

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

ASIAN FORUM ON GLOBAL GOVERNANCE, INDIA

25 OCTOBER TO 3 NOVEMBER 2015

MR VINCENT TARZIA MP

Member for Hartley, South Australian Parliament
Liberal Party of Australia (SA Division)



Contents

Executive Summary.....	3
Report	4
Sunday, 25 October.....	4
Monday, 26 October	4
Tuesday, 27 October	6
Wednesday, 28 October	7
Thursday, 29 October.....	7
Friday, 30 October	8
Saturday, 31 October	9
Sunday, 1 November.....	9
Monday, 2 November	9
Tuesday, 3 November	10
Conclusion.....	10

Executive Summary

The 2015 Asian Forum on Global Governance was the fifth of its kind, and took place in New Delhi India from 25 October to 3 November 2015. This Forum is a joint enterprise of the Observer Research Foundation and ZEIT-Stiftung Ebelin und Gerd Bucerius. This year, the forum saw 44 young leaders from nearly 30 countries come together. Their fields include the political sphere, diplomacy, academia, journalism, business, media, banking and civil society. All candidates were nominated by senior figures, including heads of governments, ministries and government departments, CEOs of major national and multinational companies, heads of universities, non-profit organisations and international organisations.

The aim of such a Forum was to analyse the Pacific-Asian region, and the obstacles that the global community faces. Such a forum took place on a teaching and networking structure, where young professional leaders challenged, spoke of and examined real life contemporary issues. It allowed such young professionals to network with high-ranking officials from diverse worldwide political, business and academic backgrounds.

In 2015 the specific theme of the Forum was *End of Liberal Internationalism? Debating Seventy Years of the Post-War World Order*.

The Forum was an exceptional opportunity to learn and debate issues facing Australia in today's rapidly changing world. The speakers were excellent, the topics were stimulating and I would recommend the forum to future Australian and international leaders in years to come.

Report

Sunday, 25 October

The Forum started on Sunday afternoon with a site visit to the Lodhi Gardens by the delegates. Our tour guide explained how, when the British moved to construct a new capital at Delhi, the tombs at the village of Khairpur became part of the New Delhi zone. Delegates were taken through the gardens, and given an explanation of the diverse cultural, religious and political backgrounds which shaped India's history. The walk allowed delegates to view the tomb of Mohd Shah Sayyid, Lodi tombs including that of Sultan Sikandar Lodi, Bada Gumbad, Shish Gumbad and some older Mughal buildings.

Later, delegates were given a warm welcome address and an introduction to AFGG by Samir Saran, Vice President and Senior Fellow, Observer Research Foundation.

This was followed by a key note address by Jason Burke, South Asia Correspondent, Guardian, India, who gave delegates an informative address on what he sees as the issues concerning the new threat of Islamic militancy in the world. A copy of Jason's recent book was distributed to delegates. As a reporter for the Guardian and the Observer, Jason delivered delegates with an insight into the rise of Islamic terrorism. We discussed the impact of events from the 1970's including the Iranian revolution and the Iraq wars. We noted that Islamic militancy has risen significantly in areas like Egypt and Tunisia recently, and noted the factors which appeal to recruits. A key takeout from the discussion was that these militant groups are not the archaic groups some channels paint them as. They are trying to penetrate social media, YouTube and similar avenues, and the ongoing task of policing them must change rapidly to keep up with the various technologies these groups implore.

Monday, 26 October

We received welcome remarks by Sunjoy Joshi, Director, Observer Research Foundation, India, and Michael Göring, Chairman and CEO, ZEIT-Stiftung, Germany. Sunjoy explained ORF's key aim to build partnerships for a global India. Notably, India in the next two decades is expected to become an economic superpower and significantly improve the quality of life of its country. ORF aims to assist in the policy discussion of this country, and provide input into this to improve governance, bring on economic development and increase quality of life. Sunjoy explained ORF began in the 1990's at a time of uncertainty for India with many economic and security challenges. It is an independent forum and one that seeks to analyse the various issues facing the country. Once formed, ORF was quickly supported by businesses, politicians, academics and other influential figures.

Michael Göring explained how The ZEIT-Stiftung of Germany organises the Asian Forum on Global Governance in unison with the Observer Research Foundation, sponsored by the BMW-Stiftung, the Wadhawan Group and the Indian Ministry of External Affairs. We were encouraged to challenge ideas learnt and make the most of the event.

