SINGAPORE GLOBAL DIALOGUE

RSIS

23–24 SEPTEMBER 2010
SINGAPORE

S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES
A Graduate School of Nanyang Technological University

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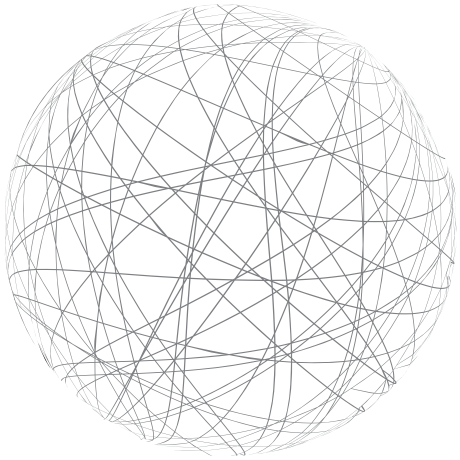

SINGAPORE GLOBAL DIALOGUE

ORGANISED BY
S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES

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23–24 SEPTEMBER 2010
SHANGRI-LA HOTEL
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PREFACE

The inaugural Singapore Global Dialogue brought together a distinguished group of key policymakers, business practitioners, professionals and opinion leaders from around the world to provide an Asia-Pacific perspective on contemporary and emerging global trends.

Ambassador Barry Desker (centre) and Associate Dean of RSIS, Joseph Liow (left), receiving Minister K. Shanmugam.

In general, through presentations and discussions, the event highlighted pressing transnational issues that required a concerted international response. While speakers and participants were in agreement that cooperation was necessary to mitigate such issues, there were differing views on the manner in which global and regional institutions should be renovated to facilitate cooperation.

Through the presentations of Mr K. Shanmugan, Minister for Law and Second Minister for Home Affairs, and Dr Ramesh Thakur, the scope of transnational challenges requiring attention was found to be extensive. Examples of such challenges included—but were not limited to—the jihadist threat, poverty and illiteracy, economic crises, post-conflict stabilisation, nuclear proliferation, climate change and pandemics. Though the list of transnational threats was long, speakers and participants at the dialogue were unanimous in agreeing that cooperation was the only viable solution. Speakers such as Dr Shashi Tharoor and Mr Tang Jiaxuan stressed that both international and bilateral cooperation between states was the way forward.

A divergence of opinions surfaced with regard to the issue of whether cooperation could best be attained through international/regional platforms or by small groups of states and civil society. While Mr Andrew Sheng and Professor Paul Collier were of the view that either a small group of states or civil society would be more effective by providing enlightened global leadership to solving transnational problems, Dr Nur Hassan Wirajuda and Professor Tommy Koh felt that existing global institutions would still have an important role to play provided they were able to find a balance between being representative and being effective. Reinforcing the latter point, Mr John Howard argued that adding new institutions to existing fora like APEC would suffocate regional leaders and dilute the effectiveness of international institutions.

Mr William McDonough, Retired Chairman, Bank of America Merrill Lynch, and Mrs McDonough.

The main points of the keynote addresses and panel discussions are summarised below.

Welcome Dinner Keynote Address by Mr K. Shanmugam

In his keynote address, the minister shared Singapore's perspective on the nature of the jihadist threat in the region while also highlighting the considerable challenges faced in attempting to deal effectively against terror networks. He concluded by advocating the need for further capacity building and enhanced regional engagements.

President Nathan with some of the distinguished guests at the Welcome Dinner.

Opening Keynote Address by Mr Tang Jiaxuan: The Evolution of the International Landscape and the Role of China

In his address, Mr Tang Jiaxuan highlighted Asia's rise and, to reflect this accent, argued that the international system had to reform. These reforms had to take into account China's belief in peaceful development as well as its policy of friendly relations and partnership. Offering an overview of China's current bilateral relations and shared interests, he believed that China now had a larger role to play in the international system. This role included maintaining a stable relationship with the United States. To do so, there needed to be constant high-level interaction between members of their respective governments, increased cooperation, greater people-to-people contact, and the strengthening and development of current mechanisms that maintain stability.

Panel Discussion: Resurgent Powers: Cooperation or Competition

The panel discussion was centred on the point that resurgent powers could fundamentally change the distribution of power in the international system. The shift in power towards Asia would bring about both opportunities and competition. While the emergence of Asia looked promising, the journey ahead would be a long and treacherous one. The challenge would be to stabilise and manage this changing scene in the international system in order to create a conducive environment for cooperation rather than perpetuating competition.

World Leader Keynote Address by The Honourable John Howard

Mr John Howard stressed that while the region was currently benefiting from great economic growth, two clear strategic challenges remained. First, there was uncertainty over how best to understand the rise of China. He dismissed this challenge, however, because of his belief that China's rise was not malevolent, as it was preoccupied with economic growth and internal political stability. Second, there was the threat of terrorism. In this regard, the region had both positive and negative stories. On one side of the ledger, Indonesian economic development and political stability were seen as key to winning hearts and minds in overcoming the threat of terrorism. On the other side of the ledger, the instability of Pakistan might unravel gains made.

Panel Discussion: Transnational Threats: Challenges and Responses

Grappling with a diverse array of issues that spanned challenges such as poverty, illiteracy, economic crises, post-conflict stabilisation, nuclear proliferation, climate change and pandemics, the panel was unanimous in the belief that only greater international cooperation could resolve such issues successfully. Though the course of action was clear, domestic politics, differing interests at both the local and international level, and a stubborn "old world" understanding of sovereignty continued to encumber this course of action.

Participants at the Dialogue, Dr Lee Boon Yang (left), Chairman, Keppel Corporation Limited and former cabinet minister, and Mr Teo Ming Kian, Permanent Secretary, National Research and Development.

Panel Discussion: The Future of Global Governance

The panel was in agreement that transnational issues—such as environmental degradation and financial imbalances—were of great concern and solving these issues required international cooperation. However, panellists were divided on the form of international cooperation. On the one hand, some panellists held that existing international institutions were the platform for attaining cooperation. However, the caveat was that these institutions needed to find a balance between being representative and being effective. On the other hand, other panellists were of the view that either a small group of nations or civil society would be far more effective by providing enlightened global leadership.

Closing Dinner Keynote Address by Mr Tharman Shanmugaratnam

The minister stressed that while the global economy was well into recovery, there were fundamental long-term challenges that continued to confront states. These included the need to create optimism about a new era of growth and the need to preserve social cohesion. The minister recognised that, in responding to these challenges, the developed world had to grapple with the new phase of globalisation driven by China's economic development. He proposed the development of an activist state, which focused upon limited tasks such as ensuring social mobility. Here the minister drew from Singapore's experience in meeting the challenges of creating a platform of economic growth in which the population believed that they had a stake in the state's development.

Participants networking at the Dialogue.

INTRODUCTORY REMARKS
Ambassador Barry Desker, Dean, RSIS

Ambassador Barry Desker welcoming participants to the inaugural Singapore Global Dialogue.

On behalf of the Board of Governors and the staff of the S. Rajaratnam School of International Studies (RSIS), I wish you a very warm welcome to the first Singapore Global Dialogue. We are most pleased that you are able to participate in this inaugural event, which we believe will become an important milestone in the calendar of international conferences.

The Singapore Global Dialogue is a timely event organised in response to the circumstances that the world is facing today and to questions relating to the future of global order.

We are confronted by a range of challenges in the global strategic environment—both in the area of traditional and non-traditional security affairs. We are also challenged by the fact that the leading international institutions had offered inadequate solutions to these global issues. Their discussions often overlook the viewpoints of Asian states. As the fulcrum of global power shifts from the West to the Asia Pacific, it is time that more of the discussions on global issues emanate from Asia.

We, at RSIS, feel that an Asian initiative that discusses contemporary global strategic concerns annually would be a significant contribution to the debate on these issues. Such a dialogue could contribute to the solutions needed to bring about a stable global order.

Apart from offering an Asia-Pacific perspective on the contemporary debates on global affairs, the Singapore Global Dialogue is distinctive for three other reasons:

First, it examines the broader global strategic environment, rather than focusing on regional concerns only.

Second, along with distinguished speakers who are currently serving in government, the dialogue also features speakers who are no longer in government but who still continue to have influence in their own countries. We believe that their being outside of the government would allow them to comment more candidly on hot-button or strategic issues.

