



# **Global Matrix. A Conceptual and Organisational Framework for Researching the Future of Global Governance**

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## **Abstract**

Conceptually, Global Matrix advances in a systematic and structured inter-disciplinary (matrix) framework a research agenda for examining the stance of major world actors on the key policy dimensions to world politics (political ideologies, economics, migration, climate change, security and world view); drawing out evidence of cross-cutting linkages (between sectors and among major actors); and evaluating the evolution and adequacy of existing multilateral institutions in relation to the emerging multi-polarity, and formulating recommendations. As a matter of organisation, Global Matrix has assembled a network of teams of scholars from think tanks in China, the EU, India, Russia and the US, with participation to be extended to other G20 states (Brazil, South Africa, Korea, Japan). The objective is to create a semi-permanent network as part of the emerging structures of the global civil society. It will serve as a continuing 'track-2' initiative to monitor major developments in global governance, including at the G20, and at other global fora as appropriate. It is a capacity-building venture at global level, with the leading think tanks intending to work together for a sustained effort, while precise participation can evolve over time.

**Keywords:** *Think tank research / Political ideology / Political regime / Economic system / Financial system / Trade system / Demography / Migration / Climate change / Energy / Security / Globalization / Global governance*

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## Contents

1.	Aim of the network	p. 3
2.	Methodological and analytical approach	p. 5
2.1.	Initial conditions, drivers of change and world impact (Stage 1)	p. 7
	a. Political ideologies and regimes	p. 7
	b. Economics, financial and trade systems	p. 8
	c. Demography and migration	p. 12
	d. Climate change and energy	p. 14
	e. Strategic security	p. 16
	f. World views and system	p. 18
2.2.	Dynamic Interactions (Stage 2)	p. 20
2.3.	Resolution (Stage 3)	p. 24
Annex.	Key participants and their expertise	p. 25
	Institutes	p. 25
	Principal researchers	p. 26

## List of Figures

Figure 1.	The changing weights in the world economy: In percent of global GDP	p. 9
Figure 2.	Inter-actor dynamics	p. 22
Figure 3.	Inter-sectoral dynamics	p. 22

## List of Tables

Table 1.	Analytical matrix	p. 6
Table 2.	World population projections	p. 12

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by Michael Emerson, Nathalie Tocci, Richard Youngs, Jean-Pierre Cassarino,  
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*“You do not design a new world order as an emergency measure.  
But you need an emergency to bring about a new world order”.*  
Henry Kissinger

## 1. Aim of the network

Global Matrix proposes to address world governance issues at the systemic level. The overarching question is whether the emerging multi-polar constellation is likely to prove stable and cooperative, or to reveal an inherent instability. The originality of the project is its structured inter-disciplinary (matrix) framework for examining the key dimensions to world politics.

The agenda to be researched is manifestly ambitious, and so the project has set realistic objectives, which are:

- To establish a robust analytical framework for addressing the major policy issues surrounding the future of global governance at the systemic level, and advance the state of the art in think tank research in a set of policy domains.
- To test how far a group of independent and globally representative think tanks can form common views on the major issues, and undertake a constructive `shadowing` of the official G20 and other global summitry processes in real time.
- To establish a sustainable and semi-institutionalised network of research centres at the global level, and thus contribute to the policy-shaping activity of the transnational non-state sector on global governance issues.

The overarching substantive questions at the global level are:

- With the evident emergence, or re-emergence of multiple major powers in the world, what is the systemic and paradigmatic nature of the new constellation that develops?
- Does this new constellation merit the description of an order? Where does it lie in the spectrum between a new balance-of-power system without global hegemon, versus a world order in which international law and multilateral institutions

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Paper from a network that initially consists of the Centre for European Policy Studies (CEPS) in Brussels, Istituto Affari Internazionali (IAI) in Rome, Fundacion par las Relaciones Internacionales y el Dialogo Exterior (FRIDE) in Madrid, Fudan University in Shanghai, Johns Hopkins University in Washington, D.C., the Delhi Policy Group and Carnegie Moscow Center.

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become increasingly important alongside the pervasive influence of non-governmental transnational forces and actors?

- If a new balance-of-power constellation becomes a dominant characteristic of the current tendencies, how should one assess warnings that this 'system' may become unstable and dangerous for world peace, as in earlier historical episodes?
- Or, does this extrapolation of the past ignore the rise of new transnational forces and multilateral institutions, themselves the product of globalisation and interdependence, which may constrain the major powers to move towards a more normative world order? But in this case, what will be the normative foundations of this order, how will they be set, particularly as between democratic and non-democratic regimes, and what part will non-state actors play in the process?

To be tractable, the project breaks down these overarching questions about the world system into six major 'sectors' of policy, and the more precise issues at this level are set out in relevant sections below.

A large body of work exists on *multilateralism*, much of it reflecting the original meaning of multilateral as the opposite of unilateral or bilateral.<sup>1</sup> The most developed scholarship on the topic probes the utility of multilateral norms or organisations.<sup>2</sup> Yet, multilateralism is conceived and used in different ways by political actors, often to serve their own narrow purposes.<sup>3</sup>

The rise of Asia is leading into a rich debate over the future of the international system with realist approaches warning over the inherent instability of the transition from a hegemonic unipolar/bipolar system<sup>4</sup> to a multi-polar/non-polar<sup>5</sup>/or inter-polar<sup>6</sup> world; and whether this stands to imperil the multilateral order or contribute to it. Support for a pessimistic view is seen in current failures of global governance (e.g. over UN Security Council reform, the WTO Doha Round, climate change in the context of the UNFCCC, etc.). Is there an inherent inconsistency between multi-polarity and multilateralism?

As regards the EU, the Lisbon Treaty resolves in principle to raise its level of ambition in the field of foreign and security policy to that of a major world actor.<sup>7</sup> While the Treaty endorses a set of norms, values and principles to frame its external policy, these are

<sup>1</sup> C. Bouchard and J. Peterson, "Conceptualising Multilateralism", Mercury Working Paper 1, 2009 ([http://typo3-8447.rrz.uni-koeln.de/uploads/media/Bouchard\\_Peterson\\_Conceptualising\\_Multilateralism\\_01.pdf](http://typo3-8447.rrz.uni-koeln.de/uploads/media/Bouchard_Peterson_Conceptualising_Multilateralism_01.pdf)).

<sup>2</sup> J.G. Ruggie, *Constructing the World Polity: Essays on International Institutionalization*, London: Routledge, 1998; L.L. Martin, "Interests, Power and Multilateralism", *International Organization* Vol. 46, No. 4, 1992, pp. 765-92.

<sup>3</sup> G.J. Ikenberry, *Liberal Order and Imperial Ambition*, Cambridge: Polity, 2006.

<sup>4</sup> J.R. Mearsheimer, *The Tragedy of Great Power Politics*, New York: Norton, 2001.

<sup>5</sup> R.N. Haas, "The Age of Non-Polarity: What will follow US dominance", *Foreign Affairs*, May-June 2008.

<sup>6</sup> G. Grevi, "The Inter-Polar World: A New Scenario", *EUISS Occasional Papers*, No. 79, EU Institute for Security Studies, Paris, 2009.

<sup>7</sup> M. Emerson et al., *Upgrading the EU's Role as Global Actor - Institutions, Law and the Restructuring of European Diplomacy*, CEPS Paperback, Centre for European Policy Studies, Brussels, 2011.

not always consistent with its practice,<sup>8</sup> and they also stand uneasily alongside the different philosophies and power endowments of other actors.<sup>9</sup> But the challenge of working out what an 'effective multilateralism' could comprise has to be the equal responsibility of all global actors.

## 2. Methodological and analytical approach

The approach is multi-disciplinary, drawing in particular on political science, economics and international relations. The principal debates in the current literature are indicated in the sections that follow. The methodological approach is summarised in the analytical matrix (Table 1). In order to be tractable, the world system is broken down into six 'sectoral' vectors. Analytically each of these vectors relies on well-identified branches of the social sciences: thus vectors (1), (5) and (6) rely on political science and international relations, (2) on economics, (3) on political science, international relations and sociology, while vector (4) on climate change and energy blends economics and political science with crucial evidence from the physical sciences.

Conceptually the work programme will have 3 stages, as detailed below. This is a stylized ideal programme that will take some years and significant funding to be achieved. Precise selection and sequencing of different modules of work will be decided as a function of funding. However it is intended in any case to make an early start to establish the Global Matrix brand and operational capacity, if necessary on the basis of low-budget initial phases of work, and to secure matching funding in parallel with work in progress.

**Stage 1** consists of outlining the stance of each major power in the six sectoral areas of the matrix. The values, aims and interests of these major global actors, as well as their approach to key global challenges, will be fleshed out in this context. Short '*initial conditions*' papers will be drawn up for each cell of the matrix. These papers will be compiled by reviewing secondary literature and analysing official documents. In addition they will be based on semi-structured interviews with stakeholders for the main actors: state officials, politicians, journalists, business actors, civil society representatives.