Sascha Suhrke from ZEIT-Stiftung Ebelin und Gerd Bucerius spoke to delegates next. Sascha mentioned that having knowledge of something is one thing, but that making judgements and actions on that knowledge is another. We were told that the forum would allow us to take a step back from our everyday lives which sometimes focus on the granular details in front of us, and give us a broad knowledge base on a range of world issues. All meetings were to be conducted in camera to allow frank and honest discussion. Sascha mentioned that the forum's alumni network is strong and we were encouraged to partake in its activities in the future with other leaders of tomorrow.

Shashi Tharoor, Member of Parliament and Chairman of the Parliamentary Standing Committee on External Affairs, India, also gave delegates his address. He thanked the sponsors and mentioned that India is in the throes of dynamic changes at the moment. He spent 29 years at the UN and acknowledged that the solutions for global governance are complicated but the forum would provide a good platform for debate. We were informed that much of the world's population is still undernourished, with 20% of people having a life expectancy below 36. We also discussed the crisis of identity- within and between countries that currently exists. Countries like India and China wish to be accommodated on a level playing field, and this forum was made to bypass present thinking and leadership and look ahead to the future.

Each participant gave a quick presentation on their background. I explained that India is Australia's 12th largest trading partner, with two-way trade recently being estimated at \$15 billion. In the electorate of Hartley in South Australia, the Indian community is the fastest growing migrant community.

A plenary session followed. The session was entitled, *Seventy Years of Global Governance: Is the Liberal International Order Ending?* It was presented by Ashley Tellis, Senior Associate, Carnegie Endowment for International Peace, USA. We discussed what the liberal international order is, and its various layers such as Institutional manifestations, legitimate beliefs and systemic configuration. Ashley advised us how to go about questioning the order and whether it is changing or ending. By Liberal international order, it is the name given to the free trade global establishment. It was noted that the order has been successful in lifting living conditions around the world. The order has three main parts, rules, beliefs and overarching institutions.

The liberal order is distinctive, based on the idea that individuals constitute the subjects and objects of history. We discussed the topic of how to balance the liberal states with non-liberal states. The great irony of the liberal order is that despite its egalitarianism, the order was a result of political inequality. The liberal order was created by hegemony, but the next best thing may have to be collaboration. The bedrock of the international order remains to be power.

The US remains to be resilient, for several reasons. It has a great capacity to increase its labor growth. Further, through sources of capital, many countries trade in its dollar, depend on its credit or both. Its advantages in innovation and geography also make it a dominant force and of course its military power is like none other.

Following was a panel discussion entitled *China and the Changing Asian Order*. The speakers were Raja Mohan, Distinguished Fellow, Observer Research Foundation, India, Rory Medcalf, Head of National Security College, Australian National University and Rajeswari Pillai Rajagopalan, Head, Nuclear and Space Policy Initiative, Observer Research Foundation, India.

Obviously China's rise has commanded international attention. It was purported that China may not interfere with world political issues that do not affect it directly. Trade to GDP is about 40% in China, and it is keen to keep expanding and integrating in the globe. It is being called upon to represent many of its Asian neighbours, as the largest exporter amongst developing nations in the area. The forum was made aware of the various political considerations which need to be factored in, when analysing the success of East Asian economic cooperation. The perceived nuclear threat in the region was also discussed.

Later that evening, we received another welcome address by Sunjoy Joshi, Director, Observer Research Foundation. This was followed by opening Remarks by the Chair, Shashi Tharoor, Member of Parliament and Chairman of the Parliamentary Standing Committee on External Affairs, India. Our Keynote Address was delivered on the topic, *Japan's Perspective on Regional Peace* by Yukio Okamoto, Former Special Advisor to two Prime Ministers of Japan. We were then given a talk on the subject *Asian Geo-Economics and India-Japan Partnership* by N K Singh, Member of the Bharatiya Janata Party and Former Member of Parliament (Rajya Sabha), India. Indrani Bagchi, Senior Diplomatic Editor, The Times of India, also gave us an insight into emerging Asian geopolitics. This modern partnership has remained strong. We were told India is the largest receiver of development assistance from Japan.

Tuesday, 27 October

Tuesday began with a plenary session named *Adapting to the Evolving Global Security Agenda*. We heard from Ellen Laipson, Distinguished Fellow and President Emeritus, Stimson Center, USA. She raised questions as to whether the international community can collectively do a better job at containing conflict and make progress with peace than the current major forces can. She made the point that the institutions of global governance established after World War II were grappling with questions of peace and security today. In global governance institutions, there exists a tension between capacity to prevent wars and keeping authority within states. We were informed that the international system needs to integrate the task of enforcing peace with re-establishing justice and order in society. By the 1990s, the agenda of the UN had transformed to include intrastate conflicts with a rise in peacekeeping missions. Human security should include the long term aspirations of people than simply the requirements of self-preservation and survival. Along with external threats, states should think about political legitimacy, resource distribution and other human security needs.

