citizens and their aspirations at the heart of the analysis and it is with this perspective that we monitor the challenges of security with emphasis on the application of the principle of responsibility to protect.

The major ambition of this Report is to contribute to a more effective and inclusive multilateral system, and this ambition is reflected in the composition of the group.

The challenge of an inclusive multilateral system. There is a perceived need for improvements in multilateral institutions and global governance initiatives to reflect the changing international system. The world is changing at the state level as power shifts away from the once-dominant West, and at the individual level as citizens increasingly define the agenda on the issues that matter to them. A slow convergence on social and economic matters is occurring as citizens and states in once poor regions are having their voices heard, but this convergence has not been matched on security matters where the pursuit of state interests prevails. In such a context, the world continues to struggle to build an inclusive multilateralism that can close the gap in global governance by building institutions with the legitimacy and effectiveness needed to address global problems.

Analysing the effectiveness of multilateral institutions in 2011-2012, it can be stated that the adaptation to a more inclusive multilateral system has made some progress with the creation of ad hoc groups as the G20 to deal with the financial crisis, but has so far been unable to build a consensus for addressing major challenges such as climate change, reform of the UN Security Council or application of the principle of responsibility to protect in the aftermath of the Libya intervention. As a consequence, the effectiveness of the system suffers, as has been the case in most of the themes analysed in this Report, from the inability to deal with the humanitarian crises in Syria to the management of the Euro crisis.

Taking on board the research acquis. The research on global governance continues to evolve in response to the changing exercise of power in a diverse international system. Two potentially conflicting issues surface in global governance research: there is increasing depth and diversity of research on a global scale, but also increasing divergence of focus based on regional groupings. In this context, it is possible to highlight four emerging trends: the expansion of constructivist research at the expense of traditional realist and rational choice approaches; an increasing focus on domestic factors that impact international politics; the growth of comparative studies in international affairs; and a focus on neo-institutional approaches that address both formal and informal modes of governance. These trends come into play just as the world builds an increasingly post-Western agenda. This does not indicate a disappearance of Western research ideas, but that Western research is itself moving beyond neo-liberal or neo-conservative approaches to address issues such as multi-lateral cooperation, inter-polarity and network theory that are already animating research around the world. The challenge remains for researchers to build policies that can lead to a hierarchy of priorities, sequence governance reform, support leadership within global institutions and balance bilateral, regional and global modes of governance. Shaping these new procedures and methods of global governance will involve difficult challenges for managing national sovereignty and state interests.

The lack of consensus on the application of R2P. The idea of Responsibility to Protect (R2P) has gained ground as a normative concept but efforts to translate the concept into practice have been mixed. The Libyan conflict of 2011 saw the UN Security Council pass resolutions allowing an international response to humanitarian threats within Libya, indicating a more open attitude toward international responses on the part of India,

China and Russia. Once the international response escalated towards a major military assault to remove of Khaddafi from power, however, questions were raised about how easily R2P issues can lead to taking sides in a war aiming at regime change. Kumar notes that the application of idealist norms is almost always made on the basis of realist considerations. The different and cautious response to the Syrian situation may be understood in the context of the doubts raised by the outcome of the Libyan crisis. Moreover, in the Syrian situation, the strategic and political games - the realist dimension of the equation - are much more complex. India, Brazil and South African (IBSA) struggled to develop a common approach while China and Russia resisted any repeat of the Libya situation. Further efforts will be required to connect R2P crisis prevention with peace building efforts. Two questions need to be asked in developing any R2P response: whether all peaceful means were exhausted before moving to a military response; and, if used, whether force was limited to a proportional response that fits with the goals of the UN Security Council. These questions are central to the idea of Responsibility While Protecting (RWP), a concept that can potentially contribute a new legitimacy and effectiveness to R2P.

The Israel-Palestinian question: weak initiatives and poor results. Three trends have changed international approaches to the Israel-Palestinian conflict: a shifting regional power balance as Iran, Turkey and Israel have gained prominence at the expense of Egypt, Saudi Arabia and Iraq; increasing power of non-state actors such as Hamas and Hezbollah; and the impact of the Arab Spring. These changes have taken place at the same time as the Palestinian issue has moved down the agenda of Arab states and the US but Turkey has played a larger role. The Palestinians were unsuccessful in gaining recognition at the UNSC in 2011, but were accepted as a full member into UNESCO. Palestine managed to get an observer state status in the UN only in 2012 . This focus on official international institutions by the Palestinians may be connected to the limited progress in other areas. Efforts of the Quartet have been futile, the Arab Peace Initiative remains marginalized and civil society and NGO efforts have had mixed success in helping Palestinian causes. The performance of global governance institutions has been poor and the issue remains low on many agendas.

The fight against piracy: inclusive approach but missing nexus. In the last year the UN has made efforts to improve the situation in Somalia, particularly invoking the security-development nexus, but the root cause of piracy – the fragility of Somalia – has not been addressed to the extent required due to lack of support from the international community. UN Security Council resolutions have been increasingly focused on the security-development nexus, but the implementation has resulted in a situation where development is a tool for advancing a traditional security agenda. Massive multinational naval efforts have been organized to contain and deter pirates, but have not been matched with complementary efforts to build a justice system. Inland, regional military efforts have made gains in pushing back the Al-Shabaab insurgency, but little progress has been made in building an effective state that can take advantage of these gains. International cooperation has been best on treating the symptoms of the situation, not its root causes. Thus, the security-development nexus as propounded by the UNSC regarding Somalia is not opening new avenues for global governance. In this context there is a clear need to: enhance peace building, including by rebalancing military and civilian means; and expand international cooperation to implement international criminal law to piracy and related treaty crimes.

The security challenges of the Asia-Pacific. The Asia-Pacific region is confronting multiple challenges in its attempts to build effective, cooperative international governance. With growing economies, populations, militaries and potential conflicts of interest, leading states in the Asian-Pacific region are increasingly searching for cooperative mechanisms to manage their relationships. The ASEAN Regional Forum has become the leading regional organisation for dialogue, but it has found it particularly challenging to play a constructive role in addressing three specific issues: the militarization of a nuclear Korean peninsula, tensions over the Strait of Taiwan, and territorial conflicts in the South China Sea. Addressing these topics and other future security challenges may require a mix of *realpolitik* and multilateralism. The north-south alignment of the Asia-Pacific, with China and Indonesia each playing dominant roles in their regions, could be compatible with stronger multilateral institutions to address regional problems. UN reform will be essential for any progress to be made in this regard, and must reflect the real power dynamics of state actors.

The Financial Crisis: ad hoc initiatives but the need of new growth model. There is an apparent gap between the demand for balanced, sustainable development and the availability of resources and political will. Closing this gap will be a challenge for governance at all levels. Since the London summit of 2008, the G20 has been positioned at the centre of the response to the financial crisis of the last few years and has been recognized for its inclusive structure, but has not succeeded in building consensus for renewing economic growth, managing the banking system, or structuring the international monetary system. There is great difficulty in building appropriate institutions while at the same time designing solutions to the crisis that can lead to a new economic growth model. This difficulty can be seen at Rio+20 where the balancing of priorities such as green growth, poverty reduction and food security must be done while responding to the differing interests of developed and developing countries. Even the EU, much smaller and less diverse than the global community, is struggling to build enough cohesion to support institutions and policy instruments with legitimacy and effectiveness on economic issues. Much work clearly remains to build a new growth model and new governance mechanisms to support this growth model.

Climate change and scarcity: short term answers to a long-term challenge. The interconnection of long-term challenges of water scarcity, food scarcity, energy production and climate change is becoming more evident. Responding to booming energy demand in the coming years will be difficult to do in a way that minimizes the carbon emissions that lead to climate change. The construction of common governance mechanisms will be difficult considering the different energy choices of countries around the world and the expected regional variability in climate change impacts. Good management of food production and international trading systems can mitigate the impacts of scarcities, if implemented properly, but the poorest people and food importing regions will still be hit hard. Predictions regarding the global energy mix in coming years are not too different from today's mix, with gas perhaps gaining in share, oil volatility increasing, and nuclear energy remaining a wild card and renewable energies woefully under-resourced. The interrelated resource issues of energy, food, and water show the need for a cross-disciplinary, systematic global governance effort. Issues as diverse as agriculture subsidies, trans-boundary water management, and oil price volatility will all be part of the discussion. Managing this will require innovative governance frameworks that can help shape common objectives and responses.

The Arab democratic wave: great opportunities but modest efforts. Only modest international efforts have been made to help Egypt through its post-revolution economic challenges. Egypt is struggling to build a democratic regime but is also battling inherited economic problems. The pre-revolution growth model produced high growth rates some years but with a rentier-style economy that ran on oil, tourism, and international remittances and little trickle-down to offset the massive inequality within Egyptian society. Perceptions of economic deprivation were added to the perceptions of political deprivation that drove the revolution. Egypt now needs to build a development model based on growth and equality while addressing the economic challenges that have arisen due to political instability and the global economic slowdown. Support has been offered from Europe, international financial institutions (IFIs) and the Arab Gulf states, but Egyptian politics and international failures to live up to their pledges have slowed efforts. Global actors should plan comprehensive long-term support to stabilise Egypt's economy and help consolidate its political revolution.

Managing Japan's tsunami disaster: progress on regional cooperation and the need for more effective global mechanisms. The example of the 2011 earthquake and nuclear disaster in Japan is a good case topic to analyse natural disaster and nuclear safety management and the potential for regional cooperation. Japan's geography renders it vulnerable to disasters but it has sophisticated and well resourced disaster management systems. Other Asian countries have been building up their own disaster management systems, including through regional cooperation mechanisms such as ASEAN and ARF. Good initial progress has been made, but greater resources and harmonisation will be required, particularly if even Japan, which is well prepared, has difficulty responding to disaster. Japan's response was hampered by poor coordination between different government agencies and the company that ran the facilities. The disaster will serve as a wake-up call to both political and industrial actors around the world who must now work to build safety, monitoring and information sharing mechanisms to plan for such events. A potentially greater role of the IAEA in managing such plans has been suggested, but it remains unclear what governance systems will be put in place.

Six priorities for 2013 -2014

From the analysis and debate of the GG10, this Report concludes that there is a need to be both inclusive and effective to ensure legitimacy for the design of multilateral institutions and international initiatives. States, non-state actors, and limited membership groups such as the G20 will play a role, but the UN system, particularly with a reformed Security Council, must be central to any universally legitimate efforts. The security crises of the last year highlight continuing disagreement over the management of international crises. Other areas have more consensus, however, including on the importance of climate change, the impact of the euro crisis on development, the security-development nexus, and the need to prevent humanitarian disasters. But there is great difficulty when it comes to defining long-term policies to complex multi-disciplinary problems such as the interrelated resource issues involving energy, food and water. The paralysis of the Doha Round negotiations is another worrisome sign of the troubles facing multilateralism. Instead of a global engine of growth, the lack of consensus is converting trade into a permanent bone of contention among states. In 2011 -2012 the responses to two major humanitarian crises shows the dilemmas of global actors in finding the necessary consensus needed to ensure the effectiveness of the multilateral system. UN Security Council resolution 1973 on Libya was a sign of the potential of an inclusive multilateral system that finds effectiveness through wide consensus that brings together established and emerging global players. The human tragedy in Syria shows how the danger of fragmentation is real and how it can have important consequences for international security.

This Report highlights a few immediate tasks to pursue via an effective multilateral agenda:

- **Define a combined regional and global approach to the Euro crisis,**
- **Promote a new economic growth model,**
- **Focus on the economic and social aspects of the response to the Arab democratic wave,**
- **Protect the citizens of Syria,**
- **Define the norms that should guide the implementation of R2P,**
- **Reopen the debate on the reform of the UN Security Council and the inclusiveness of multilateral institutions.**

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List of Abbreviations

AADMER	ASEAN Agreement on Disaster Management and Emergency Response
ACRI	Association for Civil Rights in Israel (ACRI)
ANISOM	AU Peacekeeping Operation in Somalia
ANSN	Asian Nuclear Safety Network
APSC	African Peace and Security Council
ARF	ASEAN Regional Forum
ARPDM	ASEAN Regional Programme on Disaster Management
ASEAN	Association of Southeast Asian Nations
AU	African Union
BAU	Business as Usual
BCM	Billion Cubic Meters
BRIC	Brazil, Russia, India and China
CCS	Carbon Capture and Sequestration
CDMC	Central Disaster Management Council – Japan
CFSP	Common Foreign and Security Policy
CGCG	ANSN Capacity Building Coordination Group
CTF	Combined Task Force
DCFTA	Deep and Comprehensive Free Trade Area
ECB	European Central Bank
ECOSOC	Economic and Social Council
EFSF	European Financial Stability Facility

EIA	US Energy Information Agency
EIB	European Investment Bank
EMU	Economic and Monetary Union
ESM	European Stability Mechanism
FEMIP	Facility for Euro-Mediterranean Investment and Partnership
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HDI	Human Development Index
IAEA	International Atomic and Energy Agency
IBSA	India, Brazil and South Africa
ICC	International Criminal Court
ICRC	International Committee of the Red Cross
IEA	International Energy Agency
IGAD	Intergovernmental Authority on Development
IHH	Turkish Foundation for Human Rights and Freedoms and Humanitarian Relief
ILO	International Labour Organisation
IMF	International Monetary Fund
INES	International Nuclear Events Scale
IPCRI	Israel-Palestine Centre for Research and Information
IREA	International Renewable Energy Agency
MENA	Middle East and North Africa
METI	Ministry of Economy, Trade and Industry – Japan

NATO	North Atlantic Treaty Organisation
NERHQ	Nuclear Emergency Response Headquarters – Japan
NGO	Non-Governmental Organisation
NISA	Nuclear and Industrial Safety Agency
NOC	National Oil Company
NRC	Nuclear Regulatory Commission – United States
NPT	Nuclear Non-Proliferation Treaty
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries
R2P	Responsibility to Protect
SCAF	Supreme Council of the Armed Forces – Egypt
SLOCS	Sea Lines of Communications
SME	Small and Medium Enterprise
SPEEDI	System for Prediction of Environmental Emergency Dose Information – Japan
TEPCO	Tokyo Electric Power Company
TFG	Transitional Federal Government
UN	United Nations
UNAE	UN Agency for the Environment
UNEP	UN Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organisation
UNGA	UN General Assembly

UNISDR	UN Office for Disaster Risk Reduction
UNSC	UN Security Council
WB	World Bank
WFP	UN World Food Programme
WTO	World Trade Organisation

Presentation:
The Global Governance Group 10 (GG10)

Context, Purpose and Goals

The Global Governance Group 10 (GG10), was created in New York in June 2012 by a group of independent researchers from 10 different regions who were involved in a project on evaluating the effectiveness of global governance initiatives. The GG10 is a multi-disciplinary, multi-national group of independent experts whose main goal is to monitor and evaluate global governance and achieve a truly world view, free of West-centric or other kinds of biases. By analysing and identifying achievements and failures, the GG10 wishes to propose innovative solutions for more efficient, credible and accountable world governance.

While taking into consideration the state of the art of research on global governance, the GG10 aims to innovate and to propose alternative views, particularly concerning the relationship between experts and officials. The GG10 thereby intends to take consistent steps towards building tighter links between initiatives by communities of experts and by global governance institutions and actors.

The backbone of the work of the GG10 will be an evaluation of the capacity of multilateral institutions and mechanisms to address the main issues in the international agenda, with a focus on four main topic clusters: peace and security; development and the world economy; financial regulation; and natural resources and climate change.

The response of the international community to unforeseen events or particular issues – the most critical topics every year as identified by the GG10, which in 2011 included the Arab awakening and the natural and nuclear disaster that hit Japan – is also considered as a case study in world or regional governance.

Guidelines, Principles and Approach

The key guidelines, principles and approaches defined by the members of the GG10, which serve to monitor and evaluate Global Governance, are listed below. The guidelines are reflected in all GG10 publications and work, in particular its Yearly Reports.

1. Evaluating world governance is understood as measuring the capacity of multilateral institutions and initiatives to deal with challenges that affect individuals across borders. The agendas of citizens are often different from those of states, and the observable 'disconnect' between governments and citizens is addressed whenever relevant. The GG10 will emphasize a citizen-centred as opposed to state-centred approach in its work.

2. The scope of the evaluation transcends the UN system. So-called 'mini-multilateral' initiatives such as the G20 and regional cooperation organisations and groupings, and all state and non-state actors working outside global institutions and intergovernmental processes are taken on board. This means examining the roles of private actors and civil society organisations and networks and avoiding a wholly state-centric analysis. The GG10 will take into account the full range actors that play a relevant role in world governance.

3. Both the 'blocking' and 'energising' effect of new global actors on multilateral institutions and frameworks is explored in connection with domestic politics and strategies, with a special focus on shifting paradigms and fresh approaches as a result of the rise of new emerging powers in Asia and Latin America. The GG10 will also examine the interplay between national and international agendas, with a focus on established and aspiring world powers and the way their global policies are shaped by domestic concerns.

4. Regionalism and region-to-region or region-to-country relations as well as enhanced cooperation between groups of states to address global challenges are increasingly a feature of international relations. The GG10 will examine existing regional governance mechanisms and their ability to address transnational challenges. In particular, the GG10 explores the ways in which regional and global governance institutions and initiatives interact, taking into account that world governance relies heavily on regional backing. So-called 'strategic partnerships' that aim to address global issues and other kinds of summitry are analysed as hindrances or 'energisers' of world governance. The evaluation of world governance by the GG10 will take into account the interplay between regional and bi-regional agendas and the international agenda, and identifying where this constitutes a hindrance or a benefit.

5. The GG10 is mindful that the preference for 'constitutionalisation' is a bias that needs to be avoided; binding institutions do not necessarily require constitutionalisation. However the current penchant for interest rather than rule-based multilateralism, and states to form groups rather than adhere to universal institutions (G-summitry for instance) constitutes however a form of global 'democratic deficit.' The work of the GG10 on governance aims to strengthen multilateralism and its institutions.

6. The purpose and the original contribution of the GG10 is that it focuses on practical outcomes, although it takes into account the most recent research on governance. It will focus on implementation and the identification of obstacles to genuinely multilateral world governance mechanisms and global responses. In its evaluation of world governance, the GG10 will focus on making practical recommendations and proposals to overcome the obstacles to a genuinely multilateral and effective world system.

GG10 Members

The key asset of the GG10 project is the high level of expertise and geographical and disciplinary diversity of its members. The GG10 is made up of a truly trans-disciplinary, multicultural and pluri-national group of experts. GG10 members have been chosen not only for their national backgrounds and the plurality of mind-sets, but above all for their high-quality analytical skills, proved expertise, intellectual coherence and independence.

Experts

1. Mathew BURROWS (US), Counsellor, Office of the Director of National Intelligence, National Intelligence Council, Washington, DC;

2. William BURKE-WHITE (US), Deputy Dean & Professor of Law, University of Pennsylvania Law School

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Note: All members contribute to the GG10 project in their individual capacities, independently of their institutional affiliations.

I. Introduction: Global Governance in a Polycentric World

Álvaro de Vasconcelos

The world is in transition. It is shifting from an essentially Western-driven international system to a polycentric one. A multiplicity of actors is already having a much greater say in how citizens live the world over. They range from established and emerging great and middle powers to coalitions of states, cities and regions, private actors, non-governmental organisations (NGOS), as well as networks, particularly social networks. The international agenda is changing as new centres of global influence assert their demands and voice their specific concerns and aspirations. These demands will come not only from governments but also from citizens, particularly from a newly emerging global middle class, which has been empowered by education and the information society. This class is giving rise to new ways of making its voice heard and establishing various interconnections to create a new structure of influence.

At present, post-hegemonic multilateralism suffers from a critical governance gap.

Multilateral institutions and global governance initiatives must evolve and adapt to find legitimacy in the context of this transformation. In a polycentric world, this is a precondition for effectiveness. At present, post-hegemonic multilateralism suffers from a critical governance gap. The challenges of 2012 highlight the difficulties that governance initiatives face when dealing with global challenges and regional problems with a global impact. This is a post-bipolar period of fragmentation. All global actors, including civil society networks, major powers, regional organisations and United Nations (UN) institutions must reflect on and work to address this existing effectiveness and legitimacy deficit.