In the matrix of Table 1, five major actors are identified - China, the EU, India, Russia and the US. However there are other participants in the increasingly important G20, which we will bring into our work in a more limited and economical fashion, namely Japan and Korea, as well Brazil and South Africa from the 'BRIC' and 'BASIC' groups.

In addition the matrix includes a 'transnational' category, representing a wide range of transnational actors including interest and pressure groups: business (multinational

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<sup>8</sup> I. Manners, "Normative Power Europe: a Contradiction in Terms?," *Journal of Common Market Studies* Vol 40, No. 2, 2002, pp. 235-258; Z. Laidi, *La Norme sans la Force: L'énigme de la Puissance Européenne*, Paris: Presses de Sciences Po, 2005.

<sup>9</sup> See the publications of the MERCURY and EU GRASP projects; K.V. Laatikainen and K. E. Smith, *The European Union at the United Nations: Intersecting Multilateralisms*, Basingstoke and New York: Palgrave, 2006; M.A. Pollack, "Unilateral America, Multilateral Europe?," in J. Peterson and M.A. Pollack (eds), *Europe, America, Bush*, London: Routledge, 2003.

corporations and business associations), non-governmental organisations (such as human rights and environmental lobbies), think tanks, religious movements and the globalised mass media. This transnational row in the matrix also has to take account of catastrophic ‘events’ that force political leaders to respond under the combined impact of such ‘events’ and pressures from non-state actors.<sup>10</sup> These elements may be difficult to synthesise in view of their heterogeneity and diffuse influence, yet they have to be brought into account to avoid overstating the weight of state actors.

**Table 1.** Analytical matrix

	(1) Political Ideologies & Regimes	(2) Economics, Monetary, Financial, Trade System	(3) Demography & Migration	(4) Climate Change & Energy	(5) Strategic Security	(6) <b>World View:</b> IR Paradigms, Multilateralism, Multipolarity, etc.
China						
EU						
India						
Russia						
US						
Transnational						
<b>World system</b>						

**Stage 2** confronts these ‘initial conditions’ papers with a set of *thematic papers on the dynamic driving forces* in the world system, screening for instances for harmony or opposition between the major actors and transnational driving forces in the given sectoral fields of policy, and for cross-cutting synergies or tensions (e.g. impact of climate change on trade policy and migration), and potential flashpoints, where tensions could lead to conflict (see section 5.2 for more detail).

**Stage 3** will use the sets of papers produced in Stages 1 and 2 to explore future systemic developments that are seen as a recommended course of action, and assemble ‘world views’ by actor and sector. The project coordinators will analyse areas of convergence and divergence, and assess how far the emerging multi-polarity might become consistent with a workable global multilateral order, or risk dangerous instability.

<sup>10</sup> Such as natural disasters, famines, pandemics, water shortages, etc. - see section 5.2 below for a fuller list.

## 2.1. Initial conditions, drivers of change and world impact (Stage 1)

We now set out a short introductory account of debates and perceptions for each of the 'sectoral' vectors of the matrix, as introduction to Stage 1.

### a. Political ideologies and regimes

- **Initial conditions:** Democratic and non-democratic regimes have survived the recession; but the incremental expansion of global democracy has at least paused
- **Drivers of change:** Rapid economic development in emerging economies
- **World impact:** Convergence or not of political regimes as a fundamental factor for the structuring of global governance

**Initial conditions.** The incremental expansion in the number of democracies witnessed since the beginning of the 'third wave' has appeared, in the 2000s at least, to pause. A growing number of writers have argued that the liberal agenda is on the wane and a more realist outlook on the world is required.<sup>11</sup> Many academic projects have criticised the recent democracy promotion agenda.<sup>12</sup> Certainly, an argument has gained currency that 'state capitalism' and 'authoritarian capitalism' offer viable alternatives to liberal-democracy for developing countries and will become more prevalent regime types in the reshaped world order.<sup>13</sup> Many predict that the future will be characterised by a variety of political regime types.<sup>14</sup> On the other hand, major countries such as Indonesia and Brazil have quietly been making impressive progress in consolidating and improving democratic processes. And the Arab spring that began in early 2011 belies the argument that some cultures are immune to demands for democracy.

**Drivers.** A multiplicity of factors have to be brought into account - ideological competition, new currents in international politics, shifts in the balance of power among nations, structural factors, the disappointing performance of some new democracies in delivering societal aspirations. We will research the impact on political regimes of both state-to-state relations and transnational dynamics. Crucially this mix of factors combines in different ways in different contexts; equally crucial, the factors themselves are dynamic, not static.

A current issue is what the consequences of the recent global economic crisis appear to be for different political regime types. Hard times can be fertile ground for the priority of order over individual liberties. However, financial turmoil and/or poor economic

<sup>11</sup> J. Gray, *Black Mass: Apocalyptic Religion and the Death of Utopia*, London: Penguin, 2008; A. Hyde-Price, *European Security in the Twenty-first Century: The Challenge of Multipolarity*, London: Routledge, 2007; R. Kagan (2008), *The Return of History and the End of Dreams*, London: Atlantic Books; J.R. Saul, *The Collapse of Globalism and the Reinvention of the World*, London: Atlantic Books, 2005; and to a more measured extent, A. Hurrell, *On Global Order: Power, Values and the Constitution of International Society*, Oxford: Oxford University Press, 2007

<sup>12</sup> J. Habermas, *The Divided West*, Cambridge: Polity Press, 2006; M. Duffield?, *Development, Security and Unending War: Governing the World of Peoples*, Cambridge: Polity Press, 2007.

<sup>13</sup> I. Bremmer, "State Capitalism Comes of Age: The End of the Free Market?" *Foreign Affairs*, May/June 2009; A. Gat, "The Return of Authoritarian Great Powers", *Foreign Affairs*, July/August 2007.

<sup>14</sup> R. Fine., *Cosmopolitanism*, Routledge, 2007; L. Whitehead, "Losing 'the Force'? the 'Dark Side' of democratization after Iraq", *Democratization*, 16:2, 2009, pp. 215-242.

prospects have also contributed to the downfall of undemocratic regimes in countries ranging from the socialist states in Central and Eastern Europe to Indonesia.

History suggests that there are no iron laws of democratisation, and trends can prove strikingly changeable.<sup>15</sup> We will investigate such complexity and what the competition in political ideologies means for the reshaping of the world order.

**Impact on the world order.** The under-determined nature of current political trends opens up a rich field of research. While the easy triumphalism of the democracy agenda in the 1990s was misplaced, much criticism now risks over-shooting.<sup>16</sup> Recent work has begun to suggest a more nuanced view of the supposed 'democracy backlash'.<sup>17</sup>

The rise or reinvigoration of several regional powers and emergence of a multi-polar world divided along both East-West and North-South lines will mean complex changes that are hard to determine. Non-Western international development aid is a growing phenomenon; some of this offers the prospect of additional support for democracy, some risks neutralising the West's governance programmes.

A key debate will be over how different types of political regimes impact the changing world order and vice-versa. Will one type of political regime prosper more than others? Will there be a divergence or convergence of political regime types? Will there be a new robustness of autocratic governance, a halting progress of democracy, or the ascendancy of more hybrid forms of political regime?<sup>18</sup>

#### *b. Economics, financial and trade systems*

- **Initial conditions:** Uneven recovery from global financial crisis and recession; overhang of macroeconomic imbalances and exchange rate disequilibrium; failure of WTO Doha round
- **Drivers of change:** Rising economic power of Asia and other rapidly developing countries, emerging strongly out of global recession, but rising exchange rate and trade policy tensions
- **World impact:** Uncertain development of global versus regional trade and monetary systems

**Initial conditions.** The manifest shift in the centre of gravity of the world economy towards rapidly developing countries in Asia and elsewhere is seen in its increasing weight both in world output and financial resources. Both China and India now see a return to high growth rates, seemingly little damaged by the 2008-09 crisis, and between 1990 and 2020 the economic weight of emerging and developing economies may rise from half to double that of the advanced economies (see Figure 1).

