



[Robina Foundation](#)

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Nancy Gilberg

file
CFR

From: Penny Hunt [pennhunt@gmail.com]
Sent: Thursday, March 15, 2012 12:11 PM
To: Gordy Aamoth; Susan Berresford; Kathleen Blatz; Tom Crosby; Peter Karoff; Steve Schroeder
Cc: Nancy Gilberg
Subject: CFR Council of Councils

Greetings,

Gordy and I were delighted to be able to attend CFR's inaugural meeting of the Council of Councils earlier this week. While we were "observers," I can assure you that we learned a great deal and had the opportunity to interact with participants in the meeting.

About 40 representatives of 20 think tanks (5 from Asia, 7 from Europe, 5 from N & S America and Australia, 1 from Africa, 1 from Turkey/Middle East, 1 Global) participated in the 1 1/2 day meeting. By all accounts, both formal and informal, the gathering was a big success. Participants spoke enthusiastically during the wrap-up about the sessions and interaction this week as well as opportunities for the future. Some of the representatives have known each other for a long time and apparently interact frequently; others are new to the think tank world and welcomed the opportunity to meet and interact with peers from many countries. It will clearly take some sorting out to determine how to move forward. CFR plans to do a survey and has already begun to explore ways to use technology to continue the networking begun this week.

A few quick observations: (Gordy - please add yours.)

- Richard Haass attended all sessions, taking notes throughout the meetings. He indicated to me that he learned a great deal and was particularly impressed by several people he hadn't known previously.
- The meetings were not US-centric; in fact, several participants expressed the regret that US / China relations were not one of the topics specifically covered.
- CFR did an excellent job of involving participants on the various panels held throughout the meeting.
- Participants noted that Africa and the Middle East were not adequately represented. Richard asked for help from attendees to identify potential participants. (The group also discussed having "invited guests" from think tanks involved in regions under discussion.)
- The representative of a think tank from India backed out at the last minute due to health issues. (Jim Lindsay acknowledged that health was just one of the issues.)
- The BRICs were discussed frequently. (I learned that some now speak of the BRIICST -- Brazil, Russia, India, Indonesia, China South Africa and Turkey!)
- I was pleased to note that all participants stayed until the end of the meetings, unlike what happens at many meetings.
- A UK representative noted that this kind of gathering was attempted in the 80s, but expressed hope that this effort will continue.
- Participants are eager to meet once a year, but identified ways they can interact between meetings via the Internet and/or in regional meetings. Several noted that their past experience has been limited to regional meetings. They welcomed the opportunity to think more globally.
- Richard views the Council of Councils as a network rather than an organization.
- With the exception of the keynote speeches by Bob Zoellick, president of the World Bank, and Bob Hormats, undersecretary of state for economic growth, energy and the environment, sessions were "off the record," which resulted in what appeared to be fairly candid comments from participants, although I may not have fully appreciated the nuances of what was being said.
- The audience of think tanks was brought up several times. Should think tanks only educate elites or should they also work to educate "civil society?"

- All acknowledged the difficult task ahead to determine the agenda for the CoC and prioritize and implement the agenda.
- Robina's support of the Council of Councils was noted several times. Participants took care to thank Gordy and me for that support.

At the end of the meeting Richard summed up several ideas that resonated with him:

- The value of working regularly in areas where there is not a lot current thinking: thinking ahead to "over the horizon issues."
- "Common" research by all of the think tanks could be interesting. (Richard does not feel that "joint" research would be a positive activity.)
- The CoC has the potential to provide an "intellectual safe zone" for participants -- i.e. a place for participants to test ideas.
- CoC members could benefit from a session at each meeting concerning the work of think tanks -- effective techniques, how measure success, etc.

That's a very brief list describing meetings rich in content. In addition to surveying participants, CFR plans to provide a summary of the meeting without attributing comments to individual participants. Richard Haass seems very determined to work to assure the success of the Council of Councils.

Please let me know if you have questions at this point. I will pass along follow-up information from CFR when I receive it.

Warm regards,
Penny

PAH Notes from Meetings

1st Session

→ G20

Qs

- ① Est. powers embrace change?
- ② Global resp.?
- ③ Consensus pass?

Enquire

Consensus = big prob. Domestic pressures. Ldvs. look inward.

Criminology

Wkly - peace & security

G20 - why gap.

How intricate w/ UN?

Emerg powers - BRIC - want to buttress pos.

Extg powers - don't want chng

China - oak man out.

Wu

Stts - how update to be more active.

Need to wk w/ non-State actors

Proger

- > Economic area → G20
- > Grtr inst. of BRICs. -

Need to set priorities

3 areas: ① destabilization of cities ② impact of new tech (social media)
③ energy → green. How deal w/ ↑ price of oil.

Rising

Complex of intl. systems -

not linear - butterfly effect.

Financial crisis → Arab spring

Not easy to describe:

multipolar
heterogenous
globalism

Structurally unstable

States still major actors.

Governance - not just inst.

Need comb of coll. security + balance of power.

Security shld manage bal. of power. Need global + regional inst.

World is lacking natural leaders - US = leader but can't play role of

No G w/out clr. mission

Members want to be a G b/c of ego. But must -

① Accept mission

② Recog. lks. →

③ Values -

Univ. Charter of values?

No intl. community. No global pol. unity. No of public
gds.

Gov. = imp. issues.

lots of comments from
members (after panel
presentations)

SP - Key Pts

- ① Diff. b/c countries like inward -
How form cons.
- ② Geo - how relates to formal inst.
- ③ Crisis of conf. -
- ④ Pluralism = imp.
- ⑤ Imp. of BRICS
- ⑥ Intl. sys. = complex
- ⑦ Values? - Rising powers threatens west's values?

Agreement

John - wants to get
more provocative

Geo came abt b/c of financial crisis

Rise of emerg. powers - phenom. of 20th c. ^{or 21?}

Intl. society → inclusive.
Role of intl. law?

Role of tech / spread of info

Regional org -

Israel -

Intl - state actors - goal = prevent coop. Destabilizing

John -

Shld accept tht - Dornier moment.

Shld encourage free trading rather than wk to correct inst.

BRICS - Came from Goldman Sachs

Pax AMERICANA - To you

② Expecting more disc. of nongovernmental orgs -
How mend probs - find niche?

Being mem of G - accept resp.

~~Being~~

→ Being more naturalistic

Reps from 1) Turkey
2) Israel
3) Russia

Iran

5+1 → Iran agd to neg. w/ 5+1.

Iran motivated by ambitions + fear
↳ man. gov. in region.

? step by step app. to get rid of sanctions
Desecration process

Turkey -

Core issues of neg.:

- > Dip. / Sanctions / Action -
- > IAEA - insp.

Will not:

- Cost benef. anal. → sanctions hurt
- Symbolic - want sym. benefit.

For Turkey - military intv. = disastrous.

Systemic corrosive impact -

Sanctions impact neighbors

If US seen as guarantor - ok, if mech. of control - bad.

Iran negatively impact region - Region needs social vision w/ Iran part. Turkey wants but others not involved.

Israel

Not a security issue.

Close to nuclear weapons. Only need to make decision - 1/2 yr.
Supreme leader is calling that. not Ahmadinejad
Want to go slowly, safely to bomb.

FAQ re Iran

① Want to dev. nuc weapons?

Yes

② Strategy - be as legit. as poss.

May ~~legit.~~ but won't neg. just want to gain time.
Slow down = due to cyber attack

③ Timeline - depends of Iranian dec.

Consequences

① End of NPT regime. Multi-polar, unstable ME

③ Unstable nuclear situation - no comm.
functions

Russia

Russ. position -

Mediator rather than pty:

① ^{BUT} Bi-lateral - neighborly. Trade gd.
Now - showdowns on energy.

Deterrated

Know infiltrated into Russia.

② Regional component emphasized
Don't want to "dis-balance"

③ Intl. - Wants prestige restored.

Russ. Position

• No much. weaps - Exchanging info of Israel.

• Timeline - by end of yr. - old bld bomb. (1 yr)

• On the brink

NP = Issue

Discussion

Need diplomatic creativity - be ahead of game.
Need regional countries involved. - kept of solution.

France Credibility of intelligence - whom to trust?

True that Iranian people want Iran to be nuclear?

Meaning that Russian won't accept?

Can go further w/ sanctions?

Israel

How manage time going forward?

Sanctions not efficient. - pale. Should give more time for sanctions to work.

Last time to stop Iran = approaching

Obama - wants prevention

Iran sit ^{WMD} not at all like Iraq.

Turkey

How long hold sanctions

Memory of Iraq has huge impact.

Need to see from perspective of Iranians.

UK

What is intention of Iran? May just want break out capacity to make bomb.

What GG needed w/ countries w/ break-out capacity?

Israel

Dipl. isolation of Iran?

Need to reach out to Iranians.

Need very specific negotiations —
control over all sites.

Brazil

Need to pretend that irrational - to get credibility

Dangers

① Perception of choice

② How go from irr. → Rational

What do states gain out of the bottle?

Reality = more states own weapons or have capability.

Need to figure out how to ^{give} ~~get~~ countries recog ^{even} ~~with~~ if
don't have nuclear capabilities.

No one ^{has} mentioned "Emerging powers".

NPT Dead or Not? Disagreement

? = how punish countries who don't follow

Surgery - NPT not dead.

Still work attack Iran w/ nuclear weapons.

Robert Zoellick - World Bank

animistic

CNA

legitimacy - must be effective

"Bank" WB -

- ① Knowledge + learning from lots of sources
- ② Inv: w/ multiplier effect
- ③ Innovative - diverse means.

Safety Net programs in Mexico + Brazil

All countries need structural changes - micro-econ. issues.

Regional vs. Global Efforts
↳ dev. banks

Dev. strategies need to be combined w/ int. institutions

IOA



South Africa
Italy
Indonesia
Australia



Likya

SA

All needed sovereignty

Resolution vs. Implementation

Italy

Likya ≠ a precedent

2nd resolution

Indonesia

3 pillars of R2P (Responsibility to Protect)

- ① Violence occurring or abt to occur.
- ② Dialogue, sanctions haven't worked.
- ③ Regional org. agrees
- ④ UN auth.

2 addl. issues

- ① Regime change always req.?
- ② Post R2P commitment.

Australia

Is a norm emerging? Only weak + partial.

France

2 issues:

1 Norm



Germany

Support of Al Jurg - radio station

SC = imp.

Need to have resp. to stability, rebuild.

Italy - 3

① Evolution of NATO

② Military spending

③

Stewart

SA Indonesia

Emerging Powers - role?

Expressed reservations but didn't block.

Prevention

RWP vs RZP

Brazil wants to discuss Ref.

John Negroponte

DC

mb

Austr.

BobH

2000
400
2400

Bob Hormats

last 40 yrs

Intl. econ. strength.

Civil society - has emerged as imp.

Foreign policy communication/make - totally changed.

Econ. comp. → super imp. - for. policy

Need to bring lots of countries to make a diff.

US / China Relationship

NGOs / Think Tanks -

Grtr infl.

Why imp: 1) Global role 2) Focus on spec. issues
3) Watch dogs on issues.

Governance - need to mobilize NGOs - engage citizens

Top issues for BobH

① Econ. chall. of ME + NA

② Big China into global econ. sys.

3/13/12

Dollar as Reserve Currency

SDR

\$ dominant reserve currency

RMB - Chinese currency

IMF - supposed to review functioning of monetary sys. every 5 yrs
Hasn't done since 1999. Not functioning. ↓

How govern. IMS?

Current G20 tryg. - Ukg at process

Brazil

Hyper inflation in past

US \$ may remain res. cur. for awhile

Needs to face reality - hard choices.

Function of \$ deepening

Euro - must control wages. If euro doesn't survive, end of EU.

Temptation for inflation

Return of protectionism

Wiley: Not sure \$ will stay as reserve currency.

RMB Chinese using trade agreements.

If trust in US + US \$ wans, folks may turn to other currency.

decades



Very civil

BRIICST

US dependency ^{on} China for debt financing. What if China's balance shifts. How will US finance debts.

Imp driver w/ reserve curr. — fear of shock.

Need to invest in infrastructure.



US trade deficit—

Stickiness of \$ — But in state of flux. Maybe more toward multiple reserve currencies.

RMB

liquidity

Wages — cut. Immediate issue.

China/US co-dependency

Is China trying to replace \$ or raise status of ^{RMB} ^{ch.} RMB. Wants RMB become intl. but not in a hurried way.

~~Is~~ Europe taking steps to solve problems?

Protectionism

US needs strategy

Wrap-Up / Follow-Up

RH -

High level conv. learned a lot

Where go from here?

• Intellectually - issues - econ, pol., security?

• How do it?

How define success?

How implement?

No pre-conc. idus?

Network - not an org.

Barry Desker - Singapore

3 conclusions

- > Inter-comm. nature of challenges
- > Intercomm of natl + intl. issues
- > Interdependence

2 pts 1) living in age of emerging multi-polar world. Changing values, etc. 2) Effect vs legitimacy

~~Get~~ hlc at → variable geometry

Agenda for next mtg - ^① US/China Relation

② Re-struct. of intl. inst.

Due to big home mess to countries

③ Address over-horizon issues - biotech, Arctic

④ CoC - prepared to cope w/ messiness, ambiguity

Dise - help sensitizing to others issues

Seok-jonghee - South Korea

Gd stt.

CofC - 20 thk tanks.

Members - 1st global.

5As.

6 Eur + 1 cross Europe

5 Am. + Aust.

1 SA

Turkey - ME

Africa + ME underrep. - add think tanks.

Dependg on agnls, cld add guest think tanks

Need¹ smart agenda settg - global ag + regional sessions

2) Active partic..

3) Educate emergg powers - can learn from other countries.

Annually and this time -
Euro crisis

Networking amng mems.