Third, as a Singapore-based institution, RSIS is keen on establishing a signature event in Singapore. The choice of dates takes into consideration the large number of professionals and leaders of industry and business who have come to Singapore for the Formula 1 Singapore Grand Prix.

We are very pleased to have such a distinguished list of speakers comprising experts from government, international organisations and academia. They will address various themes including global order, resurgent powers, transnational threats and global governance.

I would like to thank President S R Nathan for gracing this welcome dinner, Minister K. Shanmugam and Minister Tharman Shanmugaratnam for agreeing to deliver the opening and closing keynote addresses respectively. We would like to recognise Temasek Holdings for its generous sponsorship and support for this event.

Ambassador Barry Desker (left) and Mr S. Dhanabalan (right), Chairman of Temasek Holdings, welcoming President S R Nathan, the guest-of-honour, at the Welcome Dinner.

KEYNOTE ADDRESS

Mr K. Shanmugam, Minister for Law and Second Minister for Home Affairs

Minister K. Shanmugam delivering his speech at the Welcome Dinner.

The minister highlighted the continuing increase of threats to security both globally and in the Southeast Asian region, in the light of which countries had had to re-examine their responses. One particular challenge that had received much attention was that of jihadist terrorism. He set out to present Singapore's perspective on the nature of the jihadist threat in Southeast Asia and discussed ways in which countries such as the United States and Australia could help countries in the region to effectively counter the jihadist threat.

The minister noted that jihadist ideology had grown in the Southeast Asian region because of Al-Qaeda and its effective propaganda. While operations by the United States and allies had significantly reduced Al-Qaeda's ability to launch large-scale attacks, small-scale ones continued to occur from time to time. This reflected the resilience of regional jihadist networks which Al-Qaeda had inspired and the effectiveness of its propaganda. Regional terror networks showed commitment to a global jihadist agenda, in addition to their own separatist causes. They had adopted the Al-Qaeda ideology but operated independently. On its part, Al-Qaeda knew the importance of this ideological reach and propaganda. As such, even when under pressure, it had invested resources to expand the use of Internet propagandists and had developed its online reach to target larger audiences.

Reviewing the specific terrorist threats in Southeast Asia, the minister noted that the main jihadist group in the region was the Jemaah Islamiyah, which sought to establish a caliphate stretching across Malaysia, Indonesia, and to parts of the Philippines. The main locus of the terror network and activity in the Southeast Asian region was situated in Indonesia. The Indonesia network centred mainly around the residual elements of the Jemaah Islamiyah organisation.

The minister highlighted four challenges in dealing with terrorism in Southeast Asia, the first of which was the movement of terrorists across long and porous coastlines.

The second was the international funding of jihadism and the existence of various routes through which militant operations were financed (such as the hawala system), movement of money by couriers, the diversion of charity proceeds, and the use of the proceeds from crime. It was noted in this regard that investigations in Malaysia, Thailand and Indonesia had revealed ties between Al-Qaeda and Jemaah Islamiyah, which had helped in the transfer of ideology and finance from the Middle East to Asia.

The third was the spread of jihadist terrorist ideology through the Internet and charismatic speakers and the last was the more general challenge of the lack of good governance. While issues such as social and economic inequalities, inadequate access to education and the prevalence of corruption were not necessarily the causes of terrorism, they provided a fertile ground for recruiting would-be militants.

The minister proposed the following five ways to deal with these challenges. The first was the strengthening of the counter terrorism capabilities of the countries in the region. This included ensuring the appropriate and effective use of force in addressing a violent threat while avoiding collateral damage. It was noted that foreign partners in counter terrorism had provided regional countries with valuable assistance and advice on operational aspects and that this had helped to raise the professionalism of security forces in the region. The minister noted the success of Detachment 88 in Indonesia in this regard. The second

was having a proper legal framework to deal with captured militants. Here, the minister cited Singapore's approach of developing a legal framework for detention without trial where the Executive arm of the government was given the power to detain, with some safeguards and review. For this system to work, there had to be an acceptance by the people that the Executive power would not be abused. Noting that there were no easy answers in this area, the minister stated that the international community could give more thought on how countries in this region could be assisted to develop a legal framework to detain terrorists. The third was developing a structure for the rehabilitation of militants who had been arrested. It was noted that without rehabilitation, the risk of recidivism was high. The minister cited the success of the Religious Rehabilitation Group in Singapore, which was formed by Islamic scholars and teachers in 2003 to provide religious counselling to detained members of the Jemaah Islamiyah. The fourth was dealing effectively with religious extremism. There was a need in this regard for early intervention to prevent religion from being used as a political tool, or being used to radicalise. In Singapore, the government was given the power to issue a restraining order against any cleric if his actions had or were likely to cause tensions between different religious groups, or use religion for extremist activities. The last was the need for individual states to develop effective governance.

The minister concluded by stressing the need for individual states in Southeast Asia to pay attention to dismantling terror outfits, rehabilitation of detainees and tackling socio-economic issues, which provided fertile ground for terrorist recruitment. He also stressed that the United States and its friends, acting in their own enlightened self interest, could help regional countries in their fight against terrorism in several ways beyond the strengthening of the kinetic abilities of the regional agencies.

Guests and participants at the Welcome Dinner.

KEYNOTE ADDRESS

Mr Tang Jiaxuan, Former State Councillor, Former Minister of Foreign Affairs, People's Republic of China: The Evolution of the International Landscape and the Role of China

Mr Tang Jiaxuan began his speech by sketching the contours of what he perceived as the trends of the post-Cold War international order. After the bipolar order collapsed with the end of the Cold War between the late 1980s and early 1990s, the shape of a multipolar order tentatively emerged with strong prospects for peace and development. The events of 11 September 2001 interrupted this pattern. It changed the international security architecture. Nonetheless, some positive trends could be observed in this multipolar era.

Mr Tang Jiaxuan delivering his keynote address.

First, the rapid development of developing countries was one trend. Most of them were preparing for a new era of intense economic competition. Major world powers were also doing likewise in adjusting to a multipolar system. Regional institutions gained more prominent roles in conflict mitigation and resolution.

Second, positive steps of reform towards a more just international financial system were being achieved by the international community. But much more work remained to be done. The ongoing international financial crisis laid bare even more flaws in the existing system. Some consensus had nevertheless been reached in managing global finance. The formation of the G20 summit had been a healthy development. The IMF and the World Bank had also witnessed an increase in the voting shares of developing countries. All these contributed to the democratisation of international economic relations.

Third, there was a gradually emerging consensus on international peace and security. Dialogue and peace were shared aspirations across the world. Concepts of common security and multilateralism were being embraced by all states, as they recognised the challenges of existing in an interconnected world. Non-traditional security issues such as energy scarcity, public health, transnational crime and drug trafficking were intertwining national fates.

Fourth, Asia was an important strategic arena. There was tremendous potential in the region for both the development of relations between states and the strengthening of international cooperation. The Asia-Pacific states had contributed a developmental model for the world: Asian states had pioneered developmental paths suited to their specific national contexts. All Asian developing states had had to accommodate the advances and allure of western technology while ensuring that economic development responded to concrete realities on the ground. Democratising international relations and ensuring justice in national development remained critical agendas.

Mr Tang said that the Chinese Revolution in 1949 had reversed centuries of humiliation by western colonialism for the Chinese people. Yet China's destiny became increasingly intertwined with the rest of the world. China sought to expedite cooperation and positive interaction with other states on the basis of the five principles of peaceful coexistence established between China and developing countries since the 1950s. Decades of self-reform and opening up had enhanced the lives of the Chinese people. The Chinese economy had evolved from a semi-closed economy to being an open one while maintaining socio-political order at home. These developments should be seen as a huge contribution to sustaining international prosperity and enhancing global growth. China also contributed US$120 billion to U.S. foreign exchange reserves and unilaterally cancelled the debts of 49 of the world's heavily indebted poor countries.

While China had made enormous strides towards improving its people's livelihood and prosperity, it was still a middle-income developing country suffering from unbalanced development. For instance, 150 million Chinese still lived below the poverty line. Therefore, China wished to adhere to a peaceful developmental path; it did not wish for accelerated development that might cause problems, but a gradual one that contributed to world peace through the focus on one's development. Therefore Chinese foreign policy could only play a constructive role in world affairs by accommodating the legitimate concerns of all cooperative partners. It would not be the cause of tensions nor shift the burdens of its problems onto others. China would seek neither hegemony nor military ascendancy.