In this context, the aim of this Report is twofold. First, it sets out to monitor how international institutions are adapting to a polycentric world context. Second, it aims to provide a critical analysis of the effectiveness of the multilateral system, including the different existing governance initiatives, in particular the G20 in the period 2011-2012. With this Report we hope to contribute to a better understanding of how global governance initiatives are responding to citizen demands and how the perceived gap between demands and governance is being addressed.

With this Report we hope to contribute to a better understanding of how global governance initiatives are responding to citizen demands.

There were many signs of the many linkages between people and states in 2011-2012, and of how slowly multilateral institutions and global players are responding to an emerging polycentric world. It is uncertain whether they will adapt to this new reality and overcome the global democratic deficit; at the same time, the perception of a global governance gap is deepening in proportion with the growing awareness among citizens and civil society organisations of the absence of a strategy for sustainable development, and for managing natural or man-made humanitarian crises.

The Report pinpoints a number of key events that require a robust response from the international community. In particular, it was crucial to assess the reaction to three major events in 2011-2012: the Arab transition from authoritarian rule; the earthquake, tsunami and nuclear disaster in Japan; and the euro crisis that followed the 2008 financial crisis. Overcoming the WTO Doha Round deadlock in negotiations has not appeared as a major issue for international actors during this period and, independently of the critical nature of this impasse, this group has not dealt with it as a central issue. Special attention is paid to the lessons to be extracted from the implementation of the principle of responsibility to protect (R2P) in Libya. This Report also touches upon the deadlock over the Palestinian question, global efforts to deal with piracy along the coast of Somalia, and climate change.

The Report reflects an inclusive multilateral approach. The views of the experts who participated in its preparation are quite varied. However, the Report also reflects the existence of a broad consensus regarding the need for an inclusive global governance system born of the conviction that, with the emergence of a polycentric multilateral system, solving most global challenges will require the involvement of a plurality of actors, including major global powers as well as non-state actors and lower orders of government such as cities. Similarly, experts agreed on the issues that were most critical from a multilateral stand point for the period 2011-2012. Despite the naturally differing perspectives found among a group of experts from ten different countries, there is a strong multilateral perspective unifying the Report.

The Challenge of Inclusive Multilateralism
Economic and social convergence but security divergences

The record of convergence among the states under study is mixed, but there was some degree of convergence on piracy, the Japanese humanitarian crisis, the challenge facing the euro, climate change, and at the United Nations Security Council (UNSC) during the first phase of the Libyan crisis. There was convergence around major concepts, including peacebuilding and the security-development nexus; but there was divergence on human rights and conditionality. There seems to have been a consensus that the Arab democratic wave is unlikely to end with a restoration of the old regimes, but the political and economic transitions have received insufficient international support. Further, there is no consensus regarding the application of R2P or even sanctions to Syria; and major disagreement persist between the US and other players regarding the Palestinian question.

A global governance gap

The design and implementation of global policies is not effective, even in areas where there is convergence. This is not just because short-term options are preferred to long-term policies in the areas of climate change, sustainable development and development-security. There is a growing sense of a governance gap, partly because multilateral institutions have been means-deprived since the onset of the euro crisis. Europe remains a major donor and contributor, but the states with currently high levels of growth have yet to increase their contribution significantly.

The institutionalisation deficit

There is no shortage of governance initiatives at the global or regional levels, but measures are often ad hoc and aim to address immediate crises rather than long term policies to support structural change. In most instances, such initiatives fail to promote coherence among a very varied set of actors and policy options. It is necessary to find a way to work with a multiplicity of state and non-state actors, but the process of adaptation is slow and complex.

The legitimacy deficit

The legitimacy deficit of multilateral institutions has become more apparent with the rise of global players that are not permanent members of the UNSC, and given the relative power and influence of different members of the International Monetary Fund (IMF) and the World Bank (WB). The international agenda will be shaped by an increasing number of more heterogeneous actors, although it is unclear what responsibilities China, India and Brazil and other rising powers will shoulder, and how institutions will change to adapt to their growing influence. The G20 is a step in the direction of including in new players in global financial decisions, but it excludes the vast majority of states and does not solve the legitimacy problem. Mini-multilateral hubs created under the aegis of the US such as the G20 still lack full legitimacy.

The Challenge of Inclusive Multilateralism

In order to promote legitimacy and effectiveness it is urgent to develop an inclusive approach to multilateralism. The idea that a great multiplicity of actors is a complicating factor must be set aside. The focus should be on a more inclusive agenda that is closer to citizen demands and therefore more legitimate and effective. Inclusive multilateralism has to involve regional organisations and non-state actors as well as states.

II. Global Governance Research: A Shifting Interdisciplinary Field

Mario Telò

A Pluralist and Innovative Research Agenda

The international global governance research agenda has been changing rapidly since the historical events of 1989-89 and the end of the bipolar world, the securitisation of the international agenda after 2001, and with the onset of the worst global economic crisis since 1929 after 2008. The "unipolar momentum" initiated with President Bush's announcement of a "new global order" in 1989, ended in 2008 as the poor record of the second Bush administration clearly highlighted the limits of US power. In this context, the mainstream scholarly community has been focusing on the new multi- and inter-polar, heterogeneous, asymmetrical and multi-actor features of the new international order.

The international economic crisis is transforming the economic research agenda. International political economy is gaining relevance, and the declining popularity of econometric research informed by orthodox neoliberalism is paving the way for more critical research on global economic imbalances, the interplay between economic and socio-institutional factors and, more generally, and for bottom-up inter-disciplinary studies. The work of Nobel Prize winners Joseph Stiglitz and Paul Krugman exemplify these trends.

Technocratic optimism marked the first decade following the Cold War. The ideological and political conflict of the past seemed to be coming to an end. Since then history has returned to the centre of scholarly research, as the partially globalised world economy seems to throw up more conflict and divergence than it does convergence. There is increasing research on "capitalist diversity," which explores the variety of capitalist models around the world; and more attention is being paid to profound divergences within economic blocs, such as those dividing Greece from Germany. The more divergences are highlighted, the more history, identity, politics and culture begin to matter.

There are many innovative BRIC scholars who are revising the traditional concept of sovereignty, focusing on international responsibility for shared challenges.

When analysing the diversity of global governance research, it becomes apparent that there are two potentially conflicting trends in play: on the one hand, international multidisciplinary scholarly networking is broader, deeper and more inter-generational than ever before; on the other hand, however, national scientific communities appear to be splitting into divergent regional groups. Realism and neo-realism are making a comeback in the BRIC countries (Brazil, Russia, India and China) as scholars there research national capabilities, energy and international power. This often involves deploying a rather fixed understanding of what constitutes "the national interest," as well as a focus on military conflict, the balance of power and sovereignty-enhancing multilateral cooperation. But one cannot simply contrast BRIC realism with European post-modern outlooks, as this oversimplifies reality. There are also many innovative BRIC scholars who are revising the traditional concept of sovereignty, focusing on international responsibility for shared challenges and on the decentralisation of power at the domestic level, among other topics.

A more differentiated research agenda is also emerging in the West. Research on conflict, imbalances and divergences is increasing. In "area studies," for instance, there is a growing body of research on different

post-colonial realities because of the increasing relevance of regional divergences within and between Europe, East Asia, Latin America and the Arab world. However, traditional realism is becoming increasingly irrelevant in mainstream theorising.

Main Research Trends

In this context, four main emerging research trends stand out. First, the constructivist focus on ideas and perceptions, is gaining ground, as is the neo-institutionalist focus on international institutions. Traditional mainstream approaches are giving way to research on the weight of ideas, identity issues and the subjective factors promoting historical change among the younger generation of students and scholars. Post-positivist and post-structuralist research is also focusing increasingly on discourse analysis and the construction of legitimacy. The new critique of traditional realism and rational choice perspectives should not be confused with the "clash of civilisations" research agenda. This view has become academically and politically defunct, particularly since the events of the Arab Spring.

Second, in contrast with realist perspectives, post-realist theorising is focusing on the impact of domestic politics and factors on foreign policy making, international politics and negotiation. Scholars stress the role of domestic political oscillations, lobbying and negotiations, changes in leadership and varying institutional capacities to explain divergent trade negotiation positions, economic relations, environmental issues and regional natural or humanitarian disasters.

Third, there is a growing tendency to combine comparative studies and the study of international relations. Comparative regional studies on institutionalised cooperation between neighbouring states, for instance, tend to eschew the state-centred paradigm that is typical of classical realism. Regional research is establishing theoretical and research links between area studies on Europe, Latin America, Africa and East-Asia, and interna-

tional relations. There is a consensus within research networks that multi-dimensional regional cooperation among neighbouring states is a resilient part of multilevel global governance that will shape twenty-first century politics even more than it did twentieth century international relations, although the model followed may not always be similar to that adopted by the EU.

Fourth, neo-institutional approaches are transcending formal and merely descriptive research on institutions, and scholars are now looking at both formal and informal modes of governance and institutional frameworks, which are seen as crucial independent variables that explain cooperation and conflict. Institutionalisation prevents the exacerbation of conflict, limits transaction costs, and fosters the socialisation of participants.

Despite these developments, there is still insufficient research on global governance and multilateral organisations at the global and regional levels, particularly on factors promoting or inhibiting efficiency and legitimacy. However, scholars are shifting away from the traditional theories about regimes, complex interdependence and trans-nationalism which characterised research from the 1970s to the 1990s, and adopting a sophisticated multi-level neo-institutionalist research agenda that combines rational choice, historical perspectives, social science theorising and discourse analysis.

Deepening and broadening communication among and between networks is the best way to limit the impact of nationalism.

The emergence of divergent approaches to the study of global governance are inevitable and may even be positive for the advancement of knowledge, but research and policy networks such as the GG10 network and others involving people from different continents are likely to pay closer attention to points contact and convergence than they did in the past. Deepening and broadening communication among and between networks is the best way to limit the impact of nationalism, negative mutual perceptions and mistrust generated by past legacies or cultural-lin-

guistic misunderstanding. The multiplying effect of the GG10 network on institutionalised research cooperation is likely to increase, and it will be crucial to encourage greater congruence in terms of research practices and aims.

International Power Shifts and Research

The historical re-shaping of global power is paving the way for alternative views in the West and the BRIC countries. As the unipolar momentum of the US comes to an end, research on "empire" or "hegemony" is declining; work on the transatlantic rift and a "divided West" is also losing relevance. However, US research trends remain ambiguous. There is an explosion of research on the "post-American century" and "Western decline" in a multi-polar world. The shift to the Pacific and the impact of economic crisis has produced much "catastrophe-centred" cross-disciplinary work (particularly in Europe). But assertive Western approaches persist, and the outcome of the next US election will shape the agenda over the next few years. Across the political spectrum, scholars are seeking to forge a more assertive US policy, as evidenced by the very controversial Trans-Pacific partnership. In this context, for example, there is a newly emerging literature on containment and confrontation regarding the China South Sea.

In both the US and Europe, the liberal approach is still dominant, although now eschewing the arrogance of the neo-conservative outlook as well as the "demonisation" of US power. The new literature is focusing on how the West is adjusting and adapting to the changing international context. Neo-conservatism is over and "right-wing" scholars have yet to replace it. Innovative ideas for global governance cannot emerge from calls for the social and immigrant exclusion, for the dismantling of welfare states and increased defence budgets, and growing religious and civil rights. The aggressive and "innovative" neo-liberalism which predominated in 1979-2005 has gone, although a neo-conservative revival could lead to more literature on an East-West conflict.

Western scholars must develop a more balanced assessment of the main trends of the next decades. Despite the depth of the economic crisis, the West still represents more than fifty per cent of global GDP and it retains the capacity to adjust to a changing global context. At US 700 billion, the US defence budget outstrips the amount spent by the ten military powers ranking immediately after it, a reminder of the asymmetric nature of today's multi-polarity. However, according to the Stockholm International Peace Research Institute (SIPRI), the re-armament of China, India, Russia and other countries is leading to a diminishing US share in global military spending (which dropped to 41 per cent in 2011). In that context, the defence budgets of the European countries are the only ones that are seriously shrinking, a long term trend aggravated by economic crisis. The failure of the Common Foreign and Security Policy of the EU in Libya, renationalisation and the weakness of Europe's states is likely to revive the study of North Atlantic Treaty Organisation (NATO) defence structures; and divergences between the US and Europe over burden-sharing within NATO is likely to remain an issue.

At the same time, international research is focusing increasingly on the new challenges for multilateral cooperation. There is a substantial body of research on new global governance actors such as civil society networks, international organisations, multinational companies and regional groups. The role of key state actors, including the BRIC countries, in multilateral cooperation remains a matter of comparative research, with a focus on the diversity and contradictions arising from the current multi-polar context. The points of convergence and divergence among BRIC countries will be a key research topic. Working on this area requires respect for cultural, historical and linguistic diversity, as key global governance concepts such as multilateralism, legitimacy and regionalism will be shaped by different cultural contexts. In one place multilateral governance may be about enhancing sovereignty and in another it may be about limiting or sharing sovereignty. Deeper dialogue is necessary to underpin enhanced cooperation among scholars and policy makers alike.

Inter-polarity, which combines the ideas of multi-polarity and complex interdependence, is taking the place once occupied by the hyper-simplifications of realism. At the same time, the naive idea of a harmoniously developing liberal order that predominated in the early 1990s, models of decentralised cyber-governance ("governance without government"), and "neo-medievalist" or "hyper-globalist" theories are on their way out as interdependence grows to unprecedented levels. There is also a greater focus on conflict, crisis and imbalances. Various neo-institutionalist strands of thought, including rational choice, historical, actor-centred, and discursive approaches, highlight the efficiency and legitimacy deficits of global multilateral governance, and a body of normative literature is emerging on the "new multilateralism."

Networks theories are part of a broader understanding of institutionalisation: much research is focusing on the multiple networks linking governments, policy agencies, cities, lobbies, social groups and NGOs, among other actors. Post-hegemonic multilateralism seems contingent, fragile and instrumental in various issue domains, which leaves room for an instrumental logic of politics and economic power to develop. There are various signs that support this view: recurrent implementation deficits after prolonged global negotiations; a poor record of international crisis management, even if the current economic crisis is better managed than that which followed the Crash of 1929; a tendency towards fragmentation of global governance and the multiple problems facing humanitarian and conflict prevention missions, the challenges posed by "humanitarian intervention research fatigue"; and confusion between legitimate and non-legitimate intervention.

Policies for a Global Polity

There is broad consensus regarding the main global challenges ahead – the need to tackle financial and trade instability, climate change, poverty eradication and development, the prevention of pandemics, managing migration flows, conflict prevention, humanitarian intervention and responsibility to protect – but there is little agreement on the hierarchy of priorities, the sequencing of governance reform, leadership within global institutions such as the G8, the G20 or the UNSC, what forums should be used to manage issues (contingent mini-lateralism or higher and broader level cooperation), and the balance between bilateral, regional and global modes of governance.

Despite the controversies, a new research agenda about procedures, rules and methods of global governance is emerging, with a focus on the role of civil society before and after multilateral decisions (limiting the implementation gap); "experimental governance" and open methods of coordination of global and regional governance (involving benchmarking, intergovernmental coordination and multilateral monitoring); and a less formal understanding of institutionalisation, including the study of informal links, multiple networks, monitoring processes and how they relate to decision-making bodies.

Researchers are focusing on the interplay between regions and the reformed international organisations, notably of the UN, the World Trade Organisation (WTO) and the IMF among other such institutions, but there is also the question of whether regional cooperation is regarded by regional leaders instrumentally or as capable of establishing general principles of conduct, diffuse reciprocity and even influence domestic reforms. Indirectly, the central issue is the relationship between national sovereignty and the capacity to address shared international problems. In this context, the debate will go beyond the past examination of the relevance of the EU model. Global governance must address a multilayered global polity, but the concept of multilevel global governance is less consensual than one might hope after twenty years of comparative study of regional cooperation and integration in every continent.

III. Peace and Security: The Responsibility to Protect

Radha Kumar

Over the past decade, two normative concepts have become crucial for global peace and security studies: R2P and Peace Building. R2P can be seen as the newest addition to the doctrine of humanitarian intervention that emerged after the civil wars of the 1990s, with the signal distinction of having been accepted, however reluctantly, by both emerging powers and the Western democracies. R2P was introduced into the UN system in 2004, but was first applied in 2006 to stop massive human rights violations in Darfur, Sudan, with the decision to send an African Union (AU) peacekeeping force to the area. The force lacked proper equipment and training, and the emphasis of the AU remained on political negotiations rather than peace enforcement (for which it lacked the capabilities and mandate). The doctrine continued to be debated in the UN until 2009, when the UN General Assembly (UNGA) "took note" of it without a vote. Between 2009 and 2010, most of the emerging powers accepted a limited form of R2P as a principle of global governance for peace and security.

The doctrine faced its first major tests in 2011, when it was used in the case of Libya, and then espoused, in a modified and still evolving form, in Syria. The Libyan conflict marked the full entry of R2P into the UN system as a doctrine and set of operations. In their scope and breadth, UNSC resolutions 1970 and 1973 resembled resolutions that had been passed before only against countries that had invaded or attacked other countries, but not against governments that used military or paramilitary force against their own people.

UNSC Resolution 1970 combined a tough arms embargo on Libya[1] with "smart sanctions" like those imposed on Saddam Hussein, a freeze on the assets of Kaddafi, his family and trusted colleagues, a travel ban, and referred accusations of crimes against humanity committed by Kaddafi to the International Criminal Court (ICC). UNSC Resolution 1973, which followed soon after, was framed under Chapter VII of the UN Charter permitting the use of force. It added more names to the sanctioned list, reinforced the arms embargo, imposed a no-fly zone over Libya, banning Libyan aircraft, and authorised all necessary means to protect civilians and civilian-populated areas, except for a "foreign occupation force" (shades of Iraq and Afghanistan).

Resolution 1970 was passed on February 26, 2011, two weeks after the outbreak of conflict in Libya; and Resolution 1973 was passed a month later, in March 2011. Rarely has the UN acted so promptly and decisively in a case of civil conflict. Significantly, China and Russia did not use their veto powers, and none of the non-permanent members of the UNSC voted against the resolution, although five abstained (Brazil, China, Germany, India and Russia, four of which are BRIC countries).

There was some concern in the US and among the European UNSC members at these abstentions, but for China and India abstention marked a shift from their previous opposition to R2P. Although China and India had agreed to R2P as a general principle, they limited their support to crimes against humanity amounting to genocide. Most Indians did not feel that the conflict in Libya fell under this category; indeed, public opinion was by and large against the air support that the NATO coalition offered the Libyan opposition, which it considered to be an unjustified military intervention. This sentiment was particularly strong among Indian Muslims, the bulk of whom did not support Kaddafi. The Indian government was criticised at home for abstaining rather than opposing the Resolution. Interestingly, criticism was relatively muted when compared to the Iraq war, which was seen as an attempt to demonise Islam; the stress on humanitarian principles in Libya was apparently more credible. The German government, for its part, clarified that its abstention related to the clauses permitting use of force.

The brutal death of Kaddafi – which closely paralleled how Saddam Husain was killed – strengthened the misgivings about the potential for misusing R2P. Does or should R2P permit outsiders to take sides in a civil war? Or should it focus on civilian aid and protection, as was attempted in Bosnia? These questions are relevant given that R2P is part of the idealist rather than the realist tradition in peace and security politics, and is yet applied on realist grounds. Ironically, the application of idealist norms is almost always made on the basis of realist considerations. Arguably this is so for good reason, but it does leave the application of R2P perennially open to allegations of misuse, if not to actual misuse.

Certainly, the behaviour of Libyan opposition groups was not above reproach. Opposition militias allegedly behaved brutally in several instances; and the way in which Kaddafi was killed gives credence to these allegations. Many Indian commentators asked whether this was really the sort of opposition to provide military support to. But the argument is more difficult than it might appear at first sight. The attempt to aid and protect civilians without taking sides failed in Bosnia: the safe havens that were set up under UN protection were easily invaded by Serbian paramilitaries because they had been demilitarised. Not taking sides can prolong a war, while taking sides can end it more quickly, thereby saving lives. On the other hand, supporting a side that is brutal, even if it is fighting a stronger and even more brutal foe, tarnishes the principle under which support is given.

