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THE BUCERIUS SUMMER SCHOOL ON GLOBAL GOVERNANCE 2015

BUCERIUS SUMMER
SCHOOL ON
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Conference Report

Managing Growing Disorder

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Contents

1 Executive Summary

Crisis is the "new normal" – a term coined after the 2008 financial crisis is now here to stay. In the past, crises had an actual aftermath; a period in which countries or continents recovered from the preceding calamity, ideally better prepared to face the next wave of distress. Today, few people talk about the "great recession" caused by the U.S. subprime market as leading to the current economic turmoil in Europe and China. Likewise, it would appear so yesteryear to reference the 2003 Iraq invasion as a precursor to the rise of the Islamic State. However, barely seven and twelve years, respectively, have passed since those two significant world events – less than the blink of an eye in world history. Not only do today's crises seem to lack an aftermath; it is also difficult to correctly point to their causes given the multitude of significant events that preceded them.

It is against this gloomy background that the participants of the 2015 Summer School met in Hamburg, Berlin, and Paderborn for two intensive weeks of discussions. Coming from all corners of the globe and spanning the worlds of politics, business, civil society, academia, and the military, these young leaders explored the current global disorder. This report presents the full spectrum of their debates, each session summarised by one rapporteur. In the executive summary, I try to put these meetings into perspective, though without possibly doing justice to the richness of the discussions among the participants.

One thread of the debated focused on the **origins of the current global disorder**. At the global level, there appears to be a disconnect between economic governance and security governance. The former found praise for preventing a global meltdown after the 2008 financial crisis, when institutions like the International Monetary Fund, various central banks, and development banks joined forces. Security governance, in contrast, was found lacking both at the global and regional level, with no national actor or international organisation able to stop the spread of violence. While the war in Ukraine – towering over last year's discussions – seemed to have found a fragile equilibrium, the Middle East continued to unravel at high speed. Once more, the primary institution to deal with such challenges, the UN Security Council, proved that it was not up to task.

This (partial) failure of the established institutions of global governance to deal with the crises of the world has to do with a lack of internal reform in each of them as well as with overlap and competition between them. As one speaker jokingly said, it might be easier for a genie to pacify the Middle East than to reform the UN. Beyond this internal deadlock, it was also the nature of the problems themselves – which had become more complex – and the diversity of the interests of the parties involved that had made crisis management so much more difficult. And despite the fact that multilateral economic institutions performed well recently, it was obvious that liberal economics, or capitalism, if you will, was in search of a new paradigm.

Another aspect relevant to the present disorder was the dissolution of post-colonial structures both in the Middle East and Africa. With anything from the Sykes-Picot borders to traditional aid structures in Africa disintegrating, it seemed that colonialism still cast a very long and unwanted shadow on today's world. The powers that drew lines in the sand nearly a hundred years ago that defined much of the territories of

today's Syria, Lebanon, Jordan and Iraq entirely neglected cultural and natural borders. Also a country like Pakistan, nearly 70 after its independence, was said to still be struggling with its identity. And the combination of tiredness with Western aid and the arrival of new Chinese investors had sparked the emergence of indigenous entrepreneurs in Africa that are transforming their countries.

Looking more closely at the conflicts in the Middle East, participants discussed the transformational changes going on there. Syria was highlighted not only as the most violent of those conflicts, but also for being symptomatic of the underlying causes: As part of what was then called the Arab Spring, people began to struggle for order and equality within their states, beginning on the local level. However, the small-scale search for liberal reforms was soon overshadowed by violence and, more and more, by the intervention of outsiders – with the notable exception of the United States.

After four years of fierce fighting, the consequences of the wars in Syria and Libya but also Afghanistan and Somalia were visible – and felt – in Europe. In fact, the refugee crisis fully erupted as participants met, with the evening news – and many a chat in the hallways – dominated by this one topic. While the estimates for the number of people arriving there still this year naturally varied (though more than a million is a safe bet), international agencies expect around three billion (!) refugees, migrants, and internally displaced people by 2050. This certainly will create further disorder, keeping states in the vicinity of conflict zones unstable and changing the composition of receiving states farther away.

The 'other crisis' over Russia and Ukraine also touches on various governance issues. One was the violation of the European post-World War II order stemming from Russia's annexation of Crimea and its aggression in Eastern Ukraine. Another was the broader assumption that part of Russia's motivation for this course was simply to counter the Western-dominated international order. In addition, it highlighted the threats emanating from cyberspace with the targeted use of internet propaganda and trolls by Russia. This in particular underlined that "perceptions matter" in international politics, not least because they could create their own reality.

In that sense, there was a prevailing perception that the European integration project is in crisis, never mind those hundreds of thousands of refugees and migrant aspiring to get there in search of a better life. Still, a closer look at the "State of the (European) Union" revealed that there are a number of internal challenges – such as lack of trust in political institutions, growing support for fringe parties, fraying solidarity between member states – as well as external shocks – a conflict-prone neighbourhood that is more of a "ring of fire" than the "ring of friends" the EU hoped to create – that will not be easily overcome. That said, it appeared obvious that the refugee crisis would have a larger and longer-lasting impact on the Old Continent than the debt crisis over Greece had had so far.

This, finally, points to the internal dimension of (Western) democracies, where governance has become an issue recently. The group debated the danger of consensus driven politics in Europe, where some say that a lack of political debate had led to a state of "post-democracy" that was unsustainable in the long term. Political conflict in itself was agonistic, it was said, and thus it needed alternatives to the mainstream of the day. Without a constructive struggle for better ideas, democracy could not thrive and survive.

From this diagnosis of the origins of disorder, participants discussed **how to manage disorder** – as a step towards, hopefully, re-establishing order later. For obvious reasons, the United Nations remain the embodiment of today's international order in both its achievements and failures. There was agreement that the world body remained 'indispensable', combined with a harsh warning that it would soon become 'irrelevant' if it didn't reform. As one speaker put, after 70 years the world needed a "renewed, not retired UN".

Despite its universality, the United Nations system is still seen by some as a quintessentially Western institution – with the anachronistic dominance of Western powers in the UN Security Council being only its most visible expression. To what extent a grouping like the BRICS – Brazil, Russia, India, China, and South Africa – could provide an alternative approach was less clear, however. Admittedly, the BRICS came together partly out of frustration over the difficulty of the established institutions to adapt to the increased importance of (emerging or emerged) powers. In particular, many regard this 'mini-lateral' cooperation as a mutual reinsurance against the (economic and political) dominance of the United States, on which each of the five countries depends in their trade.

Yet, the impulse behind the founding of the BRICS was said to be evolutionary, not revolutionary. Some detected an emerging 'BRICS universe' of internal cooperation, which, however, was no match to the West. Importantly, there is no BRICS model for socio-economic policies yet; instead, increasing inequality and a lack of social safety nets appear to be their common feature. Politically, in contrast, the BRICS were thought to be very inward looking, showing little interest in contributing to global governance.

If not at the level of global institutions but with regard to global practices, social entrepreneurship could provide an alternative approach to development. Participants discussed different practical examples of projects focusing on empowering individuals to overcome the limitations of their own environments. By addressing societal ills in a collaborative way, social entrepreneurship seeks to counter existing dependencies so that individuals and groups can build their own livelihoods.

This small-scale and long-term approach contrasts with the need for crisis intervention in violent conflicts. The latter most often require outside intervention, even though some questioned whether external powers could play any constructive role in conflict resolution at all. Others felt that the E3/EU+3 Iran nuclear negotiation format had proven to be successful and inclusive, and could be replicated for other (possibly also violent) conflicts. Already the existence of a nuclear agreement forced other regional powers to rethink their approach to Iran, for good or bad.

As per the summer of 2015, as many as five main axes dominated the scene in the Middle East, according to one analyst: Iran with its dependencies in Lebanon, Iraq, and Syria; the Muslim Brotherhood and its affiliate Hamas as well as major regional backers like Turkey and Qatar; Saudi Arabia and the allied Gulf States as well as post-Mursi Egypt; the various Jihadist groups including the so-called Islamic State (IS) and al-Qaeda; and – a lonely fifth – Israel. Such multifaceted (im)balance made it difficult for any outsider to calibrate even a benevolent intervention.

With a view in particular on the war in Syria but drawing on previous experiences too, participants discussed a number of 'rules of thumb' for external intervention. One was to involve regional and local actors but to beware of their potential unwillingness to cooperate. Another was to push for political and economic reforms in a post-conflict situation but without trying to 'build' a state. In the case of Afghanistan and Pakistan, it was highlighted that these two countries should be approached jointly, and with a focus on governance and civil society rather than on security issues only. Thirdly, outside powers should be careful when working with authoritarian regimes that, while stable, might be part of the problem rather than the solution. Against this background, one working group examined, for example, the pros and cons of establishing a no fly zone in Syria.

Ukraine, in contrast, with its much more binary conflict structure, only looks easier to tackle while, in practice, it is no less complicated. One issue surrounded the question *how* the West should help: If it was about reforming Ukraine and getting its economy on track, then the EU is called for – to whose values the Maidan revolution expressly aspired. If, however, this was about European security broadly speaking as much as about the security and territorial integrity of European states, then NATO should be in charge. Most importantly, however, people felt that any serious disagreement over the policy response not only meant to lose Ukraine but could also threaten the West as such. Thus to some, unity in the transatlantic response was more important than the actual response given.

Whether the transatlantic partners could find a way to collaborate was also at the centre of the debates on the economy. Here, the negotiations over a transatlantic trade and investment partnership (TTIP) provided some interesting observations. First, whether the motivation to begin them was rather economic (enhancing already booming bilateral trade) or geopolitical (maintaining Western dominance globally, including as rule-makers). Second, despite either of these motivations being broadly in the interest of the West, it was citizens in particular in Europe who protested against TTIP based on a more general opposition to globalization and free trade. Thirdly, it appeared to be particularly difficult for both the United States and the EU to negotiate as equals, otherwise being used to cut asymmetric deals with weaker partners.

In conclusion, many saw those new or potential regional or ad-hoc arrangements – from BRICS to E3/EU+3 to TTIP – as a stopgap solution to maintain international cooperation in the absence of a global accord. However, it could be no panacea for recreating an international order worthy of its name. Which leaves a final question of **where order could ultimately come from**.

The debate about Europe highlighted a need for greater politicization of the EU, whose foundations should be values and identity, not just economics. In fact, the refugee crisis would be a good starting point. It demands a common EU asylum and migration policy, including effective border management and significant support of countries like Lebanon, Turkey, and Jordan. It also calls for an acceptance of both migrants and refugees as well as integration measures that differentiate between those two groups. Both such measures touch on the very notion of state sovereignty, including internal (and external) security as much as citizenship. The EU that 'pools' these competencies at the community level would be a very different one from today's union.