China's foreign policy was based on the principle of "mutual trust and mutual benefit". Beijing urged all parties to ongoing nuclear crises to act rationally to resolve them. As a sign of its commitment to multilateralism, China had been the biggest contributor to UN peacekeeping operations. It had participated in efforts to halt nuclear proliferation, arms control and initiatives to cope with climate change and drug trafficking. China also believed that international peace could only be achieved through proactive, reliable and gradual diplomacy. All parties in disputes should strive to maximise consensus while minimising differences.

The historical circumstances of China's development had conditioned it towards embracing peaceful international polices. It did not wish harm unto others, just as it wished others to do no harm to its national interests. Although the Chinese people had suffered from western colonialism, the People's Republic was very keen to pursue policies favouring peace in all regions. It supported the fundamental right to national self-determination and endeavoured to pursue "good neighbour" policies.

China took ASEAN seriously and desired to treat ASEAN states as reliable partners and neighbours. China had played an active role in the region. The China-ASEAN Free Trade Agreement (CAFTA) achieved earlier this year was a milestone. There were signs of vitality in cooperating with ASEAN on non-traditional security issues such as agriculture, education, reducing poverty and other fields. China looked forward to celebrating the 20th anniversary of the China-ASEAN partnership next year. China also believed that ASEAN should remain in the driving seat of regionalism in East Asia and shared its goals in developing a level of diplomatic comfort between states before cooperation could deepen. Existing regional mechanisms should reinforce one another, but should not impede the exploration of new mechanisms that could help preserve peace and sustain development.

China would also act to preserve peace and stability in the South China Sea in the spirit of mutual respect. It wished to shelve differences and pursue joint development. It would adhere to the Code of Conduct drawn up with ASEAN and appreciate the importance of keeping shipping lanes in the area open and maintaining access for all to airspace for commercial flights. Likewise, China wished to call on all parties to the crisis on the Korean Peninsula to exercise restraint. There should be mutual respect between all parties and the practice of equality in negotiation.

Sino-U.S. relations could also be placed on a more stable footing by taking a long-term approach to ties by adhering to principles of mutual respect and win-win solutions. Despite 30 years of relations and hiccups in between, China believed that cooperation was always better than rivalry. The United States possessed broad interests in Asia, and China accepted that as a fact, and even welcomed it. However, all countries should abandon the Cold War mentality and old-fashioned power politics. China believed in a vision of a harmonious Asia-Pacific region at the dawn of the twenty-first century. All states should share common goals in development, confront the challenges brought by globalisation, and foster democratisation and equality in the international order.

Mr Tang Jiaxuan (left) having an exchange with the moderator Ambassador Barry Desker.

During the question and answer session, the moderator, Amb Desker asked Mr Tang to comment on the ups and downs of the Sino-U.S. relationship. Mr Tang responded with two points. First, both sides should preserve bilateral rapport at the highest levels of leadership. There should be regular exchanges of visits at the highest levels. Second, both sides should take a long-term perspective of Sino-U.S. ties. This perspective must be maintained especially in moments of disagreements and differences. China and the United States must strengthen their strategic mutual trust. Although channels for strategic interaction already existed between them, this was clearly not enough.

Mr Tang clarified that "strategic mutual trust" meant that both sides should adopt strategic perspectives derived from scientific bases. Neither side should adopt zero-sum perspectives, i.e., to assume one country's progressive rate of development to automatically imply the other side's economic decline. It was only on this basis that Sino-U.S. relations could progress on a correct trajectory.

The United States and China should expand and deepen exchanges in all areas of interaction. This would broaden areas of bilateral convergence. Both sides must strive to expand mutually beneficial exchanges, including cultural and youth exchanges.

Amb Desker asked Mr Tang for his view on how recent Sino-Japanese diplomatic frictions could be managed. Mr Tang responded that Japan still remained a special focus for him after 48 years of a diplomatic career behind him. He said that he found the Japanese actions incomprehensible. The Diaoyutai/Senkaku island dispute is a fact, openly visible to the world. Both sides should adhere to the principle of shelving differences and fostering cooperation.

Mr Tang recalled that in 1978, both sides had arrived at a mutual understanding that the dispute could be left to the wisdom of future generations to solve. Mr Deng Xiaoping had originated the formulation: "shelving disputes, enhancing development". In the current dispute, he thought that Japan was disingenuously reversing diplomatic history by declaring that the Diaoyutai issue was a non-dispute. Furthermore, it was an open fact that Chinese fishermen were habitually fishing off Diaoyutai islands. Tokyo's legalistic approach was complicating the issue to the point where it was impossible for the two states to compromise because sovereignty claims had been invoked. Noticeably, Japan applied domestic law to the arrested Chinese fishing boat captain. Beijing had no choice but to respond with equally stern measures. He called for the immediate release of the Chinese boat captain and hoped that Tokyo would not lose sight of the positive aspects of wider Sino-Japanese relations. Mr Tang said both the governmental and non-governmental sectors in China attached great importance to good relations with Japan.

PANEL 1:
Resurgent Powers: Cooperation or Competition?

Moderator: Mr Jusuf Wanandi,
Co-founder and Vice Chairman, Board of Trustees of CSIS Foundation, and Senior Fellow of the Centre for Strategic and International Studies, Jakarta

Speakers : Dr Dmitri Trenin, *Director, Carnegie Moscow Center*

Dr Paul Wolfowitz,
Former President of the World Bank; Former US Deputy Secretary of Defense

HE M. K. Narayanan, *Governor of West Bengal, India; Former National Security Advisor to the Prime Minister of India*

MG Zhu Chenghu, *Dean, Defence Affairs Institute, National Defense University, People's Liberation Army*

Dr Dmitri Trenin began by noting that Russia had gone through a period of steep decline as an ideologically driven politico-military power, and subsequently through period of irrelevance, but was now staging a comeback. Consequently, Russian elites had learnt a few lessons: that no state was too big to fail, that although ideas were important, ideology distorted your foreign policy; that uses of military power were increasingly constrained in the twenty-first century and not a guarantee of success, that empires were costly creations, and, ultimately, that the best approach for Russia was to reconstitute itself as a great power, not an empire and to have good neighbourly relations with its near neighbours.

Additionally, Russia saw the world today as a place where bipolarity was not possible anymore. Rather, world governance is (or should be) a system comprising five or six, more or less co-equal great powers, who did not seek to impose their domestic systems on each other, and who led the world collectively, using international institutions as mechanisms for global governance. At the same time, Russia, as a re-emerging power in an increasingly multipolar world, would continue to decline unless it could modernise economically and technologically. At the same time, institutional modernisation must accompany this economic-technological growth.

In this regard, Russians saw Obama as a sympathetic figure, non-ideological regarding Russia, and trying to build better relations with Moscow. Regarding China, the Sino-Russian rapprochement was seen as a significant achievement, and Moscow wanted to preserve this relationship, although there was growing concern about rising Chinese power and how it would change the balance between the two countries. Relations with New Delhi remained good but were under-performing economically and should be expanded. Overall, Dr Trenin saw the shift in global power toward Asia as good for Moscow and one that could result in a more equitable power redistribution in favour of Russia. Overall, Asia was seen as non-threatening to Russia, although he did recognise Russia's need to "secure" Siberia and make it economically viable and modern, if it wished to secure its place in Asia.

Dr Wolfowitz opened his presentation by arguing that we needed to take a long-term view of global events. He stated that the emergence of Asia was something to be celebrated, as something that had benefited the world in general. At the same time, this emergency also needed to be managed peacefully, so as not to repeat tragic history, for example, World War I, which transformed the twentieth century--which began on an optimistic, classical-liberal note premised on continued economic and political progress, peaceful relations among great powers, etc. into the bloodiest century in history and which planted the seeds of so many other disasters including Bolshevism, Nazism and World War II.

The world was now enjoying a relatively long-standing period of peace between the great powers of the world. Since the Vietnam War, Asia, in particular, now seemed to be a zone of peace as well as a region undergoing an expansion of economic prosperity and political freedom. Consequently, it did not have to repeat the bloody history of the twentieth century, but it needed to manage the world correctly and especially the emergence of China and India as great powers, and perhaps even some ASEAN countries as well, such as Indonesia and Vietnam. If it did not get it right this time, the consequences could again be awful.