Educate civil society - imp. - emerging countries

How support CofC?

John Chipman - ^{UK} ~~England~~.

Themes

① Spirit - want to preserve prestige^{but}. Aled to risk
being stupid.

② Always rem. western persp. dominants. Need

constant dial. re: priorities

② Ambition → need to have ambit. that can privatizing diplomacy. High ambition

* ③ Content - Facts + Analysis

Need data set: inst., norms, practices, how do others view GG. Guest think tanks.

④ How judge role that pol. view GG

⑤ Process: - send 1 p memo re: relevant activities to GG (not by orgs)

Submit ^{published} articles to C of C

C of C - base camp.

R. Haass:

Ideas: ① Wk regularly in areas where not a lot of ~~thinking~~ ^{thinking}.
Still early days. Over horizon issues

Not sure shld tackle US/China relation. - C of C shld connect to GG.

② Better rep. from ME + Africa

Promote ideas of inst. and world

③ Will send survey w/ ?'s Ability/willingness to meet

④ Take risks

⑤ How make wk product public. C of C = intell safe zone

⑥ Inventory - post docs on web.

Private vs. public

↳ w/eq papers.

Germany

• Size = gd

• Down overburden - once/yr. = nt.

• Delta Bank = gd

• Ask for comments on issues -

Send out from CoFC.

- Geopolitical hotspots -
- Non-western countries ID issues
- Regional Orgs

Andrés - Mexico

- > Keep global interest in forefront
- > Output - important so can submit to policymakers.

RH → Blog where people can post.

Put docs online - CoFC ^{mems} can do as see fit.

↳ reflect views - quick + short

Italy - Need to link to something - e.g. G20.

Israel -

~~Israel~~ ^{Intell.} Promote "behind the table" moves. Negotiate w/ the devil. Provide sound advice

Need to create awareness of CoFC.

Russia - Igor

- > Volunteer for analysis G20 (Russian chn) Ask for feedback. Cld do for APEC
- > Dense pol. yr. - Elections (among UN). Brainstorm after elections.

China -

GG - security structure

Eng - Robin

4 Pts

Brazil
Russia
India < Indonesia
China < South Af.
Turkey

① Reaction pieces - Base camp

② Who is audience

Educ. civil society or elites?

③ Founding Members: Better look legitimate

④ Webinars - ?!

SA: What is value add of big people to?

Incubate ideas - esp. over the horizon issues.

Belgium: Practicality - gave e.g. of another grp.
Matrix

Australia

* Joint research - status of internationalism
or common research

Brazil

5-6 ?s for survey

How see CoC add value?

Constraints?

Commitments?

Mission

Short-term objectives

France -

① CFR only org that can launch CoC

② Global pub gas ≠ exist. Need to define common gd.

CoC can define common gd. on specific issue

③ Commitment - CoC can work well. Need personal commitment of leaders

Israel

① Narrow or wide

↳ port. issue

Prefers narrow

② Formal or informal

↳ no att. = imp

③ Keep small so know each other.

④ Think abt TT wkg - how have impact?

Mexico

CofC cld be powerful if join forces.

Take adv. of comp. & adv. of mems of CofC

Prep. of policy options

Try to be 1 step ahead of pack.

Canada

Make sure don't overlap w/ thgs going on.

In 1983-1985 - ^{similar} org events -

Ex. became scholastic. Didn't have a common purpose. Figure out 1/2 prof. lines - all get value.

UK

* Barometer analyses - 700 characters.
20 diff. viewpoints

South Korea

Research = hist.

CofC - nurture global thkg.

Didn't link to G20. Wldnt be creative. Shld

10 issues - need non-conventional thkg.

Authentic - elite + public

Singapore

Diversity of views b/c mtg w/ new people

G20: shouldn't react to G20. ~~So~~ Policy mems set agenda. TT shld look forward.

Cof C - right sig.

Richard Haass

Not inclined -

① CofC positions. More valuable as a forum.

② G20

③ Joint res. - no Common Research = int.

Produce content - ↑ quality of conversation

Disc. of ~~the~~ Think tanks - roles.

Likes
then

> Over horizon issues

> Dilemmas of CEOs - urgent vs. important

Raise level - "global public good" "sovereignty"

The

COUNCIL OF COUNCILS

An Initiative of the Council on Foreign Relations



*Monday, March 12, 2012
8:15 a.m. to 8:30 p.m.*

*Tuesday, March 13, 2012
8:30 a.m. to 2:00 p.m.*

*1777 F Street, NW
Washington, DC 20006*

The Council of Councils Inaugural Conference

*This meeting, and the broader Council of Councils Initiative,
is made possible by the generous support of the Robina Foundation.*

This meeting, and the broader Council of Councils Initiative, is made possible by the generous support of the Robina Foundation.

Council of Councils Mission Statement

The defining foreign policy challenges of the twenty-first century are global in nature. To help direct high-level international attention and effective policy responses to these threats and opportunities, the Council on Foreign Relations (CFR) has joined with nineteen major policy institutes from some of the world's most influential countries to create the Council of Councils (CoC). The CoC is designed to facilitate candid, not-for-attribution dialogue and consensus building among influential opinion leaders from both established and emerging nations, with the ultimate purpose of injecting the conclusions of its deliberations into high-level foreign policy circles within members' countries.

This meeting is not for attribution, unless otherwise noted. Participants are welcome to make use of the information received at the meeting, but neither the identity of the speakers nor that of any other participant may be revealed, nor may one cite a CFR meeting as the source of the information. Use of personal recording devices and cameras is prohibited.

FOUNDING COUNCIL OF COUNCILS MEMBERS

AUSTRALIA

Lowy Institute for International Policy

BELGIUM

Center for European Policy Studies (CEPS)

BRAZIL

Getulio Vargas Foundation (FGV)

CANADA

Center for International Governance Innovation (CIGI)

CHINA

Shanghai Institutes for International Studies (SIIS)

FRANCE

French Institute of International Relations (IFRI)

GERMANY

German Institute for International and Security Affairs (SWP)

INDONESIA

Center for Strategic and International Studies (CSIS)

ISRAEL

Institute for National Security Studies (INSS)

ITALY

Institute of International Affairs (IAI)

JAPAN

Genron NPO

MEXICO

Mexican Council on Foreign Relations (COMEXI)

RUSSIA

Institute of Contemporary Development (INSOR)

SINGAPORE

S. Rajaratnam School of International Studies (RSIS)

SOUTH AFRICA

South African Institute of International Affairs (SAIIA)

SOUTH KOREA

East Asia Institute (EAI)

TURKEY

Global Relations Forum (GIF)

UNITED KINGDOM

Chatham House (The Royal Institute of International Affairs)

International Institute for Strategic Studies (IISS)

UNITED STATES

Council on Foreign Relations (CFR)

Council of Councils Inaugural Conference

Agenda

Monday, March 12, 2012

8:15–8:45 a.m. *Light Breakfast* **Room 100**

8:45–9:00 a.m. *Welcoming Remarks* **Room 100**

Richard N. Haass, *President, Council on Foreign Relations*
(United States)

9:00–10:30 a.m. *Session One* **Room 100**

The State of Global Governance

Panelists: **Enrique Berruga**, *President, Mexican Council on Foreign Relations*
(Mexico)

Thierry de Montbrial, *President, French Institute of International Relations* (France)

Wu Chunsi, *Director, Institute of International Strategy Studies, Shanghai Institutes*
for International Studies (China)

Chair: **Stewart M. Patrick**, *Senior Fellow and Director of the International Institutions*
and Global Governance Program, Council on Foreign Relations (United States)

Guiding Questions: What form of “global governance” is most appropriate to the twenty-first century? What have been the most important institutional innovations in recent years—and where has such reform been lagging? Going forward, what issue areas will lend themselves to new forms of multilateral cooperation? How can established and emerging powers cooperate to advance this reform agenda?

10:30–10:45 a.m. *Coffee Break*

10:45 a.m.–12:15 p.m. *Session Two* **Room 100**

The Challenge of Iran

Panelists: **Memduh Karakullukçu**, *Vice Chairman and President, Global Relations*
Forum (Turkey)

Amos Yadlin, *Director, Institute for National Security Studies* (Israel)

Igor Yurgens, *Chairman, Institute of Contemporary Development* (Russia)

Chair: **Volker Perthes**, *Director, German Institute for International*
and Security Affairs (Germany)

Guiding Questions: What challenges does Iran pose to the nuclear nonproliferation regime? What are the prospects for effective multilateral action in confronting Iran’s nuclear ambitions—and for closing loopholes permitting countries to pursue nuclear weapons under the guise of peaceful nuclear energy? What options should be on the table in such situations?

Council of Councils Inaugural Conference

Agenda

Monday, March 12, 2012

12:15–2:00 p.m.	<i>Lunch and Speaker</i> <i>The Multilateral View</i>	Rockefeller-Peterson Room
	<i>Speaker: Robert B. Zoellick, President, World Bank Group</i> <i>Presider: Richard N. Haass, President, Council on Foreign Relations (United States)</i> <i>*This session will be on the record.</i>	
2:15–3:45 p.m.	<i>Session 3</i> <i>Lessons of Libya</i>	Room 100
	<i>Panelists: Elizabeth Sidiropoulos, National Director, South African Institute of International Affairs (South Africa)</i> <i>Stefano Silvestri, President, Institute of International Affairs (Italy)</i> <i>Rizal Sukma, Executive Director, Center for Strategic and International Studies (Indonesia)</i> <i>Michael Wesley, Executive Director, Lowy Institute for International Policy (Australia)</i> <i>Chair: Robin Niblett, Director, Chatham House (United Kingdom)</i>	
	<i>Guiding Questions: What does the experience of Libya suggest about the threshold that should trigger international action—and appropriate forms of intervention in the case of mass atrocities? How should the international community respond in such cases? When UNSC authorization is impossible to secure, are other options available?</i>	
3:45–6:00 p.m.	<i>Free Time (Business Center with wifi available)</i>	Members Lounge
6:00–7:00 p.m.	<i>Cocktail Reception</i>	Rockefeller-Peterson Room
7:00–8:30 p.m.	<i>Dinner and Speaker</i> <i>The View from the Obama Administration</i>	Rockefeller-Peterson Room
	<i>Speaker: Robert D. Hormats, Undersecretary for Economic Growth, Energy, and the Environment, U.S. Department of State</i> <i>Presider: Thierry de Montbrial, President, French Institute of International Relations (France)</i> <i>*This session will be on the record.</i>	

Council of Councils Inaugural Conference

Agenda

Tuesday, March 13, 2012

8:30–9:00 a.m.

Light Breakfast

Room 100

9:00–10:30 a.m.

Session 4

Room 100

The Dollar's Future as a Reserve Currency

Panelists: **Thomas A. Bernes**, Executive Director, Center for International Governance Innovation (Canada)

Michael Emerson, Associate Senior Research Fellow, Center for European Policy Studies (Belgium)

Yasushi Kudo, Director/Representative, Genron NPO (Japan)

Carlos Ivan Simonsen Leal, President, Getulio Vargas Foundation (Brazil)

Presider: **Sebastian Mallaby**, Director of the Maurice R. Greenberg Center for Geoeconomic Studies and Paul A. Volcker Senior Fellow for International Economics, Council on Foreign Relations (United States)

Guiding Questions: How would you rate the stability of the dollar-based international monetary order versus a conceivable alternative? What other national currencies could play a larger role as reserve assets in the future? What are the prospects of multilateral alternatives to national reserve accumulation, including an enhanced role for the International Monetary Fund or greater use of SDRs?

10:30–11:00 a.m.

Coffee Break

11:00 a.m.–12:30 p.m.

Session 5

Room 100

Wrap-Up—Where Do We Go from Here?

Panelists: **John Chipman**, Director-General and Chief Executive, International Institute for Strategic Studies (United Kingdom)

Barry Desker, Dean, S. Rajaratnam School of International Studies (Singapore)

Sook-Jong Lee, President, East Asia Institute (South Korea)

Chair: **Richard N. Haass**, President, Council on Foreign Relations (United States)

Guiding Questions: What have the previous sessions suggested about the prospects for—and potential forms of—multilateral cooperation in handling global challenges? What issues should be on the agenda of the next CoC annual meeting? How would the membership like to see the CoC develop as a dynamic entity, capable of encouraging dialogue and informing policy debates in member countries?

12:30–2:00 p.m.

Informal Lunch

Rockefeller-Peterson Room

Participant Biographies

Ana Paola Barbosa

Ana Paola Barbosa is currently in the Chancery Headquarters of the Embassy of Mexico in Washington, DC. Previously, she worked at the Permanent Mission of Mexico to the United Nations. She served as political affairs officer at the Embassy of Mexico in Canada, adviser to the director-general for North America, and as adviser to the Office of Special Affairs of the Ministry of Foreign Affairs. She has also served as a collaborator for the Secretariat of the High-Level Group of the Security Council of the United Nations General Assembly. She holds a BA in international relations from the Universidad Iberoamericana and an MA in law and diplomacy from the Fletcher School of Law and Diplomacy.

Randolph Bell

Randolph Bell is the managing director of the International Institute for Strategic Studies in the United States (IISS-US), where he has overall responsibility for the operations of the Washington, DC, office. Prior to joining IISS-US, he was manager of national security at the Markle Foundation, where he worked on cybersecurity, intelligence community information sharing, and technology policy issues. He recently coauthored two Harvard Belfer Center reports on the Pakistani military and was a Department of Defense adviser/case writer through the Belfer Center, writing about the Pakistani police. He also founded and is the lead producer and director of Floating Films and has produced award-winning documentaries on international issues. He has an MPP from the John F. Kennedy School of Government at Harvard University, where he was a public service and Belfer international and global affairs fellow, and he graduated magna cum laude from Harvard College, where he won the Thomas T. Hoopes Prize for his senior thesis.