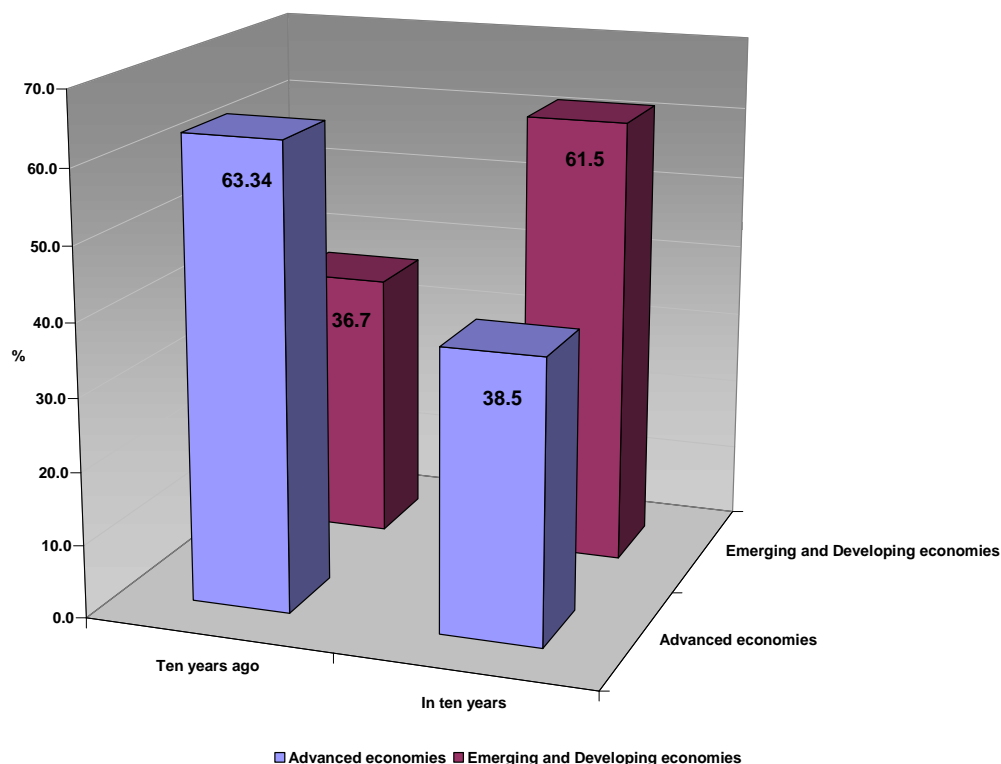
<sup>15</sup> J. Keane, *The Life and Death of Democracy*, New York: Simon Schuster, 2009, p. 571 and p. 586.

<sup>16</sup> T. Garton-Ash, *Free World*, London: Penguin, 2004; F. Halliday, "International Relations in a post-hegemonic age", *International Affairs*, 85/1, 2009, pp. 37-51.

<sup>17</sup> T. Carothers, "The Backlash against Democracy Promotion", *Foreign Affairs*, March-April, 2006; P. Burnell and R Youngs (eds), *Democracy's New Challenges*, London: Routledge, 2009.

<sup>18</sup> L. Diamond, K. Stoner Weiss and D. Girod, *The International Dimensions of Democratic Transitions*, Washington, D.C.: Johns Hopkins University Press, forthcoming, 2010.



**Figure 1.** The changing weights in the world economy (as a percent of global GDP at PPP)

Note: For the list of the countries included in each group, see IMF Country Groups Information in <http://www.imf.org/external/pubs/ft/weo/2009/02/weodata/weoselagr.aspx>.

Source: *World Economic Outlook (IMF)* October 2009 and authors' calculations.

On the financial side, the increased holdings of foreign exchange reserves of emerging and developing countries have as their counterpart seen dramatic increases in borrowing by the US over the last decades,<sup>19</sup> leading to mutual dependence between China and the US.<sup>20</sup>

Nonetheless, the economic ties between the EU and the US remain the core of the world economy, today accounting for about 55% of world GDP. Those ties remain bigger, more prosperous, more tightly linked, more aligned in terms of free markets and open societies. An open question is whether the US and the EU will use their current position to engage rapidly rising economies in new mechanisms of economic governance, or divide their energies seeking their own advantage in an emerging new order.

<sup>19</sup> Total holdings of the emerging and developing economies amount to about \$4,850 billion (i.e. 65% of the world holdings) of which \$2,400 billion is held by China alone. Sources: COFER database (Currency Composition of Official Foreign Exchange Reserves) maintained by the IMF, December 2010 and the People's Bank of China.

<sup>20</sup> About 75% of Chinese holdings are invested in dollar-denominated US Treasury securities or comparable assets. Among others, see D. Gros, (2009), "Global Imbalances and the Accumulation of Risk", 2009 (<http://www.voxeu.org/index.php?q=node/3655>).

Much has been made at the level of economic doctrine of the demise of the so-called 'Washington consensus'.<sup>21</sup> However, this 'consensus' view hardly constituted an economic ideology. It rather represents a set of policy prescriptions applied mainly by the IMF and the World Bank when dealing with countries in crisis facing large fiscal and external deficits and distorted financial systems, and over this there is little disagreement.

The one element of the Washington consensus that is being seriously reviewed concerns the regulation of financial markets. It is now generally agreed that there can be 'too much' financial market liberalisation. The key (so far unresolved) issue for policy-makers on both sides of the Atlantic is at what point can a financial sector become too large or too unregulated. However this is not yet the main question for most emerging economies.<sup>22</sup>

**Drivers.** The renminbi exchange rate issue is often considered a bilateral US-China issue because the renminbi is pegged to the US dollar. However, in reality, this is a global issue, with Brazil and India recently voicing their concerns in addition to those of the US and the EU. The core of the problem is the size of the Chinese current account surplus. While this has shrunk considerably, IMF projections indicate that it will start increasing again. Persistent Chinese export-led growth policy will impact on other emerging economies as well as advanced economies. For the mature economies the distribution of the 'burden of adjustment' created by the Chinese surplus depends, among other factors, on the strength of the euro against the dollar, which in turn depends on how the current eurozone crisis is resolved.<sup>23</sup>

This links to the issue of representation and voting rights in the international financial institutions (IFIs) and in particular to the role of China. The 'natural' solution to the reordering of the representation of Europe and the emerging economies in the international financial institutions is clear: an increase in the weight of China, alongside a unification of the euro area with a reduced overall weight.

Various calls for a new Bretton Woods system remain poorly specified. A practical step would be for the IMF and the WTO to take responsibility for determining damaging exchange rate misalignments and possible trade policy responses, rather than see these issues played out bilaterally between the US Congress and Treasury and China. Limits to the size and activities of banks are debated, but essentially as US and EU affairs. The rising powers favour an increasing role of the SDR (special drawing rights)

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<sup>21</sup> John Williamson, *What Should the World Bank Think about the Washington Consensus?* Peterson Institute for International Economics, July 1999; Moises Naim ed., "Fads and Fashion in Economic Reforms: Washington Consensus or Washington Confusion?" *Foreign Policy Magazine*, October 1999; Joseph Stiglitz, "Making Globalisation Work", Penguin, 2006.

<sup>22</sup> The G-20 has designated itself as the forum for coordination in this area. See Y. Oh (ed.), "The World Economy with the G-20", CEPR-KIEP, 2009 and also <http://www.cepr.org> for further references for G-20.

<sup>23</sup> Among others, see J. Pisani-Ferry and A.S. Posen (eds), *The Euro at Ten: The Next Global Currency?* (2009) Peterson Institute for International Economics, Washington, D.C., 2009 and Bruegel, Brussels; *The Euro at ten - Lessons and Challenges*, European Central Bank, Frankfurt, 2009; and C. Alcidi and D. Gros, "Dollar versus Euro? Reserve Currency Diversification", in D.S. Hamilton and F.G. Burwell (eds), *Shoulder to Shoulder. Forging a Strategic US-EU Partnership?*, 2010 ([http://www.acus.org/files/publication\\_pdfs/65/US-EUPartnership.pdf](http://www.acus.org/files/publication_pdfs/65/US-EUPartnership.pdf)).

as a reserve asset and numeraire for trade and finance, but this does not yet acquire strong momentum.

The crisis has pushed China and its Asian neighbours to look to each other more as economic partners.<sup>24</sup> While the Doha Round seems more stuck than ever, regional trade blocs and bilateral free trade agreements seem to progress and FTAs are proliferating across Asia.<sup>25</sup> Also interest in regional monetary agreements is increasing, as for example the Chiang Mai Initiative Multilateralization (CMIM), which aims at improving regional monetary stability.<sup>26</sup>

There is one specific 'sleeping issue' at present, namely the startling financial interdependence that has arisen between China and the US. Many analysts observe that the two parties have drifted into a state of mutual entrapment, which can only be unwound by a major current account adjustment, but which would come only with a corresponding exchange rate adjustment that would inflict great financial losses on China.<sup>27</sup> Grounds for unease seem to exist, given the unpredictability of both US Congressional actions and Chinese policies.

Chinese and Indian leaders see themselves as heading developing countries, with their leaders preoccupied with the internal priority of reducing mass poverty. However, these two most populous of nations seem not to share similar basic conceptions of economic organisation or governance.

