

# Democracy and Freedom in a Multipolar World

13<sup>th</sup> Annual Forum 2000 Conference  
Prague, October 11–13, 2009

CONFERENCE REPORT





**Democracy and Freedom  
in a Multipolar World**



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**13<sup>th</sup> Annual Forum 2000 Conference  
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## Editors' Note

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Changes in the transcripts were made in order to enhance readability. These included eliminating interjections, correcting misused phrases, and adapting spoken language to written language. We can assure that the original intent of the delegates was maintained and thus the edits were for the sole purpose of clarity. Any remaining errors are our own.

We would especially like to thank Wesam Eleyan, Maryna Puzdrova and Jana Plater-Zyberk for providing valuable help with this conference report.

We hope that you will find this report as interesting as we did and would greatly appreciate any feedback via e-mail to [secretariat@forum2000.cz](mailto:secretariat@forum2000.cz).

Oldřich Černý, Klára Bednářová, Eleanor Hammond

Original video recordings of all of the transcribed presentations can be found on the Forum 2000 website: <http://www.forum2000.cz/en/projects/forum-2000-conferences/2009/video-recordings/>

For the associated events, please see written summaries at: <http://www.forum2000.cz/en/projects/forum-2000-conferences/2009/summaries/>



# Introduction

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By **Oldřich Černý**, Executive Director of the Forum 2000 Foundation

Forum 2000 began in 1997 when President Václav Havel, Elie Wiesel and Yohei Sasakawa invited to Prague a number of past and present politicians, philosophers, artists, business executives and representatives of various religions – in short, people who had experience of bearing responsibility. The aim of this gathering was to analyze the hopes, challenges and threats facing humankind on the threshold of the new millennium.

What was originally intended as a single event has evolved into a highly successful conference series which serves as a platform for identifying the key issues facing civilization and exploring the ways in which to prevent the escalation of conflicts which are primarily driven by religious, cultural or ethnic tensions.

The main theme of the 13<sup>th</sup> Annual Forum 2000 Conference that took place in Prague on October 11–13, 2009 was “Democracy and Freedom in a Multipolar World”. Our distinguished speakers discussed the emerging multipolar world and the implications and challenges for democracy, its developments and the threats it is facing. The human, political and legal perspectives of the controversial Responsibility to Protect doctrine as well as the role of the media, NGOs and economic cooperation were discussed on the panel “The Instruments of International Influence”. A panel on “Multipolarity and Human Rights” attempted to answer some tough questions such as whether emerging multipolarity represents a threat to human rights. The economic recession was reflected by the panel “After the Storm? Can We Discern and Learn What the Economic Crisis is Disclosing about Us?” The Interfaith Dialogue panel, which has been an

inherent part of every Forum 2000 Conference since 1997, focused on the relationship between the world’s religions and democracy. A special panel on security and political challenges in Asia offered some valuable insights on the developments in this dynamic region and key arena of international politics. Other events closely associated with the conference and organized by Forum 2000 Foundation included two additional business panels, a discussion on Russia in global politics and a round table on the role of private philanthropists in addressing global challenges.

Apart from the main conference, which is annually attended by over 3000 observers from the Czech Republic and abroad, the Forum 2000 Foundation, in cooperation with various partners, organizes other events in the form of round tables, seminars and lectures devoted to current political, social, religious, and economic topics.

Allow me to end this introductory note by inviting you to attend the 14<sup>th</sup> Forum 2000 Conference: “The World We Want to Live In” which will be held in Prague, October 10 – 12, 2010.



Yohei Sasakawa

## Founders' Messages

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**Václav Havel**  
Former President  
of the Czech Republic

Dear Friends,

Quite a few months ago, when we were contemplating the main theme for the 13<sup>th</sup> Forum 2000 Conference, I remembered the first one in 1997. That year I, together with Yohei Sasakawa and Elie Wiesel, invited to Prague people from all corners of the world, people of different professions and religious denominations – sociologists, political scientists, philosophers, politicians, former politicians, artists and spiritual leaders to talk about the hopes, expectations and threats facing humankind on the threshold of the new millennium. And in this context I also remembered that 2009 marks the twentieth anniversary of enormous changes that brought about the end of the bi-polar world. Since the first Forum 2000 Conference was in a way an exercise in stock – taking it occurred to me that it may not be such a bad idea to have a closer look at the last 20 years and compare the hopes and expectations that we had in the early 90's with what actually happened since then. Therefore, the 13<sup>th</sup> Forum 2000 Conference entitled "Democracy in a Multi-polar World" will attempt to assess various events and processes that have evolved after the short-lived euphoria of 1989. We shall discuss how to deal with

various permutations and caricatures of democracy that emerged during the last 20 years, shifts in perceptions of human rights, instruments of international influence and moral, ethical and political impacts of the current economic crisis. Hopefully, our discussions will enable us to draw some useful lessons on how to prevent repeating the same mistakes over and over again.