At a different level, data protection and cyber security would necessitate a similar multinational, multi-stakeholder approach. It would have to target three different levels: The one of the individual and small enterprise user, the national one, and the level of international governance.

Obviously, the young generation of today as it was assembled at the Bucerius Summer School 2015 was not asked to develop solutions for all the world's problems. So they're forgiven for not coming up with a magic formula to fix the Middle East – something that even the genie shied away from when given a choice.

Yet it will be incumbent upon them, as they continue to advance in their careers and with the help of a thriving alumni network, to think out of the box in things both big and small. Whether promoting small businesses in a rural community, supporting refugees in a war-torn country, or negotiating future arms control or trade deals – if the past years have shown anything, it is that there is no "normal" to draw on. If crisis has become permanent, then the quest for new solutions has to be permanent too.

Washington, October 2015

2 Session reports

2.1 Managing the Perception and Reality of Frayed Global Governance

Speaker: *Daniel Drezner*, Professor of International Politics, Fletcher School of Law and Diplomacy, Tufts University, Medford

Rapporteur: *Maciej Drozd*, Poland

Session 1: Monday, August 17

Is there a mismatch between the reality and perception of global governance outcomes in recent years? While global economic governance has prevented the return of the Great Depression, political instability in Europe, the Middle East and Africa does not offer grounds for satisfaction.

In his opening address Daniel Drezner lowered the political scientist's guard of "prudent pessimism" and challenged the popular conception that global governance – the system of rules and structures for global conduct – was failing to secure peace and prosperity. Drezner argued that global economic governance offered a fitting response to the financial crisis. Borders stayed open for the transfer of goods and services (where applicable), financial institutions provided counter-cyclical lending, and a number of countries coordinated their macroeconomic policies to the extent possible. As a result, world industrial output and trade levels returned to their pre-recession levels much sooner than they had done after the Great Depression of the 1930s.

Despite these economic achievements global governance is still portrayed as failing or at least struggling. As an example of this negative view, Drezner gave a recent editorial by former U.S. Treasury Secretary Lawrence Summers, in which he called the establishment of the China-led Asian Infrastructure Investment Bank "the moment the United States stopped being the underwriter of the global economic system". Such disaffection with global governance, however, is potentially not only misplaced, but also difficult to change. According to the speaker, "perceptions create an own reality in international politics".

Several participants shared the opinion that the global economic system has proven resilient and international institutions (with the exception of the European Union with regards to Greece) acted in line with expectations. Yet there was no agreement on extending this argument to international security policy. The rise of the so-called Islamic State, the on-going conflict in Syria, strife in Libya, the refugee crisis in the Mediterranean and instability in other regions of the world, military fatigue of the United States, as well as the inability of the United Nations to reform the Security Council and the European Union's failure to institute a meaningful common security and defence policy were mentioned as reasons for disappointment. While too little time has passed to evaluate the effectiveness of Western sanctions on Russia, the unresolved security dilemma in Europe remained another cause for concern.

Such failures in the field of security are part of the "reality" of global governance that should not be glossed over by perceiving only its successes in the economic field.

2.2 The End of the Middle East as We Know It

Speaker: *Volker Perthes*, Director of the German Institute for International and Security Affairs / Stiftung Wissenschaft und Politik (SWP) and Executive Chairman of the Board of SWP, Berlin

Rapporteur: *Intissar Fakir*, Morocco / United States

Session 2:   Monday, August 17

The dissolution of order on the regional and state levels has created an environment for various extremist groups to thrive. Sectarianism has never been as defining in the region as it is today. Regional order had been stable in that the borders drawn by Sykes and Picot after World War I were respected, although generations have believed that this is an imposed unjust order. While the current order is dissolving, there is no one else to impose a new order or to create one from within.

The heart of the turbulences in the region is local politics: people are struggling for order and equality in their own state. They want inclusion, dignity, fairness, and justice. However, the existing social contracts can no longer deliver—even in functioning states.

A number of geopolitical dynamics lie beneath this turbulence:

1. The regional balance of power is changing rapidly, but no stable alliances are emerging.

2. The Israeli-Palestinian conflict is no longer the mobilizing issue in the region.

3. Civil wars used to be contained within boarders but no more. Now borders are becoming hot zones.

4. New sovereign entities are emerging. Not all are violent or religiously extremist like the Kurdish regional government in Iraq (KRG) or the Kurdish region in Syria. However, the most difficult case to deal with is the so-called Islamic State, or IS.

5. The effects of the international coalition's airstrikes are limited; what is needed are political reforms in Iraq and a solution for Syria likely through a detente between Iran and Saudi-Arabia.

Volker Perthes recommended three rules of thumb for external actors:

1. Try to solve a conflict with regional actors, but be aware that some of them cannot or will not cooperate. One of the best things the West is doing is resolving the Iran nuclear issue. The next step is to push for a detente between Saudi Arabia and Iran, which would help with the wars in Yemen and Syria.

2. Continue to support political and economic reform, but be aware of the dilemma that it is not possible to remake states (as the United States learned in Iraq and in Afghanistan).

3. It is still possible to work with states that are authoritarian, but a different approach may be required. Some of the states that still function are part of the problem.

The ensuing discussion revealed a number of other issues. The recent nuclear agreement with Iran had put good pressure on the region to rethink their approach towards this country. Given that the ink was barely dry, it was too early to assess its impact on the region. Still, Iran's neighbours were said to be worried more about the balance of power than the nuclear issue. The main question was whether the agreement could also transform Iranian relations with the West and, ultimately, Iran's foreign policy. Its neighbours are concerned that sanctions relief could be used to finance terrorists. However, Iran desperately needs international investments, so their domestic needs might trump their commitment to proxy groups in the region.

Regarding regional security, some pointed to the difference between IS and Al Qaeda. The latter did not think it needed a territory, while the former derived its strength from the way they govern larges swathes of land.

Despite the chaos the world should not give up on the borders as they were drawn a hundred years ago. UN surveys showed that Syrians wanted to preserve Syria, even though there was no clear consensus on what that country would be like.

2.3   The UN at 70: Managing Growing Disorder

Speaker: *Shashi Tharoor*, Member of the Indian Parliament, Chairman of the Parliamentary Standing Committee on External Affairs, Delhi

Rapporteur: *Gwenn Schanze*, Germany

Session 3:   Monday, August 18

The title of this session, "The UN at 70", might have had you fooled into thinking that this session would be a retrospective of the UN in the past 70 years – it was actually much more, perhaps one of the core sessions of the Summer School. The UN is indispensable in managing growing disorder, but to effectively play that role it has to undergo substantial reforms. Without a recommitment of member states to a representative and legitimate world body, the UN will be(come) irrelevant. So, which "i-word" will it be – "indispensable" or "irrelevant"?

To start off the session, Shashi Tharoor presented a very lively tour d'horizon of the UN, packed with wonderful quotes and anecdotes. "Problems without passports that cross all frontiers require solutions without borders", he argued. With this objective, the UN over the past seven decades had transformed gradually and successfully, despite challenges such as having the difficult role of being "both the stage and an actor". Shashi Tharoor explained that, jokingly, the former Secretary General Kofi Annan sometimes said "SG" did not stand for Secretary General but "scape goat".

Enabling inspections for weapons of mass destruction, counter terrorism committees, international criminal tribunals, and of course peace keeping missions were just a few of the UN's great achievements throughout the past 70 years. Rephrasing a known proverb on bringing about change, saying "To change the world, the UN must change, too," Shashi Tharoor also gave an outlook on what needed to be done: The UN should "be a Gulliver to lead the Lilliputians, rather than being tied down by them". He concluded that "at 70, what we need is a renewed, not a retired, UN".

The ensuing discussion on the future of the UN centred on two topics, the selection of the next Secretary General due during next year's General Assembly and the – still elusive – reform of the UN Security Council.

The choice of the next Secretary General will be a crucial factor determining the course of the UN in the coming years. Shashi Tharoor explained that this selection process was a very political one. It would be idealistic to assume that being "the most capable person" would be the decisive criterion. Instead, he humorously referred to an unofficial selection criterion rumoured to have been decisive in the past: "someone who won't cause any waves when he falls off a boat". On a serious note, he explained the difficulties in finding someone who would be endorsed by all five permanent Security Council members, and then get the vote of the General Assembly. Essentially, the task would be to find someone who is "acceptable to most of the world, and not unacceptable to Russia".

If finding the next Secretary General sounded like a complicated task, the reform of the UN Security Council was even more so. It had been "on the agenda" for decades, but to this day, the Security Council still reflected the world order after the Second World War: Germany and Japan are referred to as "enemy states" in the UN Charter,

and the five victors of the war are the five permanent members of the Security Council. Yet UN decisions and resolutions would not be sustainable as long as key countries could not participate in decisions and resolutions relevant to their region. According to Shashi Tharoor, Security Council reform could not be put off indefinitely, since it was essential for the legitimacy of the UN that member states, especially the permanent members, demonstrate that they are willing to re-commit to a strong, representative UN institution.

The discussion further touched upon some proposals for reform: (i) introducing a third "in-between", semi- or quasi-permanent category of seats in the Security Council, an option that Shashi Tharoor referred to as a "kind of caste system" as it would create a caste-like hierarchy between the three types of seats; and (ii) establishing a rotation system with certain seats rotating between member states of certain regions. As a third option, participants discussed a reform to reflect "the world of multiple networks", i.e. alternating memberships for different purposes and topics. While intellectually appealing, Shashi Tharoor argued that this was practically not likely, as existing members would not agree to the dilution of their powers.

Back on a humorous note, to show the difficulty of finding the right solution, Shashi Tharoor recounted a fictional conversation between Kofi Annan and a genie. Being granted one wish, the former Secretary General requested lasting peace in the Middle East. The genie, however, declined given the huge complexity of the "geopolitical situation, those complicated maps of the region". So Kofi Annan then requested a road map to reform the UN, and the genie replied: "On second thought, give me those maps of the Middle East…!"

2.4   Debating Current Issues in the Near and Middle East

Speakers: *Muriel Asseburg*, Senior Fellow, Research Division Middle East and Africa, German Institute for International and Security Affairs / Stiftung Wissenschaft und Politik (SWP), Berlin
Majed Bamya, Director, International Treaties Department, Ministry of Foreign Affairs, Ramallah
Nicolette Boehland, Consultant on Syria, Amnesty International, Beirut
Yael Wissner-Levy, News Anchor, i24news, Tel Aviv

Rapporteur: *Neil Walther*, United States

Session 4:   Tuesday, August 18

This session took a much more exact look at issues effecting a host of countries in the region. One overarching theme of the session was the common sense of transformational change in the region; change that is altering borders, stoking confessional disputes that date back centuries, and challenging the very existence of international borders drawn after the first world war.