**Impact on the world order.** The financial crash and recession of 2008-09 has already led to a significant revision of the rules for regulation of financial markets, but this is largely a transatlantic affair. The confluence of the economic crisis, the rise of Asia and the diffusion of economic power raises more fundamental global systemic questions: Will there be a return to the extended supply-chain, easy credit models of globalisation prevalent before the recession or the evolution of other patterns of trade and finance? Will new dynamics in monetary and trade policy regimes see a shift in the direction of regionalism at the expense of global regimes? How will rising powers seek to influence the policies of the IFIs? And will the US and the EU seek to reposition themselves while engaging with the rapidly developing economies? The Chinese-US financial interdependence is now reaching huge proportions, but whether this means stability, or vulnerability to instability, is an open question. The non-resolution of trade and financial imbalances risks creating negative synergies with tensions over climate change commitments.

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<sup>24</sup> See "China and the world economy: A European Perspective", Jean Pisani Ferry, Bruegel Policy Contribution, March 2010.

<sup>25</sup> Jagdish Bhagwati, *Termites in the Trading System: How Preferential Agreements Undermine Free Trade*, Oxford: Oxford University Press, 2008.

<sup>26</sup> Oh Yonghyup, "European Monetary Fund and Asian Monetary Fund", *CEPS Policy Brief*, Centre for European Policy Studies, Brussels, 2010.

<sup>27</sup> See for instance M. Obstfeld and K. Rogoff, "Global Current Account Imbalances and Exchange Rate Adjustments", *Brookings Papers on Economics* 1, 2005, pp. 67-123; M. Golstein and N.R. Lardy, "The Future of China's Exchange Rate Policy", *Policy Analyses in International Economics* 87, Peterson Institute for International Economics, Washington, D.C., 2009.

## c. Demography and migration

- **Initial conditions:** Continuing demographic expansion in America, Africa and much of Asia, demographic decline-to-stabilisation in Europe; growing international mobility of labour
- **Drivers of change:** Role of private and transnational actors in shaping the evolution of bilateral and multilateral global management of international migration; flows of skilled vs. unskilled labour; capacity of receiving countries to integrate migrants
- **World impact:** Uncertain developments of major powers' regulatory capacity

**Initial conditions.** Population projections reveal contrasting demographic trends at the global level. There will be continuing demographic expansion in Africa, India and the Americas through to 2050. However after 2030, China's population stabilises, as will that of the EU, in both cases with serious ageing, while Russia's grave demographic decline continues. These demographic contrasts will have profound consequences, driving a reassessment of migration policies. Together with policies aimed at selectively facilitating the entry of foreigners and controlling borders, major powers face the need to address the movement people (legal and unauthorised) through bilateral and multilateral talks on migration and border management.

**Table 2.** World population projections (millions)

	2010	2030	2050
Africa	1.033	1.524	1.998
Asia	4.166	4.916	5.231
of which China	1.354	1.462	1.417
of which India	1.214	1.484	1.613
United States	317	369	403
Latin America	588	689	729
EU 27	498	518	515
Russia	140	128	116
<b>World</b>	<b>6.908</b>	<b>8.308</b>	<b>9.149</b>

Source: UN, population data base, medium variant projections for 2050; except for EU 27: N. van Nimwegen and R. van der Erf, *Demography Monitor 2008 - demographic trends, socio-economic impacts and policy implications in the EU*, KNAW Press, 2010.

In recent decades, the migration agenda has highlighted the need for enhanced cooperation<sup>28</sup> and regular inter-state consultations on the mobility of people aimed at creating state-led mechanisms designed to influence migration flows.<sup>29</sup> This international agenda has gained momentum through state-led consultations in various regions, in which China, the EU and its member states, India, Russia and the US have played prominent roles, each with its own aims and priorities. Such consultations, known as 'regional consultative processes' (RCPs)<sup>30</sup> have opened regular channels of

<sup>28</sup> Ph. Martin, S. Martin and P. Weil (2006), *Managing Migration: The promise of cooperation*, Oxford: Lexington Books.

<sup>29</sup> IOM, *International Agenda for Migration Management: Common Understandings and Effective Practices for a Planned, Balanced, and Comprehensive Approach to the Management of Migration*, Berne: International Organization for Migration, 2004 (<http://apmrn.anu.edu.au/publications/IOM%20Berne.doc>).

<sup>30</sup> The first RCP was established in 1985, followed by many others after 1995, often as the result of specific events such as the fall of the Soviet Union and security concerns post 9/11 (International Organisation for Migration (see <http://www.iom.int/jahia/Jahia/regional-consultative-processe>). Major RCPs

communication among countries of destination, of transit and of origin. At the same time, RCPs have contributed to defining common orientations and understandings on how the movement of persons (migrants and citizens) should be monitored.<sup>31</sup> However, RCPs have implied much more than the capacity to influence migration. They also develop guiding principles which become normative values shaping how the movement of people should be regulated and understood. It is questionable, however, how far these quite soft processes will stand up to possible catastrophic waves of migration, driven by extreme poverty and environmental factors.

**Drivers.** Researching critically the respective goals, policies and interactions of the major powers should thus represent a first step in the enquiry into the drivers of global migration policies. However, states are not the only actors in the management of migration. Non-state actors play an increasing role in shaping governmental agendas, priorities and practices in the management of migration.<sup>32</sup> International organisations as well as multinational corporations have been mobilised in the design and implementation of migration policy over the last decade.<sup>33</sup> Most notably in Europe and the US, the outsourcing of migration controls to private contractors has gained momentum over the last decade, in principle in order to reduce costs, and enhance states' ability to respond to shocks and uncertainties (e.g. illegal border-crossing, mass arrivals of aliens).<sup>34</sup> But this also raises questions to be researched whether this outsourcing is imparting policy bias.<sup>35</sup> In addition, the nature of migrants - skilled vs. unskilled - is becoming an increasingly important question for regions such as Europe, which is both shrinking and ageing, and thus increasingly reliant on inflows of skilled labour. However at present 85% of unskilled labour from developing countries goes to the EU and only 5% to the United States, whereas 55% of skilled labour goes to the US and only 5% to the EU.<sup>36</sup>

In Russia, China and India, the demographic/migration concerns have very different profiles. Russia is confronted by a dilemma: the economic need for immigration to compensate for demographic decline, but the limited societal absorptive capacity for immigrants for Central Asia, and concern over the prospect of Chinese migration into

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on migration include the 1991 Budapest Process, the 1996 Puebla Process, the 1996 Inter-Governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants, the 2000 Migration Dialogue for West Africa, the 2001 Söderköping Process, the 2001 Berne Initiative, the 2002 5+5 dialogue on migration in the Mediterranean, etc.

<sup>31</sup> A. Klekowski von Koppenfels, *The Role of Regional Consultative Processes in Managing International Migration*, IOM Migration Research Series No. 3, International Organisation for Migration, Geneva, 2001.

<sup>32</sup> C. Mitchell (1989), "International Migration, International Relations and Foreign Policy", *International Migration Review* 23(3), pp. 681-708.

<sup>33</sup> R.W. Cox (2006), "Problems of Power and Knowledge in a Changing World Order", in R. Stubbs and G.R.D. Underhill (eds), *Political Economy and the Changing World Order*, Oxford: Oxford University Press, pp. 39-50.

<sup>34</sup> Th. Gammeltoft-Hansen, *Access to Asylum: International Refugee Law and the Offshoring and Outsourcing of Migration Control*, Aarhus: Aarhus University Press, 2009.

<sup>35</sup> M. Flynn and C. Cannon, *The Privatization of Immigration Detention: Towards a Global View*, Global Detention Project Working Paper, Geneva: The Graduate Institute, 2009; M. Collyer, "Migrants, Migration and the Security Paradigm: Constraints and Opportunities", in F. Volpi (ed.), *Transnational Islam and Regional Security: Cooperation and Diversity between Europe and North Africa*, London: Routledge, 2008, pp. 119-134.

<sup>36</sup> Joseph Chamie, *Fewer Babies Pose Difficult Challenges for Europe*, Paris: OECD, 10 October 2007 (<http://www.globalenvision.org/learn/8^776>).

the de-populating Russian Far East. China seems now to reconsider its one-child policy in the face of a stagnating and ageing demographic prospects, while having to manage its huge internal rural-urban migration process. India seems set to overtake China as the most populous nation by 2050. Both China and India seem to manage important circular migration patterns, with return migrants bringing valuable economic skills for the modern economy.

**Impact on the world order.** The questions to be tackled involve several quite distinct themes: responses to domestic demographic developments, which may blend incentives/disincentives for child bearing with the migration variable; the need to anticipate responses to possible catastrophic migratory pressures; the search for compatible economic ‘human capital’ objectives given the competition for high-quality skills among advanced economies and the interests of developing countries in circular migration; and the policy implications of the security-industry’s contribution to the technologies of border management.