The Forum 2000 conferences have been, from time to time, criticized as being too American-centric and too European-centric. Anyone who looks at the program of this year's conference will notice a substantial increase in representation of other continents, particularly Asia. I am pleased that Forum 2000 thus also definitely becomes a platform for what Yohei Sasakawa calls: "...ideas incorporating viewpoints of people outside the West that reach countries throughout the world".

People often ask me about the purpose of conferences like Forum 2000. What do we concretely gain by convening them? In 1998, when opening the second Forum 2000 Conference I said: "No one expects that this Forum will directly influence the course of events in this world. Nevertheless, I believe that it is our duty to do everything in our power to articulate anew all the threats facing our civilization today and – being guided by a fundamental hope that gives our life meaning – to look for ways of averting all these dangers." It is 2009, and I still stand by those words. Human beings think about this world simply because they are human beings. And even if our conferences do not lead to anything else but self-confirmation of this fundamental human need of reflection, then they are worth it.



**Yohei Sasakawa**  
Chairman of the Nippon  
Foundation

Dear Friends,

This year marks the twentieth anniversary of the Velvet Revolution, a historic event orchestrated by President Havel that irrevocably changed the face of global politics. This major transition showed how a relatively small country in the middle of Europe could play a pivotal role in changing the world and charting the course of history, and that it could do so, not through violence, but through the peaceful pursuit of liberty by its people. It proved unquestionably that moral leadership could make all the difference.

The collapse of authoritarian regimes twenty years ago brought optimism, one might even say euphoria, to the world. It generated a genuine sense of hope that the world would become more united, that we would no longer have to live in fear of self-destruction, and that the world would inevitably change for the better.

Today the world may not be in the divided state it was two decades ago. But, at the same time, the optimism of twenty years ago has all but faded away. The vast collage of interconnected pieces that comprises our world is still plagued with countless problems, ranging from religious conflicts and global epidemics to environmental degradation. Recent events in the world have brought to light the fragility of the very concepts – democracy and freedom – that brought the world together two decades ago. I believe that the world, now more than ever, needs venues like the Forum 2000 Conference. It needs a venue where we can continue to build on the foundation of

our shared moral and spiritual values, foster a sense of universal responsibility for our world, and address the pressing problems the rapidly changing world throws our way. It needs a forum to provide, if not immediate solutions, then certainly moral leadership and a genuine sense of hope from which the world can derive inspiration to continue to tackle these challenges.

Given recent world events, I believe that it is very timely that we will be discussing this year the topic of Democracy and Freedom in a Multipolar World. I am also very pleased that we have been able to organize a special panel on Current Political and Security Challenges in Asia. It is my sincere hope that we can continue to expand the participation of Asia at the Forum 2000, as well as that of other regions of the world that have been somewhat underrepresented in the past, as we continue to build on the important tradition of this Forum.



Trudy Stevenson (left), Festus Mogae (right)

## Delegates' Profiles



### **Izzeldin Abuelaish**

*Doctor and Peace Activist, Canada/Palestine*

A Gazan physician and passionate proponent of peace between the Palestinians and Israelis. On January 16, 2009, he tragically lost three of his daughters and a niece when Israeli tank shells shattered his house in Jabalia in the Gaza Strip. An international foundation, headquartered in Toronto, Canada, is being created to honour his vision and commitment to peace and reconciliation. Educated at Harvard, where he received his Master's degree in Public Health, he is currently an Associate Professor at the Dalla Lana School of Public Health at the University of Toronto, Canada. Dr. Abuelaish is a nominee for the 2010 Nobel Peace Prize.