Dr Wolfowitz concluded by arguing that this peaceful emergence of Asia within a new system of global governance depended on four factors: (i) the continued prosperity of the region, which could not be taken for granted, (ii) the need to continue to emphasise the consensual requirement for peaceful resolution of disputes, (iii) the continued U.S. engagement in the region, but which also could not always be taken for granted, and (iv) the maintenance of domestic political stability within Asian nations, not necessarily the expansion of democratic impulses, but at least the commitment to operate under rule of law and openness. In this regard, there was cause for considerable optimism, compared to the instability that plagued the region 20 to 30 years ago.

HE Narayanan opened by stating that the credibility of actions would define the progress of civilisation in the twenty-first century. From an Indian standpoint, the shift in the global centres of power had yet to be realised; multipolarity or nonpolarity had not yet gelled. At the same time, the major and emerging powers were bound together in common interests and needed to strengthen economically. Consequently, newly emerging powers, such as Brazil, for example, should be permitted to flex their economic and even political muscles.

India, he said, was trying to restructure itself to become globally competitive, to deal with the demands of globalisation, and to create an environment conducive to creativity and enterprise. As an ascendant power and to meet its demanding requirements, India needed to continue to modernise politically and institutionally.

HE Narayanan went on to assert that a fundamental shift was occurring within the world system. The rise of new powers and new power relationships were inevitable. Emergent powers like India had the right and power to reshape the global government process. Consequently, global institutions must be reformed to give emerging powers more representation and clout, for example, through the G20 replacing the G8, and the overhaul of the global financial system including the World Bank and IMF.

Dr Dmitri Trenin (left) on lessons to be learned from Russia's experience.

HE M. K. Narayanan stressing the need for global institutions to be reformed to give emerging powers more representation.

India, he concluded, was reaching out to its neighbours in new and transformed initiatives, and engaging them in different ways. India believed that it should not be punching below its weight; therefore, it deserved better representation and recognition in global governance, such as a permanent seat in the UN Security Council. Overall, what India sought was cooperation, not competition, and also a realistic approach to world affairs in order to better handle the future challenges of global governance.

General Zhu opened his talk by asserting that China over the past 30 years had played a constructive role in regional stability and peace, and that it continued to desire peaceful development throughout Asia for all. He noted the continuing competition between emerging countries over such things as resources (energy), commodities markets, attracting FDI, acquiring advanced technologies, over differing models of development, and over geostrategic interests (e.g. India-China).

China, he said, was facing the most complicated and challenging security environment at present, more than any other major power in the world. Current mechanisms for world economic management (IMF, etc.) potentially posed checks on Chinese development. He argued that Chinese political development was not well understood by outsiders, and that they needed to look more closely at Chinese history, particularly its history as a great power. Above all, he argued that others should not "mirror-image" China, and, in particular, that its military expansion and rise should be viewed in context and not feared.

Internally, China faced a lot of problems such as resource acquisition; consequently, China might be seen as a threat to developed countries. But China had to create jobs and underpin continued future economic expansion. In addition, political reforms were also being continued, but these had to be done so as not to undermine economic or social concerns. Overall, China's continued economic and political development was of paramount concern to the Chinese leadership. Economic development and expansion was still its first priority. General Zhu concluded by stating that, for the sake of domestic modernisation, China wanted a peaceful process of global governance in which it was an important and constructive player.

A question was asked of all four panellists as to how the problem of Afghanistan fit into a possible emerging system of global governance, of competition versus cooperation. The panellists were in agreement that world peace was served by preventing a re-takeover of the country by the Taliban. The United States, India, China and Russia had a general common interest in trying to stabilise and secure Afghanistan. Consequently, this was not a case of global competition, but rather a classic case of global cooperation and governance. What was ultimately at stake was whether extremism was victorious, for it would have significant repercussions. Afghanistan was a clear and present danger to countries in the region, and not just with terrorism, but also with drugs—to Russia, for example. It was also potentially destabilising to Pakistan and India, which had a large Muslim population. China, too, was sympathetic to Western efforts to stabilise Afghanistan, as failures could also spur Muslim extremism in the western parts of its territory. Other issues of concern were what happened to Pakistan and how it was affected by developments in Afghanistan, and the growing weariness in the United States with Afghanistan, which was undermining efforts. At the same time, General Zhu stated that he believed a military solution was probably unachievable in Afghanistan, and that China supported taking a non-military approach to develop the Afghan economy and civil institutions.

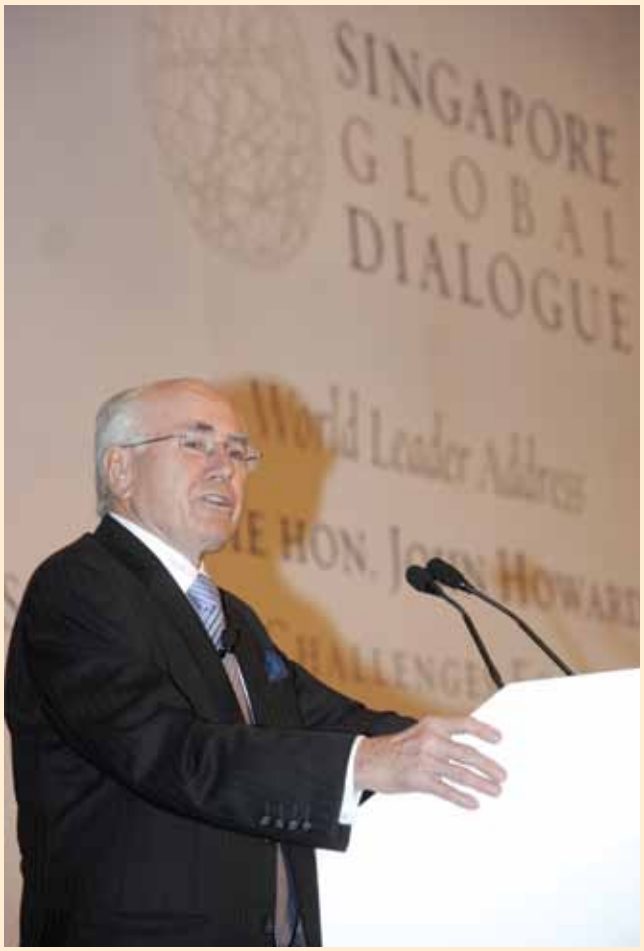
MG Zhu (right) describing China's role as a resurgent power.

Dr Pradeep Taneja, Lecturer, School of Social and Political Sciences, University of Melbourne, participating in the Q&A session.

Another question was on how to secure the cooperation of two emerging powers, China and India, especially when they were competing in the same economic and geo-strategic space. The panellists felt that world too often saw these two countries as inevitable rivals when in general, both countries had experienced peaceful rise internally and externally as there had been no conflict between them since the early 1960s. Overall, relations between the two countries were actually quite good; both were led by sober leaderships, and there existed considerable dialogue between the two countries. Both were concerned about maintaining peaceful relations, despite their mutual recognition of differences and rivalries, and both knew they had severe internal problems such as economic development, and neither wanted bilateral tensions to further complicate relations and distract them from dealing with their far more important internal issues. In conclusion, even though there were some problems, the two governments had been able to reach consensus on a number of issues. Overall, the Sino-Indian relationship was not as bad as some made it out to be.

WORLD LEADER KEYNOTE ADDRESS

The Honourable John Howard, Former Prime Minister of Australia: "Strategic Challenges of the Asia-Pacific Region"



Mr John Howard delivering the World Leader Keynote Address.

Mr Howard began by describing Australia as a nation that had the closest strategic alliance with the United States, but equally a nation that saw its involvement and identification with Asia. He added that this identification with Asia was "at the front and centre" of Australia's economic and political postures. In assessing the strategic challenges of the Asia-Pacific region, he noted the following key trends:

Asia's Economic Transformation

The economic transformation of the region had been historic. By 2030, the centre of gravity would shift to this part of the world. It was a region that was also asserting itself, and in a remarkable fashion. It was a region whose time had truly come.

In the past 30 years, millions of people had been lifted from poverty, due to, among other factors, market liberalisation. The Asia-Pacific region had also been less affected by the global financial crisis than did other parts of the world. It would be a mistake if the Asia Pacific responded to the global crisis by returning to over-regulation or protectionism.