The most addressed subject on the panel was Syria, where a four-year-old civil war has killed over 250,000 people. In addition to those dead, Syria's government has lost effective control over its borders and opposition groups, often times with a militant Islamist background, have seized vast portions of the country. Increasingly international attention is given to the actions of the so-called Islamic State (IS), which a large U.S.-led coalition is confronting militarily in both Iraq and Syria. However, Nicolette Boehland warned the group about the underreported brutality of the President Bashar Al-Assad's government, which killed far more people in Syria on a daily basis than IS.

In addition, the current refugee crisis visible in Europe has a large portion of its roots in the Syrian civil war, with twelve million refugees either internally or externally displaced by the conflict. The panel was united in its belief that the Syrian civil war poses a challenge not just for the Middle East, Europe, and the United States, but also to the entire global order as we know it.

Another aspect of the Syrian civil war discussed was the regionalization of the conflict. Iran and Russia are the Assad government's main international supporters, with Iran staking its future influence in the Levant on sustaining the Assad regime and perhaps more importantly, on supporting the Lebanese Shia militia Hezbollah. Should Assad fall, Iran would be further impeded in its search for greater regional influence.

The United States is only half-heartedly training and supporting a Syrian opposition capable of challenging IS and then eventually the Assad government. Busy with an intense American military campaign against IS in Iraq and Syria, Washington has backed away from openly calling for Assad's overthrow, nervous about what the alternative to his precarious hold on power in Damascus and other small portions of the country would look like.

Muriel Asseburg highlighted those conflicts which were somewhat overshadowed by the war in Syria, i.e. in Yemen and Libya, as well as the continued search for political stability in Egypt and Tunisia. The danger, according to Asseburg, of these large-

scale military conflicts, was that the smaller-scale, less-high profile search for liberal reforms in many of these countries could be lost – all but a dream of the ever-fading Arab Spring.

Yael Wissner-Levy smartly pointed out that the big losers of the regional turmoil are those Israelis and Palestinians seeking to end their conflict. In a region consumed by war and violence, Israeli leaders were not interested in a change in the current status quo, while Palestinian factions, Hamas and Fatah especially, continued their quest for control over Palestinian politics. As Wissner-Levy stated, "Israel and the Palestinians are two children of the same cruel parent." This cruel parent was a region largely constructed by colonial powers, neglecting natural cultural and confessional differences when constructing borders.

It is this inability to live peacefully in a common space, where different ideas and interests are managed that has led to the current crisis and until reconciled, will continue to dominate the region's politics.

2.5 Breakout Session: Middle East Conflicts

Speaker: *Muriel Asseburg*, Senior Fellow, Research Division Middle
                East and Africa, German Institute for International and Securi-
                ty Affairs / Stiftung Wissenschaft und Politik (SWP), Berlin

Rapporteur: *Kanchi Gupta*, India

Session 5:   Tuesday, August 18

The session provided a broad overview of the developments in the Middle East including the conflicts in Syria, Iraq, Yemen and Libya, the emergence of ethnic and sectarian fault lines as well as the role of external and regional stakeholders. The discussion extrapolated on historical occurrences that have informed the salient trends in the region, from the Sykes-Picot Agreement of 1916 to the 2003 U.S. invasion of Iraq. The discussions attempted to locate the significance of these events for today's Middle East and identify the main drivers of the consequent order and, increasingly, disorder.

The Middle Eastern region is in turmoil and still reeling from the aftermath of the revolts in the Arab world that began in 2011. The then-called Arab Spring protests began as a revolutionary movement against dictatorial regimes and the socio-economic and political marginalization of large parts of the population and, in some cases, suppression and persecution of ethnic communities. A few years later, as the prospects for democratic change stalled in Egypt and Libya and the revolution failed to even challenge regimes in other parts of the region, the "spring" was rendered to an – ultimately unsuccessful – uprising and eventually a movement.

The consequences of this "reverse revolution" are internal sectarian conflicts that spilled across borders and provided the context for the rise of extremist groups and regional power dynamics turning violent. At the political level, however, geopolitical interests inform shifting partnerships, alliances and conflicts between regional states and extra-regional powers.

A congruence of interests led to the formation of five main axes:

1. Iran and its dependencies including the Hezbollah in Lebanon, post-2003 Shia-majority Iraq, and President Bashar al-Assad's regime in Syria;

2. The Muslim Brotherhood, its affiliates including Hamas and major regional backers like Turkey and Qatar;

3. Saudi Arabia and allied Gulf States as well as Egypt after the overthrow of President Mohamed Mursi in 2013;

4. The Jihadist groups including the so-called Islamic State (IS), al-Qaeda and their affiliates;

5. Israel.

While each of these axes has the potential to emerge as a force for bringing order to the region, the interaction between and within these axes fluctuates in response to regional developments and engagement with extra-regional powers. For instance, while Riyadh could bring order to the region due to its military prowess and strong regional alliances, Saudi Arabia has been an exporter of extremist Wahhabist ideology and is driven largely by its geostrategic competition with Iran. This Saudi-Iranian

rivalry will likely deepen after the end of the international nuclear standoff with Iran and Tehran's expected re-emergence as a key regional actor. Already now, the policies of both states are directed towards countering the influence of the other, as seen most recently in Yemen.

Such evolving dynamics have also shifted the Arab focus away from the long-standing conflict with Israel towards the rising influence of Iran to the extent that Israeli and Saudi interests are actually aligned, putting the Palestinian cause on the back-burner. Moreover, while greater coordination between Saudi Arabia and Turkey could be effective in countering the rise of IS, Ankara's actions are also motivated by its desire to suppress Kurdish fighters.

The shifting role of extra-regional powers also has a huge impact on the developments in the region. Growing American reluctance to engage militarily in the region has given rise to questions about whether or not the international community should be doing more in Syria, Iraq, Yemen, or Libya. While some European countries and in particular the EU's foreign policy tsar played a very constructive role in the Iran nuclear negotiations, the EU has been absent from actual conflict management in the region. This is largely due to institutional problems within the EU as much as divergent policy positions among member states.

Some of the primary questions that emerged from the discussions were as follows:

1. Who will resolve the conflicts in the region – external powers or regional powers?

2. If regional powers were to assume responsibility for bringing order to the region, which of the five axes mentioned above should take charge? How can one reconcile the differences between each of these axes?

3. Which external powers could play a significant role in the region beyond the United States? Is waning U.S. engagement a product of American fatigue or Arab fatigue over past U.S. involvement? Is there a greater role for emerging powers like India?

4. The question of identity politics is of urgent concern in the region – how should ethnic conflicts be dealt with? Should states deal with the current crisis or should there be greater involvement of civil society?

2.6 Breakout Session: Israel and Palestine

Speaker: *Yael Wissner-Levy*, News Anchor, i24news, Tel Aviv

Rapporteur: *Omer Einav*, Israel

Session 6: Tuesday, August 18

Yael Wissner-Levy presented her view as an Israeli regarding multiple conflicts – the one with the Palestinians and those within Israeli society. In the discussion, participants tried to gain a better understanding of these conflicts, examining topics such as human rights, use of terror, domestic politics, the regional perspective as well as international engagement. The session reflected the complexity of the situation, which is unlikely to get better in the near future.

The last elections in Israel showed without doubt how much Israeli society is motivated by fear. Prime Minister Binyamin Netanyahu understands that, the speaker posited, and uses people's fears (of Iran, of the so-called Islamic State, or of Palestinians in general) for political gains among other reasons. The Israeli political left, in contrast, is divided and has no clear agenda. Since the second Intifada of 2000 and the failure of Oslo agreement, the left still has not found an alternative to the right wing's status quo policy.

Regarding the Palestinians, one important question is whether the Palestinian Authority can lead their people toward better future. Another question examined the policy of Hamas, or Islamic Resistance Movement, that many Western countries have designated as a terrorist organisation: Is its strategic choice to fight Israel once every few years the right one and the best for the Palestinian people? Moreover, should Israel negotiate with an organization that does not recognize its existence? These are fundamental and significant dilemmas for both Israelis and Palestinians.

From a regional point of view, the Israeli-Palestinian conflict has become marginal. Israel has already improved its relations with Egypt and Jordan, especially on security issues such as fighting radical Islam. If one assumes that now, more than ever, the Middle East is about temporary cooperation based on common interests, there could be an opportunity for Israel to become more involved in regional and international efforts to deal with threats, the speaker and participants agreed. Syria should be the first on the list in that case.

Still, when thinking about the Israeli-Palestinian peace process, a great question is who should (try to) broker it. The United Stated failed in the last attempts, and today the tension between Washington and Jerusalem is at its peak. At the same time the European Union is getting more engaged in the conflict. Could the EU possibly take the US' place as the negotiator? For now it seems impossible, participants agreed.

The most important question, i.e. how the two states solution could be realised, did not get attention at all – be it due to a lack of hope on both sides to solve the conflict or due to a realistic perspective. Maybe it is the time to examine other possible solutions that are sustainable and valid, such as a federation, a confederation, or a single state. The situation on the ground forces the Israelis, the Palestinians, and the international community to think outside of the box.

2.7   Breakout Session: Syria

Speaker: *Nicolette Boehland*, Consultant on Syria, Amnesty International, Beirut

Rapporteur: *Maximilian Popp*, Germany

Session 7:   Tuesday, August 18

A No-Fly-Zone (NFZ) in Syria would prohibit the entry of unauthorized aircraft into airspace over specified territory. Such a zone, on one hand, might stop the killing of civilians by the regime of dictator Bashar al-Assad; it might also force him into negotiations with opposition groups and the international community. On the other hand, the wider implications of a NFZ are unclear: The balance on the ground in Syria could change, and radical Islamist forces like the so-called Islamic State might benefit from it. For sure a NFZ would mean a stronger involvement of the West in Syria.

The civil war in Syria has lasted for more than four years now. More than 250.000 people have been killed, a million have been injured and at least four million Syrians had to flee the country. There is a growing pressure on the world community to find a solution for Syria.

No-fly zones have been used before to end a war. After the Gulf War of 1991, the United States, the United Kingdom, and France proclaimed such a zone to protect the Kurds in northern Iraq and Shiite Muslims in the South. It was also applied in Bosnia-Herzegovina from 1992 to 1995, and in Libya in 2011. In order to be in line with international law it has to be declared by the UN Security Council. Before taking action the Security Council, according to the UN Charta, must determine that „a situation threatens peace, has breached the peace or constitutes an act of aggression".

The supporters of a NFZ believe it could have a lasting effect in Syria. It could:

- Prevent the killing of civilians. The Assad regime has repeatedly bombed Syrian cities, towns, and villages. It has attacked schools, hospitals, or residential houses. A NFZ would limit its ability to strike from the air (the opposition forces do not have any aircraft).

- Create a safe haven in Syria where people could live without fear of being murdered. Almost eight million people are internally displaced, so an NFZ could alleviate the refugee crisis.