### **Muriel Anton**

*CEO, Vodafone, Czech Republic/Canada*

Served for four years as the Chief Financial Officer at Vodafone. Before moving to the Czech Republic, she was based in Alberta, Canada, where she gained experience with financial planning, analysis management and directorial positions in various telecommunications companies, such as BCT.TELUS Communications Inc., and AGT Limited. She lectured Macroeconomics at the Department of Economics of the University of Alberta (1988–1991). She holds a Bachelor of Commerce and a Master of Arts in Economics from the University of Alberta, Canada.



### **Ehud Barak**

*Deputy Prime Minister and Minister of Defence, Israel*

Prime Minister of Israel (1999–2001), Minister of Foreign Affairs (1995–1996) and Minister of Interior (1995). He was elected Chairman of the Labour Party and formed the One Israel party in 1999. He was appointed Deputy Prime Minister and Minister of Defense in 2007. Following the Parliament elections, he was once again appointed Deputy Prime Minister and Minister of Defence in the Netanyahu government in March 2009. He served in the Israel Defence Forces from 1959 in various command positions and was awarded the "Distinguished Service Medal" for courage and operational excellence. He holds a B.Sc. in Physics and Mathematics from the Hebrew University in Jerusalem and a M.Sc. in Engineering-Economic Systems from the Stanford University, California.



### **Francisco Bermúdez**

*Former Minister of National Defence, Guatemala*

Retired General of the Army of Guatemala, President of the Conference of Armed Forces of Central America and the Ambassador of Guatemala to the Republic of China, Taiwan. Mr. Bermudez was Director of the Department for Strategic Analyses at the Ministry of National Defense and served as Minister of National Defence (2005–2006). He is currently Professor at the Military School of Guatemala and the Centre of National Strategic Studies.



### **José Gabriel Ramón Castillo**

*Human Rights Defender, Sociologist, Journalist and Civil Society Promoter, Cuba*

One of the coordinators of the civic initiative project Varela. During the so-called Black Spring of 2003 he was sentenced to twenty years imprisonment. Due to his serious health problems, he was released and forced to leave the country. He now lives in exile in Spain. Mr. Castillo holds a License in Pedagogy with a specialization in Machinery Construction, as well as a Master's degree in Pedagogy and a post-graduate degree in Metals Technology.


**Oksana Chelysheva**

*PEN Center Writer, Finland/Russia*

Resident of Nizhny Novgorod in Russia, currently living in Finland as PEN center writer in exile. She is a columnist with the Nizhny Novgorod supplement to the Novaya Gazeta and kasparov.ru. Before the ban of the Russian-Chechen Friendship Society under the law on countering extremism, she worked as an editor of the Russian-Chechen Information Agency.


**Pavel Chikov**

*Chair, Interregional Human Rights Association "AGORA", Russia*

Lawyer in Agora, an association of professional human rights lawyers working throughout Russia. Agora lawyers work on resonant human rights trials in Russia and focus on the defense of human rights activists, and dealing with military and police abuses, medical negligence and human rights of children.


**William Cook**

*Professor, State University of New York, USA*

Visiting Professor of Religion and History at Wabash College in Indiana, USA with a PhD degree in Medieval History and teacher of History at the State University of New York at Geneseo since 1970. He has authored six books, mostly about the Franciscan movement, won numerous awards for teaching excellence, and has lectured throughout the United States and Europe. He has created nine courses that are distributed through The Teaching Company. An avid student of democracy, especially the work of Alexis de Tocqueville, he was a candidate for the US Congress in 1998.


**Pepper de Callier**

*Chairman, Bubenik Partners, Czech Republic/USA*

Chairman of Bubenik Partners, retained executive search and executive coaching firm based in Prague. He is a regular columnist for Hospodařské noviny, a Czech economic daily, and has an ongoing blog at Aktualne.cz dealing with issues of leadership, coaching and career development. He is also guest lecturer at the California State University San Marcos and the University of Economics, Prague. Before moving to Prague with his wife Priscilla, he was the U.S. Partner in the International Technology Practice of Heidrick & Struggles.


**Vladimír Dlouhý**

*Economist, International Advisor, Goldman Sachs, Czech Republic*

Czechoslovak Minister of Economy (1989–1992) and Czech Minister of Industry and Trade (1992–1997). Fellow at the Charles University, Prague, where he lectures Macroeconomics and Economic Policy. International Advisor of Goldman Sachs, a global financial services firm providing investment banking, securities and investment management services. Member of several Boards of Directors. He is member of the Executive Board of the Trilateral Commission and of the International Board of Overseers at the Illinois Institute of Technology, Chicago.