The other yardstick by which R2P in Libya can be judged is what has happened since the end of the conflict. In its immediate aftermath, there were revenge attacks and "ethnic cleansing" of towns and communities that had were loyal to Kaddafi. The Transitional Council remains weak and the country fragmented. Elections are likely to be postponed.[2] The jury is still out on whether the Libyan application of R2P has tarnished the principle, though majority opinion in India appears to be that it has.

Whether the impact of Libyan events tempered the application of R2P to Syria or whether other factors had an influence, international policy toward Syria was somewhat different from the outset. Many advocates are disappointed that R2P has not been applied to Syria, but it could be argued that in this case mediation in pursuance of R2P remain the best means of enforcement. Syria is a far more complex case than Libya due to its location and diverse demographic composition, both of which threaten to draw neighbours into the conflict and promote a spiral of escalation. While the first UN-backed mediation initiatives by the Arab League foundered, there was hope that Kofi Annan's mission, which had at the time yielded a somewhat shaky and short-lived cease-fire, may be followed by the stationing of UN monitors. This was perceived as the first step towards reform, including at the political level. However, the situation played out badly on the ground and Annan was forced to resign from his role.

Interestingly, the votes on Syria have revealed less concord amongst emerging powers than the votes taken in the case of Libya. A June 2011 vote by the Board of the International Atomic and Energy Agency (IAEA) on whether to report Syria for building an undeclared nuclear reactor was vetoed by Russia, China and Pakistan; India, Brazil and South Africa abstained. Similarly, Russia and China used their veto in the UNSC against an EU-sponsored resolution to impose sanctions against Syria in October 2011; India abstained, along with Brazil, South Africa and the Lebanon.

By the time it came to taking decisions about Syria, most of the emerging powers realised that simply abstaining was not enough. Germany supported the EU resolution; and India, Brazil and South Africa (IBSA), which are all non-permanent members of the UNSC, decided to send an IBSA delegation to Syria to persuade the Assad government to refrain from further violence, to enter into peace talks with the opposition, and to speed up promised political reforms. The mission took place in August 2011, when India chaired the UNSC, and it was criticised by Human Rights Watch and Amnesty International for not being forcefully persuasive. But it did force Assad to acknowledge the "mistakes" committed by his security forces, to issue assurances that he would "prevent their recurrence," and to promise political and constitutional reforms by early 2012.

IBSA representatives also urged Assad to act on the UNCHR request for access.[3] Assad's commitments appear to have been observed mainly in the breach, and the three countries did not send a follow-up delegation until some months had elapsed since they disagreed on whether the pressure should be ratcheted up. Even so, the IBSA initiative may have helped push the Assad government to welcome Kofi Annan's mission and the stationing of UN monitors.

Timid as it was, the IBSA initiative indicated a new willingness among emerging powers to play a role in global peace and security promotion. Indeed, the IBSA June 2011 summit declaration adopted common positions on a large number of conflicts, including in each member country's neighbourhood (Sri Lanka along with Haiti, Somalia, Sudan, Libya and Syria were referred among other conflicts discussed). The three countries also stated their decision to work together in the UNSC. Disagreements over Syria certainly weakened the IBSA aim of forging joint positions on priority issues, but the fact that the bulk of UN member states are trying to find backing to support peacemaking and human rights in Syria should be seen as a weak ray of light in what is a fairly bleak landscape.

Emerging powers, will need to take a firmer position on the violation of commitments and on the speeding up of a resolution to the Syrian conflict.

In light of the horrifying killings in Houla in late May 2012 and elsewhere, it is clear that India, along with other emerging powers, will need to take a firmer position on the violation of commitments and the speeding up a resolution to the Syrian conflict, as suggested in the Annan Plan. The recent US-Russia talks have opened the way for the Russian leadership to work for a negotiated settlement, and suggest that opposition in the UNSC to a settlement may be weaker than before; in this context, mutually agreed and coordinated pressure can and should be applied. The Annan Plan was welcomed by India, and the Indian Foreign Minister pledged his government's support for Kofi Annan.

His successor, Lakhdar Brahimi, should have the same support, though preferably at a more active level given the ever-mounting scale of violence in Syria. At present, international opinion on Syria is still divided on whether it is a civil war or state-driven conflict; though this should not prevent concerted humanitarian action, the present focus on finding a political - or failing political, military - solution has effectively relegated the humanitarian issue to a back burner where it does not belong. As a general rule, separating efforts to settle a conflict from humanitarian action during the conflict may have a favourable impact on negotiations, including on the behaviour of parties, especially if it is followed by an insistence that all parties in the conflict be guided by humanitarian principles, from the Geneva conventions to R2P. It may be too late for such a policy to work in Syria; what is clear is that there will be an enormous peace-building task to be undertaken once the conflict ends.

All emerging powers can commit to peace-building; it is a potential area of consensus for the UN, and it can become a consensus policy at the UN.

Idealist-driven policies are always liable to tarnish by partial application; but it is also the case that the time may be ripe for set out normative rules for R2P intervention. The decision to investigate Kaddafi's murder as a war crime opens up space to ensure that R2P missions are bound by a code of conduct based on the R2P principle. This idea is already beginning to find international traction, as the Brazilian proposal on Responsibility While Protecting indicates. Other options include pushing for R2P military operations to be conditional upon broad regional and international acceptance and/or a pre-commitment to international engagement in post-conflict peace and reconstruction through the UN or regional organisations. Another option would be to stress civilian, particularly prevention instruments. This would entail strengthening institutions such as the UNHCR and increasing development and capacity-building aid prior to or in the early phases of violent conflict. All emerging powers can commit to peace-building; it is a potential area of consensus for the UN, and it can become a consensus policy at the UN. But the UN PBC remains a marginal "add-on" to its work on global peace and security. It is time for the UN's R2P and peace-building strands to become interlocking priorities.

IV. The Concept of "Responsibility While Protecting" and R2P

Gelson da Fonseca

There is a reasonable degree of consensus among scholars and policy-makers that the diligent implementation of R2P could become an important factor improving global governance. Since the 2005 UN Summit, R2P has become a part of the "legitimacy repertoire" of the international community, serving as a standard of behaviour and as a normative reference point, compelling states to prevent and halt massive violations of human rights. Nevertheless, it is also evident that the implementation of a UNSC decision based on R2P will never be easy, especially when it involves the use of force.

The case of Libya is exemplary of the complexities of R2P implementation. It seems evident that a number of civilians were effectively protected, lives were saved, and violent regime actions were interrupted. And yet, at the same time, one must consider criticism of the ways and means of military action. An intervention with humanitarian goals should not have allowed acts of revenge, summary executions, the destruction of cities, and casualties among those who should have been protected.

Some commentators argue that the Libyan case tarnished R2P by revealing the risks of unmonitored military intervention in favour of regime change. As a consequence, it is plausibly argued that the intervention has become a factor inhibiting the evolution and future implementation of R2P. It may be preventing more forceful action to stop the violence in Syria. Where the UNSC is concerned, Libya may be for Syria as Somalia was for Rwanda in the 1990s.[4] This analogy may be simplistic but it suggests the need for a reflection on what went wrong in Libya and, consequently, on how to assure effectiveness and legitimacy when R2P is invoked.

With regard to Libya, two questions must be asked: were peaceful means exhausted before the intervention? Was the use of force guided by criteria of proportionality and limited to UNSC-established goals? The international community must find the right answers for these questions, which touch on the core legitimacy of R2P, lest the concept lose its political impetus and mobilizing potential. This is why Brazil proposed the concept of "responsibility while protecting (RWP)": to promote a debate on how to make R2P work and prevent it from going losing its way due to reckless decisions and poor implementation.

Responsibility While Protecting (RWP)

The intention is not that RWP should change R2P but that it should promote a discussion of the problematic ways in which R2P has been implemented in some instances. After Libya, it seems evident that the original consensus on R2P is a necessary although insufficient condition to guarantee its legitimacy. The passage from a normative proposal to intrusive UN operations on the ground calls for greater efforts to legitimise R2P in an enduring way.

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The original consensus on R2P was obtained partly because its primary objective was to prevent conflicts that were likely to provoke massive violations of human rights and, failing this, to pursue peaceful means to halt such violations. Accepting the possible use of military intervention was a difficult step because of the risks involved, notably "using" a good cause as a means to promote unilateral interventions and regime change. Consensus was also obtained because the UNSC would be in charge of implementation. The legitimacy of R2P has a double anchor: peaceful means (the use of force was an instrument of last resort) and the authority of the UNSC.

It is not unreasonable to claim that the attempt to reach a negotiated settlement was not exhausted in the case of Libya. Further, the UNSC was certainly ignored during the military intervention. This is why the Brazilian Permanent Representative said that the approval of Resolution 1973 was the equivalent to a "blank cheque," with no control over "what was to be done or who was to do it."

It was in the context that Brazil articulated the essential elements of RWP: the exhaustion of all peaceful means to protect civilians as a necessary condition for the use of force (there should be a necessary sequence between the two moments); very careful use of force ("under no circumstance can it generate more harm than it was authorized to prevent"); and enhanced UNSC procedures to monitor and assess the manner in which resolutions are implemented. These elements are not new and are part of R2P doctrine. But, as the case of Libya shows, they have yet to take root in the process of implementing an R2P resolution. Had they taken root, it would have been easier to reach a strong consensus and find the foundations for legitimacy that are so crucial when the UNSC chooses to use force.

The concept of Responsibility While Protecting opened a debate on the crucial issue of how to implement R2P.

The concept of RWP opened a debate on the crucial issue of how to implement R2P if the goal is to preserve and strengthen it. This is not uncontroversial. Some commentators have pointed out the difficulty of accepting the notion of sequencing, arguing that the threat of use of force can sometimes be an element of instruments of pressure (such as sanctions). Nevertheless, RWP has been accepted as a timely contribution that may help to fine-tune R2P. It is now an integral part of the debate on how to improve the protection of civilians in violent conflicts.

Conclusion

It is unlikely that there will be strong impetus to transform the concept into a norm. The consensus on R2P is not strong enough and its legitimacy insufficient for it to become law. Otherwise, it would be extremely difficult to negotiate modalities and conditions for intervention. Political judgement will determine when and how it will be applied. So, the real question is how to contribute to a convergence in the political sphere. This is impossible to foresee, and will vary from case to case. But if the aim is to improve global governance, and if we accept that R2P contributes to fulfilling that goal, it is important to keep the debate going, as Brazil has tried to do by putting forward the idea of RWP. The concept could be made more precise, and its legitimacy could be strengthened without it necessarily becoming a legal norm. The Libyan, Syrian and Cote d´Ivoire episodes have many lessons to teach. Hopefully, they will be the right lessons.

V. The Israeli-Palestinian Conflict

Atila Eralp and Özlem Tür

The Changing Regional Environment

The Middle East has been affected by a series of changes at the regional and international levels since the beginning of the 2000s. Regionally, three important developments have been significant. First, there has been a shift in the centre of power in the Middle East since the Iraq war of 2003. While the traditional central Arab powers of the region, Egypt, Iraq and Saudi Arabia have lost prominence, the power of non-Arab states has increased greatly. Iran, Turkey and Israel have emerged as the new regional powers; Israel's declining influence, especially after the 2006 Lebanon war, left Iran and Turkey as the two major regional powers. Unlike the previous decade, relations between these actors have also changed radically. Despite an ongoing if rather hidden rivalry between Iran and Turkey for more influence in the region, they have moved closer to each other, while Turkey and Israel have grown further apart. In this context, Qatar has also begun to play an important role that needs to be watched closely.

Second, the power of non-state actors has increased in the region, as have sectarian identity politics. Hamas and Hezbollah in particular have gained prominence, given their power to affect regional developments at large. The weakening of central authority in Iraq and the growing influence of Shiite groups and the Kurds are playing an especially important role in strengthening transnational identity politics in the region.

Third and more recently, the authoritarian republics of the Middle East have witnessed tumultuous changes with the Arab Spring, which have taken the world by surprise. The change in leadership in Tunisia, Egypt and Libya has posed new challenges for the future of these states. In Syria, this process has led to prolonged bloodshed and the risk of civil war. These changes have brought to the fore long-postponed debates about democracy, representation, civil society, human rights, elections and constitutions to the Arab world. While Western support for peaceful transitions and good leadership in these countries are of the utmost importance, the problems facing the West (affecting its economic and political commitment) and its uneasy relationship of certain groups such as the Muslim Brotherhood, Hamas and Hezbollah make this process difficult. This raises the question of the role of the regional leadership of powers Iran and Turkey. The debate of 'whose model will be implemented' has become crucial.

These changes have also affected the Middle East. World politics has been moving towards a multi-polar system, its centre is shifting eastwards, and the emerging BRIC powers are becoming more prominent. The US has been suffering from the effect of fighting two wars in the 2000s in Afghanistan and in Iraq, the results of which are debatable, finally withdrawing from Iraq at the end of 2011. The EU has been under the strain of deep economic crisis and its consequences. These developments have left a power vacuum in the Middle East, which has also contributed to increasing the role of regional powers. Increasingly, despite the relatively active French role, the West has played a role via these regional powers, and this trend seems likely to continue.

What of the Palestinian Issue?

In this context, the question of whether the Israeli-Palestinian issue retains a central place in Middle East politics becomes increasingly relevant. At a time when the Arab countries are more concerned with more internal debates about democracy, new constitutions, human rights and elections, the Palestinian issue has receded and become less of a priority for Middle Eastern governments and nations. During the uprising in Egypt, protesters stormed the Israeli Embassy and raised the Palestinian flag. The idea that a real change and stability will come only after the Palestinian issue is solved is remains valid, but it ceased to be a priority for regional actors and external actors in 2011.

That year, the Obama administration prepared to withdraw from Iraq and the war in Afghanistan continued, so the US administration was also not ready to make Palestine a priority despite Obama's speech supporting Palestine as a full member in the UN and calling for a solution the Palestinian issue in light of new regional realities. The EU was also concentrating on the economic crisis and changes in its southern neighbourhood. In that context, Turkey became an important country. It has taken the Palestinian issue seriously and has tried to internationalise it in different forums. Turkey has raised the issue in various international meetings, particularly criticising Israeli policy in the Occupied Territories and calling attention to the human suffering caused by the conflict. Turkey's role as an intermediary has been increasingly successful in regional politics. It could be made more effective to facilitate dialogue between different groups and actors in the region.

Palestinian Statehood and the Role of the UN

Arguably, one of the effects of the Arab Spring was to put the Palestinian issue on the backburner of regional politics. This has led the Palestinians to pursue a solution to the conflict. Two important developments are worth mentioning. First, the Palestinian Authority decided to submit an

application for full membership to the United Nations. Considering that changes in the region were an opportunity to put Palestinian statehood on the agenda, President Mahmoud Abbas submitted the application for membership to UN Secretary-General Ban Ki-moon during the 66th UNGA session of 23 September 2011, which was forwarded to the UNSC, where no result was achieved. Despite this disappointment, Palestine did become a full member of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in October 2011. It became debatable at this point, to what extent the UN was able solve this issue with its existing mechanisms: decision-making processes in the UNSC, which are based on state interests. The decisions of the General Assembly and UNESCO are important but remain insufficient to solve the issue. What is needed is a reform of UN institutions to establish effective mechanisms that would include bottom-up approaches and facilitate a comprehensive solution to the problem. Finding no solution in the Security Council, the PA took the issue to the General Assembly where it got the observer state status – short of full membership, which could only be granted by the Security Council, but a step above 'observer' status - in September 2012.The Palestinians have stressed that the application was not an alternative to peace negotiations.

Al Fatah and Hamas leaders have re-established ties cut after June 2007 and engaged in reconciliation talks. The leaders met in Cairo in April 2011, and agreed to form a new Palestinian government under Prime Minister Abbas. Both parties will participate in presidential and parliamentary elections in 2012. Developments in Syria have helped shift the position of Hamas in favour of reconciliation. After refusing to support Assad against the popular uprising, Hamas has been forced to seek a new safe haven for its headquarters. Angered by this stance, Iran has considerably cut back on financial and logistical support for Hamas. Thus, the party has become more cooperative than ever in the search for unified Palestinian leadership. Indeed, some of its leaders have signalled that Hamas may be ready to moderate its positions on the use of violence against Israel.

Israel between Nuclear Iran and the Arab Spring

During 2011, Israel's regional threat perception increased greatly. For years Israel has called for a solution to the Iranian nuclear issue, through military means if necessary. These calls were strengthened in 2011. In addition to the Iranian threat, the future of the peace agreement with Egypt came under question as groups that have opposed peace with Israel may come to power. Developments in Syria could lead to hot clashes after a long peace on the Israeli-Syrian border. Meanwhile, the withdrawal of US forces from Iraq could lead to instability and allow radical groups to find shelter there. During 2011 all these developments increased the sense of insecurity of Israel and decreased the urgency of solving the Palestinian issue. The words of deputy Israeli Foreign Minister Danny Ayalon in his analysis of Osama bin Laden's fatwa summarise the position of the Israeli government: "The Israeli-Palestinian conflict barely appeared and was nothing more than a footnote to all the general grievances laid out by bin Laden."[5]

Do Other Actors Matter?

To date, the efforts of the Quartet to solve the Palestinian issue have proved futile

To date, the efforts of the Quartet to solve the Palestinian issue have proved futile. However, to achieve a two-state solution between a democratic Israel and Palestine requires confidence building initiatives, policies to facilitate economic growth, improve security and institutional development in Palestine, and sustained and intensive consultation with the parties and the international community and civil society.

The Arab Peace Initiative is worth mentioning in this context. The Arab League has argued that a just and comprehensive peace with Israel can only be achieved through its withdrawal from the occupied Palestinian and Arab territories – including the occupied Arab and Syrian Golan Heights, the line of June 1967, and the area which is still occupied in southern Lebanon – and the establishment of an independent and sovereign Palestinian state with east Jerusalem as its capital. Both parties responded to this, but other pressing regional issues are pushing the Palestinian question to the margins of regional debates.

The EU could take up the slack, but it also suffers from limitations. Its increasingly "bottom up" approach involving support civil society and the implementation of mobility schemes could become a viable model. However, the EU is facing the challenge of financial crisis and must also respond to the consequences of the Arab Spring. In the UN, the proposal by former French President Sarkozy to initiate specific steps and establish a timetable to solve the Palestinian issue within a year was a more concrete step to address the conflict.

NGOs: Constructive and Unintended Consequences

NGOs have also played an important role. They have raised international public awareness about the conflict and been instrumental in distributing humanitarian assistance, offering expertise and education initiatives, and have contributed to reconstruction and state-building efforts. NGOs have also played an important role in monitoring elections and the activities of state institutions. Since the NGOs mainly concentrate on the human rights and side with the weakest and most vulnerable, they have naturally sided with the Palestinians. World famous NGOs such as Human Rights Watch, Amnesty International, Christian Aid, Doctors without Frontiers, and the International Committee of the Red Cross (ICRC) as well as local Israeli and Palestinian NGOs such as Peace Now, B'tselem, Adalah, the Israel-Palestine Centre for Research and Information (IPCRI), the Association for Civil Rights in Israel (ACRI), Breaking the Silence, Ma'an Forum and Ir Amim have been very vocal and active in promoting and defending the rights of people in the occupied territories and Israel.

Despite tough working conditions and constraints, NGOs have implemented projects in the field of human rights, medical treatment, humanitarian aid, research and education. Many of these organisations have become an indispensable feature of the Israeli-Palestinian conflict. The operative role of the ICRC in prisoner swaps between Israel and Palestine is an example of this. The ICRC has helped to release almost 1000 Palestinian detainees in exchange for the release of Israeli soldier Gilad Shalit.

Despite this contribution, not all NGO activities have been constructive. Indeed, some activities may cause serious problems between the state parties, as the "Gaza Freedom Flotilla" has shown. The Flotilla was organised by the Free Gaza Movement and the Turkish Foundation for Human Rights and Freedoms and Humanitarian Relief (IHH), and was carrying humanitarian aid and construction materials with the intention of breaking the Israeli-Egyptian blockade of the Gaza Strip. The flotilla was raided by

the Israeli Navy on 31 May 2010 in international Mediterranean waters. This caused a diplomatic crisis between Turkey and Israel. Turkey withdrew its Ambassador and lowered the level of bilateral relations in all fields.