- Weaken the Assad regime. So far the aggressions of the regime have been mostly met with inaction by the international community. An NFZ would give a clear message to President Assad that the world no longer tolerates his warfare against his own citizens. This might force the regime into negotiations and eventually bring an end to the war.

Critics of the NFZ point to the number of open questions that come along with such a direct intervention into the conflict. They say:

- The risks are too high. An NFZ would mark the entry of the West into the war but still might not be enough. To really protect civilians, ground forces might be necessary too. For such a step neither the United States nor Europe – or any other state for that matter – seem to be ready.

- It is unclear who would implement the NFZ, who would pay for it, and where exactly it should be established. Currently it is discussed for northern parts of Syria where jets of the regime are hardly active.

- Given that the only force in Syria to lead airstrikes is the regime, an NFZ is likely to change the balance of power on the ground. Ultimately, it might help radical groups like the Islamic State, which are trying to establish totalitarian rule in Syria.

- An approval from the UN Security Council is unlikely, as Russia seems unwilling to support an NFZ. Thus, such an operation would not be backed by international law.

All in all an NFZ might provide the prospect of a less violent Syria. However, in order to establish it still a lot of open questions have to be resolved.

2.8　Rethinking Europe?

Speaker:　　　*Mark Leonard*, Co-Founder and Director, European Council on Foreign Relations, London
Almut Moeller, Head, Alfred von Oppenheim Center for European Policy Studies, German Council on Foreign Relations, Berlin
Nereo Penalver Garcia, Policy Advisor, Foreign Affairs Committee, European Parliament, Brussels
Fabian Zulegg, Chief Executive, European Policy Centre, Brussels

Rapporteur:　　*Ramona Raschke*, Germany

Session 8:　　　Wednesday, August 19

The discussion highlighted each speaker's views concerning the current situation in and possible future challenges to European politics. While several crises pose serious obstacles to the project of European integration, there was also some reason for optimism: Europeans share common values that would help them to overcome the current malaise.

Mark Leonard pointed out that 25 years after the Maastricht Treaty had been signed, all three key projects that form the basis for further European integration are in a crisis today. The EU is struggling with the debt crisis in the Eurozone, the acceptance of the free movement of people across member states, and the common foreign policy. He predicted that EU politicians would have to deal with several issues in the future: The most important one was a united foreign policy, and he saw the consensus on imposing sanctions on Russia as a first positive sign. The second issue was a reform of the governing bodies and the internal structure of EU institutions. Thirdly, there was increasing pressure on national governments to explain a remaking of European policy to their peoples. The rise of Syriza in Greece was an example of what could happen if the establishment lost the people's support for and understanding of European policies.

The next speaker, Almut Moeller, emphasised the role and importance of politics in the EU. She called upon the EU to „become more politicised". She stressed that the European people had become more and more aware of the importance of Europe and European politics for their everyday life, that they shared not only common values but also common goods and markets in the EU. In her view policy-makers should challenge themselves, should try to look from the view of the public and ask what kind of union the people wanted. She foresaw a future political environment in which more and more referenda would take place. Both the internal crisis that would lead to more and more frustrated citizens and external shocks like the Ukraine crisis would remain on-going challenges to the Union.

Nereo Penalver Garcia focused on an innovation that had been used for the first time in the European Parliament elections in May 2014, a presidential election campaign with so-called „Spitzenkandidaten" as candidates for the president of the European Commission. As previous speakers had already pointed out, a loss of trust of European citizens in the EU and European politics had led to this invention, which is common in national elections in several member states. The lessons learnt were somewhat mixed, he reported. On one hand, it was a challenge to establish such a

new process. Especially in a European Union of 28 different member countries, some saw it even as a useless instrument. On the other hand, it increased the political capital and the power of the president, he argued. Because his mandate was more closely tied to the election result than in the past (when he was simply chosen by EU heads of government), also the power of the Commission in decision making had been increased.

Fabian Zulegg was more pessimistic on the future of the EU than the previous speakers. He emphasized the session title, i.e. that "we need to rethink Europe". Europe and the EU were so important in order to keep prosperity and peace, and the various crises hitting Europe in the last years had been and were still a threat. He pointed out that due to those crises national interests were gaining prominence again, with governments being passive rather than taking actions. Moreover, an increase in distrust between the member states and towards the EU institutions posed a risk to the future of the EU. Nevertheless he admitted that the Union was still remarkably stable. In his view Europe needed to tackle all crises with a structural response first, and should increase the democratic debate with the population and embark on a reform of the institutional structures later on.

To sum up, Europe is currently facing a challenging time due to several crises and the urgent need for reforms. Most of all, EU and national institutions have to regain the trust of the European people in order to make the project successful in the long run and to overcome the resentment against Brussels. But overall there was large agreement that Europeans share common values that would remain and would help to tackle the issues.

2.9　The Refugee Catastrophe

Speaker:　　*Steffen Angenendt*, Senior Associate, Research Division Global Issues, German Institute for International and Security Affairs / Stiftung Wissenschaft und Politik (SWP), Berlin
Lotte Leicht, EU Advocacy Director, Human Rights Watch, Brussels
Jakob Preuss, Documentary filmmaker, Berlin

Rapporteur:　*Cilia Ebert-Libeskind*, Germany

Session 9:　　Wednesday, August 19

The recent rise of economic migrants and asylum seekers coming to Europe has confronted governments with a number of difficult questions. Immigration law, regulations on asylum as well as the EU's capacity to accommodate migrants and refugees are under scrutiny. What is needed is an open and fair political debate on migration as well as major reforms at EU and at the national level.

The numbers of displaced persons and refugees are growing worldwide. And so are the numbers of people reaching member states of the European Union aspiring for a better life. In a recent interview, Germany's chancellor Angela Merkel said that the rise in refugees would preoccupy the European Union more than Greece and the stability of the Euro. However, European leaders have yet to demonstrate that they can act collectively and cohesively to address the various problems stemming from the crisis. So far, they have „done nothing but bicker about rescuing people and giving them refuge", Lotte Leicht bemoaned.

These are the main issues the European Union needs to address:

1) A coherent European asylum and migration policy that includes a fair sharing of responsibility between EU member states. This should also encompass safe and legal channels into the EU, including policies such as family reunification, humanitarian visas and resettlement.

2) An effective management of the crisis at the EU's external borders. The central goal should be to prevent a humanitarian disaster and hundreds if not thousands of deaths.

3) Supporting non-EU countries that are hosting refugees, especially Lebanon, Turkey and Jordan.

4) Establishing a clear distinction between economic migrants and asylum seekers.

5) New measures of integration of refugees and economic migrants.

Jakob Preuss' documentary in the making, „Europe's borderlands" (working title), tells the story of Paul, an economic migrant from Sub-Saharan Africa. Paul risks his life crossing the Mediterranean to Spain. When he reaches Germany after imprisonment in Spain and a risky onward journey, he realises that his status as an economic migrant will make it hard for him to stay. The film sheds light on the motivation and determination of economic migrants and calls into question European and national current policies that apply to them.

Whether we talk about economic migrants or refugees – public debate on all forms of migration needs to be based on facts. Politicians have a responsibility to speak out and confront populism as well as the scare-mongering and de-humanising aspects of the debate. Furthermore, citizens need to discuss openly what solidarity between members of the European Union means and what would be a fair distribution of responsibility.

And finally, it is obvious that the search-and-rescue missions in the Mediterranean are unsustainable and do not solve the root causes of migration. At the same time, cutting down on these missions would not lead to fewer migrants but to more deaths.

2.10 Which Future for Democracy in a Post-political Age?

Speaker: *Chantal Mouffe*, Professor of Political Theory, University of Westminster, London

Rapporteur: *Çiğdem İpek*, Germany

Session 10: Wednesday, August 19

With her keynote Chantal Mouffe outlined the dangers for democracy caused by consensus-driven politics. She criticized social democrats for contributing to the rise and hegemony of neo-liberalism. The solution she proposed: States needed political alternatives from the left in order to fight dangers threatening democracy.

The starting point for the speaker's analysis was the assertion that we lived in a state of post-democracy. Modern democracies, while maintaining the façade of former democratic principles, were now being increasingly controlled by privileged elites. Mouffe claimed that the implementation of neo-liberal policies had led to the colonisation of the state by corporate interests and that crucial political decisions were now taken outside democratic standards. She pointed at the role parties of the left had played and were still playing with regard to this phenomenon. In a way the lack of a real political debate had become dominant in today's liberal societies, which was a central feature of the post-political perspective. This process, she observed, was linked to a move towards the political centre that took place in the last decade (the so-called third wave) – which she dubbed the wrong strategy of democratic parties in Europe.

Today inequalities were growing dramatically, which represented one of the key features of our increasingly post-political world. The overcoming of left and right with the consolidation of the post-political consensus should not, however, be seen as progress, Mouffe argued. In the course of parties moving to the centre, they had lost important distinguishing features while at the same time conflicts remained that could not be solved through "centre politics".

From the public's perspective this increased the frustration with the political choices at hand and could cause a shrinking participation in elections, a diminished political interest, or increased support of populist or right-wing parties. Social democrats in this context did not only allow the expansion of neo-liberalism, she argued, but they also supported the implementation of neo-liberal privatizations and reforms. Furthermore, centre-left parties by avoiding to speak of equality – which they consider to be tainted by the egalitarianism of the socialist ideal – contributed to the very replacement of the democratic tradition with a neo-liberal one.

However, from a theoretical perspective political conflict is always agonistic, Mouffe posited, i.e. a constructive struggle about better ideas. Democracies require different policies and conflicting projects to function. As Thomas Piketty argues, left and right need to gain meaning again. In order to have a collective political identity there is a need for differences. With democracies becoming non-representative, democratic parties need to listen to their population and offer real alternatives to turn this dynamic around. Without this, states could not achieve equality.

According to Mouffe this means that the response and alternative to a populist right-wing party must come from a populist left-wing party. She identified examples from

cases where ideas from the left were discussed or presented as alternatives. The mobilization in the course of the Occupy Movement stressed the need for alternatives versus what the status quo of neo-liberalization had to offer. Similarly, the success of *Podemos* in Spain as well as *Syriza* in Greece showed that left ideas could win elections.

Mouffe concluded that democracies needed clear political alternatives. Facing a neo-liberal mainstream, social-democrat parties needed to transform themselves in order to regain importance.

2.11   Unresolved Issues: Europe, Ukraine and Russia

Speakers: *Wolfgang Ischinger*, Ambassador, Chairman of the Munich
               Security Conference, Munich
               Dmitri Trenin, Director, Carnegie Moscow Center, Moscow
               Ivan Vejvoda, Senior Vice President for Programs, German
               Marshall Fund of the United States, Washington, D.C.