**Jan Fischer**

*Prime Minister, Czech Republic*

Prime Minister of the Czech Republic since April 2009. Prior to becoming Primer Minister, he was the Chairman of the Czech Statistical Office. He held the position of Director of Production Department of the Taylor Nelson Sofres Factum (2000–2002) and Head of Research Facilities of the Faculty of Informatics and Statistics of the University of Economics, Prague (2002–2003). He is a member of a numerous prestigious institutions, including the Czech Statistical Society, the International Statistics Institute, the Science Council, the Board of Trustees of the University of Economics, Prague, as well as the Science Council of the University of J.E. Purkyně in Ustí nad Labem.


**Yegor Gaidar**

*Former Prime Minister, Russia*

Appointed Acting Prime Minister under President Boris Yeltsin (1992) and First Vice-Premier to Viktor Chernomyrdin (1993–1994), he advocated liberal economic reforms. He served as the First Vice-Premier of the Russian Government (1991), Minister of Economy (1991–1992) and Minister of Finance (1992). Director of the Institute for the Economy in Transition and Co-Chairman of the Executive Committee of the Union of Rightist Forces, he is the author of numerous books and papers.


**Jeffrey Gedmin**

*President, Radio Free Europe, Czech Republic/USA*

Former Director of the Aspen Institute in Berlin (2001–2007), Resident Scholar at the American Enterprise Institute Washington, D.C. and Executive Director of the New Atlantic Initiative (1996–2001). Lecturer at the Georgetown University, member of the Council on Foreign Relations, the board of the Council for a Community of Democracies (Washington, D.C.) and the Program of Atlantic Security Studies (Prague, Czech Republic). He holds a PhD degree of German Area Studies and Linguistics from Georgetown University. His articles on American public diplomacy and foreign policy have appeared in leading U.S. and European publications.


**Bob Geldof**

*Musician and Political Activist, Ireland/United Kingdom*

Irish singer, songwriter and political activist in anti-poverty efforts concerning Africa. He currently serves as an adviser to DATA and the ONE Campaign, global anti-poverty campaigns founded by fellow Irish humanitarian Bono. He was nominated for the Nobel Peace Prize, granted a honorary knighthood by Queen Elizabeth II of the United Kingdom, and among other awards is a recipient of the Man of Peace title, which recognizes individuals who have made “an outstanding contribution to international social justice and peace”. He organized the charity super-concert Live Aid in 1985 and the Live 8 concerts in 2005.


**André Glucksmann**

*Philosopher, France*

Considered a member of the French New Philosophers who supported the 1960's protest movement and opposed the communist regimes in Eastern Europe. Author of *The Master Thinkers (Les Maîtres Penseurs, 1977)* and *Dostoevsky in Manhattan (Dostoïevski à Manhattan, 2002)* His most recent book, *A Child's Rage (Une Rage d'Enfant)*, was published in 2006. Throughout recent crises he has consistently been an outspoken advocate of the “devoir d'ingérence” or the “duty to interfere”. He is presently part of the Cercle de l'Oratoire think tank, which was created shortly after the September 11, 2001 attacks on the World Trade Center.


**Carlos González**

*Political Analyst and Journalist, Respekt Institut, Czech Republic*  
Expert on Latin American foreign policy and Human Rights. Co-Founder of the Center for Analysis and Studies for Latin America associated to Respekt Institut, where he is a research fellow. He is member of the Advisory Board of the Guatemalan think-tank PROLODER. Worked in the human rights section of the People in Need Foundation, Czech Republic, in the recent years has been advising the Lech Walesa's Foundation. Since 2007 he has been an external consultant of the Forum 2000 Foundation. His comments are often published in Central European and Latin American newspapers.


**Riprand Graf V. U. Z. Arco-Zinneberg**

*Founder and Chairman, American Asset Corporation, USA/Germany*

Founder and Chairman of American Asset Corporation, a real estate investment and development company. He left Germany for the USA in 1982 and founded the American Asset Corporation in 1987. He holds majority interest in farming, forest products, brewery and real estate companies in Germany, Austria and the Czech Republic. Director of the East/West Institute, member of the American Council on Germany and the Governor of The Ditchley Park Foundation, UK. He studied architecture at the Technical University in Munich and holds a Master's degree in Engineering and Architecture.