Thomas A. Bernes

Thomas A. Bernes was appointed executive director of the Centre for International Governance Innovation (CIGI) in December 2010, having held the position on an acting basis since November 2009. Prior to these appointments, Bernes served in a number of international positions, including director of the independent evaluation office of the International Monetary Fund (IMF). From 2001 to 2005, he was the executive secretary of the joint IMF/World Bank development committee and deputy corporate secretary of the World Bank Group. In 1996, he was elected executive director of the IMF for Canada, Ireland, and Caribbean countries.

Prior to his period at the IMF and World Bank, Bernes served as the senior economic official for Canada in international forums. He was appointed assistant deputy minister of the international trade and finance branch of Canada's finance department in 1992 and G7 finance deputy for Canada in 1995. He served as alternate governor for Canada for the IMF, the Asia Development Bank, the African Development Bank, and the Inter-American Development Bank. He was also a director of the Canadian Export Development Corporation. He participated as a member of the task force on reform of the multilateral development banks established by the Development Committee. From 1983 to 1985, he served with the head of the general trade policy division of the Organisation for Economic Cooperation and Development. In 1991, he became executive director of the Coordinating Secretariat on Canadian Unity. Bernes joined the public service of Canada in 1970 and served in a variety of positions with industry, trade and commerce, and foreign affairs.

Enrique Berruga

Enrique Berruga is president of the Mexican Council on Foreign Relations. Berruga previously served as vice president of communication and corporative relations for Grupo Modelo.

Throughout his diplomatic career he served as permanent representative of Mexico to the United Nations, ambassador of Mexico to Costa Rica, and personal representative of the president of Mexico to the United Nations Reform. He also worked in the Mexican embassies in Ireland, the United States, and Britain. In the Ministry of Foreign Affairs, he has served as assistant secretary of foreign affairs, chief of staff of the secretary, and general secretary of the Mexican Commission for the United Nations Educational, Scientific, and Cultural Organization.

Berruga was also executive director of the Mexican Institute for International Cooperation and general director of foreign affairs at the Ministry of Education. He is a member of the governing board of the International Peace Academy and has been decorated by the governments of Germany, Spain, Japan, Panama, and Sweden. He has authored several books and articles, most recently *Destination Los Pinos* and *Mexico in the World*.

In academia, he has taught foreign policy, U.S. foreign policy, and theory of foreign policy at the Autonomous Technological Institute of Mexico (ITAM). Berruga holds a bachelor's degree in foreign affairs from El Colegio de México and a master's degree in international economy and the theory of international relations from the Johns Hopkins University.

John Chipman

John Chipman is director-general and chief executive of the International Institute for Strategic Studies (IISS) in London. From 1983 to 1984, Chipman served as a research associate at the IISS, where he was also a NATO fellow. He worked in Paris as a research associate at the Atlantic Institute for International Affairs from 1985 to 1987. Since 1987, he has held the posts of assistant director for regional security and later director of studies at IISS, before assuming the directorship in 1993. He is the author of *NATO's Southern Allies* and *French Power in Africa*, as well as of numerous chapters in books, scholarly articles in professional journals, and opinion pieces in newspapers. He founded IISS *Strategic Comments*. In 2001 he conceived and launched a new annual forum for consultations between defense ministers and analysts in the Asia-Pacific called the Shangri-La Dialogue. In 2004 he transferred the concept to the Gulf with the convening in Bahrain of an IISS summit Manama Dialogue, which is now held annually with national security advisers drawn from the region and other outside powers.

Chipman regularly broadcasts for television and radio on regional conflict and current strategic trends and writes frequently for leading newspapers on European, Middle Eastern, and Asian security issues. As director of IISS, he has traveled to over one hundred countries to maintain the institute's public policy network. In 1999 he was made Companion of the Order of St. Michael and St. George (CMG) in the Queen's Birthday Honours. He is a member of the international advisory board of Reliance Industries Ltd. In the nonprofit sector he serves on the board of the Asan Institute for Policy Studies. He holds a BA in history from Harvard University, an MA in international history from the London School of Economics, and an MPhil and a DPhil in international relations from Balliol College Oxford.

Chaesung Chun

Chaesung Chun is a professor in the Department of Political Science and International Relations at Seoul National University. Chun's major fields of interest include international relations theory, security studies, South Korean foreign policy, and East Asian security relations. He is also a chair of the Asia Security Initiative Research Center of the East Asia Institute. He is a member of the advisory committees for the Ministry of Foreign Affairs and Trade and the Ministry of Reunification. His recent publications are *A Study on the Formation of European Modern States System*, *Critique of Constructivism from the Perspective of Postmodernism and Realism*, *The Rise of New Powers and the Responding Strategies of Other Countries*, and *Theory of East Asian International Relations*. He holds an MA from Seoul National University and a PhD from Northwestern University in international relations theory.

Thierry de Montbrial

Thierry de Montbrial is the founder and president of the French Institute for International Relations. He is also the chairman of the French-Austrian Center for European Economic Convergence. In 2008 he launched the World Policy Conference, and from 2007 to 2008 he was a member of the committee that published the *French White Paper on Defense and National Security*. From 2004 to 2005, he was a member of the consultative board to the director-general of the World Trade Organization. In 1973, de Montbrial was entrusted with the creation of the policy planning staff at the French Ministry of Foreign Affairs, where he served as director until 1979.

From 1993 to 2001, de Montbrial was the first chairman of the Foundation for Strategic Research. He is professor emeritus at the Conservatoire National des Arts et Métiers and a former professor at the École Polytechnique, where he chaired the economics department from 1974 to 1992. He is also a visiting professor at the China Foreign Affairs University. He is a member of the advisory committee of the Peterson Institute for International Economics and the Carnegie Moscow Center and of the advisory council of the Stanford Institute for International Studies.

He serves on the international advisory board of Lafarge and chairs the international advisory board of Office Chérifien des Phosphates. He is also on the board of directors of Capgemini and the Renault Foundation. He is a member of the steering committee of the Bilderberg Meetings. He has been a columnist for *Le Monde* since 2002 and was a columnist for *Le Figaro* from 1989 to 2001. He sits on the editorial advisory board of *Foreign Policy*, the editorial board of *Russia in Global Affairs*, and the editorial board of the *South African Journal of International Affairs*.

He was awarded the Grand Prix of the French Geographic Society in 2003. He is a Commandeur of the Légion d'honneur, Grand Officier of the ordre national du Mérite and has been awarded other state honors by the French and several foreign governments. He is a graduate of the École Polytechnique and the École des Mines and received a PhD in economics from the University of California, Berkeley.

Barry Desker

Barry Desker is the dean of the S. Rajaratnam School of International Studies at Nanyang Technological University (NTU) and director of the Institute of Defence and Strategic Studies at NTU. He is the inaugural Bakrie professor of Southeast Asia policy. He concurrently holds a number of other appointments, including serving as nonresident ambassador of Singapore to the Holy See and Spain and chairman of Singapore Technologies Marine.

Desker was the chief executive officer of the Singapore Trade Development Board from 1994 to 2000, after serving in the foreign service since 1970. He was Singapore's ambassador to Indonesia from 1986 to 1993; director of the policy, planning, and analysis division of the Ministry of Foreign Affairs from 1984 to 1986; and deputy permanent representative to the United Nations from 1982 to 1984. He was educated at the University of Singapore, the University of London, and Cornell University.

David Dewitt

David Dewitt joined the Centre for International Governance Innovation (CIGI) as vice president of programs in July 2011, where he oversees the strategy and implementation of all the organization's work programs and research-related activities. Previously, he was associate vice president of research, social sciences, and humanities; professor of political science; and university professor at York University, and served as director of York University's Centre for International and Security Studies from 1988 to 2006. He is author or contributing editor of numerous books, refereed articles, and chapters in addition to commissioned papers on Canadian foreign, security, and defense policy; international and regional security and conflict management in the Asia Pacific and the Middle East; arms control and proliferation; and human security. In the early 1990s he codirected the North Pacific Cooperative Security Dialogue, a *Foreign Affairs*-sponsored track-two diplomacy initiative, and has been involved in various track-two initiatives on security in the Asia Pacific and in the Middle East. He has led a number of policy-focused nongovernmental research organizations that have dealt with security and governance issues in those two regions. Dewitt holds a BA from the University of British Columbia and an MA and PhD from Stanford University.

Douglas Kuseni Dlamini

Douglas Kuseni Dlamini is the chief executive officer of Old Mutual South Africa and Emerging Markets. Prior to this, he was the head of Anglo American's South African operations. He has also held the position of executive chairman of Richards Bay Coal Terminal Company and a number of senior positions at Anglo Gold Ashanti and De Beers Consolidated in South Africa and the United Kingdom. Kuseni is active in a number of professional bodies, including the South African Institute of International Affairs and the advisory board of Wits Business School. He graduated cum laude from the University of Natal with a bachelor's degree in social science with honors and was a Rhodes scholar at Oxford University, where he read for his MPhil.

Michael Emerson

Michael Emerson is associate senior research fellow and program director for European foreign, security, and neighborhood policies at the Center for European Policy Studies. Emerson has worked at the Organisation for Economic Cooperation in Paris and served as the economic adviser to former European Commission president Roy Jenkins and head of the delegation/ambassador to Moscow. He has also been a senior research fellow at the London School of Economics. Emerson has numerous publications on European Union (EU) integration, EU relations with the wider European neighborhood, and contemporary European conflict areas. He is a graduate of Balliol College, Oxford.

Thomas Gomart

Thomas Gomart is both the vice president for strategic development and the director of the Russia/NIS Centre at the French Institute of International Relations (IFRI), based in Paris and Brussels. He is the editor of the trilingual electronic collection *Russie.Nei.Visions*.

Gomart's academic and professional background has been closely related to post-Soviet space. He was a Lavoisier fellow at the Moscow State Institute for International Relations, visiting fellow at the European Union Institute for Security Studies, and Marie Curie fellow in the Department of War Studies at King's College in London. From 2002 to 2010, he lectured on international affairs at the Special Military School of Saint-Cyr Coëtquidan. In 2008, he codirected the IFRI/CSIS project *Europe, Russia, and the United States: Finding a New Balance*. Gomart belongs to the editorial boards of *Politique étrangère* and *La Revue des deux mondes*. He holds a PhD in history from the University of Paris I Panthéon-Sorbonne and an EMBA from HEC Paris.

Richard N. Haass

Richard N. Haass is president of the Council on Foreign Relations, a position he has held since July 2003. From January 2001 to June 2003, Haass was director of policy planning for the U.S. Department of State, where he was a principal adviser to Secretary of State Colin Powell. Confirmed by the U.S. Senate to hold the rank of ambassador, Haass also served as U.S. coordinator for policy toward the future of Afghanistan and U.S. envoy to the Northern Ireland peace process. For his efforts, he received the State Department's Distinguished Honor Award.

Haass also was vice president and director of foreign policy studies at the Brookings Institution, the Sol M. Linowitz visiting professor of international studies at Hamilton College, a senior associate at the Carnegie Endowment for International Peace, a lecturer in public policy at Harvard University's John F. Kennedy School of Government, and a research associate at the International Institute for Strategic Studies.

From 1989 to 1993, Haass was special assistant to President George H. W. Bush and senior director for Near East and South Asian affairs on the staff of the National Security Council. In 1991, he was awarded the Presidential Citizens Medal for his contributions to the development and articulation of U.S. policy during Operations Desert Shield and Desert Storm. Previously, he served in the Departments of State (1981–85) and Defense (1979–80) and was a legislative aide in the U.S. Senate.

Haass is the author or editor of eleven books on American foreign policy, including *War of Necessity, War of Choice: A Memoir of Two Iraq Wars*. He is also the author of one book on management, *The Bureaucratic Entrepreneur: How to Be Effective in Any Unruly Organization*. A Rhodes scholar, he holds a bachelor's degree from Oberlin College and both master and doctor of philosophy degrees from Oxford University. He has received honorary doctorates from Hamilton College, Franklin & Marshall College, Georgetown University, and Oberlin College.

James A. Haley

James A. Haley joined the Centre for International Governance Innovation (CIGI) as the director of the global economy program in January 2012 and now oversees the research direction of the program and related activities. Haley has served in a number of positions in Canada's Department of Finance, most recently as general director of the economic and fiscal policy branch. At the Department of Finance, he co-chaired the G20 working group on rebalancing global demand and represented Canada in various international forums.

From 2003 to 2006, Haley was research director in the international department of the Bank of Canada, where he advised the governor and deputy governor on international economic and financial market developments, external imbalances, International Monetary Fund (IMF) reform, and related policy issues. From 1993 to 1996, he was a senior economist in the Research and European II Departments of the IMF. Haley holds a BA in economics from Carleton University in Ottawa, Ontario, and received his postgraduate training in economics at Queen's University in Kingston, Ontario.

Marco Incerti

Marco Incerti is the head of communications and a research fellow at the Centre for European Policy Studies (CEPS). For CEPS, he follows the developments of think tank-related policy in Europe and is in charge of the European Transparency Initiative dossier. During his tenure, CEPS has been ranked for five years in a row among the Top Ten Think Tanks in the world, and it received the European Public Affairs Award for Think Tank of the Year in 2008, 2010, and 2011. Before joining CEPS, Incerti worked in the international law department of the University of Rome "La Sapienza." Since joining CEPS in 2002, he has concentrated on the European constitutional process, following the work of the Convention on the Future of Europe and focusing in particular on institutional reform. In this context, he founded and managed the European Policy Institutes Network from 2003 to 2006. Incerti is a member of the steering committee of the Brussels Think Tanks Dialogue, the Young Transatlantic Network of the German Marshall Fund, and the European Association of Communication Directors.