#### *d. Climate change and energy*

- **Initial conditions:** *Impasse over the post-Kyoto global regime*
- **Drivers of change:** *Prospects of catastrophic tipping point in climate change, creating surge in world public opinion, transnational civil society and driving political actors*
- **World impact:** *Risks are of existential proportions for all, with major potential for disrupting trade and security systems*

**Initial conditions.** The UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol framework could be regarded as classic examples of an international regime in the making.<sup>37</sup> However this regime has weakened over the course of negotiations over the extension of the Kyoto Protocol beyond its first commitment period, 2008-2012, as witnessed in Copenhagen in December 2009. In particular the ‘emerging powers’ (in the ‘BASIC’ group) prefer to maintain the distinction between advanced and developing countries, whereas the US makes its own commitments conditional on commitments by all major polluters, the biggest of which is now China.

A limited achievement in the Copenhagen Accord was the acknowledgement that the increase in global temperature should be kept below 2° C. In addition in Copenhagen there was a tentative offer by developed countries to build up financial assistance to developing countries to \$100 billion p.a. by 2020.<sup>38</sup> The Cancun conference in December 2010 at least confirmed that the UNFCCC process should continue.

<sup>37</sup> S. Krasner, *International regimes*. Ithaca, N.Y.: Cornell University Press, 1985; E.L. Miles et al., *Environmental regime effectiveness: Confronting theory with evidence*. Cambridge, MA: The MIT Press, 2002; S. Oberthür and T. Gehring (eds), *Institutional interaction in global environmental governance: Synergy and conflict among international and EU policies*, Cambridge, MA: The MIT Press, 2006.

<sup>38</sup> See, for example, Paul Baer, Tom Athanasiou, Sivan Kartha and Eric Kemp-Benedict, *The Greenhouse Development Rights Framework: The Right to Development in a Climate Constrained World*, Berlin: Heinrich Böll Stiftung, November 2008.

Closely related to finance is the technology question. Generally, climate-friendly technologies are already available<sup>39</sup>. With some exceptions, companies in the developed world own most of these technologies. Developing countries argue that developed countries should either agree on technology transfers under regulated concessional terms; or pay the incremental cost of such technologies to them.<sup>40</sup>

Initially the architects of the Kyoto Protocol envisaged the creation of a global carbon market in a top-down manner through country-based emission targets and the allocation of corresponding national allowances.<sup>41</sup> However the absence of a global cap-and-trade scheme has triggered concerns, especially in the EU, over the dislocation of energy-intensive industries to emerging economies. The alternative might be a 'bottom-up' approach reliant on national or regional schemes.<sup>42</sup> The EU Emissions Trading System (ETS) foresees several options to link with other domestic cap-and-trade schemes in this way.<sup>43</sup>

**Drivers of change.** Given the apparent deadlock of negotiations at the UNFCCC multilateral level, what factors could generate a renewed positive momentum? Awareness of the potential costs of inadequate policies have certainly advanced in recent years, for example the risks of increased drought and desertification in several world regions and flooding from the rise in sea levels in coastal regions. Experts predict that millions of people could become environmental migrants by 2050, but mostly internally rather than internationally.<sup>44</sup> The most dramatic scenario is that of the tipping point, in which the processes of global warming acquire self-intensifying and irreversible dynamics. As and when such evidence may become more visible and tangible, governments may be forced to act. Civil society, going beyond 'green' groups and including conservative and religious groups might reinforce this pressure. This could add to officially mandated norms with intensified private sector initiatives, or the 'bottom-up' processes already mentioned.<sup>45</sup>

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<sup>39</sup> B. Sandén and C. Aznar, "Near-term Technology policies for long-term climate change targets - Economy-wide versus technology specific approaches", *Energy Policy* 33:1557-1576, 2005; Bert Metz, Ogunlade Davidson, Rob Swart and Jiahua Pan (eds), *Contribution of Working Group III to the Third Assessment Report of the Intergovernmental Panel on Climate Change*, IPCC, Cambridge: Cambridge University Press, 2001.

<sup>40</sup> International partnerships include the Renewable Energy & Energy Efficiency Partnership (REEEP) and the International Partnership for Energy Efficiency Cooperation (IPEEC) established by the G8, China, India and South Korea (<http://www.reeep.org>).

<sup>41</sup> Michael Grubb, Christiaan Vrolijk, and Duncan Brack, *The Kyoto Protocol: A Guide and Assessment*, Royal Institute of International Affairs; London, 1999; S. Oberthür and H.E. Ott, *The Kyoto Protocol. International Climate Policy for the 21<sup>st</sup> Century*. Berlin: Springer, 1999.

<sup>42</sup> C. Carraro and C. Egenhofer (eds), *Climate and trade policy: Bottom-up approaches towards global agreement*, especially Chapter 1. Cheltenham: Edward Elgar, 2007.

<sup>43</sup> European Commission, *Towards a comprehensive climate change agreement in Copenhagen*, COM(2009)39 final, January 2009; Noriko Fujiwara, *Flexible mechanisms in support of a New climate change regime*. CEPS Task Force Report, CEPS, Brussels, December 2009.

<sup>44</sup> Zetter quoted in M. Stal and K. Warner, "The way forward: Researching the environment and migration nexus", Research Brief based on the outcomes of the 2<sup>nd</sup> expert workshop on climate change, environment and migration, Munich, 23-24 July 2009, published by UNU-EHS in October 2009.

<sup>45</sup> N. Fujiwara and C. Egenhofer, "The role of industry in sectoral approaches", paper prepared for the study on global sectoral approaches as part of a post-2012 framework, supported by the European Commission, DG Enterprise and Industry (ACTION ENT/CIP/08/C/No2So), 2010.

**Impact on world order.** For the particular purpose of our project, priority issues to be researched will be the cross-sectoral linkages, especially relating to trade and development policies, yet including also larger questions such as energy security and notably access to energy. On the trade policy linkage, it is untenable politically to try to enact cap-and-trade systems that impose costs on companies operating in the U.S. or Europe only to have them shift jobs and pollution to countries such as China or India, which are reluctant to embrace binding emission reductions. Yet potential remedies, such as imposing additional "border charges" on carbon-intensive imports and subsidizing domestic producers, could lead to retaliation or challenges in the WTO. A comprehensive climate change regime could also require new trade rules in intellectual property, services, government procurement, and product standards.<sup>46</sup>

Rapidly rising economies are relying on extensive use of oil and gas, as well as other resources. If China and India were to use as much oil per person as Japan does today, their demand alone would exceed global oil demand. These trends are also generating inflationary pressures as global demand drives up the price of commodities, and are simply untenable for a global economy of 6 billion people. Breaking the link between the production of wealth and the consumption of resources is an historic challenge, but also an opportunity to move toward entirely different patterns of consumption and competitiveness. The open question is whether this can be done both in terms of innovation but also in terms of governance. Yet failure to do so will have very costly consequences for future generations. The importance of energy sustainability on the international agenda will only grow as the international community addresses this long-term challenge. Moreover, other challenges stemming from climate change will arise and demand further international cooperation, particularly water scarcity, biodiversity, food security, and deforestation.

#### e. Strategic security

- **Initial conditions:** *Contrasting visions of security and the legitimate causes for intervention in third states, impasse over UNSC reform and other new architecture proposals*
- **Drivers of change:** *Decline of inter-state conflict and rise of intra-state conflicts, transnational threats including terrorist networks and nuclear proliferation, transnational civil society encouraging the notion of human security*
- **World impact:** *Uncertain evolution of international security regimes and behavior of major powers, to be researched and illustrated with case studies*

**Initial conditions.** The nature of international security has changed dramatically, altering the nature of the state and the global challenges faced by major powers. This has opened a set of questions regarding how China, the EU, India, Russia and the US act in the international arena. This can draw on three strands of IR theory.

<sup>46</sup> C.F. Bergsten and L. Wallach, "Cooling the Planet without Chilling Trade," *Washington Post*, 13 November 2009; C.F. Bergsten, "A Blueprint for Global Leadership in the 21st Century" (<http://www.iie.com/publications/papers/paper.cfm?ResearchID=1323>); A. Ahearn, J. Pisani-Ferry, A. Sapir, and N. Veron, *Global Governance: An Agenda for Europe*, Bruegel, Brussels, 2006.



The classical realist response has it that major powers act in order to protect their national interests: independence, territorial integrity and security.<sup>47</sup> They do so through military means as well as through economic instruments and diplomacy, pursued unilaterally, through strategic alliances, or just 'coalitions of the willing'. Liberal institutionalists call upon states to act in order to create dependable expectations and respond to reciprocal obligations in the context of international institutions such as the UN, NATO and treaties such as the NPT.<sup>48</sup>

The empirical relevance of these two schools can be illustrated by different aspects of nuclear weapons diplomacy. Realism is vindicated by the current challenge to the Nuclear Non-Proliferation Treaty (NPT), both by global powers such as India, as well as key states like Pakistan, Israel, North Korea and Iran. On the other hand, liberal institutionalism is reflected in US President Barak Obama's commitment in 2009 to global nuclear disarmament.<sup>49</sup> As first steps, the US and Russia agreed on a follow-on START Treaty in March 2010, followed in April by the 47 nation Nuclear Safety Summit which set out of wide-ranging programme for enhancing nuclear safety. Globally, the nuclear abolition drumbeat is growing as seen in UNSC Resolution No. 1887, which would logically require the US, Russia and the other seven possessor states to strive for a Nuclear Weapons Convention.