This incident shows how NGO activity can severely damage bilateral relations between states and change the situation on the ground. There is no doubt that the Mavi Marmara incident placed the situation in Gaza on the international agenda and focused the attention of the international community on the suffering in Gaza in particular. It also changed the view that it was necessary to weaken Hamas as the governing party and drive it from power though a blockade on Gaza. After the incident, there was an ease on the blockade and calls for a reconsideration of policies towards Gaza.

Conclusion

The picture seems bleak, particularly as the Palestinian issue is pushed to the margins of regional and international politics at a time when the region is undergoing radical changes and there is an imminent danger that conflict and war over Iran. As the role of the US and the EU declines, regional actors must take more responsibility to address the issue. As Iran advocates the "eradication of Israel," it is doubtful that it can contribute to an Arab-Israeli settlement. Turkey, Egypt and Qatar can help to create an environment conducive to negotiations, but each country suffers from limitations. The Palestinian issue is often used to mobilise the public, but whether actors are ready to commit to arduous negotiations and accept compromises remain unclear. Regional actors in the Middle East need Western political, financial and technical support.

The performance of the global governance institutions has been poor. The Palestinian issue is low on the international agenda.

Bottom up approaches give hope but do not guarantee peace. The assumption of democratic peace theory is that democratic states do not go to war with each other. This can be seen as a way out of the Palestinian conflict as with the Arab Spring transforms the undemocratic regimes of the Arab world. But whether Arab democracies will search for peace with democratic Israel is uncertain. Thus far, nothing suggests that the new regimes will go to war with Israel, but the linkage between democracy and peace is not automatic. Even if the democratic wave takes hold, there could be a stalemate, a greater willingness to conclude peace agreements, or even more conflict. The Arab spring could facilitate negotiations but there is no guarantee that there will be peace.

In conclusion, the performance of the global governance institutions has been poor. The Palestinian issue is low on the international agenda. International actors could play a critical role in assisting the Palestinian elections and helping establish a transparent and credible government. This could legitimate the leadership among Palestinians and Israelis, pave the way for negotiations, and offer new hopes for peace.

VI. The Security-Development Nexus: Somali State Fragility and Piracy

Luis Peral

"We are treating the symptoms of piracy, rather than its fundamental cause: Somalia's failure as a state. Despite the international community's commitment, piracy has both continued to increase and moving further offshore, a measure of pirate resiliency and the strong economic incentives that underpin it. Nine of ten pirates captured are ultimately freed as there is often insufficient evidence or political will to prosecute them, or to incarcerate them after conviction."[6]

The situation in Somalia and its implications for regional and international security constitute perhaps the best example of the nexus between security and (the lack of) development that the international community has tried to tackle over the last few years. In the absence of any vestige of state capacity, efforts fail. However, much fewer resources are devoted to remedy state fragility, which is said to be the root cause of piracy at sea, than to repressing piracy itself. This is incoherent. Suspected pirates are freed as soon as they are captured given the absence of a well-established internationally sanctioned system of judgment and custody. The complexity of the international response, which involves myriad public and private actors and therefore a constellation of conflicting interests and strategies, has rendered coordination, and even information sharing, an impossible task. It would seem that states are deploying their vessels as an exercise in 'showing of the flag' if not a 'show of force.'

The impact of piracy off the coast of Somalia is indeed global, considering that 95 per cent of world trade is reliant on sea transport for which the Gulf of Aden is of the utmost importance. The safety of sea lines of com-

munications (SLOCS) and chokepoints is at stake here, and there are fears that a potential disruption in traffic flow, due to a boycott of the region by the main shipping companies for instance, would seriously affect world trade. This will be especially damaging for Europe, since it absorbs over 80 per cent of international maritime trade moving through the Gulf of Aden, as well as for India, whose economic growth particularly depends on sea-lanes through the Indian Ocean, with 75 per cent of trade by value being sea borne.

In the region, not only would Saudi oil and gas exports be at risk, but political instability could spread to the most fragile countries neighbouring Somalia. Moreover, the risks of an environmental catastrophe are considerable, since larger ships attacked by pirates often carry oils and toxic chemicals. However, this is part of a vicious circle: toxic waste dumping together with intensive illegal fishing in the area have contributed to ruining the way of life of local fishermen and, according to certain sources, pushed them into piracy.[7]

The international community and countries in the region have suffered the consequences of the Somali tragedy for nearly a decade, particularly since 2008. The overall connexion between internal fragility and instability and the flourishing of piracy off the coast cannot be denied. This is not just because it facilitates recruitment – Somali pirates are able to take hostages, which is not the case in the Strait of Malacca or Nigeria, since they easily find sanctuary in Somalia. This, rather than the fate of the Somali people, has involved the international community: Somalia has been a failed state for almost two decades. With the exception of the frustrated armed intervention of the US in 1992, so long as Somalia's problems were contained within its borders, it was mostly ignored by the world.

The consensual view is that ending piracy off the coast of Somalia first entails stabilising the country so that the conditions for development are created. In practice, however, most resources are still devoted to flawed and uncoordinated repressive policies. The conflict and its daunting consequences remain pervasive. Despite some progress during 2011 with reduc-

ing the impact of the famine in Southern Somalia, 4 million people were in urgent need of aid and famine continued to affect 250,000 Somalis.

Very little, if any, progress has taken place in the area of human rights, with systematic military operations causing population displacement and blocking humanitarian access. Indeed, the most prominent development in 2011 was that the Al-Shabaab insurgency is now seen as the main spoiler and thus as the 'enemy' by all actors with a military presence, which translated in still fragile but unprecedented territorial gains, including control of Mogadishu by the AU peacekeeping operation (AMISOM). Also in 2011, the Somali Transitional Federal Government (TFG) had its mandate extended for one year at the Somalia Conference that took place Kampala in June 2010, in the hope that it might advance reconciliation.[8] Somaliland and Puntland are seeking independence, however, and international actors are losing faith in the Somalia's ability to ever become a viable centralised state.

The Security-Development Nexus in UNSC Resolutions

The security-development nexus was well established by the UNSC in two crucial resolutions on Somalia adopted in 2011. With Resolution 2020 of 2011, it acknowledged that "peace and stability within Somalia, the strengthening of State institutions, economic and social development and respect for human rights and the rule of law are necessary to create the conditions for a durable eradication of piracy and armed robbery at sea off the coast of Somalia." In the same vein, the Council further stated that "ongoing instability in Somalia contributes to the problem of piracy and armed robbery at sea off the coast of Somalia."

The Council consequently called for "a comprehensive response [emphasis added] by the international community to repress piracy and armed

robbery at sea and tackle its underlying causes." But the truth is that repression of piracy and the operations, which are intended to tackle its roots, remain profoundly disconnected. It can be said that the second remains entirely dependent on the first, to the extent that the Council and the international community would lose much of their interest in stabilizing Somalia if piracy were to cease in the Gulf of Aden.

The blunt instrumentalisation of development seems obvious in Resolution 2015 (2011), by which the Council stressed "the need to build Somalia's potential for sustainable economic growth as a means [emphasis added] to tackle the underlying causes of piracy, including poverty, thus contributing to a durable eradication of piracy and armed robbery at sea off the coast of Somalia and illegal activities connected therewith." This is far from a 'comprehensive approach': development is basically a means to end piracy. Development is therefore a tool for advancing a traditional security agenda. Moreover, it would seem that "the incidents of piracy and armed robbery at sea off the coast of Somalia" are the crucial element qualifying for a coercive international response as they "exacerbate the situation in Somalia, which continues to constitute a threat to international peace and security in the region."

In a more sober approach, the Council partially endorsed the identification of complementary and more immediate root causes of piracy. According to the 2008 Report of the Monitoring Group on Somalia (UN Security Council S/2008/769), escalating ransom payments and the lack of enforcement of the arms embargo established by UNSC Resolution 733 of 1992 are contributing to fuelling the growth of piracy off the coast of Somalia.[9] The UNSC thus called on all countries to cooperate fully with the Somalia and Eritrea Monitoring Group, including on information sharing about possible arms embargo violations (Resolution 2010). However, no reference was made to ransom payments that governments and shipping companies make to have their nationals released by pirates.[10] Regarding the insurgency, the UNSC has not only considered the need to tackle the more "general" root causes of piracy, but those which can be considered "immediate," such as arm trafficking and sources of revenues, with the support of neighbouring states. On 17 December 2011, the TFG wrote to all

UN member states requesting a ban on imports of Somali charcoal, which is exported almost exclusively from areas controlled by Al-Shabaab.[11]

The Response of the International Community

In order to respond in the short-term to the threat to international navigation, in 2008 the UNSC authorised third party governments (Resolution 18160) to conduct anti-piracy operations, the "reverse right of pursuit," in Somali territorial waters and ashore, but only with approval of the TFG. Countries whose ships were targeted by Somali pirates were willing sent warships to protect their interests and to safeguard UN World Food Programme (WFP) shipments to Somalia. The US set up the Combined Task Force (CTF) 151, with a coalition of some 25 countries under its leadership,[12] and regional organisations also deployed frigates and warships. NATO established Operation Allied Provider, and the EU launched its first naval operation, EU NAVFOR Somalia, also known as Operation Atalanta.[13]

Other navies are also present under national command, such as those of China, Indonesia, Iran, India, Japan, Malaysia, the Republic of Korea, Russia, Saudi Arabia and the Yemen. In spite of the number of participant states, the response was slow and uncoordinated, resulting in very limited success. The number of attacks in absolute terms has not ceased to grow. Pirates found support in local communities along the coast and developed new techniques, particularly the use of "mother ships," which allow them to venture further into the high seas to perpetrate attacks.[14]

But most importantly, the apparently impressive multinational naval deployment has not been matched with multilateral efforts to guarantee that pirates are brought to justice and imprisoned if convicted, or to dismantle gangs. Bilateral or trilateral agreements between patrolling states and countries of the region, and myriad proposals and reports have failed to prevent practically all suspected pirates of being freed upon capture or to escape conviction due to the lack of evidence provided by their captors.

As regards the few cases in which judgement was possible, the fact that patrolling states outsource criminal procedures for international crimes has jeopardised the basic rights of suspected pirates.

Secretary General Ban Ki-moon's proposals to advance with prosecution and imprisonment of persons responsible for acts of piracy and armed robbery at sea, presented to the UNSC in August 2010, include the establishment of international courts.[15] But the global players taking part in these operations did not support these proposals. Thus, the UNSC can only insist with the Somali government to implement proposals by UN agencies to strengthen the Somali judicial system through the creation of special courts and specific prison capacities. This is costly if not unrealistic, and may also be considered unfair to the Somali people in the present circumstances.

In contrast with the variety of flags off the coast, inland operations in Somalia –those aiming to respond to the root causes of piracy – are mainly conducted by regional actors, led by the African Union, with the involvement of the Intergovernmental Authority on Development (IGAD). However, AMISOM is insufficiently trained and equipped and has proven weak. The recent enlargement of capacities raises concerns about human rights compliance.

Developments in early 2012 included a UNSC authorisation to increase AMISOM from 12,000 to nearly 18,000 troops, a potentially encouraging signal.[16] The April 2010 Extraordinary Summit of the East African Community Heads of State in Dar-es-Salaam was a major move to find an "African solution" to the Somali conflict, signalling a shift towards more aggressive action against Al-Shabaab by AMISOM contributing states.[17] It is now clear that AMISOM (comprising troops mostly from Uganda, Burundi and Djibouti), Kenya (whose troops have been re-hatted as AMISOM) and Ethiopia have started to disband what had been considered an intractable insurgency.

AU-led peacekeeping operation are supported and complemented by small but crucial UN missions, which monitor and provide logistical support for military operations, and the EU. Its mission to train Somali security forces (EUTM Somalia) will be complemented by a civilian mission to strengthen maritime capacities in the region (RMCB).[18] Broadly speaking, however, the main problem is that efforts devoted to inland and offshore operations are rather unbalanced. Most resources are devoted to repression, and are not linked to other actions. The EU has only recently planned to coordinate its own action.[19]

Despite these shortcomings, it cannot be denied that UN action on Somalia was intense during 2011 and the first half of 2012, including UNSC resolutions that still reflect a traditional approach to security. While the United Kingdom has taken the lead in the Council, the UN Secretary General has promoted broader international action that allows regional and local actors to play a leading role, given his belief that the situation in Somalia is at a tipping point: "the political and security situation on the ground remains extremely fragile, [but] the prospects for positive change appear greater than they have been for many years" (UN Security Council S/2012/74, paragraph 40). In his attempt to encourage the international community to seize the opportunity, Ban Ki-moon convened an unprecedented high-level mini-summit on Somalia at the margins of the UNGA session of September 2011. He warned that incipient political and security gains may be lost if the famine of two million Somalis resulting from drought, conflict and lack of humanitarian access is not addressed.[20] That same year, he also delivered meaningful reports on the protection of Somali natural resources and water (UN Security Council S/2011/661), on the modalities for the establishment of specialised Somali anti-piracy courts (Un Security Council S/2011/360). His efforts have facilitated UNSC authorisation of an increase of AMISOM troops as requested by the African Peace and Security Council (APSC).

Impact of the Security-Development Nexus for Global Governance

The UN has made remarkable efforts to improve the situation in Somalia over the last few years, particularly invoking the security-development nexus. However, the so-called root cause of piracy – the fragility of Somalia – has not been addressed to the extent required due to lack of support from the international community. Region-led schemes have not received basic support from international donors: AMISOM was only recently able to exercise some control over the situation. Although the international community is assisting the TFG to strengthen fragile national institutions and foster development, projects of the 16 UN agencies working in Mogadishu to implement stabilisation and recovery projects covering human security, basic services and job creation, remain underfunded. In the security sector, the bulk of international contributions are devoted to pay the salaries of ill-equipped army and police forces.

Maritime operations off the coast of Somalia do not constitute an example of effective global governance.

In fact, it is only regarding operations that address the "symptoms" that states are making unusual efforts towards "formal" cooperation. The most visible sign of international concern is the involvement of an extremely large number of navies, including those of major global players, which patrol the area where pirates operate. Effective global governance, however, does not require that all or even the main international actors should be directly involved in solving every crisis. They should all be concerned and willing to offer support if needed and as required. When a crisis gains worldwide attention, the problem is often the proliferation of international actors, which feel that they are "autonomous" and act accordingly.

For this reason, maritime operations off the coast of Somalia do not constitute an example of effective global governance. The perception among

the most important states that their commercial interests are at stake means that more resources are devoted to the preservation of those interests, namely to tackling piracy. But this entails a higher risk of bad policy, as reflected by the lack of coordination and information sharing. In this context, it would seem that states aim to control – or to prevent others from controlling – trade routes and chokepoints. This is an aspect of increasing competition among states for energy resources and raw materials. Proof of this is the fact that naval vessels, deployed by great powers in the Indian Ocean, are not cost-effective for fighting piracy; or that there is very little interest in sending pirates to jail.

The security-development nexus as propounded by the UNSC regarding Somalia is not opening new avenues for global governance.

The security-development nexus as propounded by the UNSC regarding Somalia is not opening new avenues for global governance. It attracted international attention and resources to solve the crisis in Somalia but it is not contributing to a rational use of resources or to the coordination of efforts. If the fate of additional resources is taken into account, the nexus appears merely to serve a traditional hard security approach. Although the UNSC has authorised coercive measures to repress piracy and to stabilise Somalia, it in fact intends to stabilise Somalia in as much as this is seen as the root cause of piracy. In other words, its goal is to eradicate piracy. The UNSC has not expressed desire to put an end to piracy as a means to facilitate the development of Somalia.

The approach is therefore flawed in a practical and theoretical sense. It makes peace-building efforts largely dependent upon the perceived security needs of external powers. This means the approach may even be perverse: if piracy provides a relative opportunity for reconciliation and development in Somalia, an eventual decrease of piracy could mean ostracising Somalia again. Thus, the crucial question for international operations in Somalia is whether the (still low) level of international attention to peacekeeping and peace-building is mainly due to piracy. If the answer is yes, then it will be difficult to persuade the Somali people that they should be hostile to pirates.

VII. Asia Pacific Security Governance

Makarim Wibisono

When discussing challenges in global governance, the Asia Pacific region comes quickly to mind. This region has the highest propensity for natural disasters, the highest population growth, the highest economic growth rates, contains half of the membership of the G20, contributes 68% of the combined G20 GDP (on the basis of Purchasing Price Parity calculations), has the highest probability for the detonation of nuclear weapons, should such a calamity be considered, and yet the Asia Pacific is still treated by some analysts as a mere playing field of the major powers without a viable governance mechanism.

While the jury is still out as to which major power has up to now managed to build up the most influence, whichever way it is measured, regional powers have seen opportunities within the existing regional power competition to construct a mechanism strong enough to appease and accommodate the major powers, flexible enough to allow individual countries to aspire in spreading their own influence, all while setting the standard in regional governance in the Asia Pacific. This regional architectural mechanism is ASEAN. Established in 1967 and comprising the ten countries in Southeast Asia, ASEAN has since evolved into an organization with an international legal personality as sanctioned by the entry into force of the ASEAN Charter in 2008. Though imperfect, through its ASEAN Regional Forum, ASEAN remains the only security mechanism in the Asia Pacific region today.

The ASEAN Regional Forum has the capability and the experience to bring the gamut of powers, not only in Southeast Asia but in the whole of Asia

Pacific, to sit down together for frank discussions of security and military issues that are important to all. The Forum, and the separate multiple dialogue partner arrangements, are able to thrive precisely due to the ongoing disagreements of the major powers as to what to do with the region. And in turn, ASEAN has managed to put itself in the driver's seat and thus lead governance in the Asia Pacific.

Countries interested to join the ASEAN Regional Forum understand that there are certain rules to abide by. Realizing the importance of becoming part of the conversation, and hence staying relevant, countries would strive to embrace such norms so as to be invited to the party. After all, it was due to ASEAN's Plus Three arrangement that the world enjoys having China, Japan, and South Korea talk to each other in a meeting when relations were tense between them. The resulting get-togethers have clearly done wonders for the Asia Pacific.

Interested countries must embrace, by treaty, vows to commit perpetual peace, amity, and cooperation with the countries of Southeast Asia. China, India, the United States, Russia, Japan, North Korea, South Korea, Pakistan, France, Australia, New Zealand, Mongolia, Papua New Guinea, Bangladesh, Sri Lanka and even, in 2007 the world's then youngest country, Timor Leste, have all acceded to the Treaty of Amity and Cooperation. Notwithstanding the absence of such a treaty at the Asia Pacific level, ASEAN has provided the framework by which to manifest the aspirations of many countries into a reality (at least at the declaratory phase). In a way, ASEAN provides the foundation for the peace dividend to be spread throughout the Asia Pacific.

By being bound to the Southeast Asia Nuclear Weapons Free Zone Treaty, countries in the region must rid themselves of the option of developing, acquiring, or deploying nuclear weapons in Southeast Asia. This is a start. In November 2011, the five nuclear power permanent members of the UNSC agreed through ASEAN on how to accede to the Treaty's Protocol, which will effectively prohibit the use of Southeast Asia as a playground for their nuclear weapons.

Despite the reassurances towards peace in Southeast Asia as sanctified by treaty, and that can be applied to the wider region as well, three issues remain outstanding that keep the policymakers in the Asia Pacific, and beyond, awake at night: the militarization of a nuclear Korean Peninsula, the tensions over the Strait of Taiwan and the South China Sea.

The multilateral regimes intended to have affected the case of the Korean Peninsula have failed to prevent proliferation

First, despite the efforts of Six-Parties Talks to persuade North Korea to disarm and give up its nuclear weapons, North Korea seems determined to pursue the militarization of its nuclear capabilities and hence would likely use this advantage to significantly alter the regional military structure in its favour. Despite the advances in non-proliferation regimes embedded in ASEAN, in the important case of the Korean Peninsula, ASEAN is left irrelevant, for the area is beyond its geographical mandate. , partly due to the inability of the Non – Proliferation Treaty's to force nuclear powers to significantly disarm while concurrently preventing states in becoming nuclear powers. In line with this reality, North Korea's behaviour was understandable as a sovereign state though inexcusable as a member of the international community.