Other security issues highlighted include how global governance is not yet fully developed to integrate the critical issues of climate and cyber. Also, climate change and use of nuclear materials by non-state actors have also emerged as national security challenges in the US. The question now confronting governance institutions, is who is providing security and to whom? Other questions raised were how can individuals protect their privacy with big data held privately? Is it time for a new bill of rights?

This was followed by a panel discussion, featuring Benedetta Berti, Research Fellow, Institute for National Security Studies, Israel. We looked at how civil wars evolve amongst non-state actors, and how new conflicts affect private citizens. It was noted that a large threat from non-state actors is that they can move fast, being less structured and beauracratic. We spoke about how ISIS is challenging the international order. Theresa Hitchens, Senior Research Scholar, Center for International & Security Studies, University of Maryland, USA, also spoke to us about *New Domains of Security Challenges*. Such domains include nano technology weapons in the future, 3D printing and synthetic biology chemistry. A constant challenge for governments is that tech development moves faster than government processes, so this lag must be constantly monitored. Theresa mentioned there are growing military advisers in the space domain. Arun Mohan Sukumar, Head-Cyber Initiative, Observer Research Foundation, India also spoke about liberal internationalism from a cyber-point of view. A main takeout here was that given the lack of governance in cyberspace, we need policy makers to keep up.

Later we broke into working groups. My group discussed the issue, *Is reform of the UNSC necessary, feasible or is it a needless distraction?* We concluded that yes it is necessary, but maybe not feasible at the moment. We identified perceived problems with the current Veto system, how Veto can be perceived as seen as a biased privilege. The lack of forceful consequences for violating a SC resolution is also an issue. The system has the potential to be seen as irrelevant if new emerging parties are not included. That evening we were transferred to the German Embassy for dinner hosted by the Ambassador of Germany to India.

Wednesday, 28 October

This day we observed a panel discussion namely *End of Westphalian Sovereignty - Seventy Years of Sovereignty and Nation-States*. Westphalian sovereignty is the principle of international law that every country state has sovereignty over its territory and own internal affairs, to the exclusion of all other external powers, on the principle of non-interference in another country's domestic affairs, and that each state (no matter how large or small) is equal in law. Several speakers presented, being Yael Wissner-Levy, Political Speechwriter and Communications Consultant, Israel, Mohamed El Dahshan, Development Economist and Writer, Egypt, Virginia Comolli, Research Fellow for Security and Development, IISS, UK and Majed Bamyra, Director, International Treaties' Department, Ministry of Foreign Affairs, State of Palestine. We were given a briefing on the current Middle East status. When it comes to Israel and Palestine, we were informed that the concept of a bi-national state still has many inter-community problems. The point was made to us that sovereignty initially, was a way to allow expansion after World War II, but has in fact later been used as a shield against. The point was made that with sovereignty there is responsibility. There is also the need to find balance between sovereignty and the international order. We were challenged to see that countries need to address the fact that certain states have become fragile, and that they must be more receptive to people.

Later that day we broke into allocated groups to begin planning for a future debate. Our group was assigned the topic, *Is the Beijing consensus ready to replace the Washington consensus?*

In the afternoon, the forum headed to see Magic Bus. It is a concept which guides children towards a better life with more awareness, life skills, and better opportunities in the journey from childhood to adulthood. The programme is run in 10 states, effecting 250,000 Indian children. Their Activity Based Curriculum is an exceptional framework that uses games to affect and illustrate change. We received a briefing from Sujeet Ranjan, Chief Operating Officer, Magic Bus, followed with an overview of the field plan and child protection policy by Surender Kumar, Manager Operations, Magic Bus. Later we were able to engage in the practical activities to see how the Magic Bus teaches the children.

Thursday, 29 October

We partook in a panel discussion on the topic, *Sustainable Development: Global Goals, National Actions*. We heard from several speakers including Janet Salem, Programme Officer, United Nations Environment Programme. We learnt that the success of Millennium Development Goals (MDG's) were important for China's growth. It was said that the success of Sustainable Development Goals (SDG's) will be critical for India's growth. A key takeout here, was that whilst benchmarks are great, the question is not how many targets/indicators are there but who will be responsible and accountable for measuring these? It was presented to us, that while 17 goals and 169 targets may seem like a lot, they are all interconnected. Given the competing interests in the balance between sustainability and growth, in a country like India, partnerships between stakeholders being businesses, government and civil society will be key in successfully implementing SDG's. We were informed that resource efficiency is one of the priority areas of the UNEP. Materials, such as bio-mass is important for the SDG's. We received a presentation from Anjali Nayyar, Senior Vice President, Global Health Strategies, India. We were informed that the UN has called the MDG's a successful poverty alleviation measure, and while the SDG's is an ambitious programme, there are many countries partaking in it. Srinath Sridharan, Visiting Fellow, Observer Research Foundation, India, pointed out that ambition is not necessarily expansiveness and that each country has to find its own priorities for its own situation. He also believed that digital democracy will be a game changer for achieving goals on healthcare and social equality. It was reiterated to us that it is important for political leadership to take a coordinated effort on climate finance, development finance and commercial finance.