Memduh Karakullukçu

Memduh Karakullukçu is the vice chairman and president of Global Relations Forum. He is also managing partner at Kroton Consulting and founding partner of the online legal informatics initiative *kanunum.com*. His advisory work specializes in higher education, technology policy, and analysis of international economic and political affairs. He has served as the senior adviser to the chairwoman of the Turkish Industrialists and Businessmen's Association from 2007 to 2010. Previously, Karakullukçu was the founding managing director of Istanbul Technical University (İTÜ) ARI Teknokent. During this period, he also served as the senior adviser to the president of İTÜ, the coordinator of the law, technology, and policy master of science program, and the strategic adviser at the İTÜ Remote Sensing Facility. He has been a member of the academic staff at the London School of Economics (LSE) and İTÜ. From 1992 to 1994, he worked as a specialist in structured finance at the London and Istanbul offices of an international investment bank. His previous academic work includes research commissioned by the International Monetary Fund and the World Bank on the dynamics of Turkish debt markets. Karakullukçu holds a BS in electrical engineering and a BS in economics from the Massachusetts Institute of Technology, an MSc in finance from LSE, and a JD from Columbia University. He is a member of the New York State Bar.

Yasushi Kudo

Yasushi Kudo has served as representative of the Genron NPO since November 2011. Kudo was previously with Toyo Keizai, Inc., publisher of a leading business weekly magazine *Shukan Toyo Keizai*, and was later appointed editor of the monthly magazine *Financial Business and Debate: Toyo Keizai*, a bimonthly issue-oriented magazine. Kudo holds a master's degree from the Graduate School of Economics of the Yokohama City University.

Sergey Kulik

Sergey Kulik is the director for international development at the Institute of Contemporary Development. Kulik is also a member of the academic council of the Security Council of the Russian Federation and a member of the Council for Foreign and Defense Policy. Previously, he was the director of the Department for Relations with the European Union in the administration of the Russian president, the deputy director of the foreign policy department of the Russian president, the head of the Arms Control Center at the Institute of the USA and Canada Studies in the Russian Academy of Sciences, and a project leader of the Stockholm International Peace Research Institute.

Elena Lazarou

Elena Lazarou is an assistant professor and researcher at the Contemporary Brazilian History Research and Documentation Center. Lazarou's interests include theories of European integration, European foreign policy, multilateralism, and regional integration. She also has an interest in the European Union's (EU) relations with Turkey and Brazil. Her current research focuses on the transformation of Europe beyond the crisis and on Brazil's strategic partnerships with the EU and with Turkey. Lazarou is also an associate researcher at the Center for International Studies at the University of Cambridge, where she completed her PhD in international relations in 2008. Previously, she has been a visiting fellow at the Hellenic Observatory at the London School of Economics and Political Science, visiting scholar at Columbia University and New York University, and research associate at the Center for International Policy Research at the University of Sheffield.

Sook-Jong Lee

Sook-Jong Lee is president of East Asia Institute. Lee is also professor in the Department of Public Administration and Graduate School of Governance at SungKyunKwan University. She served the Korean Association on Contemporary Japanese Studies as president and the Consultation Committee for National Security as adviser to the president. She is a member of the Presidential Committee on Local Administration Reform and the Research Council on a New Era for Korea and Japan. Her previous positions include senior research fellow at the Sejong Institute, visiting fellow at the Brookings Institution, and professorial lecturer at the School of Advanced International Studies at the Johns Hopkins University. Her research interests are the identity and nationalism angles in foreign policies, soft power, and regional cooperation in East Asia. Lee has published numerous articles and edited books. Her recent publications are *Allying with the United States: Changing South Korean Attitudes*, *Korean Perspectives on East Asian Regionalism*, and *China's Asymmetrical Soft Power to Hard Power in East Asia*. Recent books she coedited include *Public Diplomacy and Soft Power in East Asia*, *Toward Managed Globalization*, and *Japan and East Asia*. She holds a PhD in sociology from Harvard University.

James M. Lindsay

James M. Lindsay is senior vice president, director of studies, and Maurice R. Greenberg chair at the Council on Foreign Relations (CFR). Before returning to CFR in 2009, Lindsay was the inaugural director of the Robert S. Strauss Center for International Security and Law at the University of Texas at Austin, where he held the Tom Slick chair for international affairs at the Lyndon B. Johnson School of Public Affairs. From 2003 to 2006, he was vice president, director of studies, and Maurice R. Greenberg chair at CFR. He previously served as deputy director and senior fellow in the foreign policy studies program at the Brookings Institution. From 1987 to 1999, he was a professor of political science at the University of Iowa.

From 1996 to 1997, Lindsay was director for global issues and multilateral affairs on the staff of the National Security Council. He has also served as a consultant to the U.S. Commission on National Security/21st Century (Hart-Rudman Commission) and as a staff expert for the United States Institute of Peace's congressionally mandated task force on the United Nations.

Lindsay has written widely on various aspects of American foreign policy and international relations. His book with Ivo H. Daalder, *America Unbound: The Bush Revolution in Foreign Policy*, was awarded the 2003 Lionel Gelber Prize, named a finalist for the Arthur S. Ross Book Award, and selected as a top book of 2003 by the *Economist*. His other books include *Agenda for the Nation*, coauthored with Henry J. Aaron and Pietro S. Nivola, which was named an Outstanding Academic Book of 2004 by *Choice Magazine*, and *Congress and the Politics of U.S. Foreign Policy*. He has also contributed articles to the op-ed pages of many major newspapers, including the *New York Times*, *Washington Post*, and *Los Angeles Times*. He writes the blog *The Water's Edge*, which discusses the politics of American foreign policy and the domestic underpinnings of American global power.

Sebastian Mallaby

Sebastian Mallaby is director of the Maurice R. Greenberg Center for Geoeconomic Studies and Paul A. Volcker senior fellow for international economics at the Council on Foreign Relations (CFR). Mallaby is also a contributing editor for the *Financial Times* and served previously as a columnist and editorial board member at the *Washington Post*. His interests cover a wide variety of domestic and international issues, including financial markets, the implications of the rise of newly emerging powers, and the intersection of economics and international relations. In addition to his monthly column for the *Financial Times*, his recent writing has been published in the *New York Times*, *Wall Street Journal*, and *Atlantic Monthly*.

Mallaby's latest book, *More Money Than God: Hedge Funds and the Making of a New Elite*, was released in June 2010. *More Money Than God* was the recipient of the 2011 Loeb Prize, a finalist in the *Financial Times*/Goldman Sachs prize, and a *New York Times* best-seller. His previous books are *The World's Banker*, a portrait of the World Bank under James Wolfensohn, which was named as an Editor's Choice by the *New York Times*; and *After Apartheid*, which was named by the *New York Times* as a Notable Book.

Before joining the *Post* in 1999, Mallaby spent thirteen years with the *Economist*. While at the *Economist*, he worked in London, where he wrote about foreign policy and international finance; in Africa, where he covered Nelson Mandela's release and the collapse of apartheid; and in Japan, where he covered the breakdown of the country's political and economic consensus. Between 1997 and 1999, he was the *Economist*'s Washington bureau chief and wrote the magazine's weekly Lexington column on American politics and foreign policy. His *Foreign Affairs* essay on failed states in 2002 was cited by commentators in the *New York Times*, *Financial Times*, and *Time* magazine. He is a two-time Pulitzer Prize finalist: once for editorials on Darfur and once for a series on economic inequality. Mallaby was educated at Oxford. He graduated in 1986 with a First Class degree in modern history.

Robin Niblett

Robin Niblett became the director of Chatham House (the Royal Institute of International Affairs) in January 2007. Before joining Chatham House, Niblett was the executive vice president and chief operating officer of the Washington-based Center for Strategic and International Studies (CSIS) from 2001 to 2006. During his last two years at CSIS, he also served as director of the CSIS Europe program and its initiative for a renewed transatlantic partnership.

Most recently, Niblett is the author of the Chatham House reports *Playing to Its Strengths: Rethinking the UK's Role in a Changing World* and *Ready to Lead? Rethinking America's Role in a Changed World* and editor and contributing author to *America and a Changed World: A Question of Leadership*. He is also author or contributor to a number of CSIS reports on transatlantic relations and is contributing author and coeditor, with William Wallace, of *Rethinking European Order*. He is a frequent panelist at conferences on transatlantic relations and has testified on a number of occasions to the House of Commons Defense Select Committee and Foreign Affairs Committee as well as U.S. Senate and House committees on European affairs.

Niblett is a nonexecutive director of Fidelity European Values Investment Trust. He is a council member of the Overseas Development Institute, a member of the Global Agenda Council on Global Institutional Governance, and the chairman of the Global Agenda Council on Europe of the World Economic Forum. He holds a BA in modern languages and MPhil and DPhil degrees from New College, Oxford.

Yuho Nishimura

Yuho Nishimura is the assistant to the representative Yasushi Kudo at the Genron NPO, where he serves as a manager of international projects, mainly the Tokyo-Beijing Forum, a bilateral talk between Japan and China. He holds a BA in global studies from the University of California, Los Angeles.

Keisuke Okada

Keisuke Okada is the editorial adviser to the Genron NPO. He is also the executive managing director of the English Language Education Council and a senior editor of the Cross-Media Department of the *Japan Times*. He joined the *Japan Times* as a reporter in 1970 and since then has held numerous positions with them, including deputy domestic news editor in charge of political and economic news, editor of the *Japan Times Weekly*, director in charge of the editorial department, and the general manager of the advertising department. He joined the Genron NPO in 2010 as the editor of the English website. He holds a BA in international relations from Sophia University in Tokyo.

Andrew Parasiliti

Andrew Parasiliti is the executive director of the International Institute for Strategic Studies in the U.S. office (IISS-US), the corresponding director for the IISS-Middle East, and a member of the IISS directing staff. He specializes in U.S. foreign policy, including the role of Congress; U.S. policy toward Iran, Iraq, and the Middle East; and the U.S. economy. He also serves on the board of directors of both IISS-US and U.S. Friends of the International Institute for Strategic Studies.

Prior to joining IISS, Parasiliti was a principal of government affairs–international at the BGR Group and an executive director of BGR Capital & Trade from 2005 to 2009. He served as foreign policy adviser to U.S. Senator Chuck Hagel (R-NE), who served on the Foreign Relations, Select Intelligence, and Banking, Housing, and Urban Affairs committees from 2001 to 2005. He was also the director of the Middle East Initiative at the John F. Kennedy School of Government at Harvard University from 1999 to 2001 and the director of programs at the Middle East Institute from 1996 to 1999. He is an emeritus member of the board of directors of the U.S.-India Business Council and a former director of the U.S.-Serbia Business Council. He serves on the board of AI-Monitor.

Parasiliti holds a BA, cum laude, from the University of North Carolina at Greensboro, an MA in foreign affairs from the University of Virginia, and a PhD from the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University.

Stewart M. Patrick

Stewart M. Patrick is senior fellow and director of the International Institutions and Global Governance program at the Council on Foreign Relations (CFR). His areas of expertise include multilateral cooperation in the management of global issues; U.S. policy toward international institutions, including the United Nations; the challenges posed by fragile, failing, and postconflict states; and the integration of U.S. defense, development, and diplomatic instruments in U.S. foreign and national security policy. He is the author of the book *Weak Links: Fragile States, Global Threats, and International Security* and he writes the blog *The Internationalist*.

From February 2005 to April 2008, he was research fellow at the Center for Global Development, where he directed the center's research and policy engagement on the intersection between security and development. He also served as a professorial lecturer in international relations/conflict management at Johns Hopkins University's School of Advanced International Studies.

From September 2002 to January 2005, Patrick served on the secretary of state's policy planning staff, with lead staff responsibility for U.S. policy toward Afghanistan and a range of global and transnational issues. He joined the staff as an international affairs fellow at CFR. Prior to government service, Patrick was a research associate at the Center on International Cooperation at New York University (NYU) from 1997 to 2002. In that capacity he designed and ran two multischolar research programs on postconflict reconstruction and on multilateralism and U.S. foreign policy. He also taught U.S. foreign policy at NYU as an adjunct professor of political science.

He graduated from Stanford University and received his doctorate in international relations, as well as two master's degrees, from Oxford University, where he was a Rhodes scholar. He is the author, coauthor, or editor of five books and the author of numerous articles and chapters on the subjects of multilateral cooperation, state-building, and U.S. foreign policy.

Volker Perthes

Volker Perthes has served as chairman and director of Stiftung Wissenschaft und Politik (SWP), the German Institute for International and Security Affairs, since October 2005. He has been with the institute since 1992 and has served as head of SWP's Middle East research group for several years.

Perthes was assistant professor at the American University of Beirut from 1991 to 1993 and taught at the Universities of Duisburg, Muenster, and Munich. He currently teaches as professor of political science/international relations at Humboldt University Berlin and Free University of Berlin. He is a member of the advisory council of the Shanghai Institutes for International Studies, the Finnish Institute of International Affairs, the Istituto per gli Studi di Politica Internazionale, the Innovation Advisory Council of the Federal Ministry of Economic Cooperation and Development, and the Berlin Demografie Forum. He is a frequent commentator in German and international media.

Perthes earned a doctorate from the University of Duisburg, Germany, in 1990, and his habilitation in 1999.

Andrés Rozental

Andrés Rozental is the president of Rozental & Asociados, a specialized niche consultancy providing political and economic advice to Mexican and foreign multinational companies. Since 2007, Rozental has been a senior nonresident fellow at the Brookings Institution in Washington, DC, and a senior policy adviser to Chatham House in London.