The third and newer notion is that states act internationally even when their direct national interests are not at stake in order to protect people elsewhere: human security.<sup>50</sup> Security has shifted from being the exclusive domain of the state to an inclusive realm including individuals as well, as encapsulated in the Responsibility to Protect (R2P). R2P turns the normative foundation of IR since the 1648 peace of Westphalia on its head, replacing the traditional doctrine of "sovereignty as protection" with that of "sovereignty as responsibility".<sup>51</sup> Both are valuable as well as dangerous. Sovereignty as protection may fail to protect citizens from their own states. Sovereignty as responsibility opens the scope for strong states to hide behind the R2P doctrine to pursue realpolitik interests. In conflict and peace studies literature the objective is to resolve and transform conflict,<sup>52</sup> by addressing the human needs of conflict societies<sup>53</sup> and eradicating the conditions of 'structural violence'.<sup>54</sup> International institutions have developed related notions since 1990s, including that of conflict prevention and peacebuilding.<sup>55</sup>

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<sup>47</sup> H. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, Chicago: University of Chicago Press, 1954.

<sup>48</sup> A. Hurrell, "Collective Security and international order revisited", *International Relations*, Vol. 11, No. 1. n 1992; J. Bercovitch (ed.), *Resolving International Conflicts: The Theory and Practice of Mediation*, Boulder, CO, 1991.

<sup>49</sup> Remarks by President Obama delivered in Prague, Czech Republic, 5 April 2009.

<sup>50</sup> R. Thakur, *The UN, Peace and Security: From Collective Security to the Responsibility to Protect*, Cambridge: CUP, 2006.

<sup>51</sup> G. Evans and M. Sahnoun (eds), *The Responsibility to Protect*, International Commission on Intervention and State Sovereignty, 2001.

<sup>52</sup> P. Wallerstein, *Understanding Conflict Resolution: War, Peace and the Global System*, London: Sage, 2002.

<sup>53</sup> J. Burton (ed.), *Conflict: Human Needs Theory*. London: Macmillan, 1990.

<sup>54</sup> J. Galtung, "Violence, Peace and Peace Research", *Journal of Peace Research*, Vol. 3, 1969, pp. 167-92.

<sup>55</sup> See for example the G8's Miyakazi Initiative for Conflict Prevention in 2000.

**Drivers.** The end of the Cold war has seen a questioning of the role of the state in relation to international security and society. Whereas democratic developments legitimized opposition movements to mobilize and oust authoritarian regimes, the related notion of self-determination unleashed ethno-nationalism and secessionism. Hence the picture has become one of fewer inter-state conflicts but more intra-state ethno-political conflicts. At the transnational level, globalization is mounting further challenges to the state, under the influences of deepening trade and investment driven by multinational corporations, movements of people, and transnational civil society, as well as criminal gangs, terrorist networks and militias.

In an increasingly interconnected world, conflicts that once might have remained local disputes can have global impact. Unstable and ungoverned regions of the world pose dangers for neighbors and a setting for broader problems of terrorism, poverty and despair. The technology and knowledge to make and deliver weapons of mass destruction is proliferating among some of the most ruthless factions and regimes on earth. The Cold War threat of global nuclear war has diminished, but the risk of a nuclear disaster has gone up. Scientific advances have enhanced biology's potential for both beneficence and malevolence by state and non-state actors alike.

**Impact on the world order.** These trends have led to diverse repercussions. The international community has become more sensitive to human conditions worldwide. This has added to the weight in favor of humanitarian interventions,<sup>56</sup> multilateral institutions protecting human security, and universal jurisdiction (e.g. the ICC or International Criminal Tribunals).<sup>57</sup> More broadly, the rise of civil society has induced and legitimized transformational approaches to conflicts.<sup>58</sup> At the same time, transnational developments have spurred 'new wars',<sup>59</sup> where formerly localized conflicts acquire global proportions. These trends also mean that, while conventional military means are still heavily relied upon (e.g., Afghanistan, Iraq) these are seen to be ill-equipped to deal with conflicts marked by rebellions, terrorism and crime. The changing nature of security challenges and responses of major actors will shape the evolution of global security affairs. In order to understand such impacts this project will select a set of empirical case studies (e.g., the Iranian nuclear question, Afghanistan, Iraq, Middle East and Sudan).

#### *f. World views and system*

- **Initial conditions:** Aspirations of old and new world powers; concepts of multilateralism, multi-polarity and regionalisation.
- **Drivers of change:** Shifts in power, heterogeneity of world powers, and role of transnational non-state actors.
- **World impact:** Uncertain impact of different world views on future of world order, including role of formal and informal multilateralism (from UN to G20).

<sup>56</sup> T.G. Weiss, *Military-Civilian Interactions: Intervening in Humanitarian Crisis*, Lanham, MD: Rowman and Littlefield, 1999.

<sup>57</sup> R. Falk, *Achieving Human Rights*, London and New York: Routledge, 2009.

<sup>58</sup> J. Davies and E. Kaufman (eds), *Second Track / Citizens' Diplomacy*. Lanham, MD: Rowan and Littlefield, 2002; J. Goodhand, *Aiding Peace? The Role of NGOs in Armed Conflict*, Burton on Dunsmore: ITDG Publishing, 2006.

<sup>59</sup> M. Kaldor, *New and Old Wars: Organised Violence in a Global Era*, Cambridge: Polity, 1999.

**Initial conditions.** The way in which different worldviews will interplay in shaping the new world order is a major issue to be addressed in this project.<sup>60</sup> Four issues stand out. The first relates to the very nature and structure of the emerging system, whether different actors regard it as multi-polar, non-polar or inter-polar, or as a combination of these three and other paradigms.<sup>61</sup> This is about the distribution of power and influence in the system.<sup>62</sup> Mirroring the multi-polarity debate is the issue of hegemony in the international system, and the extent that the US's pre-eminence is waning. The main question here is how to foster order and stability, and provide global public goods, in a post-hegemonic (or post-American) world.<sup>63</sup>

The second question concerns the different approaches to multilateralism.<sup>64</sup> Supposedly a driving principle and objective for the EU, multilateralism is more regarded as a means to an end (the pursuit of national interest) by the US and, arguably, often used as a rhetorical argument in the Chinese debate. Is multilateralism regarded as an objective in itself, or mainly as a means to a desired end? How do major powers view the relationship between multilateralism (rule-based international order) and multipolarity (emerging polycentric system)? Are the two mutually exclusive or compatible?

Third, the approach to regionalism is a critical test of the views of key actors on power and governance at large. In a nutshell, is regionalism regarded as a tool to impose power, to balance power or to dilute and domesticate power?<sup>65</sup> Is it viewed as a forerunner of multilateralism or as an impediment to it? How relevant is the European experience of regional integration in the eyes of others?

The balance between legitimacy and effectiveness in international governance frameworks is the fourth dimension that needs addressing. One argument is that emerging powers would seriously engage in global governance only if given adequate space at the table.<sup>66</sup> However, it is a matter for debate whether these powers are willing and able to take on greater responsibility for the management of common problems.

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<sup>60</sup> See R. Keohane, *International Institutions and State Power. Essays in International Relations Theory*, Boulder, CO: Westview Press; 1989; J.C. March and J.P. Olsen, *Rediscovering Institutions. The Organizational Basis of Politics*, New York: The Free Press, 1989.

<sup>61</sup> K.N. Waltz; "The Emerging Structure of International Politics", *International Security*, Vol. 17, No. 2, 1994, pp. 44-79; R.N. Haass, "The Age of Nonpolarity. What Will Follow US Dominance", *Foreign Affairs*, Vol. 87, No. 3, 2008; G. Grevi, "The Interpolar World: A New Scenario", Occasional Paper No. 79, EU Institute for Security Studies, Paris, 2009.

<sup>62</sup> L. Peral, "Global security in a multipolar world", Chaillot Paper No 118, EU Institute for Security Studies, Paris, 2009; P. Khanna, *The Second World. How Emerging Powers Are Redefining Global Competition in the Twenty-first Century*, London: Penguin Books, 2008.

<sup>63</sup> F. Zakaria, *The Post-American World*, London: Allen Lane, 2008; I. Clarck, "Bringing Hegemony Back In: The United States and the International Order", *International Affairs* Vol. 35, No. 1, 2009, pp. 23-36.