Secondly, in the case of tension over the Strait of Taiwan, from the regional security perspective, the cause for deep concern lies within the security guarantee provided to Taiwan by the United States should the former becomes militarily engaged with China. This arrangement would carry both the US and China into frontal military engagement with each other. Minding Article 5 of the North Atlantic Treaty (of which the US is a signatory) invoking 'the attack on one equals an attack on all' doctrine, which was called into action following 9/11, a conflict over Taiwan would be a nexus of destabilization for the whole Asia Pacific region. For the US, non-performance of its security guarantee for the sake of preventing a global disaster would mean the end of other countries' trust in US security guarantees. For the 28 NATO member states, of mostly European countries, a single example of non-conformity to Article 5 will render the alliance totally useless. For the present time, Taiwan has creatively underlined a unique meaning

of sovereignty that extols its right to pursue prosperity instead of focusing on getting finality over territory and state recognition.

Thirdly, out of the many important issues facing ASEAN, ensuring peace and security in the South China Sea is one of its most difficult of challenges. The South China Sea contains riches of natural gas (predicted to be the world's largest deposit), strategic shipping routes, and entails a mesh of overlapping territorial claims by China and the several countries of Southeast Asia. These countries agreed upon a Declaration of Conduct two decades ago which was revitalized in 2011 through an agreement on the guidelines to implement the declaration. Nonetheless, when push comes to shove on the South China Sea issue, the strength of ASEAN was inevitably put to the test.

Unexpectedly, ASEAN buckled by failing to live up to its long standing tradition of 'agreeing to disagree' out of the limelight of world media while presenting to the world a 'unified collective position.' The significance of this tradition cannot be overstated for such a show of unity provides the pillar for confidence building among countries in the region and helps to ensure peace by sending a clear signal to the Asia Pacific region, and to the world, that all is indeed well among the countries of Southeast Asia. For the first time in 45 years, no Chairman's Statement was agreed upon at the end of the ASEAN Foreign Ministers' Meeting in July 2012 in Phnom Penh, Cambodia. Members failed to achieve even the minimal level of consensus on the issue of the Declaration of Conduct in the South China Sea.

An ancient phrase, as observed in history, goes something like this: in chaos and uncertainty, leadership and courage tend to flourish. Though no longer Chair of ASEAN, Southeast Asia's largest country, Indonesia, apparently felt a unifying responsibility and took the initiative through the leadership of its foreign minister as he personally lobbied the capitals of the region to resolve the disagreements. Such efforts eventually yielded agreement by all member states of the six-point principles on the Declaration of Conduct in the South China Sea that was later officially issued by the ASEAN Chair for 2012, Cambodia.

Though seemingly simple, this one case demonstrated to the world that as tensions rise over competing 'raw interests' of states in the region, the 'business as usual' structural arrangement of ASEAN failed to do its job. Despite the ongoing efforts by member states to finalize the ASEAN Political Security Community by 2015, and hence lay the groundwork and legal infrastructure that ought to prevent such deadlocks from reoccurring, the fact is that current arrangements are insufficient to realistically accommodate the present dynamics of the Asia Pacific.

The world needs to build or to change the existing governance mechanisms to realistically reflect the rise of potential conflicts involving emerging and dominant powers. Three connected proposals are put forth as possible solutions to such challenges in global governance:

First, employ a *realpolitik*-based paradigm whereby the Asia Pacific can be seen as two geopolitical parts in which two major powers can be 'assigned' (either by self initiative or by consensus) to keep the peace: North Asia and Southeast Asia. Without seeming hegemonic and dominant, and presuming the tacit agreement of other powers, China can become the major power in the former and Indonesia in the latter. Somewhat reminiscent of the role that the US had to assume in the NATO security alliance, Indonesia ought to be allowed a role that it is already assuming. Viewing such a paradigm from the global level, China is already a permanent member of the UN Security Council whereas, due to the handicap inherent in the long overdue reassessment and reform of the UN Security Council, Indonesia must wait its turn for election to a temporary seat many years from now (possibly 2019) for the opportunity to serve. Clearly, urgent reform of the UN is needed to truly reflect reality and to provide 'true' leaders the opportunity to take up their duties to ensure peace and security.

Secondly, international regimes must be tapped to solve regional tensions. There's no point in reinventing the wheel. However, it is important that decades-old instruments of global governance be improved and adapted to modern times. The UN Convention on the Law of the Sea (UNCLOS) must be revitalized to include ways of getting major powers onboard

(many are still non-signatories) and to include effective ways to resolve complex territorial disputes such as in the South China Sea. Rather than creating many more shallow or benign international legal instruments or empty declarations, what is needed is adding more punch, more grit, and more teeth to those instruments that already exist.

Thirdly, after both of the former proposals are achieved, claimants can be justifiably pressured to submit their case to the International Court of Justice (and not only to the dispute resolution mechanism of UNCLOS) for judgment. If appropriate reforms were already effectively done to the multilateral institutions, the claimants should not appeal the judgment of the Court. Nonetheless, whichever path is pursued, the case of the South China Sea cannot be left to be dealt with only in secret by those claiming to have direct territorial stakes, for this issue affects the security of the Asia Pacific region as a whole.

It is of utmost importance for the international community to urgently revive the negotiations on reforming the United Nations, and especially the United Nations Security Council.

The tension over the Strait of Taiwan and the militarization of nuclear North Korea are excellent examples of issues beyond the geographical mandate of ASEAN. However much progress has been charted through ASEAN in the case of the resolution of claims over the South China Sea, there is limit as to what ASEAN can achieve by virtue of its own current limitations as a regional organization that awaits finalization of its Political Security Community in 2015 and engaged with major players that lie outside of Southeast Asia. ASEAN can influence its 'Dialogue Partners' somewhat but to these countries, questions will rightly linger as to who is ASEAN to keep the peace when it involves their respective national interests?

That is why it is of utmost importance for the international community to urgently revive the negotiations on reforming the United Nations, and especially the United Nations Security Council. Despite the many ways at looking at the world and how various actors, both state and non-state, behave without 'supervision,' the evidence clearly shows that actors do 'misbehave' in the sense that they will naturally pursue their own state interests. Often times when that happens, peace and security will falter. When this occurs, the ability of the institutions to best manifest the interests of the individual citizens of the countries involved, let alone represent those interests, in relations with other citizens of nations will be diminished. Without global governance mechanisms that actually reflect the real power dynamics of state actors, anything produced by such institutions are only regarded as observations and would not have any weight in ensuring that egoistical states 'behave' for the sake of keeping peace and ensuring security for others, especially for the peoples living in the Asia Pacific region.

VIII. Financial Crisis, Sustainable Development and Governance Gaps

Maria João Rodrigues

The recent financial crisis has highlighted the need for more balanced and sustainable development worldwide, but governance solutions are still absent despite major innovations such as the G20 process. New "New Deals" are necessary to close the gap between a growing consensus in favour of sustainable development policies and the combination of available financial means and appropriate political structures. This will remain a central challenge for the evolution of governance at all levels, be it national, macro-regional or global.

The Crisis and the G20 Process

A major global governance innovation

The financial and economic crisis of 2008 brought about a major global governance innovation: the establishment of the G20 at the leadership level with a renewed global agenda. The risk of collapse of the financial system and deep economic recession was so high that exceptional political initiatives became possible. After its creation in November 2008, the G20 Summits of April 2009 in London and September 2009 in Pittsburgh defined a broad global agenda committing a group of economies that represent more than 70 per cent of global GDP to financial reform, economic coordination, employment, development, trade and governance reforms.

In the first phase, between 2008 and 2009, the focus was on rescuing the banking system, redesigning the regulation of the financial system, launching stimulus packages for economic recovery, preventing protectionist reactions, and addressing the most urgent financial needs of developing countries. The "transitional" Toronto Summit in 2010 expressed a division between those advocating recovery and stimulus and those supporting a reduction in public debt and a re-balancing of public budgets. The Seoul Summit at the end of 2010 took place after the financial storm had abated, and focussed on development as well as following up on the general G20 agenda. The Cannes Summit in November 2011 was mean to focus on improved economic coordination and new issues regarding the "architecture" of the international monetary system, but it was hijacked by an unexpected complication of the euro-zone crisis. The Los Cabos Summit in June 2012 was again busy with this European problem that hinders global recovery, but it was unable to turn the Cannes Growth and Jobs strategy into an operational plan

The G20 process has also led to relevant transformations in the overall global governance system. It has created a so-called "prime forum" of global governance with 30 member states, and others of systemic importance, and its role has been not just to promote consultation but also "concertation." It has also encouraged macro-regional organisations to get involved, with a particular place accorded to the EU from the outset. Further, it has involved various "guest countries" on a rotating basis. It has established an organised interface with multilateral institutions, which are not only involved in the discussions, but also given particular operational mandates. This applies particularly to the IMF, the World Bank, and the International Labour Organisation (ILO). It has also had a "multiplier effect" for different formations of G20 ministers, not only for finance (who were already meeting), but also labour, agriculture, development, energy and foreign affairs. Finally, it has mobilised civil society, enabling side meetings among business communities, trade unions, NGOs, and thinks thanks. Although the G8 has kept up its regular meetings and retained its specificity, the scope of the G20 process clearly has become predominant, reflecting the emergence of a new global order that is more multi-polar, multileveled and involving multiple actors.

Taking stock of the G20 process

The achievements of the G20 process are mixed. It has also lost some momentum because there is less pressure and due to more entrenched differences between its members. Several relevant reforms were introduced, but appeals for a new economic paradigm, for putting the real economy rather the financial system first and in favour of sustainable development have lost their initial momentum.

Massive urgent action was undertaken to re-capitalise banks and to restructure balance sheets to restore lending capacity. Stress tests were deployed, particularly in the US and the EU, and the "the too big to fail" problem was addressed. Mandatory capital requirements and levies taxes are being discussed to make the banking system more responsible for possible failures in the future. At the same time, as regards the regulation of financial market, there were various announcements about the need to revise the legislation covering all financial entities, products and transactions. The priority has been dealing with tax havens, over the counter derivatives, short-selling, accounting regimes, credit risk rating and executive bonuses. But there was no consensus for the introduction of a financial transaction tax. Much remains to be done to stabilise the financial system and to re-focus on the real economy. Thus, the risks of this unprecedented financial crisis have been controlled but have not been overcome and its root causes remain in place.

The same can be said about the economic recovery. With a re-launching of Keynesian responses, important stimulus packages were launched in 2008-09 that prevented recession from turning into depression. These measures supported internal demand for investment and consumption and avoided massive lay-offs. But the intention of using these packages to change the growth model towards greater environmental, economic and social sustainability mostly failed despite several initiatives supporting green technologies, with the possible exception for China. The result of this semi-failure has been enduring structural unemployment and pub-

lic debt in the US and Europe in particular.

The rise of unemployment and social inequalities was recognised as a central problem and led to the adoption of the comprehensive Global Jobs Pact in 2010, as proposed by ILO in closer coordination with UN agencies, the IMF, the World Bank and the WTO. The Pact was formally endorsed by the G20, the Economic and Social Council (ECOSOC), and the UNGA. It was also reflected in the 2011 G20 Cannes Action Plan for Growth and Jobs, an effort to promote more mutually supportive growth models across G20 states. But there is a big gap between the aims and the available financial and political means.

Developing countries have also been badly hit by the financial and economic crisis: both by the financial shock and by declining trade, official development assistance (ODA) and remittances. The G20 was able to respond with urgent measures involving new IMF and WB instruments, the stronger use of special drawing rights, and support for multilateral development banks. A more structured and long-term approach came with the Multi-Year Action Plan for Development adopted at the G20 Summit of Seoul in 2010. But the WTO Doha Round on Trade and Development, which could have had greater leverage, is still stuck.

Sustainable Development and Implementation: A Basic Governance Gap

The G20 Experience

The Charter on Sustainable Development adopted by the G20 in September 2009 makes a commitment to sustainable development. The Charter states the core values of sustainable economic activity: macro-economic policies for long-term goals; a rejection of protectionism; the regulation of markets for sustainable development; ensuring that financial markets serve the needs of households, businesses and productive investment,

of sustainable consumption and production, and of international development goals, which means establishing a new economic and financial architecture. The Charter paves the way for a Framework for Sustainable and Balanced Growth and launched a process of mutual assessment of public policies and of their implications for sustainable global growth. It also identified the potential risks for financial stability. The G20 members should agree on shared policy objectives for fiscal, monetary, trade and structural policies to collectively ensure more sustainable and balanced growth trajectories.

Thus, the G20 policy agenda expresses a desire to evolve towards a new growth model by calling for economic recovery that focuses on sustainable development; by referring to the parallel negotiations on climate change; and by adopting a Global Jobs Pact. However, the financial means to implement these goals are absent. In order to find these means, there is debate about reforming the financial system to re-focus it on investment and job creation and to introduce financial taxation; stronger financial instruments to support developing countries through the IMF, the World Bank and the regional banks; exchange rate coordination and the reform of the international monetary system; and, finally, a debate about opening up new opportunities for trade.

All actors involved should work towards a new deal favouring these policy developments. The members of the G20 have committed themselves to an Action Plan for Growth and Jobs. A detailed agenda for the financial system reform is being implemented, new mechanisms for macro-economic coordination are being put in place, and new financial instruments are being deployed by the IMF and WB, which are also being reformed. However, there are divergences hindering progress, among them the stalemate of the Doha Round. International economic governance should evolve to improve the implementation of this new agenda.

G20 summits are now a regular fixture and are supported by regular meetings of ministers of finance, labour, energy, development, and foreign affairs. There are ongoing discussions on turning the sherpas network into a

permanent secretariat. A more inclusive approach is evolving, with invitations to other countries and macro-regions, and the G20 presidencies will be chosen from rotating regional groups. There are also new interfaces being organised with civil society stake-holders, including social partners, NGOs, business community, and think-thanks. However, the most decisive interface is with the multilateral institutions, which sustain democratic legitimacy to make commitments legal. Among the various initiatives which are underway in the UN multilateral system, the Rio+20 is particularly meaningful.

The RIO+20 Experience

The commitment to sustainable development was central to the preparation of Rio+20. However, there were divergent priorities: should the focus be on green growth, poverty reduction or food scarcity? The balance to be struck and the way to articulate these priorities were under discussion. It was proposed that all countries should define overarching strategies for sustainable development in regional, national or sub-national plans, but the framework conditions to support implementation remain unclear beyond the principle of common but differentiated responsibilities.

A tool-kit was proposed, comprising a knowledge-sharing platform, a tool-box of good practices, and a directory of technical services. But many central issues were left without a final position, including eco-taxes, cap and trade, the removal of environmentally harmful subsidies, innovation, regulatory instruments, the mobilisation and leveraging of public and private resources, the development of skills for new "green" and "decent" jobs, mutual support between trade and sustainable development, and new ways to measuring progress other than GDP measures. Beyond the general political priorities, which are quite detailed, the only commitment adopted was to launch a process to define a set of Sustainable Development Goals to be combined with the Millennium Development Goals (MDGs).

The same absence of clear decisions arises with the reforms for multilateral governance. Should the goal be to create a more effective UN Agency for the Environment (UNAE) based on the UN Environment Programme (UNEP), or should the ECOSOC be reformed or a Commission for Sustainable Development become a fully-fledged Sustainable Development Council? Rio+20 was only able to launch a High Level Forum for Sustainable Development. The definition of a global new deal could help to go advance with these multiple but interconnected negotiations about development, climate change, trade, technology and finance. Common but differentiated responsibilities should stem from this deal.

For developing countries, the challenge is to integrate more fully with the global economy, supported by programmes to build national economic, technological and educational capacities, environmental controls, to combat poverty and enhance of working conditions, a prerequisite for democratic governance and respect for human rights. Developed countries should open their markets to developing countries, develop new economic sectors, strengthen cooperation and financial aid to developing countries, and shift to sustainable consumption and production patterns. Emerging economies must integrate more deeply with the global economy and converge with better environmental, social and intellectual property standards with the support of national and international financial and technological means. It remains to be seen if the drivers of green growth opportunities will be enough to move in this direction or if pressures or a new crisis will be the condition for more visible progress.

The recent experience of the euro-zone

The EU is committed to sustainable development and adopted the Europe 2020 strategy for a new, greener, smarter and more inclusive growth model. All EU member states have national reform programmes to implement this strategy, and many EU policy instruments were adopted with the same goal in mind. This is a substantial exercise in policy coherence involving the 27 member states. It also has implications for EU external action, as it involves opening up market opportunities as well as structural reforms and new investments. However, insufficient means limit implementation, a problem magnified by the financial and economic crisis and, more recently, by the sovereign debt and credit crunch associated with the euro-zone crisis. In this context, the application of the strategy has become uneven, and in many countries fiscal consolidation has become the main priority, limiting the scope to promote necessary investments.

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The costs of public debt servicing, interest rates, rates of investment, growth and jobs creation, and social standards differ across the various member States. While some are undergoing recovery, others are experiencing deepening economic recession. More recently, this is diminishing euro-zone trade and spreading the recession in the EU, with implications for international trade. In this context, there is a major tension between implementing Europe 2020, which is necessary to change the growth model, and the most recent developments of the euro-zone crisis, which is turning into a crisis of European integration. Several recent reforms have taken place in European economic governance and discussions are underway with a view to strengthening economic and monetary as well as political union.

A new European deal is required, with efforts by the various actors involved. Member States in the midst of debt crisis must undertake fiscal consolidation and structural reforms while fostering investment, exports, growth and job creation. All member States should agree on common rules for fiscal and macro-economic coordination to enable fiscal consolidation and growth. New instruments are necessary to ensure reasonable interest rates for public and private spending (notably for investment). Thus far, a European Financial Stability Facility (EFSF) was created, to be replaced by a permanent European Stability Mechanism (ESM) and European Central Bank (ECB), which could evolve towards the common-issuance of bonds (Eurobonds) to be complemented by a stronger action of the ECB in order to stabilize the financial system.

European economic governance should be further reformed to implement a new European deal.

European economic governance should be further reformed to implement this new European deal. Some fiscal, economic and social policy competences are being transferred from the national to the European level. This pooling of sovereignty involves the European Council, but also the Council of Ministers of Finance, European Affairs, Labour, and others. In order to ensure democratic legiti-

macy, the European and national parliaments should be involved and the community method must be complied with, giving the European Commission a role as initiator of policy. An inclusive approach is being developed, involving not only euro-zone members but also all states wanting to join this monetary zone. Organised civil society is still absorbing the impact of this major reform of European Economic and Monetary Union (EMU).

The Problem and the Solution

The pursuit of more sustainable development is leading the search for new growth models that can renew and re-balance the economic, social and environmental dimensions of development. But the scarcity of financial means often impedes the implementation of new growth models. Given that the distribution of financial means and other endowments is unequal, implementation differs across countries and regions. How can implementation be improved in general and in different regions? It is necessary to increase awareness and political commitment in laggard regions, to undertake the necessary reforms and build up new capacities. Laggard regions also need appropriate framework conditions, notably access to market opportunities and investment, additional public financial support, general rules that support these goals and the coordination of spill over effects.

New governance mechanisms are required for this process of regulation, support and re-distribution of resources to work effectively at the regional, national and international levels, to increase the effectiveness of implementation and boost input and output legitimacy. The major test for governance developments is to define, adopt and implement a "fair deal" that engages all the relevant actors, policies and levels of governance. That is why the discussion about a New Global Deal and a new European Deal can make sense.

IX. Natural Resources and Climate Change

Mathew Burrows

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Global governance institutions have yet to grapple with the medium-to-long term potential for resource shortages.

Global governance institutions have yet to grapple with the medium-to-long term potential for resource shortages and the nexus between resource constraints—particularly between water and food—and changing climatic patterns, which could worsen the outlook, especially for poorer states. The energy sector is facing a generational challenge—on current projections, supply needs to expand rapidly while at the same time tackling climate change. Under most scenarios, alternatives continue to provide a relatively small increase in the share of overall energy requirements. Substantial investment would be required to ramp up the share of alternatives in the energy mix. No overall governance framework exists to manage interrelated scarcities in the case of food and water and increasing volatility in energy supply.

Food, Water and Climate

An extrapolation of current trends in per capita consumption patterns of food and water shows the extent of the problem over the next couple decades. Demand for food is set to rise 50 per cent by 2030, but global

productivity gains have fallen from 2.0 per cent between 1970 and 2000 to 1.1 per cent today, and are still declining. The world has consumed more food than it has produced in seven of the last eight years.