Rapporteur: *Wolfgang Silbermann*, Germany

Session 11:   Thursday, August 20

***Foreign Policy is way more than deciding who to bomb and who to take out for
lunch**. **This general observation about the nature of diplomacy made by one
Summer School participant was mirrored in the panel debate on the Ukraine
crisis. The panel exposed not only the complexity of reasons and motivations
driving the crisis but also the range of approaches and disagreements in the
main actors' policy responses. Agreement arose only in one, gloomy respect:
this crisis will strain Russia's relations with the West for decades to come.*

The debate centred on three main topics: Russia's current political situation,
Ukraine's future, and the international community's (mostly the West's) reaction to
the crisis.

„Is Putin a happy man today?“ one participant asked, channelling the group's very
diverse attempts to make sense of Russia's political course. Many commented on the
dire economic situation within Russia. External struggle might be the leadership's
attempt to distract from this task, some said. Others argued, by contrast, that given
the economic malaise, Putin was unlikely to usurp (and hence be economically liable
for) more of Ukraine, much less undertake other expansionist endeavours. Accord-
ingly, most commentators saw no immediate threat from Russia to the Eastern bor-
ders of the EU or to other countries in the neighbourhood, such as Georgia.

Wolfgang Ischinger suggested that President Putin was making a geo-political point,
presenting himself to the world as the figurehead of all conservative, authoritarian
rulers seeking to shelter their spheres of influence from the destabilizing, liberal-
democratic expansionism of the West. Dmitri Trenin emphasized that –whether due
to Russian geo-political strategy or the West's failure to integrate a former adver-
sary– Russia's pathway into the West was now closed, once and for all. The flip side
of this (which Trenin called „the Eurasian option“) would not, however, deliver region-
al hegemony into the hands of Russia but rather of China. This development was
bolstered, as the group discussion further elaborated, by cunning Chinese diplomacy
both toward Russia and the West.

Many agreed that Russia continued to see itself on eye's level with the American su-
perpower. Whether this self-image was a geopolitical reality or a dangerous delusion,
remained a matter of disagreement.

Ivan Vejvoda suggested a pointed comparison by likening Ukraine to Greece. Both
countries hadn't undergone necessary structural reforms, which were becoming in-
creasingly harder as the state of affairs worsened. Participants took up this image in
the discussion, emphasizing the need for Ukraine to find both the strength and the
political discipline to reform itself and define its role as a „bridge country“ (which, in
Vejvoda's view, clearly meant a location outside of the EU and of NATO).

Disagreement arose about the nature of the Maidan revolution. One participant emphasized the European dream of the protestors. The conflict, accordingly, called much more for pro-Ukrainian commitment by the EU rather than by NATO. Trenin, in contrast, said the Maidan protesters were aiming to fight corruption, assert Ukrainian national identity, and prevail in the intra-oligarchical struggle. The security consequences of the crisis, according to this view, needed to be dealt with by potent security actors, which many in the group saw in NATO (to wit: the United States) and not the EU. (As a side-note, Wolfgang Ischinger reprimanded the EU for the inefficiency and impotency of maintaining 28 national armies.)

Concerning the economic future of Ukraine, no black-or-white conclusion emerged either. Many pointed out that the Ukrainian economy would not be able to „stand on one leg only", emphasizing the need to eventually economically reconnect Eastern Ukraine with Russia and its neighbourhood. Quite in the same vein, Ivan Vejvoda pointed out that even today –despite of all political turmoil– President Poroshenko's own chocolate factories continued to export to Russia...

If analyses in the group were already diverse and sometimes contradictory, comments on policy also diverged widely. To illustrate some of the most contentious issues only:

- Sanctions: Some portrayed them as punishment for Russian aggression, especially the Crimean annexation – punishment that's there to stay. (Trenin said that Putin himself expected at least the U.S. sanctions to remain in force for decades.) Others, including Ischinger, described sanctions as a dynamic policy tool that should be eased in response to progress on critical issues. Others added that business interests needed to be weighed, and that the continued drying-up of trade and other exchanges between the West and Russia were in neither side's interest.

- Military strategy: Ischinger opened a contentious aspect of the debate by criticizing German chancellor Angela Merkel's decision to categorically rule out arms deliveries to Ukraine. Some followed his argument by delving into the dire state of the Ukrainian army that called for both reform and material support. Others warned of the large risks of uncontrolled military escalation in the East.

- U.S. involvement: Both Ischinger and Vejvoda called for more of it. Ischinger even declared the Normandy format dead upon arrival for the very reason that Washington wasn't represented. Others feared the potential 'bull in the China shop' if Washington also sat at the table. Dmitri Trenin reminded participants that it was crucial to the Russian self-image that „nobody in the world can talk down to Russia". So rather than the ‚if' of U.S. involvement, its ‚tone' would be decisive.

In conclusion, the panel illustrated just what a tall order the theme of the Summer School is: „managing global disorder". The Ukraine discussion showed exactly why: Not only are the problems themselves so very complex and certainly not black-or-white; but also –and as a result of this complexity– there is a constant danger of the consensus and coherence within the Western alliance falling apart. And how could one manage global disorder, if that disorder threatens to paralyze even the most potent manager?

2.12 Security and Governance Challenges in Afghanistan and Pakistan

Speakers: *Hans-Lothar Domröse*, General, Commander, NATO Allied Joint Force Command, Brunssum
Husain Haqqani, Senior Fellow, Director for South and Central Asia, Hudson Institute, Washington, D.C.
Cameron Munter, President and CEO, EastWest Institute, New York
Mariam Tutakhel, Desk Officer, Culture and Media Cooperation with Iran, Pakistan and Afghanistan, Federal Foreign Office, Berlin

Rapporteur: *Erjon Kruja*, United States

Session 12: Thursday, August 20

The speakers covered the situation in Pakistan and Afghanistan with a focus on security and governance issues. All agreed that Pakistan and Afghanistan were interconnected and that there had to be regional dialogue. There was also common agreement that U.S. policies in both countries had to focus on development, government, and civil society besides counterterrorism policies.

Hans-Lothar Domröse gave an overview of the situation on the ground in Afghanistan. He expressed optimism for the country's future saying that Afghans do not want to live under Taliban rules. While security remained fragile, the Afghan National Security Forces (ANSF) were well trained and equipped. He accepted that not all milestones on the governmental agenda had been achieved, but believed that "the government has the support of most Afghans." However, as the Commander said, the rule of law, extra judicial killings, election reform, and violation of human rights remained major problems.

Husain Haqqani shared the view that Afghanistan and Pakistan were interconnected, and listed four major challenges for both countries: Security; economical issues; demographic issues; and corruption, poor governance, and human rights violations. He also underlined the issues that Pakistan faced with identity, considering it was younger as a nation than both its neighbours, India and Afghanistan. He also said that Pakistan could not reach its own full potential as long as there was war. Afghanistan, in contrast, had always had a state building problem.

Regarding security, he posited that the jihadi problem remained and the Taliban – now the second generation of the Soviet era Mujahedeen – continued to play a destructive role. Finally, Haqqani said the Pakistan conundrum could not be solved unless Pakistan changed its India-centric policy; made fair and respectful demands of Afghanistan; and acted against all jihadi groups.

Mariam Tutakhel presented a more optimistic view on the future of the region. She emphasized that Afghan and Pakistani societies were both very young and open to reform. She also mentioned the increasing role that the telecommunication sector played in Afghanistan, having become the biggest taxpayer in the country.

Cameron Munter deplored an overemphasis on security and too little focus on governance in the region. He expressed pessimism whether change in Pakistan could

come from within, arguing that the elites would not act because that was not in their immediate interest. To him, Pakistan was an almost failed state.

The ensuing debate covered a wide array of topics. Speakers reiterated that mistakes were made in Afghanistan especially with a focus on counterterrorism operations. Haqqani called for optimism and underlined that Afghan women were now empowered and getting educated. Tutakhel said the civil society in Afghanistan was getting stronger and played a constructive role during the elections.

Taken together, the view was that once war-torn (and still very violent) Afghanistan and relatively stable but dysfunctional Pakistan could not be approached separately.

2.13 Transatlantic Trade and Investment Partnership: Blessing or curse?

Speakers: *Elmar Brok*, Member of the European Parliament, Chairman of the Committee on Foreign Affairs, Brussels/Strasbourg
Josef Braml, Resident Fellow, Research Program USA/Transatlantic Relations, German Council on Foreign Relations, Berlin
Jackson Janes, President, American Institute for Contemporary German Studies, Johns Hopkins University, Washington, D.C.
Stormy-Annika Mildner, Head of Department External Economic Policy, Federation of German Industries, Berlin
Bartłomiej Nowak, Assistant Professor, Vistula University, Warsaw

Rapporteur: *Martha Baxter*, United Kingdom

Session 13: Friday, August 21

This panel examined the Transatlantic Trade and Investment Partnership (TTIP), a bilateral free trade agreement currently under negotiation between the United States and the European Union. Speakers and participants discussed the motivations behind TTIP, the controversial nature of the agreement, as well as who is set to win and lose from the deal.

First, speakers proposed different motivations for TTIP. For some the rationale was economic. Following the global financial and economic crisis, countries were seeking to boost growth. OECD countries in particular had been experiencing a slow recovery after 2008, while economic power continued to shift to the East. Furthermore, with global trade negotiations stuck, countries were turning to bilateral and/or regional trade agreements in order to further liberalise trade.

For others, TTIP was a primarily geopolitical project. It aimed to strengthen the transatlantic area in response to a rising China which itself was building up free trade relationships and zones that excluded the United States. Elmar Brok stressed the strategic importance of TTIP, and remarked that both the United States and the EU each had negotiated many trade deals with other, less powerful countries, but not with each other. This now posed a problem given each side's economic weight.

Jackson James argued that in spite of the reasons in favour of TTIP, the timing of the negotiations was problematic. He did not expect them to be concluded within the remainder of the current U.S. administration. Further complicating matters, the United States was also currently negotiating the Transpacific Trade Partnership (TTP), a deal which Josef Braml thinks was the priority for Washington.

Second, speakers agreed that TTIP had been one of the most controversial trade agreements. The controversy was perhaps even more surprising in Germany, given that the country was heavily trade-dependent, with 70% of GDP linked to trade. Every second job in industry, and every fourth job economy-wide depended on trade.

Stormy-Annika Mildner proposed several reasons to explain the controversy:

- The scale and scope of TTIP were much greater than most regular free trade agreements (FTA), going beyond tariffs to include non-tariff barriers and investment;

- A political leadership gap in 2013-2014 meant there was little communication about TTIP from governments or business, allowing NGOs and other critics of the deal to mobilize and get a head start on shaping the narrative;

- Negotiations had become more public. Brok stated that these were the most transparent negotiations ever seen, as usually bilateral trade agreements did not attract much attention;

- Poor public perception of the United States due to the NSA spying scandals;

- A crisis of confidence and public trust in EU policy-makers combined with a perceived lack of transparency in the European Commission;

- A negatively biased media as well as effective anti-TTIP social media campaigns that the deal's supporters lacked a strategy to counter

- Finally, the benefits of TTIP were simply very difficult to explain.