The Rise of China

The rise of China had been good for itself and for the world. It had also been good for Australia. Much of Australia's vast mineral resources had been absorbed by China, boosting the Australian economy. In fact, one reason why Australia emerged from the global financial crisis untouched was its close relationship with China, whose astonishing transformation had been valuable to Australia. That close economic relationship could be a case study in itself. In the face of a resurgent China, the world should similarly pull together based on common economic interests rather than debate philosophical differences that could never be resolved. He believed China wanted a pragmatic relationship.

At the same time, the Asia-Pacific region must avoid suffocating itself with too many structures for the region's leaders to meet and forge relationships. Structures were important but what were just as important were the interactions between and among states, as reflected by the latest tensions between China and Japan. The rise of China had brought about nervousness, he said. China's emergence represented an enormous change. Indeed, coming to terms with this rise was the greatest strategic challenge for the Asia Pacific. But he did not see China as representing a strategic threat to any country in the near future.

Australia

He proposed that Australia review its policy of banning uranium sales to India. It did not make sense. If it could sell to countries like Russia and China, he asked, why not India?

Mr John Howard giving his view of the Asia-Pacific security architecture.

Terrorism

To Mr John Howard, the challenge of terrorism was different. Herein lay the role of Indonesia. Indeed, Indonesia's transformation—politically and economically—was a positive force for the region. Indonesia's transformation had been remarkable. The survival of Indonesia as a liberal democracy was very important in the war against jihadism and religious extremism. On the other side of the ledger the instability of Pakistan might unravel gains made.

Q & A

During the question-and-answer session, the moderator, Amb Barry Desker, referred to Mr Howard's comment that the region should not suffocate itself with too many structures, and asked how he would react to former Prime Minister Rudd's proposal for a regional concert of powers. In response, Mr Howard said that there was a "limit to the intellectual energy" that the leaders could give to the multitude of structures. Rather, they should be going in the opposite direction. He added that the most valuable gathering he had gone to when he was premier was APEC. He did not want to see any structures in this part of the world that would reduce the importance of APEC, which included major countries around the Pacific, including Russia.

On the dispute between Japan and China, Mr Howard remarked that no international body could tell them how to resolve their bilateral dispute over the islands. Referring to differing security perceptions in Australia about China, he felt that the debate had been confusing. But he took the view that China did not represent a threat because it was focused on political stability. China was neither seeking nor preparing for conflict, except over Taiwan. But as far as China's relationship with the United States over Taiwan was concerned, the temperature had gone down.

Mr S. Dhanabalan, Chairman of Temasek Holdings, which sponsored the inaugural Singapore Global Dialogue, flanked by HE M. K. Narayanan (left) and Dr Paul Wolfowitz.

PANEL 2:
Transnational Threats: Challenges and Responses

Moderator: Dr Joseph Liow, *Associate Dean, RSIS*

Speakers : Ambassador Christopher R. Hill, Dean, *Josef Korbel School of International Studies; Former US Ambassador to Iraq*

Mr Hitoshi Tanaka, *Former Deputy Minister for Foreign Affairs, Japan*

Dr Ramesh Thakur, *Former Senior Vice Rector, United Nations University; Former Assistant Secretary-General of the United Nations*

Dr Shashi Tharoor, *Member of the Indian Parliament; Former UN Under-Secretary General for Communications and Public Information; Former Indian Minister of State for External Affairs*

The session discussed non-traditional and transnational threats and how states and societies should address them. Ambassador Christopher Hill noted that there was nothing like post-conflict stability operations, since conflict went on and efforts were to reduce the intensity of conflict especially in places like Iraq and Afghanistan. There were dangers involved in sending civilians to isolated places, subjecting them to risks. For the U.S. military, there had been a change of model in terms of no clear exit and a long-term engagement, including post conflict operations. This involvement included addressing drivers of instability that they might not be best equipped to handle, but were doing because they had the budgetary allocation to do so. This would have long-term consequences. According to Ambassador Hill, post-conflict stability operations could not be resolved in a time frame. Most countries had lost the adrenalin to continue in Iraq and had shifted focus to Afghanistan. Iraq, according to him, was no longer only a U.S. problem but one in which every country had an interest in seeing resolved. The international community had to have long-term engagement in areas like Iraq and Afghanistan and needed to stay longer with a budget to do so.

On the issue of non-state actors, Ambassador Hill said that there was a need to deal with non-state actors and build capacities through police and military systems within countries like Iraq, even as they needed to understand that they were doing this for themselves. With regard to non-proliferation, he noted that the United States could not resolve the North Korean issue by itself and had to depend on other countries like China and the six-party talks. The U.S. administration was hurt by the perception that it was not committed to negotiations. The six-party talks had made good progress and resolved some issues among members like that between China and Japan. In the end, however, the six-party talks should be judged by whether they could resolve the problem, considering that they had the support of the international community.

Panel 2 speakers addressing participants on the topic of Transnational Threats.

Ambassador Christopher Hill speaking on the role of non-state actors.

Mr Hitoshi Tanaka began by announcing that the captured Chinese captain had been released in keeping with the ruling of the prosecutor's office in Okinawa that the boat collision was an accident and not a deliberate act. The incident was seen as a consequence of assertive Chinese activities in the Indian Ocean, South and East China seas and part of the trend of long-term Chinese presence. He added that the developments also had to be placed in context of changing political structure in Japan. According to him, Japan would be happy to shelve the Diaoyutai issue for future generations to solve as suggested by Deng Xiaoping, because it practically controlled the islands. He stressed the need for Japan and China to deal with the crisis in an amicable way and to have an open channel of communication in which both countries had confidence to deal with such problems.

Mr Tanaka noted that Japan had contributed to Chinese economic growth through provision of ODA and had helped build infrastructure there. Japan had also gained from Chinese exports and imports. China was now the number one trade partner for Japan, replacing the United States. He stressed that both countries were not in a hostile relationship and should learn to build a constructive relationship. He stressed that non-traditional security issues were significant considering that they dealt with human security. There had to be a right approach to the question of cooperation at the global and the regional level. Norms and rules on non-traditional security issues should be created and even regional cooperation, especially in terms of operational actions, remained a distinct possibility. The time had come to think of an inclusive regional cooperation. ASEAN should take the initiative and bodies like the East Asia Summit could handle non-traditional security issues effectively. Partnerships had to be created among stakeholders like bureaucrats and politicians on issues like HIV/AIDS. Domestic political and economic governance should be addressed, as these issues also bound transnational and non-traditional security issues.

Dr Ramesh Thakur spoke about interdependence in the world on matters such as climate change, terrorism and human security. In addition to their having the potential to provoke interstate military conflicts, these were also drivers of human insecurity in the threats they posed to individual lives. The security problematique had moved from defeating national security threats to risk management, and being prepared intellectually, organisationally and operationally to cope with strategic complexity and uncertainty. Collective security and global governance were necessary because today's threats did not fit into national boundaries, were interconnected and had to be addressed simultaneously at all levels. In addition, poverty contributed to epidemics of infection and curtailed access to health professionals and medicines. Failing health in turn exacerbated family poverty and retarded national development thereby fuelling a vicious cycle that destroyed lives and livelihoods of millions around the world every year.

Lessons for global governance included a globally interlinked national surveillance system for infectious diseases, emergency medical control over outbreaks, rules that inhibited spread of diseases across borders and speedy resolutions of negotiating deadlocks of IPR so that access to health programmes and affordable medicines could be provided to the poor in these countries. All of this needed partnerships. Environmental damage could aggravate food, water and health issues, which could lead to outbreak of instability and provoke an outflow of people. If the exodus was large, it could raise cross border tensions too. Food, water and other environmental issues could become tools and targets of fighting, as the multidimensional crises got trapped in a self-perpetuating cycle.

Dr Ramesh Thakur sharing his views on interdependence in the world.

Dr Thakur addressed climate change with regard to four dimensions—science, policy, politics and global governance. Concerns of science were on nuances, details, precise locations and so on. Based on scale, magnitude and irreversibility, climate change was a critical transnational threat. There was a need for action now and by all. Any delay in addressing it would mean that the cost of addressing it would be more at a later date. The technical challenge was also marked by growing complexity. Action was also needed on energy efficiency, conservation and diversification. While science was compelling, it did not lead us to clear policy guidelines or conclusions. Scientists did not necessarily make best policy advocates because agreement on climate change did not compute into agreement on climate policy nor did it trump climate politics.