A major international study finds that annual global water requirements will reach 6,900 billion cubic meters (BCM) in 2030, 40 per cent above current sustainable water supplies. Agriculture, which accounts for approximately 3,100 BCM, or just below 70 per cent of global water withdrawals today, will require 4,500 BCM without efficiency gains. About 40 per cent of humanity lives in an international river basin; over 200 of these basins are shared by more than two countries, increasing the dependencies and vulnerabilities from changes in demand and availability of water. Based on current trajectories, the OECD estimates that by 2030 nearly half the world's population will live in areas with severe water stress.

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Economic growth in developing countries has led to greater demands for a meat-based diet. The demand for meat places extra pressures on the grain market because livestock feed on grain. In addition to population increases, rapid urbanisation will increase pressure on the land and water that are essential for food production. Bio-fuels also drive demand for agricultural commodities; 30-40 per cent of the US corn crop is diverted to fuels in a given year.

The most important driver of crop supplies is weather. Although favourable weather can boost harvest outputs, poor weather or large-scale weather-related disruptions can deal a serious setback. Poor harvests caused by bad weather, droughts, or crop infestations in major producing regions have already contributed to high food prices.

Climate change impacts on food and water availability will vary widely by region and probably will be more limited in the period out to 2030 than in the decades after that. In the medium-term, climate change is expected to boost carbon fertilisation and thereby crop yields; however, its impacts on extreme weather events could offset its positive effectives on farming. Climate change analysis suggests that the severity of existing weather patterns will intensify, with wet areas getting wetter and dry, arid areas becoming more so. Much of the decline in precipitation will occur in the Middle East and northern Africa as well as western Central Asia, southern Europe, southern Africa and the US Southwest. In places such as Algeria and Saudi Arabia, precipitation by 2050 is forecast to decline by 4.9 and 10.5 per cent, respectively, while in Iran and Iraq, precipitation is forecast to decline by 15.6 and 13.3 per cent, respectively.

In the Andes, glacial melt-water supports river flow and water supply for tens of millions of people during the long dry season. Many small glaciers in places such as Bolivia, Ecuador and Peru, will disappear within the next few decades, adversely affecting people and ecosystems. Hundreds of millions of people in China, India and Pakistan depend upon glacier melt-water from the Hindu Kush and Himalaya Mountain Regions.

From now through 2030 food supply will be strongly influenced by the availability of land and water as well as the use of emerging technologies. Given that agriculture uses 70 per cent of global freshwater resources and livestock farming uses a disproportionate share of this, water management will become critical to long-term food security. However, water management practices—including regulating the price of water, which could incentivise investment and better management—come with high political costs.

Given the limited availability of new agricultural land, improving crop efficiency will become especially important to meeting global food needs. High-growth economies in South and East Asia are expected to account for two-thirds of the increase in fertiliser use during the coming five years. In poorer countries, underutilisation of fertiliser due to low crop prices has eroded soil quality and imperilled the sustainability of crop production.

Our modelling suggests that the long-run trend of decreasing world food prices will come to an end, with repercussions for consumers, especially poor ones. As long as the global economy continues to grow—which is also suggested by the modelling —increasing food costs will not necessarily lead, for example, to greater child malnutrition. Tighter markets will result in higher prices and increased price volatility but not necessarily in a fundamental shortage of food. Continued reliance on maize as a bio-fuel feedstock will also increase potential for volatility.

A stable supply of agricultural commodities to meet global food security needs can be assured through supply-side management practices to boost crop production—including new technologies—to mitigate the potentially negative impacts of climate change and ensure trade flows. However, a number of supply and demand factors could derail that outcome. These include extreme weather-related disruption from unmitigated climate change, prolonged periods of poor management of water and soil, inadequate use of modern agricultural technologies and fertiliser, and unforeseen stresses caused by population growth or demographic shifts. If one of more of these factors came into play, a second, higher-risk outcome would emerge in which food production failed to keep pace with demand growth. Such a development would create shortages that could have dire geopolitical, social and economic repercussions.

Agricultural productivity in Africa will particularly require a step-change to avoid shortages. Unlike Asia and South America, which have achieved significant improvements in production per capita, Africa only recently returned to 1970s levels. Though increasing agricultural productivity in Africa presents a significant opportunity to boost and diversify global production and address regional poverty and food security, many African states have poor enabling environments for agricultural development including lack of sufficient rural infrastructure and weak governance. Without rapid investment in adaptation, climate change is expected to result in sharp declines in yields.

China and India's cereal production faces significant challenges over time from environmental stresses relating to water scarcity, soil depletion, climate change, and pressures on land availability from urbanisation. Both are major producers of wheat, and China is the second biggest producer and consumer of corn after the US. China, particularly, is investing heavily in agricultural technology and productivity. Through 2020, it is difficult to see either country abandoning its efforts to achieve grain self-sufficiency. However, by 2030, demographic pressures and increasing environmental constraints may force both countries to increase imports, potentially triggering a significant price run-up on international markets.

The primary consequence of rising prices for agricultural commodities is the commensurate hike in staple food prices for average households. Although rich countries will also feel the pinch, the share of food spending in the average low-income household in poorer countries is far greater, and these families will be affected to a greater extent. As a result, food-price inflation probably will fuel social discontent over other economic issues such as low wages and poor governance. Wheat is likely to exhibit particularly high price volatility. Significant production occurs in water-stressed and climate vulnerable regions in China, India, Pakistan and Australia, suggesting that markets will remain tight and vulnerable to harvest shocks, including disease.

In general, the groups most vulnerable to the impacts of food-price inflation will be import-dependent poor countries, such as Bangladesh, Egypt, Pakistan and Sudan. For this set of countries, the primary line of defence to stem food-price inflation will be to maintain, or, if necessary, expand existing subsidies on basic foodstuffs. This strategy will have its limits, however, as governments face budgetary constraints or cut funding for other programs in order to keep food prices down. As a result, governments in these countries are likely to remain susceptible to the impacts of global food-price inflation, particularly if net-exporting countries enact export restrictions to tame their own domestic food prices. Moreover, poor import-dependent countries are not in a position to undertake overseas investments to secure greater crop outputs.

Large emerging markets such as China, India and Russia – all of which are likely to see continuing spikes in food price inflation – are less likely to see serious disruptive increases in social unrest. Large grain-producing countries such as Russia and China will be better able to shield themselves domestically from rising food prices by imposing restrictions on the export of crops, although such policies will exacerbate food-price inflation and food scarcity globally. In addition to export curbs, these countries have more robust balance sheets to provide and maintain subsidies and domestic price controls and to use monetary policy tools to control inflation with more efficacy than smaller, less- developed states. China, Saudi Arabia, the United Arab Emirates and others have been buying up overseas farming land. This trend will probably continue as food prices rise and the potential for scarcities increases.

A Volatile Energy Outlook

The energy sector is facing a generational challenge—on current projections, supply needs to expand rapidly while at the same time tackling climate change. A business as usual (BAU) assumption is difficult to apply—even the normally conservative IEA noted in 2010 that the BAU path would have "alarming consequences for energy and climate security." Demand for energy is set to rise dramatically—about 45 per cent—over the next 15-20 years largely in response to rapid economic growth in the developing world.

The US Energy Information Agency (EIA) anticipates steadily rising global production through 2035, driven primarily by a combination of production increases by the countries of the Organisation of the Petroleum Exporting Countries (OPEC) and larger unconventional sources. The constellation of increasing OPEC market share and much higher non-OPEC production costs means that the relatively smooth pricing patterns of the late 1980s and 1990s—the final period of in which global oil majors were in the driver's seat and had relatively low-cost supply sources –is behind us. Instead, we can expect significant rises and falls in prices through 2030, respon-

sive to political forces within OPEC and to the stickiness, lumpiness, and lags of investment in non-OPEC supplies. As a result, energy markets and economies are likely to be disrupted.

As recently as two to three years ago, it seemed certain that global concentration in natural gas production would continue to rise, even more precipitously than that of oil. Iran, Qatar, Saudi Arabia and especially Russia were understood to be in the driver's seat. The new technology of hydraulic fracturing is opening up deep natural gas formations such as those in shale, a development already heavily under way in the United States and poised for significant expansion elsewhere, including in Europe and China.

The US has regained its position as the world's largest natural gas producer and expanded the life of its reserves from 30 to 100 years due to the hydraulic fracturing technology. Analysts now routinely point to falling gas prices and to US liquefied gas import facilities that will not be needed or could even be exported. (Coal-bed methane is another expanding source of gas and China has moved aggressively in its production.) Debates over environmental concerns about fracturing, notably pollution of water sources, could derail the developments, however.

As long as the potential environmental concerns are met, the positive consequences of developing natural gas resources could be: Some recovery of influence by major commercial energy-producing companies at the expense of the national oil companies (NOCs); significant downward pressure on oil prices; additional stability in markets because of the undercutting of NOCs and because shale gas production tends to build on large numbers of smaller wells rather than on big and extremely expensive fields; potential for gas to overtake coal by 2030 under an optimistic scenario like the International Energy Agency's (IEA) Golden Age of Gas one in which the share of global energy supplied by gas grows from 21 per cent in 2010 to 25 percent in 2035.

One possible negative consequence of an increased reliance on the relatively cleaner natural gas as a source of energy could be the lack of a major push on alternative fuels such as hydropower, wind, and solar energy. Under most scenarios, alternatives continue to provide a relatively small increase in the share of overall energy requirements. The IEA's baseline scenario shows the share of renewables rising just 4 per cent during the period between 2007 and 2050. The overwhelming majority is hydropower with wind and solar providing 5 and 2 per cent contributions in 2050. Their contribution in 2030 would be even lower.

IEA "blue" scenarios built around ambitious goals for carbon emission reductions show possible paths to solar and wind becoming much more appreciable shares, anywhere from 12 to 25 per cent by 2050 in the case of solar and 12 to 22 per cent by 2050 in the wind depending on the desired drop in CO2 emissions under the various "blue" scenarios. Given the compounding to 2050, numbers for 2030 would be quite a lot smaller. To get to 12 to 25 per cent shares under the blue scenarios would also require, according to IEA calculations, substantial investment compared to the baseline.

Prior to Fukushima there were more reactors under construction than there had been for a decade. However, as public opposition to nuclear power has increased, it seems unlikely that nuclear power will undergo a significant global revival in the near term. Assuming CO2 emissions constraints are placed on the energy sector, over the longer term nuclear energy's main competitor is likely to be renewable energy and costs of quickly deploying solar, wind and more hydropower. Second generation bio-fuels also have the potential to grow fast in the 2020s, disadvantaging nuclear power. Rapid development of carbon capture and sequestration (CCS) would allow for greater fossil fuel use and also limiting attractiveness of what could still be seen as the more risk-laden nuclear power option.

Governance Gaps

The need for a cross-disciplinary, systematic global governance effort is probably best exemplified by the case of the interrelated resource issues of energy, food, and water. Individual international agencies serve to respond to discrete cases, particularly humanitarian emergencies in individual countries. No overall framework exists to manage interrelated scarcities in the case of food and water and increasing volatility in energy supply. Climate change also further exacerbates the looming food and water scarcities as well as injecting added urgency to the transition out of fossil into cleaner fuels.

Agricultural trade remains heavily distorted, in particular by the protectionist policies of many countries of the Organisation for Economic Cooperation and Development (OECD) countries. Although some progress in decoupling subsidies from production has been made in recent years, farm support remains a controversial issue at the international level, where a stalled WTO process offers little hope of progress. Attempts to address the issue at the G20 have also failed, where industrialised country agricultural subsidies hampered attempts to deal with export controls, contributing to a dynamic where emerging economies refused to address export controls without progress on subsidies.

In general, the continued subsidisation of agricultural sectors by OECD countries limits their ability to progress an agenda designed to reduce food price volatility. Such an agenda would address the following key gaps in the global governance of food security, all recognised by the G20: The need for reform of bio-fuel policies, perhaps through the introduction of flexible mandates or safety valve mechanisms that would curtail demand during price spikes; the absence of rules to deal with and prevent export controls; the persistence of trade distorting agricultural subsidies in many OECD countries that destroy incentives for developing country agriculture and lead to inefficient global production; the failure to generate technology-related public goods including sufficient R&D for developing country agriculture.

On water, the UN Convention on the Law of the Non-Navigational uses of International Watercourses, adopted in 1997 by the UN General Assembly, is the foundation for most nations regarding the governance of international trans-boundary water resources. Although the UN Convention and international law offer general guidance to co-riparian states, largely ineffective practical enforcement mechanisms and a lack of international ratification limit its effectiveness. To date, 14 years after its adoption by the UNGA, the UN Watercourses Convention has only 24 contracting states, 11 short of that required for the convention to enter into force. Moreover, water basin agreements regulating the 263 shared international water basins worldwide often do not exist or are inadequate. Additionally, the absence of good hydrological modelling and water flow/level measurements (from on the ground or via remote sensors) creates distrust among nations sharing a common basin.

In energy, current institutions were created to address the immediate interests of constituent countries and not the longer-term interests of the global community of energy producers and consumers. OPEC represents oil-producing countries, the IEA represents oil- and gas-consuming countries and the International Renewable Energy Agency (IREA) represents the producers of alternatives to oil and gas. A governance framework that allowed for more agreement on common objectives could help reduce price volatility and allow for greater joint research and development in areas such as CCS and other alternative technologies.

X. The Arab Awakening: Egypt and the International Community

Hoda Youssef

At the beginning of 2011, the Arab Spring appeared as a major event that seemed to herald the end of decades of autocratic rule for some 100 million people in the region. Many observers see the Egyptian story as significant not only because of the country's demographic weight, but mainly because of the traditional image and role that Egypt has played in the region. Although each country has its specific conditions, it is widely believed that the success of the Egyptian transition to a democratic and accountable regime can have a stabilising effect on a turbulent region. How has the international community contributed to the events triggered by the Arab Spring? The response of the international community has been modest relative to the magnitude of the change that is happening and to the relevance of Egypt for the future of the region.

The response of the international community has been modest relative to the magnitude of the change that is happening in the Arab World.

At the time of the 2008 financial crisis, Egypt was already in turmoil. Not only had it just recovered from a social and economic crisis following the explosion of food prices, but the Egyptian population was suffering from several years of high and increasing inflation, high unemployment and rising levels of poverty and inequality. At the same time, the Egyptian economy paradoxically experiencing unprecedented high growth rates supported by private consumption and a large inflow of foreign capital.

In January 2011, Egypt took the world by surprise when Egyptians took to the streets calling for regime change, in what became subsequently known as the Egyptian revolution. Only 18 days later, on 11 February 2011, then President Hosni Mubarak stepped down after 30 years of rule, and a transition began under the aegis of the Supreme Council of the Armed Forces (SCAF), which began to prepare a hand-over of power to an elected parliament and civilian president.

The protests captured worldwide attention. International reactions ranged from reserved to supportive. Most governments and international organisations congratulated Egypt for the non-violent nature of the uprising and acknowledged the right of Egyptians to a more politically, economically and socially democratic regime. Since the fall of Mubarak, however, Egyptians have struggled to build a new democratic system. There are many obstacles to political transition and the population is increasingly feeling the economic effects of instability. By March 2011, the initial sense of optimism was giving way to dissatisfaction with the political transition and economic conditions.[21]

Although the demonstrations that turned into a revolution on 25 January 2011 were essentially politically driven (against rigged elections, repression, limited freedom of expression and a sense that citizens were not accorded any dignity), the vast majority of Egyptians also blamed the regime for hard living conditions, youth unemployment, corruption, poverty and great inequality between rich and poor. More than a year after the revolution, what are the major challenges facing the country and how is the international community helping Egypt to overcome its economic distress?

The Pre-Revolution Growth Model

Before the global financial crisis, Egypt experienced high growth rates, particularly compared to the 2001-2005 period during which economic growth was around 3 per cent on average. In 2006-2009, growth rates increased to unprecedented levels, reaching 7.2 per cent in 2009. This was driven mainly by growth in manufacturing, construction, tourism and in the Suez Canal. Growth in demand was mostly supported by exports, investment and, to a much lesser extent, private consumption. The large inflow of foreign capital to the country, particularly in the oil and real estate sectors, supported rising demand.

A closer look modifies the image of a dynamic and emerging Egyptian economy. The key factors generating strong growth depended largely on factors outside Egypt's control, and the Egyptian economy remained vulnerable to external shocks. Egypt was a classic rentier economy that largely depends on international economic conditions and external flows, namely foreign investment (especially in oil production), tourism revenues, the Suez Canal and remittances from Egyptians working abroad. While exports increased dramatically, nearly 50 per cent of export revenues come from oil exports that depend on world prices and growth. Moreover, export growth has been surpassed by the increase in imports, inducing an increasingly widening trade deficit.

Between 2007 and 2008, the surge in world food prices resulted in increased expenditure on food imports by over 43 per cent, with additional increased freight costs. Since Egypt is the world's largest wheat importer,[22] the price surge had a large negative impact on the whole economy. Inflation was already a major challenge, especially for fixed wage earners, and was exacerbated in the food sector, a major component of the consumption of low and medium income groups. The explosion in the fuel and food import bill also further deteriorated an already chronic fiscal deficit.

The global financial crisis hit Egypt just as the country began to "take a breath." Because its banking sector is only partly integrated with global financial markets, Egypt was spared the most disastrous consequences of the crisis. But recession in the US and Europe, its trading partners and the fall in oil prices in the Gulf countries led to a decline in exports, income transfers from workers abroad, tourism revenues and foreign direct investment inflows. Even Suez Canal revenues fell by over 8 per cent. The consequent economic slowdown – with GDP growth declining from 7.2 to 4.7 percent in 2009 – resulted in job losses and rising unemployment.

The Missing "Trickle-Down" Effects

Despite the substantial effects of these successive crises Egypt sustained positive growth rates and a relatively stable macroeconomic framework. So what explains the dissatisfaction of a population that took to the streets a couple of years later? The ultimate goal of economic growth is to improve the living standards and quality of life of people. In Egypt, however, the classic complaint that growth does not automatically translate into development was proving to be true as high growth rates did not translate into real progress and welfare that most of the population could feel. Egypt is not a good performer in terms of the human development index (HDI): it ranks 113 among 187 countries (HDR 2011), a position lower than that for 2010 when Egypt ranked 101. In addition to discontent over public service delivery in education, health care and transportation, rising inequality has aggravated feelings of insecurity, particularly among the most deprived sectors of the population who find it increasingly difficult to meet their basic needs.

In terms of income distribution, 10 per cent of the poorest households receive 3.9 per cent and the richest 10 per cent get 27.6 per cent of total national income. Official unemployment exceeds 9 per cent and youth unemployment is much higher. An estimated 25 per cent of those who have university degrees cannot find jobs (EHDR, 2010). Those who are lucky enough to find jobs must often accept bad working conditions in the in-

formal sector[23] in a country where the government remains the biggest formal sector employer. Between 2000 and 2009, 22 per cent of the population was living below the poverty line, and another 7 per cent remained vulnerable to poverty and at risk of suffering multiple deprivations (HDR, 2011). Finally, despite the huge share spent on food and energy subsidies (8 per cent of GDP), leakages and poor targeting mean that welfare programmes benefit the better-off more than poor households.

The perception of deprivation and inequality is not just economic. With its political and social dimension, inequality seemed to be entrenched in a system that limits the benefits of growth to the ruling elites and prevent the fruits of growth to trickle down to the rest of the population. The result was a strong need to introduce the notion of fairness in development to give all citizens real opportunities and a share in the country's wealth.

The Economic Challenges of the Revolution

Independently of the revolution, many agree that Egypt's success story was not sustainable. However, the adverse side effects the revolution have accelerated and aggravated the downturn. Nevertheless, the Egyptian revolution was still seen as a unique opportunity for the country to implement a framework for transparent, accountable government as well as sustainable and inclusive growth. At the same time, the events and the subsequent economic downturn have also brought to the fore critical socioeconomic and financial challenges at a time when global financial strains are complicating access to external finance.