Rozental was a career diplomat for more than thirty-five years, having served as deputy foreign minister from 1988 to 1994, ambassador to the United Kingdom from 1995 to 1997, ambassador to Sweden from 1983 to 1988, and permanent representative of Mexico to the United Nations in Geneva from 1982 to 1983. Since 1994, he holds the lifetime rank of eminent ambassador of Mexico. During 2000 and 2001, he was a roving ambassador and special envoy for President Vicente Fox. In 2002, he was named founding president of the Mexican Council on Foreign Relations, where he served until the end of 2006. In 2006, he was a member of President-elect Felipe Calderon's advisory council on foreign policy. He is chairman of the board of ArcelorMittal Mexico and an independent board member of ArcelorMittal Brazil, Wilson Sons, and Ocean Wilson Holdings. He is a member of the strategic advisory board of EADS Mexico and the advisory council of Kansas City Southern de México.

Rozental obtained his professional degree in international relations from the Universidad de las Américas in Mexico and an MA in international economics from the University of Pennsylvania. He also did postgraduate studies at the University of Bordeaux in France.

Özdem Sanberk

Özdem Sanberk, a retired career diplomat, served as the Turkish ambassador to London from 1995 to 2000. Earlier in his career, he served in Madrid, Amman, Bonn, and Paris. He was the adviser to Prime Minister Turgut Özal from 1985 to 1987. Sanberk then served as the Turkish ambassador and permanent representative to the European Union. Subsequently, he was the permanent secretary-general of the Ministry of Foreign Affairs in Ankara. Following his retirement in 2000, he served as the director of the Turkish Economic and Social Studies Foundation in Istanbul. He is a frequent commentator on international affairs in the Turkish press. Sanberk is currently a member of the Wise Men Center for Strategic Studies in Istanbul and has served as the director of the International Strategic Research Organisation since June 2010. He is a graduate of the law faculty of Istanbul University.

Zaki Shalom

Zaki Shalom is a member of the research staff at the Institute for National Security Studies and the Ben-Gurion Research Institute at Ben-Gurion University. Shalom has published extensively on various facets of Israel's defense policy, the Arab-Israeli conflict, the role of the superpowers in the Middle East, and Israel's struggle against Islamic terror. His work has also focused on the study of Israel's nuclear option, both in historical and contemporary perspectives.

Shalom is the author of numerous articles and several books, including *Israel's Nuclear Option: Behind the Scenes Diplomacy between Dimona and Washington* and *Ben-Gurion's Political Struggles, 1963–1967: A Lion in Winter*. In 2007 he was awarded the prime minister's prestigious David Ben-Gurion Memorial Prize for his book *Fire in His Bones*, which deals with Ben-Gurion's activities following his resignation as prime minister and until his death. He holds a BA from the Hebrew University of Jerusalem and a PhD from the Fletcher School of Law and Diplomacy at Tufts University.

Gilead Sher

Gilead Sher is a senior partner at Gilead Sher & Co. Law Offices. Sher's practice areas are corporate law, project finance, international business ventures, investments and transactions, constitutional law, and dispute resolution. He is a visiting professor at the Wharton School of the University of Pennsylvania and Tel Aviv University. He is also a former head of bureau and policy coordinator for Israel's prime minister and minister of defense, Ehud Barak, and was the co-chief negotiator from 1999 to 2001 at the Camp David summit and the Taba talks as well as in extensive rounds of covert negotiations. He served under the late prime minister Yitzhak Rabin as delegate to the 1994–1995 Interim Agreement negotiations with the Palestinians.

Sher is a colonel and a former brigade commander and deputy division commander in the Armored Corps of the Israel Defense Forces, as well as a military judge. Previously, he was a board member of the Association for Civil Rights in Israel and president of Israel Shotokan Karate Association (Fifth Dan). He is a member of the Council for Peace and Security, chairman of the board of the Sam Spiegel Film and Television School Jerusalem, founding co-chairman of the Blue White Future, and a member of the International Association of Jewish Lawyers and Jurists. He is the author of *The Israeli-Palestinian Peace Negotiations, 1999–2001: Within Reach*.

Elizabeth Sidiropoulos

Elizabeth Sidiropoulos is the national director of the South African Institute of International Affairs (SAIIA). Previously, Sidiropoulos was director of studies at SAIIA and research director at the South African Institute of Race Relations, where she was editor of *Race Relations Survey* (now the *South Africa Survey*), an annual publication documenting political and constitutional developments and socioeconomic disparities in South Africa.

Sidiropoulos is the editor in chief of the *South African Journal of International Affairs*. Her many publications include a special issue of the *South African Journal of International Affairs* on India in Africa; *Apartheid Past, Renaissance Future: South Africa's Foreign Policy 1994–2004*, coedited with Alex Vines; *International Security and African Regional Security: Perspectives from South Africa*; *Global Security in a Multipolar World*; *Global Power Shifts and South Africa's Southern Agenda: Caught between African Solidarity and Regional Leadership*; and *Power Shifts and Global Governance: Challenges from South and North*.

Stefano Silvestri

Stefano Silvestri has been president of the International Affairs Institute since 2001. Silvestri has been a lead writer for *Il Sole 24 Ore* since 1985. From January 1995 to May 1996, he served as undersecretary of state for defense, having been an adviser to the undersecretary of foreign affairs for European matters in 1975 and a consultant to the prime minister's office under various governments. He continues to act as a consultant to both the Ministry of Foreign Affairs and the Ministries of Defense and Industry. As a professional journalist, he has been a special correspondent and columnist for *Globo*, and a member of the Policy Committee of *Europeo*, and he has contributed articles on foreign and defense policy to numerous national daily papers. He was professor of Mediterranean security issues at the Bologna Centre of Johns Hopkins University from 1972 to 1976, and worked at the International Institute for Strategic Studies in London from 1971 to 1972. He is currently a member of the administrative council of the Italian Industries Federation for Aerospace, Defense, and Security and of the Trilateral Commission.

Carlos Ivan Simonsen Leal

Carlos Ivan Simonsen Leal has been the president of Fundação Getúlio Vargas (FGV) since 2000. From 1986 to 1997, Simonsen Leal served as a professor in the School of Graduate Economics of Fundação Getúlio Vargas (EPGE/FGV), director of FGV-Business from 1992 to 1997, general director of EPGE from 1994 to 1997, and FGV's vice president from September 1997 to August 2000. He is also a member of several corporate boards. Simonsen Leal holds a degree in civil engineering from the Federal University of Rio de Janeiro's School of Engineering and has a master's degree in mathematical economics from the Brazilian National Council for Research's National Institute of Pure and Applied Math. He also has a PhD from EPGE/FGV and a PhD in economics from Princeton University.

Rizal Sukma

Rizal Sukma is currently the executive director at the Centre for Strategic and International Studies (CSIS), Jakarta. Sukma has worked extensively on Southeast Asia's security issues, Indonesia's defense and foreign policy, military reform, Islam and politics, and domestic political changes in Indonesia. He is also chairman of international relations at the Muhammadiyah Central Executive Board and a member of the board of governors of the implementing agency for the Bali Democracy Forum and the Institute for Peace and Democracy.

Sukma has served as a member of the National Committee on Strategic Defense Review at the Ministry of Defense, Republic of Indonesia, and as a member of the National Drafting Committee for the National Defense Bill (2000–2002) and the Armed Forces Bill (2002–2003). In 2007 he was a Fulbright visiting scholar at Columbia University. In July 2005, he became the first Indonesian to receive the Nakasone Award. He was named as one of 100 Global Thinkers 2009 by *Foreign Policy*. Sukma is the author of numerous papers and reports and has published in several journals and other internationally circulated publications. He holds a PhD in international relations from the London School of Economics and Political Science.

Jusuf Wanandi

Jusuf Wanandi is the cofounder and vice chairman of the board of trustees of the Centre for Strategic and International Studies (CSIS) Foundation and senior fellow of CSIS, Jakarta. Wanandi is chairman of the Indonesian National Committee for the Pacific Economic Cooperation Council, co-chair of the Council for Security Cooperation in the Asia Pacific, Indonesia, a member of the steering committee, and concurrently member of the standing committee of the Pacific Economic Cooperation Council. He is also president director of the publishing company of the *Jakarta Post*, chairman of the board of the Prasetya Mulya Graduate School of Management, and chairman of the Foundation of Panca Bhakti University in Pontianak, West Kalimantan.

Wanandi was previously assistant professor of law at the University of Indonesia and has served in various national and international organizations over the course of his career. He was appointed secretary of the Indonesian Supreme Advisory Council, and secretary-general of the National Education Council, and was a four-term representative in the People's Consultative Assembly. He was active in the Golkar Party from 1979 to 1988 as a member of the central board in various capacities. He has written extensively in national and international magazines and newspapers and has edited a number of books on political and security developments in the Asia-Pacific region.

Michael Wesley

Michael Wesley is the executive director of the Lowy Institute for International Policy. Previously, Wesley was professor of international relations and director of the Griffith Asia Institute at Griffith University. Prior to this, he was the assistant director-general for transnational issues at the Office of National Assessments and a senior lecturer in international relations at the University of New South Wales.

From 2007 to 2009, Wesley was the editor of the *Australian Journal of International Affairs*. He has served on the Australian Research Council's college of experts and the Queensland Art Gallery's board of trustees. He is a nonresident senior fellow at the Brookings Institution and an adjunct professor at Griffith University and the University of Sydney. His most recent book, *There Goes the Neighbourhood: Australia and the Rise of Asia*, won the 2011 John Button Prize for best writing on Australian public policy.

Wu Chunsi

Wu Chunsi is director of the Institute of International Strategy Studies at the Shanghai Institutes for International Studies and is also a visiting fellow with the Freeman Chair in China Studies at the Center for Strategic and International Studies. She has extensive research interests on Chinese-U.S. security relations, arms control, nuclear deterrence, and Northeast Asian security. Her major publications include *Deterrence Theories and Missile Defense* and *Deterrence and Stability: China-U.S. Nuclear Relationship*, coauthored with Zhu Mingquan and Su Changhe.

From August 1997 to October 2006, Wu worked for the Center for American Studies at Fudan University as assistant researcher and associate professor. In 2004–2005, she was granted a fellowship on arms control by the Union of Concerned Scientists and the Ford Foundation for a one-year study on Chinese-U.S. space cooperation at the Center for International Studies at the Massachusetts Institute of Technology. She holds bachelor's, master's, and doctoral degrees in international relations from the Shanghai-based Fudan University.

Amos Yadlin

Amos Yadlin was named director of Tel Aviv University's Institute for National Security Studies (INSS) in November 2011, after more than forty years of service in the Israel Defense Forces (IDF), ten of which he was a member of the IDF general staff. Before his appointment as director of INSS, Yadlin joined the Washington Institute for Near East Policy as the Kay fellow on Israeli national security. He has written on national security, force development, intelligence, civil-military relations, and the military ethics of fighting terror.

From 2006 to 2010, Yadlin served as the IDF's chief of defense intelligence. From 2004 to 2006, he served as the IDF attaché to the United States. In February 2002, he earned the rank of major general and was named commander of the IDF Military Colleges and the National Defense College.

A former deputy commander of the Israel Air Force (IAF), he has commanded two fighter squadrons and two airbases. He also served as head of the IAF planning department from 1990 to 1993. He accumulated about five thousand flight hours and flew more than two hundred and fifty combat missions behind enemy lines. He participated in the Yom Kippur War, Operation Peace for Galilee, and Operation Tamuz—the destruction of the Osirak nuclear reactor in Iraq.

Yadlin holds a BA in economics and business administration from Ben-Gurion University of the Negev and an MPA from the John F. Kennedy School of Government at Harvard University.

Igor Yurgens

Igor Yurgens is the chairman of the management board of the Institute of Contemporary Development, vice president of the Russian Union of Industrialists and Entrepreneurs, and a professor at the Higher School of Economics.

Yurgens graduated with a degree in economics from Moscow State University, when he began working in various positions with the international departments of the Professional Unions Central Council of the USSR and the United Nations Educational, Scientific and Cultural Organization Secretariat. From 1992 to 1997, he was the first deputy chairman of the Confederation of Independent States Trade Union Confederation. He later served as co-chairman of the Foundation for the Development of Parliamentarism in Russia from 1997 to 1998. In 1998, he became president of the All-Russian Insurance Association, serving until 2002. From 2002 to 2005, Yurgens served as vice president and executive secretary of the Russian Union of Industrialists and Entrepreneurs (RSPP) and he has been vice president of RSPP since 2005. Other positions held in recent years include chairman of the financial markets committee of the Russian Chamber of Commerce and Industry from 2000 to 2009, member of Public Chamber of the Russian Federation from 2007 to 2009, and first vice president of the investment bank Renaissance Capital from 2005 to 2010.

Yurgens has served on the board of directors of numerous commercial and nonprofit organizations, is a member of various institutions, and is the recipient of several state and international awards.

Keynote Speaker Biographies

Robert D. Hormats

Robert D. Hormats was sworn in as undersecretary of state for economic growth, energy, and the environment on September 23, 2009.

Hormats was formerly vice chairman of Goldman Sachs (International). He joined Goldman Sachs in 1982. He served as assistant secretary of state for economic and business affairs from 1981 to 1982, ambassador and deputy U.S. trade representative from 1979 to 1981, and senior deputy assistant secretary for economic and business affairs at the Department of State from 1977 to 1979. He served as a senior staff member for international economic affairs on the National Security Council from 1969 to 1977, where he was senior economic adviser to Henry A. Kissinger, Brent Scowcroft, and Zbigniew Brzezinski. He has been a visiting lecturer at Princeton University and served on the board of visitors of the Fletcher School of Law and Diplomacy and the dean's council of the John F. Kennedy School of Government at Harvard University.

Hormats's publications include *The Price of Liberty: Paying for America's Wars from the Revolution to the War on Terror*; *Abraham Lincoln and the Global Economy*; *American Albatross: The Foreign Debt Dilemma*; and *Reforming the International Monetary System*. Other publications include articles in *Foreign Affairs*, *Foreign Policy*, the *New York Times*, *Washington Post*, *Wall Street Journal*, *American Banker*, and *Financial Times*. He was a recipient of the French Legion of Honor in 1982 and the Arthur Fleming Award in 1974.