**Michael Green**

*Co-author, “Philanthrocapitalism: How the Rich Can Save the World”, United Kingdom*

A writer, independent consultant and economist by training. He previously taught at Warsaw University in Poland in the early 1990s, and has worked as a freelance journalist. He was as a senior civil servant at the Department for International Development, where he managed British aid to Russia and Ukraine, and ran the Communications Department. He is the co-author, along with Matthew Bishop, of “Philanthrocapitalism: How the Rich Can Save the World”, the first detailed analysis of the current global boom in philanthropy. Mr. Green graduated from the University of Oxford.


**Tomáš Halík**

*Member of the Program Committee, Forum 2000 Foundation, Czech Republic*

Professor of philosophy at Charles University Prague, Pastor of the Academic Parish in Prague and President of the Czech Christian Academy. He is also writer and member of the European Academy of Science and Art. He has lectured at various universities around the world and has been involved in international efforts to promote dialogue and understanding between religions and cultures. In 1992, Pope John Paul II appointed him Advisor to the Pontifical Council for Dialogue with Non-Believers and in 2009, Pope Benedict XVI granted him the title of Monsignor – Honorary Prelate of His Holiness. In 2009 he received the “Truth and Justice” prize for his defence of human rights and justice.


**Václav Havel**

*Former President, Czech Republic*

President of Czechoslovakia (1989–1992) and first President of the Czech Republic (1993–2003). He was a founding member and one of the first spokespersons for the Czechoslovak human rights movement Charter 77. A prominent figure in the Czechoslovak dissident movement and a famous leader of the Velvet Revolution (1989), he is the author of a number of essays and plays, including the latest one called Leaving (Odcházení, 2007). Recipient of many awards, and, together with his wife Dagmar Havlová, co-founder of the Vision 97 Foundation (Vize 97).


**Helena Houdová**

*Founder, Sunflower Children Foundation, USA/Czech Republic*  
Miss Czech Republic 1999 and Founding President of the Sunflower Children's Foundation – a humanitarian aid organization providing survival and development care for the forgotten children of the world. Sunflower's efforts encompass medical, nutritional, psychological, educational, adoption and other humanitarian support that nurtures survival, health, growth and hope for orphaned, disabled, abandoned, refugee and impoverished children. She has been working with orphans and deaf children in the Czech Republic since 1997.


**Sandra Kalniete**

*Member of the European Parliament, Former EU Commissioner, Belgium/Latvia*

Joining politics in 1988, when Latvia was fighting for independence from the Soviet Union, she served as Deputy Chairwoman of the Latvian Popular Front, the main pro-independence political organization. In the past, she worked at the Latvia's Ministry of Foreign Affairs and as an Ambassador to the UN, France and UNESCO. She was appointed Foreign Minister of Latvia (2002) and became the first Latvia's EU Commissioner (2004). She was elected a Member of the European Parliament in 2009.


**Ella Lazarovna Kesaeva**

*Co-Chair, The Voice of Beslan, Russia*

After the Beslan school massacre in 2004, she became member of Mothers of Beslan. In 2005, she founded Voice of Beslan, a non-governmental organization and an association of the parents of child victims of the massacre, highly critical of the Russian authorities and Vladimir Putin for their questionable approach to the crisis and consequent investigation. Currently, she co-chairs the group with her sister.


**Karel Kovanda**

*Deputy Director General, External Relations Directorate General, European Commission, Belgium/ Czech Republic*

Permanent Representative to the North Atlantic Council and Western European Union (1998–2005), Deputy Minister of Foreign Affairs (1997–1998) and Permanent Representative to the United Nations (Representative to the UN Security Council – 1994–1995, Vice-President of ECOSOC – 1996, President of ECOSOC – 1997). He holds PhD in Political science from MIT (1975) and MBA from the Pepperdine University, California (1985).