Policymakers had to deal with priorities and choices, issues, resources, opportunity costs and diminishing versus increasing marginal returns. They had to make choices between different goals—how much to spend on education, health, roads, poverty eradication and so on. They had to choose between alternative strategies even if they had agreed on the goal of managing climate change. An appropriate mix of adaptation and mitigation strategies, binding emission targets versus voluntary guidelines, and issues of technology and financial transfers had to be made. Even if there were an agreement on science, policy issues were there. Demonising these policy issues did not help. There were different groups, interests and perspectives and legitimate concerns of others. There was a dilemma that climate change asked politicians to incur costs now while returns might come generations later or gains might come to other countries.

Politics of climate change also had to be tackled at the national and international levels. The need for global governance was to manage global perils through increased burden-sharing. The paradox lay in the fact that policy authority for tackling global problems and mobilising necessary funds lay at the country level, while the scale and source of solutions were transnational and regional. The overriding challenge was to structure national, regional and international governance institutions, which were robust, resilient, flexible and equitable (balanced privileges and responsibilities) to deal with sources of these threats.

Dr Shashi Tharoor declaring that national security hinged on global security.

Dr Shashi Tharoor said that security could not be discussed in purely traditional terms. The question was: Can there be national security without global security? National security was understood as keeping people behind safe borders. As for global security, in an era of rapid technical advances and increasing economic interdependence, globalisation and dramatic geopolitical change, we had no choice but to see security in an all-encompassing manner on the globe. The 9/11 terrorist attacks reminded the world of the cliché of a global village—an impact on the WTC from Afghanistan. Even as 2,600 people died at the WTC, many more died in the world from problems like lack of clean drinking water, starvation and preventable diseases. We could not exclude them from our idea of global security. While poverty and human insecurity could not be said to cause civil war and organised crime, they all greatly increased the risk of terrorism and instability. Violent catastrophic terrorism against rich countries could affect the development of millions in developing countries by causing a major economic downturn. Global security rested in the creation of a global order that responded to both hard and soft threats. That was done through a network of states with common values and compatible approaches to governance. India sought to be such a society. Problems like poverty, famine, illiteracy and climate change made individuals and states less secure. Rich states were affected by vulnerabilities of the poor due to interconnectivity of threats.

There were two contending trends—forces of convergence knitting the world together through modernisation—technology and trade, all instruments of convergence. There were also concurrent forces of destruction trends that pulled apart like religious polarisation. There were ever-increasing problems without passports—an idea that had gained importance in the 1990s and the first decade of the twenty-first century. The response to such problems affecting human security could not be the pursuit of one country. In terms of responses, handling these problems together was arguably the best approach. People also needed to change in the way they thought about security. After 1945 and through the Cold War, security centred on nation states seeking to protect their own sovereignty from other powers. The debate was based around military alliances. In the post Cold War period, there were concerns over nuclearisation of rogue states.

Human security could not be the pursuit of one nation. It required international cooperation and action in international organisations like the UN, and its specialised agencies, and in the negotiation and conclusion of international agreements and treaties. The old fashion idea of traditional military security still existed. The UN conducted peacekeeping operations. Regional organisations also came under the UN and world mandate. Many countries contributed to even non-UN sanctioned operations. We were not talking of mortgaging but leveraging our sovereignty for global security in our collective security. New threats required new responses from the international system. UN reform was critical in that regard. Human security required a world in which sovereign countries came together, shared burdens, addressed common problems and seized common opportunities.

Several issues were raised in the question-and-answer session. Dr Bill Durodie noted that maybe it was only through growth that we could overcome problems of growth. For example, if we developed new carbon-free energy sources, we needed to burn carbon now in order

Dr Ron Huisken, Senior Fellow, Strategic & Defence Studies Centre, ANU, raising a question on non-traditional security issues.

to do so. Therefore, holding back for fear of running out would be a self-fulfilling prophecy. Dr Thakur responded by stating that he would agree if Dr Durodie meant that climate change could not be solved unless all citizens had a minimum assured lifestyle. There was a need for developing countries to reorient themselves towards cleaner and greener methods, but developed countries had to change their lifestyles too. Mr Howard spoke of the export of uranium to India. Whether it is better to lift restrictions on sale of uranium to India—with an impeccable record on nuclear non-proliferation—for a better source of energy is a policy trade off.

General Zhu made a few comments on the Japanese point of view presented by Mr Tanaka. He stated that the history of the Diaoyutai islands showed that the island was annexed by Japan after the Sino-Japanese War of 1894. According to the agreement after World War II, the Japanese agreed to return territories to China taken through war. This island should thus belong to China. Second, for stable and constructive relations between the two countries, Japan should not announce that Japan controlled the island because this offended the Chinese side. Both the governments had no authority to make compromises on territorial sovereignty. Third, Chinese fishermen had been fishing in the region for a long time. Lastly, with regard to Japanese ODA to China, General Zhu pointed out that after the war, the two sides had reached an agreement on aid to China instead of war compensation. ODA should not be projected as one-sided benevolence to China although it was appreciated.

Mr Tanaka responded by stating that he had no intention to make an announcement but only to state facts. He was taken aback by the mistrust that ODA had created and added that he would be open to comment if Japanese ODA had indeed not helped develop Chinese infrastructure.

Dr Ron Huisken asked whether a focus on non-traditional security issues would erode and neglect traditional security issues. Mr Tharoor said he did not agree with this thought. Non-traditional security issues, in fact, expanded leadership capacity to deal with security issues. There were different sets of actors to deal with them like the Ministry of Environment. On the issue of an appropriate architecture to deal with such problems, Ambassador Hill said that Asia did not suffer from excessive institutions and that in fact, more fora were needed.

Dr Mely Caballero-Anthony said that while the panel made a compelling argument on global and regional cooperation to address non-traditional security issues, there were also problems of national governance. National governments would increasingly be under the scrutiny of the international community and some states might refuse this scrutiny on the ground of national sovereignty. Dr Tharoor responded by saying that states were not sacrificing sovereignty but rather leveraging it for benefits. In a democracy, governments were accountable to people and their interests might trump the nature of collective good. The challenge for governments was to take certain actions for long-term good. Dr Thakur added that the world had changed and that we underestimated the extent to which major powers had accepted norms for the exercise of power. Michael Hudson noted that the notion of transnational threats seemed like opaque black boxes. How do you separate them from their constituencies? Dr Tharoor opined that when looking at transnational threats like terrorism, each country had its own set of issues. There were also limits to what you could do. Their motivations were understood and their objectives were to further their interests beyond borders.

PANEL 3:
Future of Global Governance

Moderator: Professor Harry Harding, *Dean, Frank Batten School of Leadership and Public Policy*

Speakers : Mr Andrew Sheng, *Chief Adviser to the China Banking Regulatory Commission; Former Chairman of the Securities and Futures Commission of Hong Kong; Adjunct Professor*

Dr Nur Hassan Wirajuda, *Former Minister of Foreign Affairs, Indonesia*

Professor Tommy Koh, *Chairman, Centre for International Law, National University of Singapore; Ambassador-At-Large, Ministry of Foreign Affairs, Singapore*

Professor Paul Collier, *Professor of Economics, Director for the Centre for the Study of African Economies, University of Oxford*

Professor Harry Harding, the moderator, opened the session by noting that there appeared to be a growing crisis of confidence in many of our institutions of governance at both global and regional levels. This is due to a growing gap between the number and complexity and interconnectedness of the issues that faced us in the international community, and the capability of international organisations and regimes to adopt and implement measures to address those issues. As to the cause of this growing gap, he asked the speakers to address what they considered the single largest problem with global governance today and to offer a remedy.

Mr Andrew Sheng stated that the biggest problem was unrepresentativeness (the lack of adequate representation for many countries in the World Bank and the IMF, Security Council of the UN, or the G20). He added that the word "sustainable" should be added to the discussion on global governance. While governance was usually associated with human activity, we were increasingly living in an overcrowded world where the most abused and unrepresented member was "Mother Earth". Sustainability was threatened because technology, communication and travel had become so common, alongside population growth, that the distance between human beings had created more and more externalities. Externalities were almost zero with a population of one million in the whole world, but today there were six billion and heading toward

Moderator Professor Harry Harding starting off the discussion on the Future of Global Governance.

one billion extra every 12 years. This was an unsustainable situation. And currently the unipower in the world had five per cent of the population and consumed 26 per cent of the world's energy. And if all Chinese, Indians, Africans and Latin Americans wanted to consume like the average American, there would be no natural resources left. So, the greatest challenge of global governance, on top of terrorism and other issues, was the stewardship of our scarce natural resources, without which the current model of overconsumption was simply unsustainable.