This was followed by a panel discussion, discussing *Global Climate Negotiations: Road to Paris and Beyond*. Chandrashekhara Dasgupta, Member, Prime Minister's Council on Climate Change, India highlighted that emerging economies are challenging the rules of the international order. One of the difficulties in a uniform agreement on climate change is that different countries have diverse priorities; whilst some countries are developed, others are struggling to keep standards of living above third world. Lydia Powell, Senior Fellow, Observer Research Foundation, India added that the magnitude of the climate change problem is overwhelming. We were told that climate change is a trans-national, inter-generational issue and that renewable energy will be a 'value' choice rather than an 'economic' one.

In the afternoon, we were set a perspective challenge in groups. The challenge puts its players in the shoes of national stakeholders. Each participant was responsible for the expansion of a virtual economy on the board. The growth process encompassed the topics that world leaders are all familiar with, such as growing, resource limits, negotiations and challenges. The teams faced the tradeoff between development and sustainability. We learnt about the benefits of collaboration and avoiding conflict, and to not focus on the short term only. Economic lessons that were highlighted include the *Zero Sum Game* and *Tragedy of the commons* theories.

Friday, 30 October

The day commenced with a panel discussion on the topic *Reforming Global Financial Architecture*. We heard from Steffen Kern, Chief Economist and Head of Financial Stability, ESMA, EU, Ann Lee, Professor of Economics and Finance, New York University, USA and Paul Hiebert, Deputy Head, Financial Stability Surveillance, European Central Bank. We went on to discuss regional agreements and the World Trade Organisation.

We were also fortunate enough to have a keynote address on the subject *Common Futures: India and Africa in Partnership* by Jean-Claude Brou, Minister for Mines and Industry, Côte d'Ivoire. We were told that whilst the relationship between India and Africa is centuries old, the current Indian Prime Minister Modi has a deep commitment to improve trade relations between the two countries. The third India-Africa Forum Summit, which was held in October 2015, was the largest of its kind. Many themes and delegates have been brought together in the summit. Both countries wish to share in their experiences in sectors like agriculture and food security and energy. Plus, both countries seek to have accelerated growth. A follow up conference on the subject of food security for India-Africa will be held in 2016. We were informed that India-Africa bilateral trade has increased dramatically, from \$5 billion in 2003, and expected to surpass \$100 billion by January 2016. Indian and African leaders have set a goal of \$500 billion in trade by 2020. We were told of the thirst in both countries for critical infrastructure required for growth. For example, both Africa and India face enormous infrastructure deficits. It was explained that Africa looks to have a shortfall of investment for infrastructure for about \$90 billion for the next 10 years, whilst India needs \$1 trillion over the next few years alone.

In the afternoon, we were allocated into groups to debate certain topics. My group was allocated the topic, *Are the alternatives to the Bretton Woods Institutions creating a new and credible world order?* As we pointed out, the institutions were created in Bretton Woods, in 1944 when the UN held its Monetary and Financial Conference. At this conference, the member nations created a group of institutions which were called to address essential issues in the financial system internationally. Such international organisations include the International Monetary Fund (IMF) and World Bank Group (WBG). The IMF aims to keep global financial security and stability with technical assistance, loans and training to its member states. Furthermore, the WBG is another international organisation, which is made up of five agencies, which in turn give monetary and technical aid to countries which are developing around the world, with the aim of reducing poverty. Our group came up with the conclusion, that although the institutions are not perfect, they have served the world well thus far generally. We agreed that economic growth and stability is a public good, and requires the input of the

community globally. In saying this, there are a number of challenges to the Bretton Woods Institutions. Banks such as the Asian Infrastructure Investment Bank (AIIB) show that there is at least the aim of having an Asian counterpart. A challenge the former institutions face, is that countries like China seek greater voting rights on lending programmes. Many countries are calling for changes in voting shares at the World Bank and IMF closer to current economic realities, lifting the voting power of smaller countries. However, the Bretton Woods institutions do serve as a stable model. Many BRICS countries have enormous language, political and economic differences. So while groups such as the AIIB are presenting challenges to the Bretton Woods institutions, we decided that time will tell if they are a credible alternative.