<sup>64</sup> Ruggie, J.G. (ed.), *Multilateralism Matters - The Theory and Praxis of an Institutional Form*, New York, NY: Columbia University Press, 1993; C. Bouchard and J. Peterson, "Conceptualising Multilateralism", MERCURY Working E-Paper No. 1, 2010 (<http://www.mercury-fp7.net/>).

<sup>65</sup> B. Buzan and O. Weaver, *Regionalism and Powers. The Structure of International Security*, Cambridge: University Press, 2003; M. Telò (ed.), *European Union and New Regionalism. Regional Actors and Global Governance in a Post-hegemonic Era*, Aldershot: Ashgate, 2007.

<sup>66</sup> B. Jones B., C. Pascual and J. Stedman, *Power and Responsibility. Building International Order in an Era of Transnational Threats*, Brookings Institution Press, Washington, D.C., 2009; A. de Vasconcelos,

**Drivers of change.** Four key drivers are pointed out in what follows. First, at a basic but fundamental level, are power shifts. The world views of emerging powers matter because those wielding them are accumulating more power and, with it, confidence.

Second, the redistribution of material power resources is accompanied by a shift, or perhaps a net loss, of soft power at the global level. The US and the EU may have not been using their resources wisely. It follows that alternative worldviews acquire relevance in a more competitive global market of ideas.

Third, the international system is growing more heterogeneous. For the first time in at least two centuries, major emerging economies like China, Brazil and India are still poor or very poor countries. As such, poverty eradication and domestic socio-economic development feature among the driving priorities of these countries, notably regarding climate change and energy security.

Fourth, non-state actors, including trans-national ones, influence the evolution of the worldviews of major powers over time, albeit more so in open societies than in non-democratic regimes. Relevant players include large business, other economic stakeholders, civil society organizations, the media and public opinion.

**Impact on the world order.** The shifting balance of world views will define, among other factors, the scope for cooperation and conflict in the emerging world order. Will world views progressively converge, thereby enabling the reform of global governance structures, or diverge, possibly leading to competing multilateral forums? Will regional frameworks underpin a rule based world order or will they formalise competing spheres of interest? Does the co-existence of different worldviews suggest that informal governance frameworks will take roots as permanent platforms for regular exchange and consultation? What are the implications for traditional, more inclusive institutions such as the UN system and for the G20 and other informal groupings?

## 2.2. *Dynamic Interactions (Stage 2)*

Here the dynamic interactions between major actors and within and between major issue areas will be examined. The matrix structure of our project and accompanying roster of experts gives us the opportunity to explore these interactions systematically.

**Inter-actor dynamics.** Figure 2 is deliberately naively symmetrical, suggesting a set of equal sovereign actors who dominate the international system. In fact virtually all the bilateral relationships portrayed in the figure are the subject of 'strategic partnership' diplomacy, but the real nature and strength of these ties has to be assessed. Figure 2 thus serves as point of departure for identifying less symmetrical "realities" regarding both bilateral relations between actors as well as their interactions within regional and global multilateral institutions.

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"'Multilateralising' multipolarity", in G. Grevi G. and A. de Vasconcelos (eds), *Partnerships for Effective Multilateralism. EU Relations with Brazil, China, India and Russia*, Chaillot Paper 109, EU Institute for Security Studies, Paris, 2008.

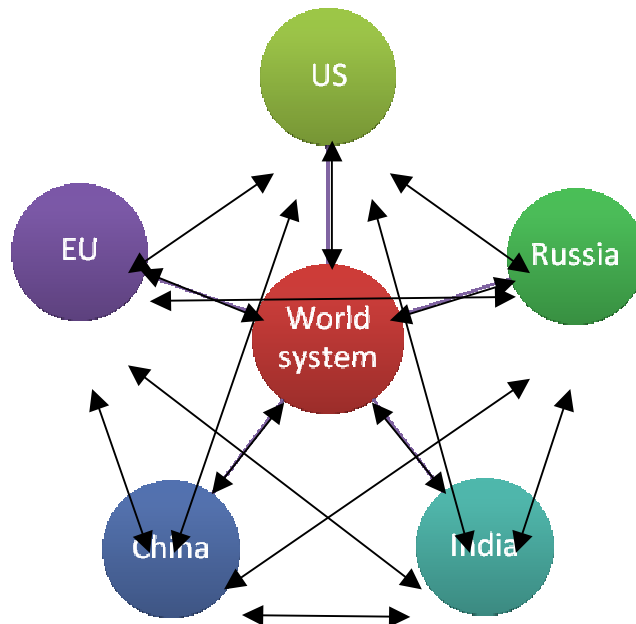
There are already several cleavages and alliances between the global actors shaping up and potentially being reinvigorated under the impact of multipolarity. Prominent already is the BRIC group (Brazil, Russia, India, China), which appears to be driven by the goal of asserting its new global influence to balance the old G7, but whose unity of purpose remains to be tested. Climate change and trade policy negotiations have seen the emergence of the BASIC group (=BRIC plus South Africa, minus Russia), which claims a leadership role for the developing world. In response the old G7 democracies discuss the case for deepened political and economic coordination, with questions regarding their enlargement to a wider grouping of democracies. Regional groupings add a further dimension, evident not only in neighbourhood policies (e.g. of EU, Russia, India) but also in strategic regional alliances (e.g. East Asian cooperation or the Transatlantic community). Most striking of all is the emergence of a de facto G2, in which China and the US discuss key issues of global concern (exchange rate and climate change), risking to put multilateralism on these issues in suspense. The project will tease out current and expected future interactions between major actors within different issue areas, identifying flashpoints of conflict and domains of cooperation. In cases of cooperation, it assesses which rules/norms prevail and why. Different actors may act as 'norm entrepreneurs' in different areas according to their relative 'comparative advantages'.<sup>67</sup> In other cases international players act as 'norm blockers', challenging the efforts pursued by norm entrepreneurs. Who sets the norms across different policy areas is the reflection partly of power balances and partly of the intrinsic appeal and legitimacy of particular norms. 'Old' Western powers may have occupied much of this normative space, but here we watch for the influence of the ascending powers.

**Inter-sectoral dynamics.** Interactions are also prevalent between issue areas, as suggested graphically in Figure 3, again with a deliberately naïve symmetry. For analytical purposes, here we contrast 'actor' interactions with those triggered by endogenous (non-actor-related) shocks and developments in various sectors as well as by transnational forces (included in our matrix structure), which in turn trigger policy reactions by state 'actors'. For example economic development (and poverty) has long been recognized as major determinant of the nature of political regimes. Climate change risks creating a new category of environmental migrants and refugees, with major consequences for security, border and migration policies.

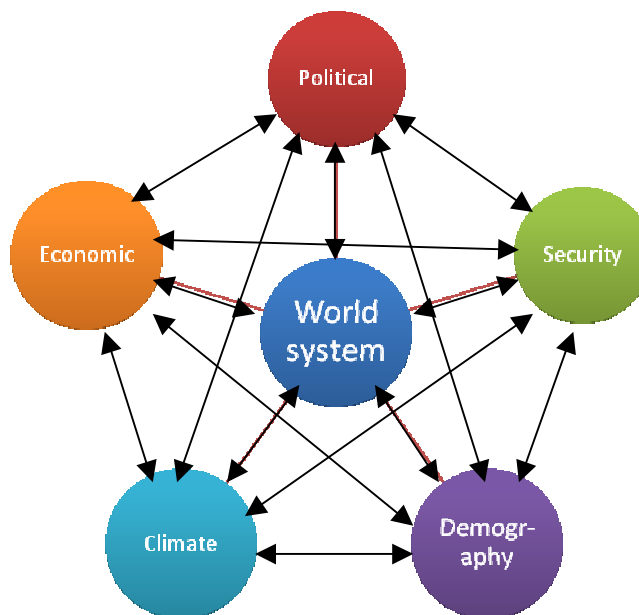
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<sup>67</sup> M. Finnemore and K. Sikkink, "International Norm Dynamics and Political Change", *International Organization*, Vol. 52, No. 4, 1998, pp. 887-917.

**Figure 2.** Inter-actor dynamics



**Figure 3.** Inter-sectoral dynamics



Natural disasters (earthquakes, volcanic activity), pandemics, and shock events in the market economy (financial markets, energy markets) can all have major political, economic and security impacts. Security challenges (e.g. terrorism, WMD proliferation) as well as international and transnational civil society activity will continue to affect the

nature of political regimes (e.g. civil liberties) as well as approaches to the movement of people.

**Cross-cutting dynamics.** This hybrid category, combining inter-actor and inter-sector dynamics, while more complex, will bring us closer to frontline realities. The nature of political regimes is likely to influence the approach adopted by major actors on international security questions. Hence, we find on one end of the spectrum the preference for “human security” approaches by actors such as the EU and the US, and resistance by Russia and China, with India sitting uneasily in between. By contrast, the nature of political regimes appears to have less of an impact on migration policies, where transnational security developments (e.g. terrorism) are pushing different political regimes to adopt similarly restrictive approaches to the movement of people. Climate change might also trigger multiple actor and issue interactions, as in discussion over countervailing trade policy measures, most explicitly in the China-US case.