He also argued that we needed global governance to more adequately deal with the threat of future financial crises. To appreciate the magnitude of the problem, he noted that Joseph Stiglitz estimated the cost of the war in Iraq to be about US$3 trillion, but advanced countries paid around US$13 trillion to stop the recent financial crisis from worsening.

Dr Nur Hassan Wirajuda stated that he believed that the lack of legitimacy—the need to balance between inclusiveness and representativeness—was the most important problem. In his view, unrepresentativeness of institutions of global governance was primarily about the Bretton Woods Institutions (BWIs) constructed in the wake of World War II. And because the BWIs excluded countries, they often suffered from a lack of transparency. For example, he noted that the World Bank was not fully transparent with regard to the appointment procedures for major posts. But he also noted that while the UN was more representative in comparison to the BWIs, it was not as efficient or as effective as many would like. But the BWIs were more efficient and effective although they lacked representativeness. So, there was a need to balance between legitimacy and efficiency on one hand and effectiveness on the other. In this regard, he argued that the G20 offered the best balance.

Mr Andrew Sheng making his point on economic aspects of governance.

He also argued that flexible regional groupings could compensate for some of the weaknesses of global institutions, and complement them. For example, the EU worked alongside the IMF to rescue Greece from the recent financial crisis, and in response to the Asian Financial Crisis of 1997, the ASEAN plus three implemented the Chiang Mai Initiative.

Professor Paul Collier began his remarks by pointing out that the big challenges of the twentieth century were usually national public goods; there were not that many international public goods that states had to provide aside from peace. But in the twenty-first century, he argued that managing the decline of natural resources in relation to a rapidly growing and enriching population would be the defining challenge. What we would see, he feared, was a race to the bottom. And that race to the bottom took the form of plunder of nature. Plunder came in two forms: (i) the few expropriate from what should go to the vast majority of citizens; and (ii) where the present stole from the future.

In this regard, the single biggest shortcoming of the institutions of global governance was the capacity to overcome free-riding. This was the fundamental problem with public goods, and the way we got around it with national public goods was with the coercion of governments. But we did not have that at the global level. So, how did we get to an effective provision of international public goods? He did not believe that the way forward was getting more representative global institutions because there was a perfect tension between representativeness and effectiveness. There were 194 countries; if they were fully represented, then all we got was free-riding. To overcome that, he suggested two different approaches.

The first solution involved China, India, Japan, the United States and the EU. Those five collectively faced the same problem—they were too big to free ride. So their common problem is how to get others to comply with decent global behaviour. They would have to bully and

coax others into line. The good news was that these five countries had virtually no interests in common that were not global interests, so where they bully it would be for good. They have got some techniques for coaxing (for the poorest countries) but for most countries they use sticks; specifically, trade restrictions.

The second approach focuses on citizen cooperation internationally via the Internet, which could provide common and good information and analysis to many people, and enabled them to take collective action. He believed that this would be the way forward on a number of issues, as with a trivial example: fish. He noted that if we carried on the way we were, our grandchildren might not have fish. Ordinary people understand that issue, but they might not be aware of it. By making people aware of this could help foster collective action. In other words, the empowerment of knowledge to citizens could lead them to discipline governments into acting for the global interest rather than for their narrow national interest.

Professor Tommy Koh acknowledged that the difficulty with bringing the Doha Round of the WTO to a successful conclusion and the chaos that occurred in Copenhagen last year had led many people to question the credibility of the WTO and the UN as effective negotiating fora. And he asked whether the talks were doomed because these institutions were inherently flawed or because there were too many parties at the negotiating table. In contrast to others, he argued that there was nothing fundamentally wrong with the WTO or the UN. He noted that the WTO's trade monitoring mechanism acted as an effective bulwark against protectionist pressures by ensuring transparency in the measures taken in response to economic crisis. He also argued that global negotiations could succeed if they were effectively mapped and the parties had the political would to negotiate in good faith, as he had witnessed when he chaired two of the largest conferences in the UN history: the conference on the Law of the Sea and the Earth Summit. Both negotiations were brought to a successful conclusion without violating the principles of transparency and inclusiveness. All states, big and small, had a seat at the negotiating table.

He concluded by noting that although he was not optimistic about the prospects for global governance in the short term, the process of trade liberalisation would continue. It would be driven by the business community as well as bilateral and regional free-trade agreements such as the ASEAN Free Trade Agreement and free-trade agreements that ASEAN had concluded with Australia, New Zealand, Japan, China, Korea and India. And if climate-change negotiations did not yield an agreement in 2012 to replace the Kyoto Protocol, he argued that individual countries would continue to reduce carbon emissions and continue making a transition to a low-carbon economy. Regional groupings like ASEAN plus three and APEC would take up the challenge in place of a global initiative. However, regional action was only a second best solution; global problems needed global solutions.

In the question-and-answer session, Professor Harding asked Professor Collier about the role of civil society in putting pressure on sometimes recalcitrant or narrow-minded governments to act in constructive ways. However, Professor Harding noted that the communication networks in the United States often provided fragmented and conflicting information and opinion, some of which were actually wrong. For this reason, Professor Harding wondered why Professor Collier was so optimistic that the enlightened would prevail over the unenlightened in today's civil society when it was so easy for the "bad" to have as much voice as the "good and enlightened".

Dr Nur Hassan Wirajuda making an argument for flexible regional groupings.

Professor Tommy Koh making his point on the need for global solutions to solve global problems.

Professor Collier replied that in the battle for ideas, the truth was just another special interest. But he noted that there were powerful forces for truth; specifically, the academic community. It did not always get it right, but on balance there was progress in knowledge driven by the academic community. But in recent years, the academic community had been failing to recognise its responsibility to communicate to civil society, and was increasingly communicating only with itself. But this was the key incentive issue that had to be changed, which could be achieved by governments who set the incentives to a large extent in the academic community.

However, Professor Koh argued that it was really unrealistic to think that civil society alone or the citizenry alone could bring about the kind of paradigm change that was sought. He argued that a combination of the state, private sector, and civil society working together was needed and that the UN could offer the best mechanism to respond to the challenges of the twenty-first century.

Professor Collier responded by agreeing with Professor Koh that it was not civil society on its own, but more about civil society accessing shared global information so that civil society in different countries could enable governments to surmount their narrow national interests and act in collective interest. He pointed to the example of bankers in the wake of the recent financial crisis. If we needed just governments without citizens, what we would get was what we had seen so far: each government terrified to impose proper and effective regulation in case banks moved to another country. The only way to stop that was with common citizen anger across all the major countries, which then forced governments to get together and act collectively. Without that citizen anger, we ended up with a regulatory race to the bottom.

Professor Harding concluded the session by noting that there was a time when there was a sharp distinction between domestic politics and international politics. The study of international politics was the study of anarchy; the study of domestic politics was the study of government. And as the title of the panel suggested, that distinction no longer held. Furthermore, as far as the international society was concerned, we were at some kind of vague midpoint—no longer anarchy, but not yet government. And yet the problems were so important and global that we needed more authority in a world that was still organised largely into nation-states. Figuring out how to do that and what structure of global governance would optimise the competing requirements for representation and effectiveness would be a big challenge for the next decade.

KEYNOTE ADDRESS
Mr Tharman Shanmugaratnam, Minister for Finance

In his keynote address, the minister stressed that while the global economy was well into recovery, there were fundamental long-term challenges, which continued to confront states. The minister highlighted two specific challenges. The first was the need to generate optimism and lay the basis for a new era of growth. This was particularly important in an economic climate where there were serious concerns over the rate of unemployment and one where consumer credit was not readily available. The second challenge was the need to preserve social cohesion. While these challenges were not necessarily new, being concerns that preceded the financial crisis, they had been accentuated by the economic downturn. While solutions to these challenges would be long term, they would affect the states and their populations in the short term if they were not dealt with effectively. There was an urgent need for states in the developed world, particularly the United States and Europe, to meet these challenges, as they continued to drive much of the global economy. While the developing world was increasingly contributing to the global economy, it was still not positioned to make up for the economic dip in the developed world. It was stressed that meeting these challenges would necessitate tough political decisions by governments.