Hormats holds a BA with a concentration in economics and political science from Tufts University and an MA and a PhD in international economics from the Fletcher School of Law and Diplomacy.

Robert B. Zoellick

Robert B. Zoellick became the eleventh president of the World Bank Group on July 1, 2007. Prior to joining the bank, Zoellick served as vice chairman, international; managing director; and chairman of the board of international advisers at Goldman Sachs from 2006 to 2007.

From 2005 to 2006, Zoellick served as the deputy secretary of the U.S. State Department. He was the department's chief operating officer and policy alternate for the secretary of state, in addition to having lead policy responsibility in a number of areas. From 2001 to 2005, he served in the U.S. cabinet as the thirteenth U.S. trade representative. He worked with ministers from nearly 150 economies to launch the Doha Development Agenda in the World Trade Organization (WTO) in 2001 and then to complete the framework accord for opening markets in 2004. Zoellick was instrumental in completing the accession of China and Chinese Taipei to the WTO. He also completed or substantially advanced the accessions to the WTO of Cambodia, Saudi Arabia, Vietnam, Russia, and others.

Zoellick enacted or completed Free Trade Agreements (FTA) with Jordan, Chile, Singapore, Morocco, Bahrain, the five countries of Central America, the Dominican Republic, and Australia. He also launched FTAs with Peru, Colombia, and Panama and enacted a Basic Trade Agreement with Vietnam. Zoellick worked with the U.S. Congress to pass Trade Promotion Authority as well as preferential trade arrangements with Africa, the Andean countries, the Caribbean states, and all developing economies.

From 1985 to 1993, Zoellick served at the U.S. Treasury Department as deputy assistant secretary for financial institutions policy to counselor to the secretary; at the U.S. State Department as undersecretary of state for economic and agricultural affairs as well as counselor of the department with undersecretary rank; and briefly at the White House as deputy chief of staff and assistant to the president. He was the lead U.S. official in the Two-plus-Four process of German unification in 1989–90. He was the sherpa to the president for the preparation of the Economic Summits in 1991–92.

Zoellick has also served on many nonprofit boards, among them the Council on Foreign Relations, the European Institute, the American Council on Germany, the American Institute of Contemporary German Studies, the German Marshall Fund of the United States, the National Bureau of Asian Research, the Overseas Development Council, and the advisory councils of the World Wildlife Fund and the Institute of International Economics. He has received a number of awards, including the Knight Commanders Cross, the Alexander Hamilton and Distinguished Service Awards, the Department of Defense Medal for Distinguished Public Service, and a doctorate of humane letters from St. Joseph's College.

Zoellick graduated Phi Beta Kappa from Swarthmore College. He earned a JD magna cum laude from the Harvard Law School and an MPP from the Kennedy School of Government.

Council of Councils Inaugural Meeting Agenda

Council on Foreign Relations

1777 F Street, NW

Washington, DC, 20006

March 12-13, 2012

MONDAY, MARCH 12

8:15 TO 8:45 AM

Room 100

Light Breakfast

8:45 TO 9:00 AM

Room 100

Welcome: **Richard N. Haass**, President, Council on Foreign Relations

9:00 TO 10:30 AM

Room 100

Session 1: **The State of Global Governance**

Panelists:

Wu Chunsi, SIIS (China)

Thierry de Montbrial, IFRI (France)

Enrique Berruga, COMEXI (Mexico)

Chair: **Stewart Patrick**, CFR (USA)

Guiding Questions: What form of "global governance" is most appropriate to the twenty-first century? What have been the most important institutional innovations in recent years—and where has such reform been lagging? Going forward, what issue areas will lend themselves to new forms of multilateral cooperation? How can established and emerging powers cooperate to advance this reform agenda?

10:30 TO 10:45 AM

Coffee Break

10:45 AM TO 12:15 PM

Room 100

Session 2: **The Challenge of Iran**

Panelists:

Amos Yadlin, INSS (Israel)

Igor Yurgens, INSOR (Russia)

Memduh Karakullukçu, GRF (Turkey)

Chair: **Volker Perthes**, SWP (Germany)

Guiding Questions: What challenges does Iran pose to the nuclear non-proliferation regime? What are the prospects for effective multilateral action in confronting Iran's nuclear ambitions—and for closing loopholes permitting countries to pursue nuclear weapons under the guise of peaceful nuclear energy? What options should be on the table in such situations?

12:15 TO 2:00 PM

Rockefeller-Peterson Room

Lunch and Speaker: **The Multilateral View**

Robert Zoellick, President, World Bank

Presider: **Richard N. Haass**, President, Council on Foreign Relations

**This session will be on the record.*

2:15 TO 3:45 PM
Room 100

Session 3: Lessons of Libya

Panelists:

Michael Wesley, Lowy Institute (Australia)

Rizal Sukma, CSIS (Indonesia)

Stefano Silvestri, IAI (Italy)

Elizabeth Sidiropoulos, SAILA (South Africa)

Chair: **Robin Niblett**, Chatham House (UK)

Guiding Questions: What does the experience of Libya suggest about the threshold that should trigger international action—and appropriate forms of intervention in the case of mass atrocities? How should the international community respond in such cases? When UNSC authorization is impossible to secure, are other options available?

3:45 TO 6:00 PM
Business Center

Free Time (business center with wifi available)

6:00 TO 7:00 PM

Cocktail Reception

7:00 TO 8:30 PM
Rockefeller-Peterson Room

Dinner and Speaker: **The View from the Obama Administration**

Robert Hormats, Undersecretary of Economic Growth, Energy, and the Environment, U.S. State Department

Presider: **Thierry de Montbrial**, President, French Institute of International Relations

**This session will be on the record.*

TUESDAY, MARCH 13

8:30 TO 9:00 AM
Room 100

Light Breakfast

9:00 TO 10:30 AM
Room 100

Session 4: The Dollar's Future as a Reserve Currency

Panelists:

Daniel Gros, CEPS (Belgium)

Carlos Ivan Simonsen Leal, FGV (Brazil)

Thomas Bernes, CIGI (Canada)

Kudo Yasushi, Genron NPO (Japan)

Chair: **Sebastian Mallaby**, CFR (USA)

Guiding Questions: Has the world's dependence on the dollar as a reserve asset been a stabilizing or destabilizing influence? What other national currencies could play a larger role as reserve assets in the future? What are the prospects of multilateral alternatives to national reserve accumulation, including an enhanced role for the International Monetary Fund or greater use of SDRs?

10:30 TO 11:00 AM

Coffee Break

11:00 AM TO 12:30 PM Session 5: **Wrap-Up—Where Do We Go from Here?**
Room 100

Panelists:

Barry Desker, RSIS (Singapore)

Sook-Jong Lee, EAI (South Korea)

John Chipman, IISS (UK)

Chair: **Richard N. Haass**

Guiding Questions: What have the previous sessions suggested about the prospects for—and potential forms of—multilateral cooperation in handling global challenges? What issues should be on the agenda of the next CoC annual meeting? How would the membership like to see the CoC develop as a dynamic entity, capable of encouraging dialogue and informing policy debates in member countries?

12:30 TO 2:00 PM Informal Lunch
Rockefeller-Peterson Room

All sessions are not for attribution unless otherwise noted.

COUNCIL OF COUNCILS

An Initiative of the Council on Foreign Relations



Monday, March 12, 2012
8:15 a.m. to 8:30 p.m.

Tuesday, March 13, 2012
8:30 a.m. to 2:00 p.m.

1777 F Street, NW
Washington, DC 20006

Founding Members

Australia

Lowy Institute for International Policy

Belgium

Center for European Policy Studies

Brazil

Getulio Vargas Foundation

Canada

Center for International Governance Innovation

China

Shanghai Institutes for International Studies

France

French Institute of International Relations

Germany

German Institute for International and Security Affairs

Indonesia

Center for Strategic and International Studies

Israel

Institute for National Security Studies

Italy

Institute of International Affairs

Japan

Genron NPO

Mexico

Mexican Council on Foreign Relations

Russia

Institute of Contemporary Development

Singapore

S. Rajaratnam School of International Studies

South Africa

South African Institute of International Affairs

South Korea

East Asia Institute

Turkey

Global Relations Forum

United Kingdom

Chatham House (The Royal Institute of International Affairs)

International Institute for Strategic Studies

United States

Council on Foreign Relations

Lesson I

GLOBAL GOVERNANCE

Amb. Enrique Berruga-Fillooy

Chairman, Mexican Council on Foreign Affairs

A dangerous gap is widening between the world's pressing needs for multilateral cooperation and the inability to produce agreements to effectively meet our present challenges. The era of crafting worldwide binding agreements such as the law of the seas or the non-proliferation treaty, seems to be in jeopardy or outright over. Furthermore, some of the steps taken in the past few years to address issues of global importance, like the Kyoto Protocol on climate change, have suffered quite meaningful setbacks. Indeed, with the exception of the field of peace and security, critical areas such as the environment, the stability of the financial markets, monetary policy, the international food crisis or trade negotiations, have either stalled or turned into a crisis on their own right.

As Colin Bradford from The Brookings Institution has pointed out, there are three simultaneous crises at the moment:

- 1) A crisis of confidence in markets.
- 2) A crisis of trust in leadership.
- 3) A crisis of faith in institutions.

A sluggish world economy has inevitably drawn the leader's attention to domestic concerns, particularly unemployment, social upheavals and national budgetary restraints. Since the inception of the most recent economic downturn in 2008, the parties in power of Spain, Portugal, Greece, Italy, Great Britain, the United States and Australia, to name a few (France may be next in line), have lost elections or been ousted by parliamentary blocs. Therefore, it is only natural that today's leaders focus on domestic politics and be unwilling or politically impeded to give up an inch of their national interests to international causes. Shortsighted as this may be, immediate and pressing political needs are turning voters away from their leaders and leaders away from the world's needs.

Although politically and electorally understandable, this kind of behavior is paradoxical, for many aspects of these domestic concerns can only be solved through enhanced international cooperation. The lingering Greek crisis has had a direct impact on international financial markets. However, neither the world leading economies have come forward to solve it in a swift manner, as President Clinton did with a rescue package for a much larger economy, that of Mexico in 1995, nor the Greek public has accepted the conditions to accommodate to the Eurozone requirements.

The environment is another case in point. When the world's GDP was steadily growing, there was some openness and willingness to invest in a less efficient green economy, commit to low emissions and pay for carbon bonds. As conditions changed, negotiations came to a halt in Copenhagen, Cancun and Durban. For the foreseeable future, the Kyoto Protocol won't be renewed, much less will there be a transfer of resources from wealthy to less developed

economies, thus delaying an encompassing agreement to curb global warming. In the short term, this reluctance to abide by an international substitute of Kyoto may ease the green burden for many companies. However, in the medium and long term, dislocated weather patterns will prove to be ever more costly.

The one area in which a true system of global governance seems to work reasonably well is the maintenance of peace and security. Aside from the nineteen PKO's currently in place, the challenges posed by the Arab Spring uprisings have not spilled over as a regional or international conflict (Syria's case is yet to be seen). Unacceptable and dangerous behavior in international relations has been largely contained through the action of the UN Security Council, while its resolutions have largely prevailed. Most PKO's have managed if not to solve, at least keep in check a regional spill over of civil wars, particularly in Africa. Joint international efforts have proved effective in dealing with high-seas piracy off the coasts of Somalia and to craft international groupings to deal with countries that do not abide to regulations regarding the use and development of nuclear capabilities. By and large, collective action endorsed by the UN has proved to be both legitimate and effective in dealing with issues of peace and security. Although many of its practices need improvement, this is one of the few realms in which a working global governance is apparent.

The international community ought to be particularly careful in dealing with the so-called UN Security Council Reform. An enlargement of this body, especially on the category of permanent members, may harm its capacity to reach agreements, to act with a necessary sense of urgency and thus spoil one of the few institutions that has proved to be true to its mandate. The General Assembly will continue to be a highly charged political body, a thermometer of the world's worries and opinion, although with little or no possibility of delivering global agreements on the most pressing challenges of our time.

CFR
View?

The G-20 is not only the newest, but perhaps the most promising tool to bring about decisions on issues that require immediate attention. However, after only five years of existence, it is already at a crucial turning point. It still may be a powerful instrument for steering collective action, particularly on the financial, monetary and environmental fronts. However, it might as well become an annual ritual with little or no relevance to address questions of global importance. On the one hand, it commands the authority of encompassing over 85% of the world's GDP. On the other hand, its legitimacy is challenged by the fact that its membership is only ten percent of the global family of nations. Recent summits of the G-20 have endeavored to invite non-member countries as an outreach exercise. For the upcoming Summit in Los Cabos, Mexico, five such countries will attend so as to make the G-20 a more inclusive grouping. The political correctness of such exercise is beyond question. However, as far as the efficiency and capacity to make collective decisions goes, this practice has proved to be more of a burden than an advantage. In any case, this is just a cosmetic problem that can be easily addressed. The so-called 3G (Global Governance Group) is meant to engage non G-20 countries, so as to garner a wider support and understanding for its recommendations.

The G-20's future depends on its capacity to actually deliver results. Thus far (read the lengthy final declarations of each summit) has been able, at best, to come up with a joint assessment on the state of the economy, the need to enhance the regulatory framework of the financial markets, to use infrastructure as a tool for growth and the need to make green industries as efficient as the intensive carbon ones. However, none of these deliberations have yet turned into clear and real commitments to be implemented by its member states.