During consultations of the European Commission with civil society this year, the main issues raised were Investor State Dispute Settlement (ISDS), the lack of transparency, the legal fuzziness of terminology included in the deal, and the relationship between ISDS and national legal systems. Brok argued that ISDS would not result in a loss of democracy, but rather protect countries from discrimination in foreign markets.

Janes argued that this controversy was not necessarily about TTIP itself, but represented a general backlash against globalization and governments. Brok and Braml agreed, arguing that parties on both sides of the political spectrum were turning against free trade.

Third, referring to the title of the session, James argued that TTIP would be both a blessing and a curse, as different interest groups would be impacted in different ways. There would be winners and losers to this trade deal, as there were in any trade deal, and this needed to be acknowledged. A challenge would be how to compensate losers. Yet given that the exact form of the agreement was not yet known, Mildner argued that it would be hard to identify who the losers would be. One way to compensate losers could be through trade adjustment assistance, but this would probably not be enough. Welfare systems could also act as a buffer for those groups affected. However, given that many governments did not have the means to compensate losers (due to poor fiscal positions or austerity measures) this made it a very difficult time politically to negotiate a free trade agreement.

Brok argued that TTIP should strengthen both United States and the EU. He described it as a win-win situation, and very important in economic terms given the size of transatlantic trade and investment. For example, 60% of global foreign direct investment was transatlantic. In his view, free trade had always brought benefits and progress. From a politician's perspective, if the overall balance of the agreement was positive, then they should vote 'yes'.

Finally, third countries could also be negatively affected by TTIP due to its trade diverting effects. Turkey for example has a customs union with the EU, but will not be included in TTIP. This means that U.S. goods could come into Turkey under the FTA but Turkish goods would not have access to U.S. markets. For Less Developed Countries (LDCs), tariffs were already low (around 3-4%) so they should not be affected too greatly, except potentially in two areas where tariffs remain high, namely textiles and sugar.

2.14   Gridlock in Global Economic Governance

Speaker: *David Held*, Master, University College Durham, United Kingdom

Rapporteur: *Nino Shekriladze*, Georgia

Session 14: Friday, 21 August 2015

David Held analysed the gridlock in global economic governance resulting from the failure of global cooperation. Today, deepening globalization and interdependence require more global cooperation than ever. At the same time they present both new challenges as well as opportunities, and we do not know how to address them. The resulting gridlock will weaken the ability to coordinate global actions in the future. Short-term efforts will not solve the problems ahead; instead, there is a need to design long-term strategies.

Among the examples of failure in global cooperation, Held mentioned the following: The stalled Doha round trade talks, the on-going negotiations on climate change, a rising wave of migrants, and a failure of Western policies in the Middle East.

The processes that have contributed to creation of the gridlock include the following:

- The global institutions created 70 years ago have proven extremely difficult to change, and outmoded decision-making rules fail to reflect current conditions;

- In many areas international institutions have proliferated with overlapping and contradictory mandates, and their efforts are often uncoordinated;

- The West faces the rise of new powers, such as China and India; at the same time, the dominance of the United States is in decline. In today's world more diverse interests need to be harmonized in order to reach a global deal. Previously, developed countries could make a deal possible. Now developing countries are more active and need to be included. Thus, a unipolar world has shifted to multi-polarity;

- The issues currently negotiated are more complex than before. For example, past rounds of world trade talks mainly addressed tariffs and non-tariff barriers. Today, issues of intellectual property, public procurement, or investor protection need to be agreed on;

- European integration was the most successful political project of our lifetime, but it also helped create the conditions for the EU's own gridlock. The decision to adopt a common currency created increased interdependence that required a deeper level of political integration that is hard to achieve.

Against this backdrop, Held observed the following trends:

- Preferential trade agreements and bilateral agreements have emerged as competitors for multilateral trade governance;

- Asian countries have used their growing economic weight to seek regional solutions, but these regional institutions have limited ability for global governance;

- The G20 is itself a consequence of the growing multi-polarity. It provided the forum that saved the world from economic collapse after the financial crisis of

2008, but has since failed to take on an active and constructive role in global economic governance;

- The model of liberal economics is in search of a new paradigm.

Some possible future developments include the following:

- Change in global institutions (for example, in the UN Security Council or the IMF) is not foreseeable in the short to medium-term. As a consequence, developing countries will elsewhere seek a solution to their own underrepresentation, such as in strengthened South-South institutions. At the same time, such regional cooperation could harden the gridlock at the global level;

- The United States will continue to follow bilateral and preferential agreements, which proved to be successful for it in recent years.

- Successful institutions are often developed under pressure of a possible crackdown.

The world faces a number of the challenges and one of the most serious is climate change. Acting in advance before the crisis unfolds is key. That's why the climate negotiations of Paris at the end of 2015 are extremely important. If we were able to achieve breakthrough in Paris, we could find breakthrough in case of other challenges as well, Held concluded optimistically.

2.15   Panel Discussion: Global Economic Challenges

Speakers: *David Held*, Master, University College, Durham
              Steffen Kern, Chief Economist and Head of Financial Stability,
              European Securities and Markets Authority (ESMA)
              Manfred Lahnstein, Chairman of the Board of Trustees, ZEIT-
              Stiftung Ebelin und Gerd Bucerius
              Susanne Schmidt, Business Journalist and Author

Rapporteur: *Hanna Müller*, Germany

Session 15:   Friday, August 21

This session primarily addressed the global economic challenges and how to deal with them. One major bone of contention was whether re-regulation after the financial crisis of 2008 was sufficient, still inadequate, or rather about to become a burden for the financial sector.

The first speaker, Manfred Lahnstein, stated that a growing "de-globalization" was a major threat to all nations and countries in the years to come. Globalization offered a lot of opportunities for nations to create wealth, but these opportunities had come under threat recently. What we could see now, he said, was an increasingly fragmented world, in which a society's awareness always lagged behind economic and technological development. Especially financial institutions still reflected the structure of power of the time in which they were established. The creation of alternative financial institutions such as the BRICS Bank or the Asian Infrastructure Investment Bank (AIIB), were signs of an on-going fragmentation.

There were a few ways to handle this "fragmented world", Lahnstein suggested. One should be aware not to fall behind the status that we (the Western world) had already achieved. Moreover, the efforts to reform the old Bretton Woods institutions should be renewed. The G20 should be strengthened, as should be the EU. Russia should be part of that process and therefore all efforts should be made to convince Russia to come back to the negotiations table.

Susanne Schmidt drew a slightly brighter picture. Despite weak growth rates, low employment rates and low interest rates, a lot had been achieved in tackling global economic challenges. However, one might be concerned that the debate about these issues could lead to the wrong political decisions. She stressed that the normalization of monetary policy was overdue in developed countries. Concerning the role of central banks in handling global challenges, she doubted that they had learned their lessons. Central banks should do their primary work and not the "dirty work" for their governments. The answer to slow economic growth and unemployment were not more debts, but structural reforms – which were again different from the austerity that had become a "bad word" in the last years, especially in the EU.

Stefan Kern focused on the G20's Program to Reform Global Financial Regulation and how it was able to "tackle the beast", i.e. the markets. He gave an overview of its achievements thus far, which reflected the fact that G20 leaders had clearly seen that their reform program would have to be comprehensive in order to control risks. The implementation of the reform program had been quite successful in recent years and its development had shown close cooperation among G20 members, which all had to face a large degree of transformation caused by the crisis. With regard to the hetero-

geneity and diverse interests of the G20, the outcome of the reform program was surprisingly comprehensive on both quality and quantity.

The discussion following the statements showed that the aspect of regulation remains controversial. Some participants were of the opinion that the banking sector was in danger to be over-regulated. The panellists stated that this regulation was needed and that the banks were part of problem that caused the financial crisis in 2008.

2.16 BRICS: Political Governance

Speakers: *Thorsten Benner*, Director, Global Public Policy Institute, Berlin
                 Fyodor Lukyanov, Editor-in-Chief, Russia in Global Affairs, Chairman of Presidium of the Council on Foreign and Defense Policy, Moscow
                 Samir Saran, Vice-President, Observer Research Foundation, Delhi
                 Qingmin Zhang, Professor at the Center for International and Strategic Studies, Peking University, Beijing

Rapporteur: *Joscha Rosenbusch*, Germany

Session 16:   August 22

The panel discussed the role of BRICS member states and their cooperation in global governance. Speakers agreed that the difficulty of the prevailing Western dominated global system to adapt to the shifts in global economic power had paved the way for stronger cooperation amongst the BRICS. The latter had three main reasons: first, to change the rules of the system; second, to establish new institutions that ensured the BRICS' future economic prosperity and growth; and third, a set of heterogeneous national interests in strengthening cooperation with other BRICS that differed from country to country.

Stronger BRICS cooperation is generated by gridlock of the existing global system, in particular its failure to reform and take into account the economic power of developing countries. All BRICS countries strive for a more prominent role in the global system that adequately reflects their economic strength. Having benefitted from the existing system, BRICS members do not have a revolutionary impulse for stronger cooperation in opposition to the global world order but rather an evolutionary impulse within that order. In fact, BRICS membership comes with a rather low level of commitment, a low level of institutionalisation, and almost no political costs.

With institutions like the New Development Bank and the Contingency Reserve Arrangement, the BRICS aim to foster investment, trade, and financial and economic stability within their community. Their cooperation will not only be beneficial for the BRICS members, but also for other developing countries, as BRICS institutions will offer an alternative to the Bretton Woods Institutions. BRICS is further a mutual reinsurance against the economic power of the West, as manifested for example in its sanctions regimes. Every BRICS country's trade is highly dependent on the West, with the trade volume with the United States and the EU being bigger than trade with the rest of the BRICS members combined. BRICS is thus seen as a mechanism to lower this dependency.

Apart from these common interests, China sees the BRICS as a tool to change the rules of the global financial and economic system. Moreover, it supports the industrial development also in other countries in order to create markets for its industries. Russia's interest in the BRICS is driven by its current fallout with the Western world and its search for new allies. India's interest stems from internal development efforts and its search for new ways of economic cooperation for development and industrialisation. Further, the BRICS allows India to establish good relationships with China, despite current tensions and disputes.

The reaction of the Western countries to an increased cooperation amongst the BRICS could be to restore the legitimacy of the existing world order by allowing for more power of BRICS, and, on the pragmatic side, issue specific cooperation. It will be crucial for Western countries to have a coherent approach. With regard to the future role of the Bretton Woods Institutions panellists stated that they would rather become less important to the non-Western world, if no reforms are implemented.