Minister Tharman Shanmugaratnam sharing his insights on global challenges with participants.

From left: Professor Kishore Mahbubani, Mr Chan Heng Wing and Tan Sri Dr Munir Majid.

The minister recognised that in responding to these challenges, the developed world had to grapple with the new phase of globalisation driven by China's economic development. Describing China as the "game changer", the minister noted that China would continue to remain competitive in the labour intensive market in the near future. Indeed, China's investment in its infrastructure and education sectors was shaping a more broad-based economic expansion, one that was no longer centred only on the coastal regions. He also noted that China would increasingly become a force in the medium to high skilled manufacturing sphere. Apart from China, other developing states such as India were also increasing their dominance in this sector. This presented both an opportunity and a challenge to the developed world.

Distinguished guests and participants at the Closing Dinner.

The minister stressed the importance of making the population feel that they had a part in the economic development of the state. This was particularly salient given the widening of income inequality. The United States, for instance, had witnessed a fall in the median family income and the income of the lower 25 per cent over the last two decades. This had had a powerful impact on morale in the United States. The minster cited the strikes in France and concerns over the viability of the welfare state in Europe in the current economic context as examples of the need for states to remake their social contracts. Developed states such as the United States were confronted by the problem of reworking their systems—from education to welfare benefits—and of giving shape to a new business model. They had to confront real and tough choices for the future. In meeting this challenge, states had to move beyond traditional debates between the left and the right. The old strategies of the left were no longer viable in the present economic environment. Taxes, for instance, had to be lowered. The labour market had to be made more conducive to economic development. On the other hand, the laissez faire concept of the right would only lead to greater inequity in wage dispersion.

The minister proposed the development of an activist state that focused on limited tasks such as ensuring social mobility. Here he drew from Singapore's experience in meeting the challenges of creating a platform of economic growth in which the population believed it had a stake in the state's development. He noted in this regard that Singapore believed in keeping the state machinery small, focusing upon education and encouraging employment. It was stressed that the emphasis was on encouraging employment rather than the provision of unemployment benefits.

Minister Tharman Shanmugaratnam addressing guests and participants at the Closing Dinner.

SINGAPORE GLOBAL DIALOGUE PROGRAMME

Thursday, 23 September 2010

18:45 – 19:45 **Registration and Welcome Reception**

19:45 – 21:30 **Welcome Dinner**

Guest of Honour
HIS EXCELLENCY S R NATHAN, President of the Republic of Singapore

Keynote Speaker
K SHANMUGAM, Minister for Law and Second Minister for Home Affairs, Singapore

With Introductory Remarks by
AMB BARRY DESKER, Dean, S. Rajaratnam School of International Studies

Friday, 24 September 2010

08:00 – 09:00 **Registration and Coffee**

09:00 – 09:15 **Opening Remarks**
AMB BARRY DESKER, Dean, S. Rajaratnam School of International Studies

09:15 – 10:00 **Opening Keynote Address**
"The Evolution of the International Landscape and the Role of China"

Keynote Speaker
TANG JIAXUAN, Former State Councillor; Former Minister of Foreign Affairs, People's Republic of China

Chairperson
AMB BARRY DESKER, Dean, S. Rajaratnam School of International Studies

10:00 – 10:30 **Tea Break**

10:30– 12:15 **Panel Discussion**
"Resurgent Powers: Cooperation or Competition"

The session will confront the uncertainties associated with the shift in the world's political and economic power bases. While emerging powers should expect greater representation in the international system, what form of leadership can be expected from these developing countries with relatively low GDP per capita and a diversity of domestic challenges? Will the international economic system be able to withstand tensions between emerging economies and traditional powers?

Panel Speakers
DR DMITRI TRENIN, Director, Carnegie Moscow Center

DR PAUL WOLFOWITZ, Former President of the World Bank; Former US Deputy Secretary of Defense

HE M K NARAYANAN, Governor of West Bengal, India; Former National Security Advisor to the Prime Minister of India

MG ZHU CHENGHU, Dean, Defence Affairs Institute, National Defense University, People's Liberation Army

Chairperson
JUSUF WANANDI, Co-founder and Vice Chairman, Board of Trustees of CSIS Foundation, and Senior Fellow of the Centre for Strategic and International Studies, Jakarta

12:15 - 14:00 **Luncheon and World Leader Keynote Address**
"Strategic Challenges for the Region"

Keynote Speaker
THE HON JOHN HOWARD, Former Prime Minister of Australia

With Introductory Remarks
by AMB BARRY DESKER, Dean, S. Rajaratnam School of International Studies

14:00 – 15:30 **Panel Discussion**
"Transnational Threats: Challenges and Responses"

Climate change, terrorism, resource scarcity, infectious diseases, and others are potential systemic risks, challenge state authority and capacity, and endanger the well-being and security of citizens. This panel aims to identify the implications of these security challenges on inter-state relations and global governance and explore innovative approaches to managing security threats in the coming decades.

Panel Speakers
AMB CHRISTOPHER R. HILL,
Dean, Josef Korbel School of International Studies; Former US Ambassador to Iraq

HITOSHI TANAKA,
Former Deputy Minister for Foreign Affairs, Japan

DR RAMESH THAKUR,
Former Senior Vice Rector, United Nations University; Former Assistant Secretary-General of the United Nations

DR SHASHI THAROOR,
Member of the Indian Parliament; Former UN Under-Secretary General for Communications and Public Information; Former Indian Minister of State for External Affairs

Chairperson
DR JOSEPH LIOW, Associate Dean, S. Rajaratnam School of International Studies

15:30 – 15:50 **Tea Break**

15:50 – 17:20 **Panel Discussion**
"The Future of Global Governance"

The primary institutions of international governance have been widely criticised as outdated, unrepresentative of the emerging power bases, and ill-equipped to address the challenges of the twenty-first century. These shortcomings of the international system have increased the attractiveness of more flexible regional institutions. As institutions evolve- as the G20 replaced the G8 as the world's leading economic forum- how will increased representation be balanced with the need to ensure effective global governance? How will the network of more flexible regional groupings fit into the broader global structure?

Panel Speakers
ANDREW SHENG, Chief Adviser to the China Banking Regulatory Commission; Former Chairman of the Securities and Futures Commission of Hong Kong; Adjunct Professor

DR NUR HASSAN WIRAJUDA, Former Minister of Foreign Affairs, Indonesia
PROF TOMMY KOH, Chairman, Centre for International Law, National University of Singapore; Ambassador-At-Large, Ministry of Foreign Affairs, Singapore

PROF PAUL COLLIER, Professor of Economics, Director for the Centre for the Study of African Economies, University of Oxford

Chairperson
PROF HARRY HARDING, Dean, Frank Batten School of Leadership and Public Policy

17:20 – 17:30 **Closing Remarks**
AMB BARRY DESKER, Dean, S. Rajaratnam School of International Studies

17:30 – 18:30 **Cocktail Reception**

18:30 – 20:30 **Singapore Global Dialogue & Sentosa Round Table Official Dinner**

Keynote Speaker
THARMAN SHANMUGARATNAM, Minister for Finance, Singapore

With Introductory Remarks
by SIMON ISRAEL, Executive Director and President, Temasek Holdings

ACKNOWLEDGEMENTS

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RSIS also thanks all the speakers that have participated in the inaugural Singapore Global Dialogue, Hill & Knowlton for expertly managing the media and promoting the event both locally and internationally and Vibes Communications for the excellent logistical support provided during the course of this event.

ABOUT RSIS

The S. Rajaratnam School of International Studies (RSIS) was officially inaugurated on 1 January 2007. Before that, it was known as the Institute of Defence and Strategic Studies (IDSS), which was established ten years earlier on 30 July 1996. Like its predecessor, RSIS was established as an autonomous entity within the Nanyang Technological University (NTU).

The School exists to develop a community of scholars and policy analysts at the forefront of Asia-Pacific security studies and international affairs. Its three core functions are research, graduate teaching and networking activities in the Asia-Pacific region. It produces cutting-edge security related research in Asia-Pacific Security, Conflict and Non-Traditional Security, International Political Economy, and Country and Area Studies.

The School's activities are aimed at assisting policymakers to develop comprehensive approaches to strategic thinking on issues related to security and stability in the Asia-Pacific and their implications for Singapore.

For more information about RSIS, please visit **http://www.rsis.edu.sg/**.

S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES

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