Clearly, Egypt needs to address two major issues in the wake of the revolution. Perhaps the most decisive one for the future of the country is to identify the development model to achieve economic growth together with greater equality of opportunities and living standards. The other pressing issue is to address the economic downturn provoked by political instability and concerns about Egypt's political transition. After the

capital outflows, mainly from the foreign holding of treasury bills that occurred in the period immediately after the revolution, exports, tourism and foreign investment also declined. Consequently, central bank foreign exchange reserves fell from comfortable level of USD 34 billion before the revolution to 16 billion a year later and to 15.1 billion by September 2012.[24] At this rate of decline, the Egyptian pound risks suffering a depreciation that will fuel up an already high level of inflation. Public finances are also worrisome: the government budget deficit reached 11 per cent of GDP in the 2012 fiscal year. Economic growth fell to 1.9 per cent in the first three quarters (July-March) of 2012, from 2.5 per cent during the same period of fiscal year 2011. Last but not least, unemployment is on the rise and is aggravated by domestic and regional instability.

No less challenging than the deteriorating economic situation is the ability of transitional governments to resist populist pressures at a time of rising expectations and demands. Given widespread anger with the corruption and cronyism that accompanied market reforms under Mubarak, there are fears that Egypt may return to a state-controlled economic model, not least because of military vested interests, which controls an estimated one-third or more of the economy. Social justice requires policies that the country can afford in the medium to long term. Combating corruption will be tough, however, as it requires deep cultural change and a new economic incentive structure.

The Role of International Actors

Before the January 2011 uprisings, the international community and international financial institutions praised Egypt's impressive growth rates and macroeconomic performance. In 2006-2007, the World Bank held up Egypt as the world's top reformer in its Doing Business survey (WB 2008), and in April 2010 the IMF applauded Egypt's rapid growth and commended its "significant progress in wide-ranging structural reforms that accelerated after 2004" (IMF 2010). While international actors occasionally mentioned the need for reforms to foster inclusive and employment-

generating growth, the focus was overwhelmingly on improving investment conditions and levels of productivity. No attention was paid to the noxious effects of an elite driven dynamic emerging economy and the informal and precarious livelihoods of most Egyptians.

The uprisings in the Middle East and North African (MENA) region refocused international attention on the need for economic development, greater citizen participation, better governance and institutional reforms to promote governmental accountability. Egypt and other MENA countries need international support to put their macroeconomic situation in order. In addition to financial support, Egypt also needs technical assistance in critical areas such as reforming its social services (education and health) and in formulating suitable macro-economic policies. It also needs greater access to developed country market, and human capital development to reduce aid dependence.

After Mubarak was toppled, the government called on the international community to support the economy, and donors were generous in their commitments. The Deauville Partnership launched at the G8 Summit in May 2011, for instance, promised support for the MENA countries to restore confidence and enable them to overcome their challenges.[25] However, although more than USD 35 billion was promised to Tunisia and Egypt, no disbursements were made on the ground. Nevertheless, the international community can only help Egypt if it asks for help. In June 2011, the SCAF, which was overseeing the transition until June 2012, rejected loans from the IMF and the World Bank, expressing its discomfort at taking on such large loans that are seen as being against the country's "national interests". This initially forced the government to revise its public deficit from 11 to 8.6 per cent of GDP. But fiscal deterioration and the increasing cost of relying on domestic debt led Egypt to resume negotiations with international financial institutions for budget support loans seven months later. By the summer 2012, Egypt's financing needs for the following two years were estimated at US$10-12 billion.

The reversal in Egypt's position regarding foreign financing can also be partially explained by the fact that the aid that was initially pledged by Arab countries and other regional funds rarely materialised. Shortly after the revolution, Saudi Arabia promised nearly a USD 4.5 billion in the form of long-term loans and grants.[26] The United Arab Emirates promised USD 3 billion, half to help foster small and medium enterprises (SMEs) and USD 750 million for housing projects. Qatar was the only country to offer an immediate cash grant of USD 500 million and to postpone any further commitments until a government is being elected. The US, historically Egypt's largest western donor, pledged to cancel up to USD 1 billion in Egyptian debt and provide another USD 1 billion in aid, but its promise of debt relief will be hard to fulfil given the financial difficulties of the US.

Europe was quite generous in its offer of assistance: the EU undertook to make available up to €1.2 billion on top of the €5.7 billion already budgeted to support the Neighbourhood in 2011-2013. The European Investment Bank (EIB) added €1 billion in loans to the €4 billion available before the Arab Spring. The European Bank for Reconstruction and Development (EBRD) also provides grant financing for technical assistance to Egypt, and is currently extending its geographical coverage to include the Southern Neighbourhood to facilitate public and private investment in infrastructure and business through the Euro-Mediterranean Investment and Partnership (FEMIP). EU assistance to Egypt initially included programmes amounting to €132 million in 2011 to improve living conditions in deprived areas of Cairo, to support trade, economic growth, agricultural SMEs, and to reform the energy and water sectors. Another €95 million have been pending approval for 2012 (EU 2011a).

However, at the end of 2011, the Egyptian authorities declared they had not received any of the promised funds from the international community, except for modest grants and loans from a few donors (see the table below). External donors claim that the pledged funds do not come directly from government budgets and can only be disbursed when projects are presented and their feasibility has been approved. But this process of project creation and approval has not worked well since the revolution, particularly because of political instability and the succession of transition-

al governments that are not fully empowered to orient policy-making.

On that front, among the efforts worth mentioning is the EU initiative to increase mobility through the expansion of university scholarships and exchanges. It has more than doubled the number of education and teaching grants available for young people and university staff from MENA countries undergoing regime change through the Erasmus Mundus exchange scheme, permitting recipients can spend part of their study, research or teaching period in the EU (EU 2011b). Such a positive concrete strategy is likely to encourage learning and training opportunities for individuals who are viewed as key to the long-run development of the region, and a similar strategy to increase mobility among skilled workers could produce similar effects.

Another way to support the transition is to improve access to work markets for Egyptian products through free trade agreements (FTAs), including the long awaited for FTA with the United States. The association agreement with the EU should also be upgraded by lifting significant barriers to the export of Egyptian products to Europe and removing tariffs and covering all regulatory issues relevant to trade, such as investment protection and public procurement, as proposed by the negotiations on the Deep and Comprehensive Free Trade Area (DCFTA) (EU, 2011c).

External Assistance Disbursements, by donor (In Thousands US$)

Type	sub-type	Donor	2011
Multilateral	UN System	World Bank	172,820.5
Bilateral		USAID	126,544.0
Multilateral	Non-UN System	Arab Fund	107,954.8
Bilateral		JICA	103,140.5
Multilateral	UN System	UNDP	61,050.1
Multilateral	Non-UN System	European Commission	40,120.7
Bilateral		Germany	29,344.0
Multilateral	Non-UN System	OPEC Fund	23,255.3
Bilateral		AFD	23,025.8
Multilateral	Non-UN System	EIB	15,966.2
Bilateral		Abu Dhabi Fund	15,008.8
Bilateral		Netherlands	9,055.6
Multilateral	UN System	IFAD	8,891.0
Bilateral		CIDA	7,960.6
Bilateral		Japan	7,207.2
Multilateral	UN System	UNICEF	6,888.8
Multilateral	Non-UN System	USDOL	2,803.9
Multilateral	UN System	WHO	2,336.3
Bilateral		DANIDA	2,268.2
Multilateral	UN System	UNIDO	1,896.1
Bilateral		KOICA	1,625.1
Bilateral		IDRC/ Canada	1,436.5
Bilateral		Italy	1,436.2
Multilateral	UN System	GAIN	1,161.3
Multilateral	UN System	FAO	1,070.6
Multilateral	UN System	ILO	474.4
Bilateral		Spain	453.0
Multilateral	UN System	WFP	351.3
Multilateral	UN System	GEF	293.4
Multilateral	Non-UN System	MDG trust fund	219.9
Bilateral		Norway	145.3
Bilateral		Austria	7.5
Total*			**776,212.7**

Source: DECODE, Ministry of Planning & International Cooperation, 2011

*** Preliminary data**

Conclusion

There have been piecemeal and uncoordinated efforts, in Egypt, by individual international actors.

Given the importance of Egypt's transition for the future welfare of Egyptians and for the stability of the whole region, it was expected that the international community would adopt a comprehensive approach to provide long-term assistance to the Egyptian economy, to help prevent economic and social distress from adding to the difficulties of an already challenging transition and, ensuring that international aid effectively contributes to put the country on the right track. Instead, there have been piecemeal and uncoordinated efforts by individual actors. Egypt should help the international community to perform a supportive role more effective, by focusing on stabilizing the domestic situation and promoting a smooth political transition. It should also focus on the priorities of the revolution: job creation and distributive justice. Only by doing so can Egypt successfully address the challenges of democratic transition.

XI. The Japanese Disaster of March 2011: A Case Study

Zhu Liqun

The March 2011 earthquake and subsequent tsunami and nuclear leaks in Japan pose serious natural disaster management and nuclear safety challenges not only for Japan but also globally. Japan provides a timely case study of how significant disaster management is and of the implication of nuclear safety for global governance. The Japanese disasters has generated a great deal of international concern and raised two issues: how to manage unexpected natural hazards and what lessons regarding nuclear safety can be derived from the Fukushima Daiichi nuclear disaster. The latter is an urgent question given increasing demand for nuclear energy in a context of global climate change.

Although the devastating earthquake and tsunami struck the east coast of Japan, its repercussion was felt half way around the world. The disaster killed 15,505 people, left 5,386 injured and another 7,305 missing.[27] Of the 13 reactors along Japan's coastline, four in Fukushima Daiichi nuclear power plant were directly impacted and radioactive materials in the reactors' uranium fuel such as Cesium-137 were released. The Tokyo Electric Power Company (TEPCO), which is responsible for running the nuclear plant did not manage the remedy process well, especially immediately after the earthquake hit. As a result, contaminated water flowed into the Pacific Ocean. Over 110,000 people were evacuated as TEPCO struggled to stabilise the reactors (Japanese Government 2011a: 3). Further, the economic losses caused by the earthquake, tsunami and nuclear crisis have been huge, exacerbating the difficulties of Japan's troubled economy.

The Japanese and Asian Context

Japan is one of the countries in the world that is most vulnerable to natural disasters, particularly earthquakes, typhoons and floods.[28] It is also widely recognised as being at the forefront of disaster planning. It has implemented strict building codes and established and improved national warning, response, recovery and reconstruction systems and mechanisms. Japan passed its first Disaster Relief Law in 1947, much earlier than other Asian countries. It established the Central Disaster Management Council (CDMC) with the passage of the Disaster Countermeasures Basic Act of 1961, and national and local level plans for disaster management have been drafted and periodically updated[29] to make "Japan a safe and comfortable place to live."[30]

Japan has also made great efforts to engage social actors in building safe communities and creating a society where sustainable development is possible. As a result of the great endeavours in governance, education, investment and infrastructure regarding disaster management, Japan's vulnerability has been greatly diminished compared with other East Asian countries, whose vulnerability has not decreased at a rate commensurate with increasing exposure to hazards in a context of rapid urbanisation. In a comparison between Japan and the Philippines, the United Nations Office for Disaster Risk Reduction (UNISDR) 2009 Global Assessment Report asserts that although Japan has about 1.4 times as many people exposed to tropical storms, if the two countries were hit by a cyclone of the same magnitude, mortality in Japan would be 17 times lower than for its regional neighbours (White 2010: 66). Nevertheless, Japan still lacks planning and preparation for great catastrophes such as that of March 2011 – involving earthquake that reached magnitude 9 and triggered tsunami with a wave height exceeding 15 meters. Many believe that no country is ready for such a massive disaster.

The countries of East Asia have each made great efforts to improve disaster management since they are increasingly subjected to severe disas-

ters causing great human suffering and economic losses. Over the past ten years, five of the seven biggest mega-disasters have taken place in Asia: the 2004 Indian Ocean tsunami, the Kashmir earthquake of 2005, Cyclone Nargis in Myanmar, the Sichuan earthquake in 2008, and most recently, Japan's disaster. The Indian Ocean tsunami claimed 228,000 lives. Nargis killed 138,000, and 87,000 people died in the Sichuan earthquake. These events reminded the world of the vulnerability of human civilisations and how imperative it has become to enhance national capabilities and regional cooperation to manage disasters, particularly trans-frontier disaster-related issues. In this context, East Asia has made serious efforts in recent years to establish different level response systems, "first time" action and emergency relief mechanisms, and assistant capacities. Japan has taken a leading role in this, but it seems that no country can escape the extreme suffering and losses that massive catastrophes incur.

Regional disaster management cooperation has greatly improved.

Regional disaster management cooperation has greatly improved as well. The Indian Ocean Tsunami was a turning point for more integrated regional efforts by ASEAN, ARF, ASEAN+3, and others regional groupings. Since 2005, the Asian Conference on Disaster Reduction initiated by China has become a platform for institutionalised exchanges and cooperation between Asian countries and relevant stakeholders.[31] ASEAN has enhanced coordination, taking important steps such as the development of the ASEAN Regional Programme on Disaster Management (ARPDM) to promote cooperation in 2004-2010.The ARPDM outlined a regional disaster management strategy, and established priority areas and activities for disaster reduction. In 2005, the ASEAN countries signed the Regional Agreement on Disaster Management and Emergency Response (AADMER) to enhance cooperation in disaster prevention, relief and reconstruction. As part of its 2010-2015 programme it has undertaken a series of risk mitigation measures.

The ASEAN Regional Forum (ARF), another regional mechanism, has also developed a strategy and working plan for humanitarian assistance and disaster reduction. Thy ARF plays a special role in formulating legal rules for the participation of armed forces in international disaster relief opera-

tions, bridging the gap between military and civilian humanitarian actors. The joint disaster relief exercises held by ARF in the Philippines and Indonesia in 2009 and 2011 show that the ARF can play a major role in dealing with disasters. Disaster prevention and management has also become an important area for cooperation within the ASEAN+3 framework since the 2004 tsunami in Indonesia. In 2007, the ASEAN+3 Leaders' meeting adopted the Second Joint Statement on East Asia Cooperation and an ASEAN+3 Work Plan for 2007-2017, which set forth cooperative measures for disaster management and emergency response.

National and regional early warning systems, real-time information sharing and public awareness campaigns have also been established or undertaken. Of particular note, the Asian Cities Climate Change Resilience Network promotes information sharing and best practices exchanges among the cities of the region to improve urban planning and coastal city resilience. China, Japan and the Republic of Korea have enhanced cooperation, setting up a meeting mechanism for senior officials responsible for disaster management. The Fukushima disaster quickened the pace of cooperation among the three countries. In May 2011, China, Japan and Republic of Korea Leaders' Meeting adopted a policy paper, Cooperation on Disaster Management, which identified basic principles and prioritised measures for cooperation. At another meeting in December 2011, senior officials from the three countries improved coordination by institutionalising exchanges, information-sharing and capacity-building. Over the last years, a multi-tiered and multi-area disaster prevention mechanism has been established in East Asia. Japan's disaster has led to its review and improvement.

Despite all these efforts to establish an effective regional multilateral architecture, there is room for improvement, to render cooperation and quick response mechanisms more effective. Existing limitations – a limited supply of human and capital resources, a weak level of coordination among frameworks and mechanisms, poor information-sharing mechanisms, divergent national technical protocols, the shortage of regional disaster-relieving supply repository, insufficient training in pre-disaster exercises and emergency treatment, and especially poor competence in

dealing with catastrophes – all hinder the improvement of disaster management in the region.

Nuclear Energy Safety

Another long-dormant issue and public concern revived by the Fukushima nuclear accident is nuclear safety. The radiation contamination has had a serious impact on extended areas. Major releases of radiological materials, including long-lived caesium, spread because of severe damage to the fuel and the explosions that occurred after the earthquake and tsunami. Water was injected into the reactors to cool them, and radioactive contaminated water flowed from the site into the sea well above allowable levels. The consequence of this release for the marine environment is still being assessed.[32] Other contaminated waste (debris and the secondary by-products of sewage treatment) has yet to be handled.

Given the scale of the impact of the accident, the Fukushima Daiichi disaster was ranked seventh on the International Nuclear Events Scale (INES), with as yet unknown effects on human beings and the environment. The disaster has also highlighted the importance of adequate scientifically grounded nuclear safety responses that are fully transparent. According to the report of the Japanese government, restoration work (Step 2) has been progressing steadily after the completion of Step 1 work, including the stable cooling of the nuclear reactors and the spent fuel pools at the Fukushima nuclear power stations (NPS). However, complete restoration requires time (Japanese Government 2011b).

TEPCO, which owns the reactors, was main responsible for Step 1 work. It worked hard to respond to the emergency and to reduce the amount of radioactivity, thanks to the "exemplary" and "dedicated, determined and expert staff [who worked] under extremely arduous conditions," and managed to adopt "the best approach to securing safety given the exceptional circumstances" (IAEA 2011b). Some of the rescuers had lost their

homes and families, and took huge risks to participate in the emergency response after the reactors mal-functioned. More than 110,000 people within a 20km radius were evacuated and temporary accommodation was provided with great difficulty since the disaster greatly limited communication and road links. In order to assess the impact of radioactive release, the government established the Monitoring Coordination Meetings and has continued to monitor the environment actively. Despite the great efforts to mitigate the impact of radioactive leaks, the recovery process has been widely criticised for two main reasons. First, slow and inadequate response to the nuclear emergency by TEPCO; second, the government's management of emergency, transparency and communication with the public about the level of damage caused by nuclear releases has been criticised.

TEPCO was not prepared to deal with a combined natural and nuclear disaster, as "it was not assumed that nuclear disasters may strike simultaneously with the outbreak of an earthquake, and its building structure was not designed to withstand elevated radiation levels, although it was intended for use in nuclear emergencies" (Japanese Government 2011a: 4). The earthquake and tsunami exceeded the design basis of the Fukushima Daiichi plant,[33] so almost all the equipment and power source functions that should have been activated in case of accidents did not work. The Ministry of Internal Affairs and Communications identified the problems of the building structure in its February 2009 "Recommendations based on the administrative evaluation and inspection of nuclear disaster prevention programmes." The Nuclear and Industrial Safety Agency (NISA) of the Ministry of Economy, Trade and Industry (METI) "did not take concrete steps to install air cleaning filters" among other issues (Japanese Government 2011a: 4). The absence of radioactivity filters at the building meant it could not respond to a serious emergency.[34] This means that the expansion of the accident could not be prevented under the framework of existing safety measures.[35] TEPCO also misjudged the operational situation and inadequately handled the alternative water injection into the reactors immediately after the earthquake hit Fukushima NPS, and also delayed the emergency response.

Japanese government institutions were ineffective and caused confusion and delayed action to ensure off-site centre functionality. According to the Nuclear Emergency Preparedness Act, the head of the Nuclear Emergency Response Headquarters (NERHQ), which acts at the level of the prime minister, may delegate part of its authority to the head of the local HERHQ, near an affected site. This means that key staff can be assembled and the necessary action can be taken in a timely manner. But the "necessary notification concerning delegation of authority was not issued," and "there was insufficient communication" between the emergency team that is meant to deal with natural disasters, the DG level officials of relevant ministries and agencies, and the NERHQ under the aegis of the Prime Minister (Japanese Government 2011a: 4). Considering the critical importance of an integrated response, faulty communication is a serious failure. According to a government investigation, the communication problem was mainly the result of the absence of provisions "for effective information collection" and arrangements for "information flow did not work smoothly" either (Japanese Government 2011a: 6). Transparency was also an issue: the government admitted that informing the nation was "a major concern" (Japanese Government 2011a: 6), and the government largely failed to communicate with the public: the "transmission and public announcement of urgent matters were delayed, press releases were withheld, and explanations remained ambiguous. Whatever the reasons, such tendencies were hardly appropriate, in view of the communication of an emergency" (WNN 2011).

The government investigation found that one cause of confusion and lack of transparency was that the System for Prediction of Environmental Emergency Dose Information (SPEEDI), which is meant to plan the prevention of radiation exposure and evacuate local populations, did not function well. It failed to receive basic information about discharged radioactivity because communication links were disrupted by the earthquake. SPEEDI did estimate the course of dispersion of radioactive materials but this information was not made public and "no SPEEDI knowledge was used in the decision-making process" to evacuate local residents (Japanese Government 2011a: 11). Given all this, the Japanese government vowed to prevent the recurrence of such failures by systematically reviewing every issue and developing "in-depth-defence," the most important nuclear safety principle. Japan is working to establish a new safety and regula-

tory agency and system in 2012, temporarily called the Nuclear Safety and Security Agency.