2.17 BRICS: Social Policies and Economic Developments

Speaker: *Fyodor Lukyanov*, Editor-in-Chief, Russia in Global Affairs, Chairman of the Presidium of the Council on Foreign and Defense Policy, Moscow
Karen Smith, Senior Lecturer in International Relations, University of Cape Town, Cape Town
Oliver Stuenkel, Assistant Professor of International Relations, Fundação Getúlio Vargas, São Paulo
Wei Wei Zhang, Professor of International Relations, Fudan University, Shanghai

Rapporteur: *Hermance de la Bastide*, France

Session 17:   Saturday, August 22

The four speakers represented their views on the social and economic policies developed by the BRICS countries, either individually or as a group. The main question was whether there was a "BRICS model" for these policies and to what extent these policies would be coordinated or even formalised at an institutional level.

Steady economic development, which used to be a main commonality of the BRICS, is no longer a reality shared by all members of the group. On the contrary, economic stagnation could have mutual spill-over effects on the five member countries, Brazil, Russia, India, China, and South Africa. Indeed, the member status of South Africa was also questioned: It was stressed that South Africa was never considered as an economic equal to the original BRIC. Rather it was admitted into the group for political reasons and in order to fulfil a perceived need for African representation.

The speakers discussed the social impacts of the economic policies implemented by BRICS countries as they were still enjoying high economic growth rates. It is hard to identify common social policies between BRICS but increasing inequalities and lack of social safety nets are common features to the group. It was highlighted that the failure by most countries to implement social policy reforms was likely to lead to social instability, compromising further economic development. However, Wei Wei Zhang insisted on China's success to reform its economy and to deal with social policy challenges. He presented these efforts as an alternative model that could become aspirational for the other BRICS countries. According to him, this would create a shift from the old paradigm of democracy vs. autocracy to one of good vs. bad governance.

Oliver Stünkel supported the view that the BRICS grouping was much more than a yearly summit of heads of State. It was developing institutions and coordination mechanisms in a large number of policy fields, including social policy and security with regular meetings at ministerial level. In his view there existed a "BRICS universe" which aims at strengthening intra-BRICS ties, rather than to create an alternative to the existing international order. However, with sparking the Ukraine crisis, Russia had permanently buried the idea of being part of an "extended West". President Putin was presented as a "status quo" person who, instead of using his extremely strong popularity among Russian citizens to conduct daring reforms, is resisting to a real change in economic policy.

In addition, some participants noted that the United States remained the main partner of each country, although for instance China had become Brazil's most important trading partner. It was also further argued that each of the BRICS country is more inward looking and more preoccupied with domestic or regional challenges than focusing on being coordinated as a group, let alone contributing to governance at a global level.

A final remark was made on the fact that many debates in the West about the BRICS and their policy choices are in fact irrelevant to these countries themselves. In that sense, getting these countries to agree to joint social and economic policies would already be a success. Asking them to contribute to global governance, whether in Western style or through alternative means, is still a long way off.

2.18 Data Protection and Cyber Security

Speaker: *Latha Reddy*, Former Deputy National Security Advisor of India, Bangalore
Elmar Theveßen, Deputy Editor-in-Chief, Head of News, ZDF German Television, Mainz
Tatiana Tropina, Senior Researcher, Max Planck Institute for Foreign and International Criminal Law, Freiburg i. Br.

Rapporteur: *Harry Sumitro Sam*, Indonesia

Session 18: Monday, August 24

The Internet has become a vital part of all of our lives, from communication to banking to transportation to medical appointments. Governments have responsibilities to ensure their citizens have access to these goods, services, and quality of life enablers. Furthermore, when and if something catastrophic were to occur in the cyber space, such as a power grid being taken down digitally, citizens would face very real consequences. They would blame their governments for allowing such an attack to happen. Therefore, governments have a right and indeed responsibility to prevent such attacks and infringements on cyber infrastructure via regulations. Data protection rules and cyber security strategy become increasingly important elements for Internet governance.

Cyberspace has become the foundation of Internet governance. Arriving at a definition of Internet governance has proven to be difficult. Internet governance is cooperatively conducted by a multi-stakeholder approach from civil society, private sector, national governments and international organizations. The important aspect of this description indicates that the government cannot stand alone to secure cyberspace. Internet is a borderless medium to communicate with people because it does not need jurisdiction.

More than just communication, the Internet allows people to access all data at any time. Any actor can drive an activity with technology and data access. Namely, U.S. authorities can easily access the personal data of individuals for crime prevention purposes. At the same time, the collected data is not only used by government authorities, but it can be used also by criminals around the world, whether as state or non-state actors. Building data protection and cyber security has become the greatest challenge for government, civil society and other actors that try to lay the foundation for Internet governance.

The fact that so many cyber security breaches occurred over the past ten years has not stopped the multi-stakeholder approach to Internet governance. The United States in 2014 encountered a system breach of their database holding personnel information, with about 22 million people's sensitive information allegedly stolen by the Chinese government. Another breach happened to a private company, Sony Pictures, whose computer system was hacked with an estimated damage of one to two billion U.S. dollars. Sony Pictures did not retaliate because they did not know who the main actor was behind the attack. Furthermore, big corporations such Sony Pictures pondered every action not only with regard to cyber protection but also to consumer relations and service.

The fundamental initiative to strengthen cyber security is to educate basic users. Those who use the Internet in the simplest way should learn to change their passwords regularly and not to open suspicious messages that could lead to cyber attacks. Users should secure their systems as much as possible, and companies should make more secure products. This is called "cyber hygiene". The next level of this step-by-step approach is to educate small companies with the support of industry or trade associations. They need to know that their data could be stolen and their system hacked, with highly undesirable consequences. In addition, large companies are also often not enough prepared to respond to a cyber attack.

Finally, when a cyber attack occurs, citizens will accuse their government of allowing such an attack to happen. Due to this responsibility, governments have the right to set up a body of law in human rights and criminal justice to protect critical infrastructure via regulations. For example, India has a ministry of Communication and Information Technology that carries out cyber security activity. It published a cyber security policy and talked to the private sector about how to cooperate more closely.

In order to build a resilient cyber infrastructure, there are three important levels. First, data protection is where individuals place their data so that these cannot be misused. Essentially, protecting the privacy of the individual helps secure the country. Second, national and international cyber strategy is needed to support the cyber- security infrastructure. Third, an international convention is needed as the place for regulating cyber warfare and providing security through international agreements. As it will be not that easy to come to such an agreement for political reason, effective lobbying and active leaders should take the initiative. Politicians and governments are responsible for thinking ahead, coming up with new ideas, systems, and rules to make the Internet world secure without giving up freedom.

The discussion addressed a number of questions with respect to cyber security both today and with regard to the problems that may still arise. It showed that there was a different utilization of technology across the world: Some (governments) utilised it for positive reasons while other countries used it for suppressing people through censorship and control. In the end, participants agreed that despite the challenges, the interconnected world provided huge advantages and the world could become much better for it. If only people used it in positive way and stopped the abuse of cyberspace, especially data protection and cyber security.

2.19 Breakout Session: Innovative Architecture and Social Design Concepts for Humanitarian Needs

Speaker: *Daniel Kerber*, Founder and Director, morethanshelters, Hamburg/Berlin

Rapporteur: *Koosje Beumer – van der Loo*, The Netherlands

Session 19: Wednesday, August 26

Daniel Kerber presented the vision and mission of *morethanshelters* and their alternative approach to refugee situations worldwide. This approach can be summarized under the term 'Integrated Design', meaning the contextual creation and planning of systems, structures and products. Following the logic that people themselves know best what they need, projects are conducted in co-creation processes. Through social design and community engagement activities, people get the opportunity to improve their own situation, recreate dignity and generate local innovation for the most appropriate solutions.

Today, more than one billion people live in unsafe, unhealthy and miserable conditions. Recent statistics indicate that worldwide slums are growing by 180,000 people every day. The UN predicts that in 2050 three billion people will be living in slums, informal settlements, or refugee camps. The average lifespan of a refugee camp today is close to 20 years. The average length of stay of a refugee amounts to up to 12 years. Half of today's refugees are unlikely ever to return to their home country.

These developments pose new and complex challenges to humanitarian assistance and ask for more sustainable solutions. *Morethanshelters* aims to create a temporary 'home' for refugees and residents of informal settlements and to encourage them to actively shape their own future.

The Za'atari refugee camp in Jordan was erected in 2012 and provides shelters to around 85,000 Syrian residents. The initial design of the settlement was military. Military settlements and camps are designed to fulfil the immediate and basic requirements of its inhabitants, but do not necessarily take into account the long-term individual needs, safety, security and privacy of its inhabitants. The unauthorised rearrangement of the initial camp structure by individual inhabitants to one that respected their personal cultural needs led to severe problems with wastewater and hygiene in the settlement.

With a diverse team of beneficiaries, external experts, and other involved actors, the idea was developed to implement a small and innovative garden system. This would not only allow for filtering the wastewater but also foster the creation of small income sources and the growth of so called 'garden clubs' that fulfil the inhabitants' need for social interaction within their community. Started one year ago with a pilot project of only five families, the camp now has around 4,000 gardeners.

This example illustrates that effective humanitarian assistance relies on optimized products that ensure not only the survival of the affected people but foster their needs and help restoring dignity and hope. It is about finding the right balance between the necessary standardization to react fast enough when a conflict or natural disaster emerges, and local appropriation taking into account the socio-cultural and individual needs of the affected population.

Against this background *morethanshelters* developed the DOMO shelter. This modular emergency shelter design takes into account the diverse range of geographical and climatic conditions as well as culture-specific needs of populations affected in emergencies. On one hand it fulfils the shelter standards set by the UN and can thus be a basic shelter for fast relief. On the other hand it brings a whole set of possibilities for further alteration and local adaption as it can gradually be transformed towards a more stable long-term solution. Ultimately, it can grow with the actual demands of its users.

Given this successful development, the question arose how to move humanitarian innovations to scale. Efforts have been made to embed innovation in the work of existing humanitarian organisations. However, this is not an easy task. Humanitarian work is based on the standard of equal service delivery. There is only limited space for adaptation and flexibility. The consequences of failure in humanitarian efforts are high since the lives of people are at risk, and emergencies tend to be high profile and political. As a result, many donors and agencies have a strong aversion to untested approaches, and to activities that do not contribute directly to the immediate response. To harness the potential of humanitarian innovation, dialogue and collaboration are needed, particularly across sectors. Collectively, humanitarian challenges can be turned into sustainable opportunities for all.