Saturday, 31 October

This day we were given more time to prepare our debate for later in the week, plus we were broken into groups to discuss several topics we touched on earlier in the week. My group was given the topic, *Is a potential deal in Paris sufficient to respond to climate change or are national actions more important?* We concluded that it would take more than just a deal in Paris to respond to climate change. One speaker gave an example of how many years ago, California changed its fuel laws to ensure that industry reduced its carbon dioxide levels. It was noted that this 'command and control' model can only really occur at a national level, enforceable with national law. The other way, being to incentivize, is also better administered at a national level under national jurisdictions. While a deal in Europe would be welcomed by many countries, ultimately it is the individual nations which would need to embrace the concept for it to have the most effect.

Sunday, 1 November

On Sunday our groups were given further direction on our main debate to occur. We were divided into groups of 5-6, with our topic being *is the Beijing consensus ready to replace the Washington consensus*, arguing in the negative. Our argument was to be as follows:

1. Define the Washington Consensus as per the John Williamson definition
2. Define the Beijing Consensus
3. Highlight how the Beijing Consensus is risky and has very much copied the successful parts of the Washington Consensus
4. Elaborate on how the Beijing Consensus has continued to change.

We would close on the note that if there is a Beijing Consensus, it is a child of the Washington Consensus model. The Washington Consensus has delivered huge progress, it is still very relevant to secure economic growth and peace, it has an ability to reinvent itself, and it is not limited to a minimalistic state intervention and neo-liberal view. The Beijing Consensus is still dependent on the fundamental and imperative values which the Washington Consensus provides. Even if other emerging countries try to model what the Chinese have already done, as they mature economically, these emulators will converge to the rules of the "Washington Consensus" much like China itself has.

Monday, 2 November

Debates occurred this day. The topics given to each group were:

Group 1: Is it time to scrap the United Nations and invent a new world body?

Group 2: Money and efforts invested on a global climate deal is a waste and should be used for other pressing challenges.

Group 3: Is the Beijing consensus ready to replace the Washington consensus?

Group 4: The world needs stronger states and not weak sovereignties.

Each group featured 2 speakers each, an opening speaker of 7 minutes, and a rebuttal speaker of

4 minutes. I was in Group 3. I was also fortunate enough to win a prize for best first speaker, as well as being on the winning side of the debate. The debates allowed us to work in a team, and put into practice the various teachings we had learnt during the week.

Tuesday, 3 November

This day was dedicated to the valedictory part of the forum, where each participant was given an opportunity to comment and provide feedback. Alumni information was also delivered for the Observer Research Foundation and ZEIT-Stiftung und Gerd Bucerius. All participants received certificates and a small gift for their attendance.



Later that day we received a panel discussion on Innovate in India. We heard from a number of speakers, including Ashok Malik, Senior Fellow, Observer Research Foundation, India, Kenneth Frazier, Chairman and CEO, Merck and Co, USA, Robert Shapiro, Senior Fellow, Georgetown University and former US Under Secretary of Commerce for Economic Affairs, US Government and Manish Sabharwal, Chairman, TeamLease Services, India. This featured speakers from different sides of the IP debate. Some speakers favoured greater IP investment than others; it was seen that for some it is protection, but for others it is a barrier to entry. All agreed that India is aiming to increase its R and D investment as a percentage of GDP. It was purported that innovation needs added R and D investment, and that if India is to move forward, it must focus its efforts of the value add component of its manufacturing industry. All speakers were bullish on the future of India's pharmaceutical, drugs and biotech areas. Notably when looking per sector at India as a contribution of GDP, 56% of GDP was in the services sector, much higher than China at 43%. In a recent BCG report, India was seen to be ranked 142 in the world for ease of doing business. The country aims to increase this dramatically.

Conclusion

The Asian Forum on Global Governance which discussed the subject *End of Liberal Internationalism? Debating Seventy Years of the Post-War World Order*, was exceptional. I have enormous gratitude for the Observer Research Foundation, ZEIT-Stiftung Ebelin und Gerd Bucerius, as well as the Australian Political Exchange Council for enabling me the opportunity to attend. The forum sessions were stimulating, extremely well organised and presented. The opportunity to engage with a group of young professionals around the world on international issues, allowed me to take a step back from the granular level, and see things from a global perspective. I would have no hesitation in recommending the forum to other young Australians with an interest in politics and global affairs.