A Wake up Call

The Fukushima nuclear disaster was "a huge wake-up call" for the world and for "a nuclear industry that has not always been sufficiently transparent about safety issues" (Fickling 2011). National and international nuclear policies have been under review since the accident. President Barack Obama asked the Nuclear Regulatory Commission (NRC) to undertake a comprehensive review of the safety of US domestic nuclear plants. In Europe, thousands have participated in anti-nuclear protests. The demonstrations in Germany were the biggest the country has ever seen, and led the government to announce that Germany would stop building nuclear power plants. China has undertaken a review of nuclear safety as there is increasing demand for clean nuclear energy given its deteriorating environment and international climate change initiatives.

Asia needs to build a strong nuclear safety capacity and robust expertise to support the development of nuclear power programmes in the region. The Asian Nuclear Safety Network (ANSN) functions as a platform to facilitate sustainable regional capacity-building cooperation to establish nuclear safety infrastructure. The ANSN Capacity Building Coordination Group (CBCG) is currently considering the lessons learned from the Fukushima accident, and aims to improve safety standards and reform regulatory systems in the long run (ANSN 2011). Other regional mechanisms have responded to the Fukushima accident: at a 22 May summit meeting between China, Japan and South Korea held in Japan one of the key issues under discussion was nuclear safety and the establishment of a common East Asian disaster reduction system.

In the wake of Fukushima, the performance of international nuclear safety regimes, including the IAEA, was scrutinised. The IAEA has been criticised

for being "sluggish and sometimes confusing" in its response to Fukushima (Brumfiel 2011). Scientists, including Dr. Najmedin Meshkati of University of Southern California who called for a stronger IAEA in 1993, have again called for a reform of the IAEA, as they believe that the Japanese disaster of March 2011 proves that the nuclear industry lacks oversight. They argue that the mandate of the IAEA should be revised to improving policing of nuclear power plants worldwide. The IAEA currently lacks the authority to force member states to comply with IAEA safety standards, and "it is also weighed down by checking compliance with the Nuclear Non-Proliferation Treaty (NPT)" (Kurczy 2011)."

Despite the criticism, the IAEA dealt with Fukushima proactively. Its Director General visited Tokyo in 17-19 March for high level consultations and expressed total international support for Japan. Several missions and working teams were established to advise and offer technical assistance. Information-sharing activities were undertaken involving IAEA member states and the public (IAEA 2011). The IAEA adopted an Action Plan on Nuclear Safety to strengthen the Global Nuclear Safety Framework, through which 12 actions were taken to improve IAEA peer review, safety standards and their implementation, emergency preparedness and response, the effectiveness of national regulatory bodies and operating organisations with respect to nuclear safety, transparency and dissemination of information, and capacity-building.

Conclusion

The challenge is how to get beyond words and promote international cooperation and coordination to deal with great natural catastrophes.

As natural calamities become more frequent, more complicated and more severe, so do their consequences and impact on national and international socio-economic development. The Fukushima disasters provided Japan and the world with a chance to learn more about how to manage unexpected natural and nuclear disasters. The lessons of Fukushima have been discussed not only by Japanese actors but also by international organisations and society as a whole. The challenge is how to get beyond words and promote international cooperation and coordination to deal with great natural catastrophes. The momentum must be maintained and practical efforts should be made to promote a safer world in a context of climate change.

XII. Conclusions: Promoting an Inclusive Global Agenda and Avoiding Fragmentation

Álvaro de Vasconcelos

In a post-hegemonic and multi-polar world, multilateral institutions and international initiatives must be inclusive and capable of integrating a larger number of actors than ever before. It is not enough to ensure the willingness of the US and Europe to find answers to current global challenges. The western alliance is no longer decisive by itself; the same can be said for any kind of partial alliance. This is true across the topics on the international security agenda. The challenge is to strike the right balance between respect for international norms and effective action where and when it is needed. To achieve this balance, a consensus among the permanent members of the UNSC is a minimal requirement. The major challenge for global governance today is to define, adopt and implement a "fair deal" that engages all the relevant actors, policies and levels of governance.

In order to promote legitimacy and effectiveness it is urgent to develop an inclusive approach to multilateralism. Effectiveness and legitimacy come hand-to-hand as most of the topics covered in this report show. The legitimacy of the global agenda or of a given international initiative – including those covering security – will require the involvement of non-state actors in the elaboration and implementation stages, particularly civil society organisations, which are perceived as representatives of global public opinion and put across similar concerns and demands. The focus should be on a more inclusive agenda that is closer to citizen demands.

Inclusive multilateralism should also in involve regional non-state organisations. It is necessary to fully integrate networks of non-state actors in governance initiatives. The tsunami in Japan demonstrate the role that networks of nuclear scientists play in providing support for their Japanese colleagues who had to address the consequences of the Fukushima disaster. At the regional level, interstate cooperation is also critical to ensure inclusiveness and legitimacy.

2012 no new initiative worth mentioning surfaced in order to overcome the legitimacy deficit.

The legitimacy challenge is particularly acute for the G20. Although the G20 represents an improvement over the G8, a western alliance enlarged to include Japan, there can be no universal legitimacy without the reform of the UN and the UNSC in particular, to adapt the organisation to the realities of a polycentric world. Notably, the UNSC should be broadened to include at least India and Brazil and an African representative. In 2012 no new initiative worth mentioning surfaced in order to overcome the legitimacy deficit. In this context, there is a growing realisation of the gap between the growing awareness of citizens of the need for multilateral solutions to the world's problems and the capacity for effective international action. I**n this Report, this is called the Global Governance Gap (GGG)**. This Report proposes some measures to address this growing gap.

Overcoming Security Divergences

The security crises of the last twelve month, particularly over Syria and the application of the UN principle of R2P shows there is a critical divergence between the western powers on the one hand, and Russia and new global players such as China, India and Brazil on the other. This divergence is not about the principle that international security involves protecting people from mass murder but over how the principle should be implemented and under what conditions. To overcome this divergence, it is necessary to define the norms on the implementation of R2P following the proposals of Brazil to complement R2P with RWP.

All emerging powers can commit to peace building. This can become a consensus policy at the UN, and should become an interlocking priority with R2P.

One of the key elements of the Brazilian concept is the need to enhance UN supervision by improving UNSC procedures to monitor and assess the manner in which resolutions are implemented. Another proposal is for R2P military operations to be conditional upon broad regional and international acceptance and/or pre-commitment to post-conflict peace and reconstruction through the UN or regional organisations. Another option would be to stress civilian instruments, particularly preventative ones. This would entail strengthening institutions such as the UNHCR, increasing development and capacity-building aid prior to or in the early phases of violent conflict, and enhanced UNSCsupervisory powers. It is also important to clarify which new international security responsibilities that emerging players such as China, India and Brazil are prepared to share. All emerging powers can commit to peace building. This can become a consensus policy at the UN, and should become an interlocking priority with R2P.

Defining Long-Term Policy Options and Initiatives

There is convergence in some areas, such as long term climate change, the impact of the euro crisis on development, the security-development nexus, and the need to prevent and address humanitarian disasters. But there is great difficulty when it comes to defining long-term policies: the preference is clearly for short term fixes. This must change, particularly where climate change and support for the transitions in the Arab world are concerned.

There is great difficulty when it comes to defining long-term policies: the preference is clearly for short term fixes.

The need for a long-term, systematic and cross-disciplinary global governance effort is probably best exemplified by the interrelated resource issues involving energy, food and water. Individual international agencies respond to specific issues, particularly humanitarian emergencies in individual countries, but there is no overall framework to manage interrelated food and water scarcities and increasing volatility in energy supplies. Climate change further exacerbates looming food and water scarcities and makes the transition away from fossil to cleaner fuels even more urgent.

Today's energy institutions were created to address the immediate interests of constituent countries and not the global long-term interests of producers and consumers alike. Thus, OPEC represents oil-producing countries, the IEA represents oil- and gas-consuming countries, and the International Renewable Energy Agency (IREA) represents the producers of alternatives to oil and gas. A governance framework that allowed for agreement on common objectives could help to reduce price volatility and allow for greater joint research and development in areas such as CCS and other alternative technologies.

The fate of Egypt's transition is crucial for the welfare of the citizens of the region and the stability of the whole region. In this context, the international community should adopt a comprehensive approach to provide long-term assistance to the Egyptian transitional economy, to help prevent economic and social distress from adding to the difficulties of an already challenging transition, and ensure that international aid effectively contributes to put the country back on track. The international community should also focus on the priorities defined by local actors, including job creation and distributive justice, with a special focus on youth.

The international community should adopt a comprehensive approach to provide long-term assistance to the Egyptian transitional economy.

Dealing with the Legitimacy Deficit: First Steps

The debate on the reform of the UNSC must be reopened. The Secretary General's High Level Panel on the reform of the UN should be reactivated. A "small steps" strategy should be adopted, starting by tackling the question of the relative level of influence of different members of the IMF and WB. Full advantage should be taken of regional cooperation initiatives to involve the highest number of actors possible in the definition and implementation of any given policy and to develop a multi-layered approach to global governance.

The Challenge of Inclusive Multilateralism

On the basis of the analysis presented in this Report, undertaken within the framework of the Global Governance Group 10, the most urgent tasks to undertake in pursuit of an effective multilateral agenda are:

- **Promote a new growth model.** The G20 must address the financial crisis, particularly in Europe and the US, through a new growth model based on sustainable development.
- **Putting the economic and social needs of the Arab democratic wave first.** The G20 should broaden the scope of its action to include a financial package to support the transition countries in the Arab world.
- **Protect the citizens of Syria.** There is a clear need to protect the citizens of Syria from mass murder, address the humanitarian crisis in that country, and prepare for the possibility that all diplomatic initiatives may fail.
- **Define the conditions that should guide implementation of R2P.** It would be useful to explore the Brazilian concept of "responsibility while protecting" as a means to further refine the conditions for the implementation of R2P initiatives.

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Notes

1 This was much tougher than what was imposed on Croatia, Serbia and Bosnia-Herzegovina, when the conflict spiralled out of control.
2 In May 2012, *The Guardian* (UK) gave it five marks out of ten. See: http://www.guardian.co.uk/world/2012/may/23/arab-spring-uprisings-the-scorecard.
3 See: http://www.indianembassysyria.com/english/whats-new/327.html.

4 The report of a seminar on R2P sponsored by the Stanley Foundation, mentions that Gareth Evans, one of the intellectual fathers of the R2P stated that: "Libya is a textbook case for the application of the R2P." The intervention happened quickly, helped to avoid potential mass atrocities in Benghazi, and had the formal backing of the UNSC. This is pretty much how R2P is supposed to work. But success in Libya may have come at the expense of intervention (even non-military intervention) in Syria. The NATO interpretation of the UNSC mandate helped it to achieve its goals efficiently, but it poisoned any chance that the UNSC might coalesce around R2P for a future crisis. As Jean Marie Guehenno, the long-time head of UN Peacekeeping, states, "Syria is the collateral victim of Libya the same way that Rwanda was the collateral victim of Somalia." Just as "Black Hawk Down" made western powers wary of even contemplating a humanitarian intervention in Rwanda three years later, the steamrolling of non-western interests in the execution of the Libyan intervention is colouring the approach of Russia, China and other non-western powers to Syria. See: Stanley Foundation, 2012, Practitioners and Academics Assess R2P From 2001-2022 at R2P: The Next Decade http://icrtopblog.org/2012/01/24/practitioners-and-academics-assess-rtop-from-2001-2022-at-r2p-the-next-decade/.

5 See the Op-ed by Danny Ayalon, "The Death of 'Linkage' – Palestinian Issue was Never the Key to Stability," *Washington Times*, 24 February 2011, at: http://www.washingtontimes.com/news/2011/feb/24/the-death-of-linkage/.
6 Testimony of Ray Marbus, Secretary, Department of the Navy, Hearing by the US Senate Armed Service Committee, 8 March 2011.

7 This is the main argument of pirates. A 2005 report by the Marine Resources Assessment Group for the UK Department for International Development estimated that Somalia had lost $100 million due to illegal fishing of tuna and shrimp in its exclusive economic zone during 2003-04.
8 A comprehensive road map was signed in Mogadishu on 6 September 2011, which should end the political transition in August 2012. A first Somali National Consultative Constitutional Conference was held in Garowe in December 2011, which adopted a detailed approach for ending the transition according to the Transitional Charter.

9 The final report by a group of experts convened in November 2008 by UN special representative to Somalia, Ahmedou Ould-Abdallah, cited poverty, lack of employment, environmental hardship, pitifully low incomes, reduction of pastoralist and maritime

resources due to drought and illegal fishing and a volatile security and political situation as the primary contributors to the rise and continuation of piracy in Somalia. While the profitability of piracy is perceived as the prime motivator, some observers argue that, given the appalling conditions in the country where survival is tenuous and prosperity elusive for most, risks associated with piracy are considered inconsequential by the perpetrators.

10 These are a direct cause of ongoing piracy and perhaps the reason why pirates are likely receiving the support of international networks in exchange for shares of the booty: according to a report by Ted Dagne for the US Congressional Research Service, the US Office of Naval Intelligence, ransom payments per ship hijacked averaged $4-$5 million in 2010 and 2011, and amounted to a total of roughly $105 million through the end of 2009. The aggregate increased cost of war risk insurance premiums for the 20,000 vessels passing through the Gulf of Aden is estimated at four times that amount.

11 Following a decision of the Kenyan government, its army managed to cut off exports of charcoal to the Middle East, which was the main source of revenue for Al Shabaab, as soon as it announced it had joined Al Qaeda. Somalia had banned the export in January 2011. See: http://www.widhwidh.com/widhwidhnew/Radio/2012/02/26/kenya-ethiopia-uganda-amisom-big-winners-from-london-somalia-conference/.

12 See: http://www.cusnc.navy.mil/cmf/151/index.html. Combined Task Force 151 (CTF-151) is specifically devoted to counter-piracy, taking over some tasks partially developed by CTF- 150, which was created in the framework of the *war on terror* (Operation Enduring Freedom) and had with a much broader area of operations (the Indian Ocean, the Red Sea, the Arabian Sea, the Gulf of Aden and the Gulf of Oman).

13 See: http://www.eunavfor.eu/. In March 2012, the EU further showed its commitment by extending Atalanta until 2014. It also extended the area of operations to include Somali coastal territory as well as its territorial and internal waters.

14 Most naval forces avoid rescue operations that endanger the lives of hostages, and pirates have intensified their attacks and their operational methods have become more sophisticated, and despite the impressive deployment of warships in the Gulf of Aden, the number of hijacked commercial ships rose to 40 out of 110 attacks in 2008 to 49 successful operations out of 219 attempts in 2010. Piracy related incidents are now reported as far south as the port of Beira in Mozambique and over a thousand nautical miles off the Somali coastline.

15 See UN Security Council report S/2010/394 on options for prosecuting and imprisoning pirates.

16 In a context of economic crisis, donors are showing signs of fatigue. Reimbursements to troop contributors for contingent-owned equipment were nine months in arrears by the end of 2011, due to insufficient resources in the Trust Fund.

17 As agreed in 2011 by all relevant stakeholders, joint planning activities will continue in order to join all ongoing military operations in Somalia in a coordinated and coherent effort against Al-Shabaab, and to extend the authority of the Transitional Federal Government beyond the capital and create space for the effective implementation of the

road map to end the transition (see UN Security Council. *Report of the Secretary-General on Somalia*, (S/2011/759).

18 For instance, the United Nations Support Office for AMISOM (UNSOA) continues to provide logistical support to AMISOM by improving communications and information technology networks; it also conducts medical evacuations.

19 It was only in 2011, after a decision of the Foreign Affairs Council of 14 November, that the EU activated the EU Operations Centre in 2003 to support the Common Security and Defence Policy missions in the Horn of Africa. The Centre, which lacks command responsibility, will coordinate EUNAVFOR Atalanta and EUTM Somalia, as well as the future RMCB.

20 Ban Ki-moon requested specific support for the Mogadishu Stabilisation Plan, prepared by the TFG and the UN Country Team. See: http://www.un.org/apps/news/story.asp?NewsID=39733&Cr=somalia&Cr1. The mini-summit was followed by a humanitarian summit to discuss needs in Somalia and the Horn of Africa region, where over 13 million people were in need of assistance.

21 See the results of a Gallup survey (2011) conducted in late March and early April.

22 Egypt imported an estimated 10 million tons in the fiscal year 2010/11 (FAO 2011).

23 According to the 2006 Labour Market Panel Survey, 61 per cent of Egypt's workforce is not formally employed.

24 Central Bank of Egypt, Monthly Statistical Bulletins.

25 The 37th G8 summit held in May 2011 adopted the Deauville initiative under France's G8 presidency to help the countries undergoing the "Arab Spring" fostering democratic reforms by making aid and development credits.

26 Including $500 million in cash budget support, a $1 billion deposit in the Central Bank of Egypt $500 million in soft loans from the Saudi Fund for Development, a $750 million line of credit to finance Saudi imports, and $200 million in loans for small and medium-sized enterprises.

27 Ministry of Foreign Affairs 2011, at: http://www.mofa.go.jp/j_info/visit/incidents/index2.htm#assistance2.

28 Kobe, Japan, *Disaster Risk Management Profile, at:* http://emi.pdc.org/cities/CP-Kobe-April-06.pdf

29 Aside from the 1961 Disaster Countermeasures Basic Act, there are several other laws, such as the Building Standard Law of 1950, Large-scale Earthquake Countermeasures Act of 1978, the Act for the Promotion of Earthquake Proof Retrofitting for Buildings of 1995, and the Comprehensive National Development Act of 1998, among others.

30 Ministry of Land, Infrastructure and Transport of Japan, at: http://www.mlit.go.jp.

31 The first conference was held in 2005 in Beijing as proposed by Chinese Premier Wen Jiabao in January 2005 at the Special Summit on the Indonesian Tsunami. This was also

the first regional ministerial meeting on disaster reduction, which adopted the Beijing Action for Disaster Risk Reduction in Asia. The second Asian Ministerial Conference was convened in New Delhi in India in 2007 and adopted the Delhi Declaration on Disaster Risk Reduction, which called on all countries and international organisations concerned to strengthen regional cooperation. The third was held in Kuala Lumpur in 2008 and called on international aid agencies to increase financial assistance for disaster reduction in Asian countries. The fourth one was convened in Incheon in the Republic of Korea in 2010, and adopted the Incheon Regional Roadmaps on Disaster Risk Reduction through Climate Change Adaptation in Asia and Pacific.

32 The United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) initiated a 12-month long study on the magnitude of radioactive releases to the atmosphere and ocean, and the range of radiation doses received by the public and workers. There is also a 4-year international assessment of the possible impact of the Fukushima uncontrolled radiological releases in the Asia Pacific Region, which began in July 2011 under IAEA auspices and with support of the Member States of the Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology (RCA) (IAEA 2011c).

33 The tsunami waves overwhelmed the defences of the TEPCO facility, which were only designed to withstand tsunami waves of a maximum of 5.7 meters high. The larger waves that hit the facility were more than 14 meters high (Japanese Government 2011b).

34 TEPCO, *Fukushima Nuclear Accident Analysis Report* (interim report t), Summary, at: http://www.tepco.co.jp/en/press/corp-com/release/betu11_e/images/111202e13.pdf.

35 Ibid.

The world is in transition from unipolarity to polycentrism with a greater multiplicity of actors, from states to civil society organisations, private actors, networks, and regional cooperation groups, playing an important role in shaping the future of citizens around the world. A global middle class is demanding a more effective multilateral system to deal with a number of perceived global challenges but in a polycentric world there are both opportunities for greater effectiveness and a danger of fragmentation. The objective of this Report is to start a process of monitoring the adaptation of international institutions to the new realities of power. To do so, the Report looks at how global governance institutions are responding to global challenges, in particular those of political participation and of development with dignity in a context of climate change and scarcity. The Report places the citizens and their aspirations at the heart of the analysis and it is with this perspective that we monitor the challenges of security with emphasis on the application of the principle of responsibility to protect.

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