2.20 Breakout Session: Creating Economic and Social Stability in Bosnia and Herzegovina

Speaker: *Zoran Puljic*, Director, Mozaik Foundation, Sarajevo

Rapporteur: *Ann Marie Dailey*, United States of America

Session 20:   Wednesday, August 26

This session was unique in that it focused not on geopolitical conflict or governance between nations, but rather analysed in-depth the impact on a nation instituting governance in a post-conflict scenario. Specifically, the group discussed the role of international actors in setting the conditions for peace in Bosnia and Herzegovina, and how their subsequent efforts to implement and maintain that peace have helped to stabilize the society while creating significant governance challenges at the national and local levels. The Mozaik Foundation's efforts appeared a viable way of addressing governance challenges through the development of social entrepreneurship in that country.

International actors played a critical role in halting the violence in Bosnia and Herzegovina through military assistance and diplomatic negotiation. Following the Dayton Accords of 1995, international actors remained active in the country's governance in the form of the Office of the High Representative (OHR), the International Criminal Tribunal for the Former Yugoslavia (ICTY), peacekeepers, and aid donors.

Unfortunately, their involvement has led to a culture of dependency. Students receive a free but sub-standard higher education, and then expect the government to provide them with jobs. Ethnic groups focus on grievances with ICTY decisions instead of reconciliation at home. Local NGOs use international aid as a way of distributing favours to friends and family (such as a free trip to Europe or the United States for a conference or course) instead of working to improve their communities. Politicians stoke ethnic tension to drive up voter turnout.

Thus far, external actors' efforts to impose unification from the top have had limited success. The military is unified, for example, but the country has failed to produce a unified constitution. Puljic hopes that once the various ethnic groups can be brought together to work on common interests such as social and economic development, then the country would be able to tackle larger issues such as institutional reform.

That is why the Mozaik Foundation seeks to utilize local economic development projects and social entrepreneurship to overcome ethnic tensions and create hope for the country's youth, around two thirds of which are unemployed. For example, in 2004, the Foundation sent envoys to separately talk with the leaders of a town divided between (Muslim) Bosniaks and (Orthodox) Serbs. They offered to help invest in a road, but only if the two sides agreed to work on it together. In the end, they built a community centre, and now Bosniaks and Serbs in that town play football and celebrate New Year's Eve together.

While small projects such as these had helped, Puljic directed the Foundation to undergo a strategic review on how it could have a bigger impact. As a result, Mozaik hopes to train five thousand young social entrepreneurs by 2025. This could address youth unemployment and have a multiplier impact on the economy and society. If this approach worked, it could provide a promising template for other post-conflict zones.

2.21 Breakout Session: Causing prosperity in Africa through Free Enterprise

Speaker: *James Shikwati*, Founder and Director, Inter Region Economic Network (IREN), Nairobi, Kenya

Rapporteur: *David Bachmann*, Germany

Session 21: Wednesday, August 26

What is the role of free enterprise for Africa's prosperity? The discussion revealed three major changes that fundamentally influence Africa's economic activities and governing structure today: First, new governance, based on new foreign and local players challenging the traditional, aid-based approach of Western governments to economic development in Africa; second, new investors, with African investors gaining in importance; and thirdly, new (adapted) technologies, as Africa's start-up and business scene adapts technological innovations to local needs and standards.

The discussion on the role of free enterprises for Africa's prosperity can be summarized in one sentence: for those who have not done so yet, it is time to change their perception of Africa. To get to this point, the speaker and participants touched on a whole range of issues beyond the session's direct focus, such as Africa's new business spirit and the emergence of informal local start-up scenes, the struggle of Western governments to keep up with Chinese and Indian activities and investments, and the tiredness of the next upcoming generation of being seen as a continent that relies on foreign aid.

The discussion raised three major points. New governance ("a power shift"): Almost all African countries have experienced the presence of new players that challenge the traditional, aid-based approach of Western governments to economic development in Africa. The most prominent example is the role China has played in recent years, in particular with regard – but not limited – to infrastructure development. Massive inter-regional infrastructure projects have been realized with the support of the Chinese government. It was argued that these projects had not only fuelled economic development and growth in Africa, but could also be seen as a good metaphor for an historic power shift. The Ethiopian and Kenyan press had pointed this out during the recent visit of the U.S. President to East Africa saying, "Even Obama has to ride on Chinese roads". The Chinese approach was presented as being "more pragmatic", "less political", and "less patronizing". This would set a counterbalance to the Western approach, characterized in the discussion as "imposing own values and rules" by way of a monologue, rather than true interest in a dialogue. This sparked a controversial discussion whether the deepened relationships between African countries and the Chinese government merely represented replacing one dependency with another, or whether they could be the source of a new economic independence freed from post-colonial rules? Either way, no doubts remained that Western governments had lost influence, both politically and economically, over governments in Africa.

New investors ("a regional approach"): In addition to foreign investors and governments, African funders focusing on inter-regional investments have emerged as new kind of investors. The strong economic development and growth in many West- and East African countries, it was argued, had led to a concentrated accumulation of

wealth and an increasing role of African investors. Encouraging as this development was, several severe barriers for these investments were raised in the discussion. Most importantly the need for the business community to have very tight links to the respective governments was seen as a clear impediment to free enterprise.

New technologies ("adapt and succeed"): A high penetration with mobile phones due to an absence of landlines, rapidly growing mobile payment and online banking given the lack of physical bank branches, smallholder farmers trading their commodities based on text message services – there are many examples where new technologies have been very successfully adapted to the local needs and standards, and where a "bottom of the pyramid"-approach was proven successful. More interesting, it was argued, these technologies have not only led these countries to "skip" certain technologies (like landlines), but have been successfully adapted thanks to a vibrant, local start-up scene that understands how to adapt technological innovations to local needs. While one could find those products everywhere, it might be harder to find the actual entrepreneurs, some participants argued. The start-up scene in countries like Nigeria or Kenya was almost invisible, given that it was mainly an informal or shadow market, with no registrations or taxes paid, that only surfaced when significant financiers called for innovation and offered investments.

It is time to change the perception of Africa. Even though massive problems like corruption and economic inefficiencies persist, outsiders have to understand the new powers and investors on the ground. Africa buzzes with innovation.

2.22 Tackling Social Problems with Business Solutions

Speaker: *Daniel Kerber*, Founder and Director, morethanshelters, Hamburg/Berlin
Zoran Puljic, Director, Mozaik Foundation, Sarajevo
James Shikwati, Founder and Director, Inter Region Economic Network (IREN), Nairobi, Kenya

Rapporteur: *Anneke Hamilton*, Jamaica

Session 22:   Wednesday, August 26

The panel provided insights into the role of social entrepreneurship in tackling various social problems through the use of targeted business solutions adapted to the specific social and economic contexts of a country. The main objective of social entrepreneurship is transforming lives and providing opportunities for people, focusing on producing more social and/or economic value for a country. Ensuring the sustainability of social entrepreneurship requires appropriate business models, collaboration with international development organizations, and commitment to actively developing innovative solutions. The dissemination of lessons learned to policymakers will be the next step in shaping the future policy agenda and creating a conducive environment for social entrepreneurs. This way, the latter can continue developing and implementing business solutions to help address social ills.

In today's world there are numerous social problems that need to be addressed and which require an alternative approach to the one put forward by international organizations, governments and donor communities. These entities are often constrained by the way they operate and unable to adequately respond. The social entrepreneur, in contrast, provides a social business model as an alternative avenue to address social issues. This can help to bridge the gap between humanitarian agencies on one side and the government on the other. Whether it is developing innovative architecture to provide temporary homes for displaced populations in Jordan, creating initiatives to address economic and social empowerment of disadvantaged groups in Bosnia and Herzegovina, or implementing strategies to generate prosperity in Africa through free enterprise – the social entrepreneur has a place in today's world.

Understanding the role of social entrepreneurs is critical in defining their work and mandate, as they are not "there only for the money". Instead there is the implicit recognition that the core work focuses on filling a specific social need, which is likely to entail working with lower margins than would be expected of a regular entrepreneur. This is what differentiates it from corporate social responsibility, which is about the contribution of a regular (profit-making) company to its community.

The main focus of the social entrepreneur's approach is on tackling social problems, providing opportunities for people to help themselves, and transforming lives through the process. Consequently, morethanshelters focuses on addressing humanitarian needs in the refugee camp of Za'atari in Northern Jordan, which is home to over 80,000 people. In particular, they aim to provide dignity in humanitarian action through the creation of temporary homes for displaced persons and promotion of sustainable practices regarding solid waste management. Given that the average lifespan of a refugee camp is close to 20 years, emphasis is placed on creating a

home for people who have been forced into an emergency situation and giving them the opportunity to help themselves.

Similarly, the Mozaik Foundation in Bosnia and Herzegovina saw the need to invest in enterprise development, primarily through leadership and youth entrepreneurship as well as strengthening social cohesion in communities. Recognizing the social issues stemming from ethnic differences, corruption, unemployment and a fragmented government, they provide social and economic empowerment in order to improve the quality of people's lives. Finally, the Inter Region Economic Network in Kenya focuses on enhancing the standard of living for people in Africa through the development of ideas and strategies, resulting in targeted projects and training activities promoting prosperity through free enterprise.

The sustainability of social entrepreneurship has become an even greater necessity in the face of the increasing number of social crises around the world requiring long-term solutions, while access to funding is shrinking. This economic factor plays an important role in ensuring the viability of social entrepreneurship, and speakers highlighted the need to develop appropriate and sustainable business models to address these long-term social problems. In particular, it was emphasized that "complex social issues need to be tackled using process-oriented – as opposed to goal-focused – solutions" that are geared at creating self-sustaining systems. The formalization of informal businesses into appropriate long-term business models was also identified as a feasible solution to ensure the sustainability of social initiatives. This could mean incubating small and informal businesses to generate economic activity in refugee camps. Similarly, in the case of free enterprise, it was underscored that priority should be given to generating enterprises that can operate at a level, whereby effective value chains are developed that can create value for other stakeholders along the chain.

Critical to the issue of sustainability is also the need to train young entrepreneurs, an approach which all three of the identified projects implement in various forms. In addition, all of the speakers highlighted, through various examples, the importance of developing innovative solutions as one of the key drivers in ensuring the sustainability of social entrepreneurship projects. Even though international development organizations face challenges to adapt to the fast emerging social problems of today's world, their cooperation is integral to the sustainability of these initiatives. Ultimately, addressing social problems in a sustainable manner requires out of the box solutions alongside networking, coordination and cooperation with relevant stakeholders and international organizations.

In looking at the future of social entrepreneurship and the role of policymakers, some asked how the lessons learned from this type of approach could reach policymakers: How could one ensure that this knowledge assists in shaping the future policy agenda and regulatory environment? In response, speakers indicated that there was still some way to go, as policy-makers still needed to recognize that social entrepreneurs could provide a viable business model to address social issues. The next step in this on-going and long-term process is to sensitise policymakers to create a conducive environment to implement business solutions geared at tackling social problems.