The G-20 is in need of flying the airplane and paint it at the same time. It needs to continue reviewing and crafting proposals to address the most pressing issues of our time, especially the sorrow state of the economy. It should strive to better align and harmonize its member's policies on trade liberalization, use of monetary tools, strengthening the IMF's contingency funds and the like. However, it is badly in need of revisiting its ground rules, the principles under which the Group is going to work in the future. It is in need of setting the rules that will enable it to produce binding commitments, set a time frame to achieve results and share responsibilities to advance the international agenda.

This latter issue is a thorny one, for often times national interests clash with the requirements of the global arena. Upcoming elections demand that politicians do whatever is needed to retain power, which seldom match the needs of the world at large. In this sense, one of the present values of the G-20 is to learn better about the others' concerns and positions. However, it has proved to be too limited to actually change the current course of the economy or to jump-start negotiations on the environment, to name but two relevant issues.

One would think that the global state of affairs matters most to those nations that are more embedded in the global economy; think of China, the USA and increasingly the BRICS. To some extent, national and global interest mingle, as they depend on the conditions and rules that govern the world economy. The G-20 is in need of highlighting those matters that impinge upon the welfare of them all, the policies that need to be implemented and hence, the areas in which they should commit and bind themselves for their own good. The alternative is too costly; not? reviewing its ground rules will render an irrelevant mechanism, one that raises expectations but meets none of them and that will not produce the necessary international cooperation. Los Cabos will be in this sense a moment of truth for the G-20.

The notion of setting up small format organizations such as the G-20 is a worthy one. Exchanging ideas, learning from others and reach conclusions is a valid and meaningful exercise. Its value, of course, grows larger as they are able to deliver appropriate and timely responses to the world's challenges. At the present, a glimpse at the future of global governance depends on the performance of the G-20. Universal bodies will continue to play a rôle as forums for political debate and for positioning regional groupings, but little should be expected of their capacity to craft global rules and new institutions.

Crises have historically been a source for needed change and for building and updating institutions. The sense of swift and decisive action may render a new set of organizations and mechanisms that may revitalize global governance. Seizing the opportunity demands

leadership, which is not clearly perceived at the present moment. Emerging powers are more interested in buttressing their global position than contributing to a new system. Traditional powers seem too busy dealing with their own domestic predicaments, so as to take the lead in harnessing a more efficient world order. China, somewhat in the middle of these two, has not shown a desire to propose a different way forward. Such vacuum is at the core of the current leadership crisis, while multilateral organizations (including the UN) do not have the mandate to call for a major refurbishment of the global system or to reform the existing one. Should the present economic, social and environmental hardships worsen before pertinent action is taken or proper leadership arises? Perhaps we are at the threshold of an ever deeper crisis, before the world starts seeing tangible results and new formulations of global governance.

Sesson 1

GLOBAL GOVERNANCE: A RACE AGAINST TIME

Thierry de Montbrial,

Founder and President of the French Institute of International Relations (Ifri)

February 21st 2012

Global governance is the problem of enforcing the structural stability of an increasingly complex international system, which is at risk because of growing non-linear interdependencies, to a large extent triggered by the IT revolution (effects of social networks, etc.), as illustrated by the financial crisis of 2007-2008, the Greek crisis which erupted in 2009-2010, or in the political sphere the so-called "Arab spring" of 2010-2011. Non-linearity is the phenomenon of non-proportionality of cause and effect on a global scale (Butterfly effect). The question is: can the international system be prevented from collapsing through an abrupt end to globalization or through a slide towards anarchy? Although the United States will remain by far the number one power in the next two decades or more, a New World Order maintained by one dominant power is no longer feasible. A new kind of "Concert of Nations" involving a small number of homogeneous powers, as in the post-Napoleonic Europe, does not seem likely either. The current world is highly heterogeneous: that is, culturally diverse, volatile and fragile.

Although states themselves have become more heterogeneous and weaker, partly as a consequence of globalization, they remain the basic political units of the international system. From a legal point of view, states are characterized by a territory, a population and a government. More fundamentally, a sustainable state is based on a population unified by a common culture, and organized around institutions whose role is to define and implement *public goods*, and in general to translate the collective reality into actions directed towards both the outside world and the domestic scene. The "abstract" public good from which the "concrete" public goods are derived is the political unit itself, in that it aims to preserve its existence. The important point is to observe that any "concrete" public good is inseparable

from the political unit to which it refers, and from its governance. That is why, strictly speaking, it is still meaningless to speak of *global public goods*, except in a very loose, non operational, sense. Yet, the impact of globalization is a major increase in the *externalities* (positive or negative) affecting the various political units, which perceive them differently. In some areas, such as energy, climate or health, this general interdependence may end up prevailing over the purely internal realities. This dramatically reduces the room for maneuver of governments, whose legitimacy is brought into question.

The natural solution to the global governance problem under these conditions, is to resort to interstate cooperation, such as the G8 and the G20, to global international organizations, such as the United Nations or the IMF, or regional organizations, such as the Arab League. However this mix doesn't work well in the current complex international system, because of the efficiency – legitimacy dilemma. In order to be efficient, a group G of leading countries should have a small number of members, while legitimacy tends to imply large numbers. The dilemma could be solved if the identified "leaders" were perceived as contributing resources not only for their own interest, but for the sake of others. Thus, the duties, not only the rights, of any leading G would have to be clearly stated. This is typically not the case of the existing G's, such as the G5 (permanent members of the Security Council), which does not seem to have a shared view of the "common good" (cf. Iran or Syria). Moreover, while "old" western powers have comparable historical experiences of leadership, such is clearly not the case for emerging powers, which tend to define their national interest in narrow terms. India or China, for instance, do not even claim to be recognized as global leaders. This is the classical "free rider" problem.

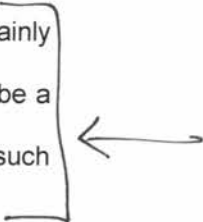
The disagreements among members of a given G may stem from different understandings of the working of the international system (such is often the case in economics), from conflict of interests more or less narrowly defined, or both. At the state level, arbitration procedures allow to make decisions, even though in a highly imperfect environment. More often than not, a second best or even a bad decision is better than none. Because of the lack of institutions for arbitration at the international level, an enormous

amount of energy is wasted during endless negotiations. A lot of time may be lost while crises develop, which makes their settlement increasingly difficult, until a bifurcation point is reached. As a consequence of the very low efficiency of the global governance system, the credibility of local politicians is damaged. In some countries, democracy itself can be hurt.

The art of global governance must involve stakeholders other than states.
Globalization has helped to increase the number of non-state players with international reach
(companies, non-governmental organizations, think tanks, etc.). Good governance should favor their initiatives, with a view to achieving the common good and allowing closer cooperation between these players, states and international organizations, structured according to the fields concerned (examples : finance, energy, health etc...). Here again, we clearly face the efficiency – legitimacy dilemma. If we are talking of energy, for instance, which companies should be part of a global decision-making process, and how should this process be structured? The difficulty arises partly from the fact that truly global companies do not exist. IBM and Mercedes-Benz operate worldwide, but the former is clearly American, and the latter German. This is more a matter of culture than of citizenship but, at the end of the day, when he acts as a salesman for his country, the president of the United States will spend more energy to defend the interests of IBM than those of Mercedes Benz. This leads to a fundamental point. A state, or generally speaking any political unit, is composed of groups of individuals and institutions immersed in a given culture, which helps to mould them and which, conversely, they can gradually modify as well. Now, globalization puts political units permanently in close contact with each other and brings about a gigantic intermingling of individuals and institutions of all nationalities, all this on an unprecedented scale in the history of Humanity. Consequently, cultures and civilizations influence each other as never before.

These considerations bring us back to the question of global public goods. We must admit that no matter how rapidly this intermingling aspect of globalization is occurring, it will not lead to the emergence of a world political unit for a long time. The European Union itself

is still a long way from being a well rounded political unit. Hence the importance of looking out for bottom-up initiatives capable of furthering the objective of identifying some "goods" that would be recognized as global public goods by public opinions in different parts of the world (note that "global public opinion" doesn't exist anymore than a global political unit), even though no legitimate decision making process would have defined them. Such a bottom-up approach would increase the chances for good global governance. It certainly would take time, but less than the hypothetical emergence of a world political unit! Maybe a proper network of think tanks such as this "Council of Councils" could contribute to such bottom-up initiatives, as part of the emergence of a "world civil society".



Good global governance does not imply the total homogenization of the political regimes of the states that make up the international system and even less any form of cultural uniformization. However, it may require the identification of universal values that are truly shared by the members of what we could then really call the "international community". One could think of a universal declaration of values, involving human rights but dealing also with human duties. Such a declaration could pave the way for a more effective system of international law.

One more remark to conclude. No problem is more important for the world today than global governance. Returning to confrontation among blocks would impede economic development, increase the likelihood of major wars, and harm human rights. Anarchy might be even worse, and we must recognize that bad global governance may increase the risk of disintegration of certain states, which is precisely what countries such as Russia or China fear most, and with good reasons. At the end of the day, progress depends to a large extent on a less ideological approach, particularly in the "West", a less cynical approach, particularly in the "East", and proper redefinition by the major world powers of their national interest, that would have to take better account of positive as well as negative externalities, at different time scales. Such redefinition should be facilitated by bottom-up initiatives within and among them.

The Challenges of Iran: Russia's Perspective

The situation with Iran is extremely complex. Moscow acknowledges the possibility of a military operation against Iran in the near future. At the same time, it will not abandon hope that such a turn of events can be prevented.

The list of problems spans several geographical levels, from the global geopolitical scale to internal political struggles:

- Global – conflicting positions of the US and its Western allies, on the one hand, and Russia, China and other BRICS, on the other, which could be aggravated in the case of the outbreak of war, etc.;
- Regional – problems concerning Syria and Iraq (particularly preventing a rise in Iranian influence in Iraq following US withdrawal), unpredictable radicalization of Sunnites as well as Shiites and conflicts between the two groups, transformation of Iraq into a worst-case rogue state, complicated relations between Iran and the Taliban, etc.;
- Local – internal political struggles taking place within Iran itself.

A nuclear-armed Iran. Russia's leadership is convinced that we have one to two years before Iran can build a device and a missile. External security threats are traditionally perceived as coming from the NATO and the West. However, by all appearances, Russia will soon be forced to seriously analyze the consequences of Iran's possible entry into the nuclear club. The level of concern is rising.

One of the important aspects of the emergence of a nuclear-armed Iran is the subversion of the international non-proliferation regime. Russia has taken a hard-line stance against subversion of this regime. The prospect of the spread of nuclear technology and its uncontrollable nature in this region causes serious concern in Moscow.

Iran's nuclear potential undeniably represents a threat to Russia given serious disagreements between Russia and Iran, including differences over the division of Caspian Sea resources.

Russia must increasingly balance all of these factors as it formulates and adjusts its position vis-à-vis Iran.

Another problem is the widespread support of the Iranian public for the country's nuclear ambitions. Even if more constructive and amenable leadership comes to power, it will not be able to ignore public opinion, and this must factor into considerations.

Impact on Russia's domestic security. Worsening of relations with its Caspian neighbor gives rise to concerns in Russia over the Islamic issue domestically: this situation might increase terrorist activity and separatist tendencies within Russia itself. For Russia's leadership this is currently both a more sensitive issue and a higher priority than the international dimension of the Iranian issue. Iran has a substantial number of sleeper cells inside Russia and could activate them if relations break down.

Moscow does not rule out the possibility that its assistance to Damascus and Tehran could lead to a surge in financing by Iran's opponents of terrorist groups in the North Caucasus and the Islamist underground in major Russian cities. Some of these opponents earlier did in fact provide such support.

Russia's underestimation of regional players and its tendency to view them as potential allies in a standoff against the West allow Islamists to strengthen their positions in Russia's regions. This in turn is aided by the corruption of the local elites and inarticulate domestic policy with regard to the growing influence of Islam, which is promoted and patronized by religious structure and charities based in the region.

With an open military conflict comes the possibility of a serious escalation of terrorist activity, including on Russia's territory. There is also a likelihood of substantial migrant and refugee flows, not only into Russia but also into neighboring countries (i.e. Azerbaijan), and a resurgence of the Islamist underground in certain regions of Russia.

Russia is acutely sensitive to the "Afghan factor" (particularly following the announcement of the withdrawal of the coalition forces), in particular to the

spillover effect this has on the situation with Iran. One of the wildcards in this situation is the increasing danger of destabilization in Central Asia, which would have major negative consequences for Russia (including narcotics trafficking, an issue on which Russia and Iran are now cooperating).

Implications of war. Apart from the general economic impact and other indirect consequences of such a war, attention in Russia has focused on the likelihood of an expanded military presence of the Western coalition along the perimeter of Russia (including establishment of bases in Central Asia and Georgia). This is weighty argument for those who assert that such a war is not in the interest of Russia.

Thus Russia finds itself between two fires, and this creates a large degree of uncertainty surrounding its position on Iran: "sanctions have proven ineffective; the best approach is talks; talks are not going to achieve anything." Even liberal experts see a certain logic in this approach, as it allows for leveraging the "Iran question" to obtain compromises from the West on various other issues. But now the prevailing opinion is that it is Iran which has been successful at playing the "Russia card" in its interest (including applying pressure on the North Caucasus). At the same time, it seems the West has come to the conclusion that Russia holds less sway over Iran than previously thought. This provides a certain rationale for Russia moving closer to the position held by Western partners, in particular vis-à-vis the UN Security Council. If a consolidated and unwavering position emerges on Iran's compliance with the demands of the Security Council, then it is unlikely that Iran would be able to put up resistance to such a unified front.

For Russia it is important to evaluate the situation not as simply a stand-off between Iran and the West or Iran and Israel but rather to view it as a more complicated regional game, including the jockeying of countries in the region for leadership status. Moscow would not like to see Iran become a regional rogue state. But this is not something that can be forced by such desires on the part of the US and Israel alone – much depends on other regional actors.