The possible agenda here is wide open for shock events that seem increasingly to be hitting or coming from the globalised world. The distinction between the actor-led agenda and the events-driven agenda is here fundamental. It seems that global governance is constantly having to try and catch up with new global realities, with limited success. One well-known catalogue of possible ‘mega-problems’ for the 21<sup>st</sup> century crises leads into scenarios with catastrophic or even cataclysmic results.<sup>68</sup> Several of these mega-problems are linked to the climate change process, for which the mechanism of a tipping point is at least a serious scientific hypothesis, and a warning not to be dismissive towards such scenarios. On the other hand this has to be balanced by the potential for positive developments, including rising educational standards, rising effectiveness of transnational civil society activity, democratic mobilization of societies etc.

**Dynamic interactions ‘live’.** The G20 process is currently the most significant attempt to find more adequate methods of global coordination and leadership. Our project will therefore pay special attention to monitoring its progress, and this will be compared with the perceptions that emerge from the set of ‘initial conditions’ papers to be produced in the first stage of work. The G20 monitoring will:

- review the de facto constitution of the G20 for membership and leadership,
- in advance of major G20 meetings, appraise the agenda and analyse the issues,
- assess the results of such meetings.

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<sup>68</sup> J. Martin, “*The Meaning of the 21<sup>st</sup> Century - A Vital Blueprint for Ensuring our Future*”, Transworld Publishers, 2006. The author’s list of mega-problems contains: 1) Global warming, 2) Excessive population growth, 3) Water shortages, 4) Destruction of life in the oceans, 5) Mass famine in ill-organised countries, 6) The spread of deserts, 7) Pandemics, 8) Extreme poverty, 9) Growth of shanty cities, 10) Unstoppable global migrations, 11) Non-state actors with extreme weapons, 12) Violent religious extremism, 13) Runaway computer intelligence, 14) War that could end civilization, 15) Risks to Homo Sapiens existence and 16) A new Dark Age.

### 2.3. Resolution (Stage 3)

While it would be premature to anticipate the conclusions of a first period for the project which would last about three years, we can nonetheless sketch the kind of outcome we would hope for, and how Stage 3 would proceed, with the following components contributing to a consolidated report:

- Each 'actor' team would assemble a final 'vision for the future' paper assessing where the multi-polar/multilateral system is and should be heading in the different policy areas, how institutions and systems should be improved, and how their 'actor' could contribute to it. This set of 'visions' would be subject of an overarching analysis testing for their compatibility or otherwise.
- The coordinators would further assess the adequacy or inadequacy of existing systems of multilateral coordination and institutions and their ongoing development in response to current challenges, and of the dangers inherent in their inadequate development.
- Based on the actors' visions for the future and this assessment of existing multilateral structures, the project coordinators would draw up a final synthesis of cooperative and conflicting visions for the future, pointing to where the system of world governance is heading, with identification of main driving forces, patterns of alliances, and opportunities for (Pareto-optimal) multilateral cooperation between actors and across issue areas.
- The coordinators would examine with the authors of the 'vision' papers how far it would be possible to go in terms of commonly agreed recommendations for the development of key multilateral institutions and modes of cooperation in the world system. These recommendations would concern principal elements in the global order, including the main multilateral institutions. Model solutions or reform packages will be identified and tested for their general acceptability to our group. We cannot at this stage anticipate the degree of agreement the group could achieve.
- Recommendations would, finally, include proposals on how 'track 2' work of global think tank networks should be continued for the future.

*Updated: 19 July 2011*



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## Annex. Key participants and their expertise

### *Institutes*

**The Centre for European Policy Studies (CEPS)**, Brussels, has a strong expertise in European foreign and security policies. Since 2000 it led the “European Security Forum” in partnership with the IISS, London, bringing together European, Russian, American and more recently Chinese scholars on major topics of global concern.<sup>69</sup> In 2008 CEPS published a research study relevant to that now proposed<sup>70</sup>, has been a leading source in Europe of analyses of the current economic and financial crisis<sup>71</sup>, and on the shaping of EU climate change policies.<sup>72</sup> It has been ranked consistently among the Top 10 world think tanks.<sup>73</sup>

**The Istituto Affari Internazionali (IAI)**, Rome, is Italy’s major research centre in the fields of international politics and security. Its main areas of interest are: Italian foreign policy, European integration, the Mediterranean and Middle East, transatlantic relations, international security and international political economy. IAI has highly developed networks with research and policy institutes. The Institute disseminates its research results through regular printed and electronic publication outlets including its English language journal (The International Spectator, Routledge).

**The Fundacion par las Relaciones Internacionales y el Dialogo Exterior (FRIDE)**, a think tank based in Madrid established in 1999, aims to provide the best and most innovative thinking on Europe’s role in the international arena. It strives to break new ground in its core research interests of peace and security, human rights, democracy promotion, and development and mould debate in governmental and non governmental bodies through rigorous analysis, rooted in the values of justice, equality and democracy. Central to FRIDE’s work is Europe’s role in the new global environment.

**Johns Hopkins University** is one of the premier research universities in the United States. The Paul H. Nitze School of Advanced International Studies, located in Washington, DC, is one of the leading U.S. graduate schools of international relations, and the only one to have campuses in the United States, Europe and Asia. The Center for Transatlantic Relations was ranked among the Top 30 Global Think Tanks in 2009<sup>74</sup> and the Top 20 US Think Tanks in 2010.

**Fudan University** is ranked as one of the top three universities in China. It hosts the School of International Relations and Public Affairs and the Fudan Institute of

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<sup>69</sup> François Heisbourg and Michael Emerson (eds), “*Readings in European Security*”, CEPS, Volumes I to VI (2000 to 2010).

<sup>70</sup> Nathalie Tocci (ed.), “*Who is a Normative Foreign Policy Actor? The European Union and its Global Partners*”, CEPS, 2008. Several co-authors will be participating in the present project.

<sup>71</sup> Numerous publications by Daniel Gros and Karel Lannoo.

<sup>72</sup> Numerous publications by Christian Egenhofer et al.

<sup>73</sup> University of Pennsylvania (J. McGann), “*The Global Go-To Think Tanks: The Leading Public Policy Research Organizations in the World*”, 2007

<http://www.fpri.org/research/thinktanks/mcgann.globalgotothinktanks.pdf>.

<sup>74</sup> University of Pennsylvania, op cit.

International Studies, where more than 60 researchers working in the field of international studies, ranging from security, climate change, international political economy, regional studies and China's foreign policy. With its long tradition and global networks, Fudan has the strongest program of international studies outside Beijing.

**Carnegie Moscow Center** was established in 1993 as a subdivision of the Carnegie Endowment for International Peace, as part of a global research organization, with offices also in Beijing, Beirut and Brussels. The Moscow Center covers a broad range of security issues, from Russia's relations with its immediate neighbors to its ties with other regions and US-Russian relations. The Center has been ranked No. 1 among 514 think tanks in Russia and Eastern Europe<sup>75</sup>.

**The Delhi Policy Group (DPG)** is an independent Indian think tank founded in 1994, which seeks to build a non-partisan consensus on issues of critical national interest. It created a dialogue on the expanded nature of security in the framework of an interdisciplinary matrix in South Asia. The DPG started a project in January 2007 to examine the emerging Asian strategic scenarios, with particular reference to the strategic dynamic between US and Japan, and the 'Rising Powers' (China and India).

### *Principal researchers*

#### **EU**

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<sup>75</sup> University of Pennsylvania, op cit.

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(world view)	Chen Zhimin, Fudan University
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(economic)	Rajiv Kumar, ICRIER, New Delhi
(demography)	Rupakjyoti Borah, Delhi Policy Group
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<b>South Africa</b>	
(world view)	Elizabeth Sidiropoulos, S.A. Institute for International Affairs, Johannesburg



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**The Institute**

The Istituto Affari Internazionali (IAI), founded by Altiero Spinelli in 1965, does research in the fields of foreign policy, political economy and international security. A non-profit organisation, the IAI aims to further and disseminate knowledge through research studies, conferences and publications. To that end, it cooperates with other research institutes, universities and foundations in Italy and abroad and is a member of various international networks. More specifically, the main research sectors are: European institutions and policies; Italian foreign policy; trends in the global economy and internationalisation processes in Italy; the Mediterranean and the Middle East; defence economy and policy; and transatlantic relations. The IAI publishes an English-language quarterly (The International Spectator), an online webzine (AffariInternazionali), two series of research papers (IAI Quaderni and IAI Research Papers) and an Italian foreign policy yearbook (La politica estera dell'Italia).

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