One of the scenarios for multi-party talks with Iran involves the provision of two guarantees: (1) the territorial integrity of Iran will not come under question and separatist movements will not be encouraged, and (2) the country will not be subjected to forced democratization. These issues are particularly important, as the

Iranian elite is very apprehensive about what the West has and is doing in the countries immediately to its east and west – Afghanistan and Iraq.

For Russia one of the primary issues is not to provide legitimacy to military actions in any manner apart from approval by the UN Security Council. It is widely believed that the most recent IAEA report represents an underhanded attempt to legitimize military action without such UN approval.

In response, the following positions are being advanced. Russia needs to adequately react to the IAEA's conclusions. If these conclusions are "certified" by the dominant majority at the UN, then Russia should respond constructively. If it is taken for granted that Russia already cannot substantially influence the regional balance of power, then it should insist that the situation remain within the bounds of international law and that any actions taken adhere to the stipulated procedures. If following this path of compliance with international law eventually leads to military actions, then Russia should constructively cooperate with its partners.

It should be noted that a Security Council decision states that proliferation of nuclear weapons "constitutes a threat to international peace and security." It follows that Iran's nuclear program could be viewed as a pretext for invoking Chapter VII of the UN Charter.

Russia should seek to coordinate its position on Iran with China, in part emphasizing the danger of the possible proliferation of nuclear weapons and missile technology.

Neither a new version of the Cold War with the West over Iran nor the appearance of nuclear arms and delivery mechanisms in Iran are in Russia's interest. These two principles should serve as the main guideposts for Russia as it, in collaboration with the international community, seeks solutions to the challenges presented by Iran.

The Challenge of Iran

Background Paper for the Council of Councils Meeting 12-13 March, 2012, Washington, D.C.

The Islamic Republic of Iran has always been a challenge to the International Community. Its region-wide revolutionary activities in the early phase of the revolution and Iranian support for international terrorism for instance have been on top of the list of international security concerns ever since the Islamic Revolution in 1979. Since 2002/2003 Iran's nuclear program is on the top of the agenda. Yet in 2009, after the crackdown on Iran's youthful pro-democracy activists, concerns about the regime's abysmal Human Rights record, which has been a major irritant for EU-Iran relations for decades anyway, became more prominent. For better or worse, it is the **nuclear issue and Human Rights** that define our relationship with Iran.

Iran's **nuclear challenge** is less a classical threat like, say the threat North Korea's nuclear arsenal poses for international security, even less can Iran be compared to the former Soviet Union. And it does not mean that Iran would build a nuclear device anytime soon and try to "wipe Israel off the map". However, what Iran aspires is to acquire a nuclear capability, in order to promote its status as a regional – even global – radical Islamist power. Once Iran has convinced the international community that Tehran is capable to produce a bomb, then its neighbors in the Arab Gulf have to treat Tehran as a de-facto nuclear power and adjust their hitherto independent foreign policies to this reality. Iran is already the biggest country in the region, a nuclear capability would make it almost untouchable; and it would also strengthen its foreign policy resolve towards the Levant that is against Israel and Lebanon.

Iran's nuclear challenge is not a question of "rights" or "global justice". Nor is it about technological progress that the West allegedly denies to the Third World. It is rather a question of trust and responsibility: both are mutually dependent. Until now Iran has not convinced the international community – and definitely not its neighbors – of its peaceful intentions but stuck on one very narrow reading of the NPT – yet the International community expressed its lack of trust by issuing several UNSCR resolutions which Iran violates.

The nuclear issue has created a unique mechanism, the so called **"E3/3"-formula**, which puts the European High Representative for CFSP at the center of international diplomacy. The results so far have been mixed but the positive aspects are clearly dominating because a mechanism of positive and negative incentives has been set up: depending on



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.

**LESSONS OF LIBYA: A CLEAR CASE FOR
THE RESPONSIBILITY TO PROTECT?**

**Rizal SUKMA
CSIS, Jakarta**

The adoption of the principle of Responsibility to Protect (R2P) at the 2005 World Summit hosted by the UN represents an important step in forging a collective responsibility of states to protect people from genocides, war crimes, ethnic cleansing and crimes against humanity, within and beyond their individual national boundaries. Despite the adoption, however, the principle of R2P remains a controversial subject, especially in its implementation. Controversies arise as states are wary about the possibility of a military intervention in a sovereign state, even though the R2P principle also includes two equally important elements: (a) the responsibility of the state to prevent genocides, war crimes, ethnic cleansing and crimes against humanity within its own territory, and (b) the responsibility of the international community to assist states in meeting the obligation. In other words, when it comes to the actual implementation, the principle remains problematic and many states remain suspicious and doubtful about the utility of the R2P. Consequently, despite its status as a principle, states differ with regard to how such principle could and should be operationalised so that it could provide practical guides on when, how, by what mechanism it could be employed in practice.

After Libya, the very problem mentioned above continues to be a subject of debate within the international community despite the fact that the principle has been invoked several times since its formulation in 2005, most notably in the international efforts to respond to the outbreak of ethnic violence in Kenya in early 2008. However, it is important to recognise that the case of Libya provides an important real experience from which we can draw lessons regarding the boundaries of the applicability of the R2P principle. Three questions are worth exploring in this regards:



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.



Lessons from Libya

Stefano Silvestri

08 February 2012

Libya remains an exception, as it was during Gaddafi's 42 years regime. A NATO-led coalition has conducted 23,589 air sorties over the country, 15,952 of which had a direct combat role, and have fired about 7,700 PGMs and other ordnance against various military and politically significant targets. 17 countries took part in the air operations but only 9 did perform combat missions (over 85% of which made by the USA, France, UK and Italy, with a significant contribution of the Arab Emirates, Jordan and Qatar, generally operating from 7 Italian air bases). These operations have been sanctioned by two UNSC resolutions (1973 and 2009 of 2011) and received the endorsement of the Arab League.

The initial objective was to establish a no-fly zone for the protection of the civilian population, possibly similar to those who had been operating in the past over Iraq (from 1992-2003: Operation Provide Comfort, Northern Watch and Southern Watch). Unfortunately, however, in the Libyan case neither the Government nor the rebels did exert any restraint, the conflict rapidly escalating to a full fledged civil war. Moreover, the international alliance was not interested in a prolonged political stalemate, nor had any appetite (nor the resources) for another timeless military operation. Thus it explicitly took the side of the rebels and its objective (formally denied, but increasingly obvious) became a regime change. From the Iraqi model, the



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.

Session 4



The Dollar's Future as a Reserve Currency

DRAFT

by

Daniel Gros
CEPS, Brussels

Session four of inaugural meeting of Council of Councils

Washington, DC March 12/13

Abstract

The dollar's future looks secure since the euro, which is the main potential competitor today, is so handicapped by its internal problems that there is no chance that it will become an important reserve currency outside Europe.

The euro could have become a major element for the global monetary system. The package which would have achieved this was (and still is) well known: to provide foreign exchange holders with a risk free asset as an alternative to US Treasuries and bills coupled with a joint euro area representation at the IMF (with a reduced quota thus improving decision making at the IMF and making room for the dynamic emerging economies). However, neither is likely to happen: the euro crisis has further tarnished the reputation of the euro and has in particular reduced the supply of euro denominated assets which could be considered risk free.

In the short run this weakness of the euro might be a blessing in disguise as it will make the adjustment in the euro area periphery somewhat less difficult.



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.

James A. Haley
February 15, 2012

CENTRE FOR INTERNATIONAL GOVERNANCE INNOVATION (CIGI)

Submission to

COUNCIL OF COUNCILS

SESSION 4: The Dollar's Role as a Reserve Currency

"The reports of my death are greatly exaggerated."

Mark Twain (1835 – 1910)

Introduction

As Eichengreen (2005) notes, like the premature obituary published in the *New York Journal* marking the death of Samuel Clemens, past predictions of the imminent demise of the U.S. dollar as the dominant international reserve asset have been greatly exaggerated.

Only five or so years ago, commentators confidently predicted the dollar's status would be eroded over time as the use of the euro increases and confidence in the U.S. economy wanes. The global financial and economic crisis, which was centred in the U.S. financial system, could reasonably be expected to accelerate this process. But, rather than hastening the collapse of the dollar's international role, the crisis led to massive portfolio shifts *into* U.S. dollar assets as investors sought a reliable safe haven in uncertain times. The European sovereign debt crisis, meanwhile, has revealed structural flaws in the European monetary union and has tarnished the euro. As a result, the dollar's role in the global economy looks more – not less – secure today than it did immediately before the crisis.

Looking further ahead, however, the future role of the dollar is less certain. Concerns about the U.S. fiscal situation, which animated much of the debate about the dollar before the global financial and economic crisis, remain; indeed, these concerns have been magnified by the extraordinary monetary and fiscal policy responses that the crisis elicited. At the same time, the polarization of the political debate threatens the timely, effective resolution of the fiscal, financial and economic challenges facing the U.S. and further undermines confidence. The global crisis also highlighted the rising economic weight of emerging market economies that were growing at a robust pace before the crisis, and which quickly returned to a high-growth path. Their rise, it is argued, represents a new challenge to the dominance of the dollar, particularly as the role of the RMB in invoicing international trade and other uses grows.

The outcome of such challenges will be determined more by economics than politics – while use of national monies can be imposed by legislative fiat at the domestic level, at the international level, the decision to use a particular currency is determined by economic considerations.¹ In this respect, whether a particular national currency assumes an international role is determined by the three key characteristics of money as a *store of value*, with balances held by central banks and private citizens; as a *unit of account*, in which international obligations are denominated in

¹ In the absence of a more efficient alternative, the default option is gold. As De Gaulle noted, "There can be no other criterion, no other standard than gold. Yes, gold – which never changes, which can be shaped into ingots, bars, coins, which has no nationality and which is externally and universally accepted as the unalterable fiduciary value par excellence." Cited by Capie, Mills and Wood (2005).



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.

The dollar as a Reserve Currency

The US dollar has been the world's most important reserve currency since the end of World War II. Its predominance is simultaneously a cause, a characteristic and a consequence of American prevalence in the last seventy years or so. It is linked to facts whose future sustainability is being challenged nowadays. And its demise would entail a tellurian change in world affairs.

The purpose of what follows is to discuss how this came to be and the possible developments of the current situation. In order to do that, we first develop a short discussion of the reserve status story for the British pound divided in two parts. In the first, it is discussed some of the main reasons of how and why it became a reserve currency. In the second, an explanation for its fall is presented. Then, we look at the dollar's ascension and check for common features with the pound. We look for the similarities and differences. Finally, since the dollar is still the world's most important reserve currency, this short paper closes with some scenarios regarding what may happen to it in the next quarter of century.

How Did the Pound Become a Reserve Currency

After the end of the Napoleonic Wars, Great Britain's naval power allowed its dynamic industry to push its products throughout the world, giving practical and effective support to Free Trade. The British pound, backed by ever increasing gold reserves, became the, de facto, reserve currency of the world. The pound was the unit of account for most of the international trade. International trade finance became an almost prerogative of British banks, countries other than Great Britain owed or owned pounds, London became the clearing market for many types of syndicated loans, all in all giving that country an unprecedented economic advantage over its European peers.

Of course, the foundations for this were built on top of a tradition for sound Public Finances, which roots date back to the Glorious Revolution of 1688 and are well revealed by the evolution of what one may loosely name the British Budgetary Process. The credibility of public debt, which limits and characteristics were voted in Parliament, together with the amount of taxation by the representatives of the members of the very same class that hold that debt, was the adamant condition which allowed the British Government to smooth the decision process between short term constraints and long term goals.

Moreover, an economically liberal mentality also helped foster an ambiance for risk taking that increased innovation and, consequently, reinforced the trade surplus. In a subsequent move, surpluses and its more advanced technology allowed Great Britain to become the largest investor country in the world, actually bringing even more resources under its control. For example, during the second half of the 19th century, most of the railroad investments around



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.

Genron NPO

Position Paper for The Council of Councils Inaugural Meeting
Session 4: The Dollar's Future as a Reserve Currency

By YASUSHI KUDO

Representative of The Genron NPO, Japan

Preface

To begin with, let me clarify our basic stance in participating in this debate.

We, The Genron NPO, firmly believe that Japan should proactively involve itself in international efforts to address global economic and other agendas, and contribute to their solution. The contributions must be shouldered not only by the government but also by private-sector people, like us.

We established our organization 10 years ago as a venue for serious debate on Japan's domestic and global issues in pursuit of their solution, thereby facilitating the sound development of Japanese democracy. The Genron NPO, an independent and non-partisan think tank, drew a large number of prominent opinion leaders from Japan's diverse fields as its supporters and contributors in their individual capacities.

Since its inauguration, The Genron NPO has been conducting debate on numerous global economic and other issues, as well as on issues pertaining to Japan's domestic politics and civil society. While disseminating the results of our discussions to general audiences at home and abroad, we also have been constantly organizing diverse discussion forums with Japan's government and political parties, as well as with China.

Regarding the subject of this conference "The Dollar's Future as a Reserve Currency," we conducted extensive discussions at our panel of experts on economic issues and formulated our basic thoughts, as stated below.

The discussion was and still is being led by Toshiro Muto, a former deputy governor of the Bank of Japan and currently chairman of the Daiwa Institute of Research, who is also a member of our Advisory Board. Other key participants in the discussion are Takatoshi Kato, former deputy managing director of the International Monetary Fund (IMF), Masahiro Kawai, dean and CEO of the Asian Development Bank Institute, and some other experts affiliated with Japanese government organizations and commercial banks.

The following are our basic thoughts on this subject, which I brought together as representative of The Genron NPO on the basis of the above-mentioned discussions.



Genron NPO



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.