**Ján Kubiš**

*Executive Secretary, United Nations Economic Commission for Europe, Switzerland/Slovakia*

Former Minister of Foreign Affairs of the Slovak Republic (2006–2009). After graduation from the Moscow State Institute of International Relations, he worked at the Ministry of Foreign Affairs of the Czech and Slovak Federal Republic (1976–1992) and served as an Ambassador and Permanent Representative of the Slovak Republic to the UN (1993–1994). He held the office of Director of the OSCE Conflict Prevention Centre (1994–1998) and served as OSCE Secretary General (1993–1994). Since 2005, he has been the EU Special Representative for Central Asia with office in Brussels.


**Frank Lampl**

*Life President, Bovis Lend Lease, United Kingdom*

Chairman and CEO of Bovis Lend Lease since 2001. He is a former Chancellor of the Kingston University and holds numerous honorary doctorates. He was a member of the Advisory Board of the British Foreign Office Know How Fund and Chairman of the Prague Heritage Fund. Since 2004, he has been a non-executive member of the Board of Directors of the Mills Corporation.


**Jakub Landovský**

*Forum 2000 Foundation, Czech Republic*

Former Middle East Water Project Coordinator, Forum 2000 Foundation, Czech Republic. He is presently working as a lawyer at Marek Legal and lecturer at the Faculty of Social Sciences, Charles University. During his Fulbright scholarship (2005–2006) he worked as a research analyst at Oregon State University. He was a consultant for the United Nations Development Programme and worked as an assistant at the Czech Ministry of Foreign Affairs. He is an advisor to the Chair of the Foreign Affairs Committee of the Parliament of the Czech Republic. His areas of interest include international law relating to water resources.


**Chao-shiuan Liu**

*Former Prime Minister, Taiwan*

Minister of Transportation and Communication (1993–1996), Vice Premier of the Republic of China, Taiwan (1997–2000) and Premier of Taiwan (2008–2009). He is Professor, a Department Chair, Dean and President at the National Tsing Hua University as well as the President of the Soochow University and President of the Association of Private Universities and Colleges. In 1979, he became the Director of the Division of Planning and Evaluation for the National Science Council, Executive Yuan and also served as the Deputy Minister and Minister of the NSCC. He received a Master's in Chemistry from the Université de Sherbrooke, Canada (1968) and a PhD. in Chemistry from the University of Toronto, Canada (1971).


**Javier Loiza**

*Consultant and Political Analyst, Colombia*

Director of the Thomas More School of Government, EGTM and Coordinator of the Post-Graduate Program in Political Science at the Universidad Politecnica de Madrid. He also works as editor of the portal for information and political analysis: nuevapolitica.net. As an expert in renewal processes of political parties, he advised the Board of Directors of the Union of Latin American Parties, UPLA, and was the Alternate Secretary of Foreign Affairs at the Colombian Conservative Party.


**Sergey Lukashevsky**

*Director, Museum and Social Center of Andrey Sakharov, Russia*

Educated as a historian, he started his engagement in the NGOs by participating in the program "History of Dissent Motion" of the society "Memorial" (1991–1998). He took part in the first monitoring of human rights realized by the Moscow Helsinki Group, and acted as editor of the first Antal collections of the MHG reports on human rights issues in Russia (1998–2004). In 2004, together with other NGO activists, he established the first Russian NGO specialized in research in the field of human rights. Director of the Museum and Social Center of Andrey Sakharov since 2008 and the author of publications on the history of dissent in the former Soviet Union and on the state of human rights in Russia.


**James Mancham**

*Founding President, Republic of Seychelles*

The first President of the Republic of Seychelles (1976–1977) after gaining independence from the UK in 1976, founder and leader of Seychelles Democratic Party. In 1977, he was overthrown in the coup, his party was banned, and he was forced to live in exile in the Great Britain. After the dissolution of the Soviet-sponsored one party political system in 1991, he returned to his country and became politically active again.


**Alyksandar Milinkevich**

*Opposition Leader, Belarus*

Opposition leader and presidential candidate (2006). Since 1976, he has been working for the Grodno Yanka Kupala State University as an Associate Professor. He has authored 60 scientific works, dealing with laser equipment and technology, the history of culture, and the science and architecture of Belarus. He was awarded the Sakharov Prize by the European Parliament in 2006.


**Festus Mogae**

*Former President, Botswana*

President of Botswana from 1998 to 2008. He studied economics in the United Kingdom at the University of Sussex and the University of Oxford and returned to Botswana to work as a civil servant before taking up posts with the International Monetary Fund and the Bank of Botswana. Vice-President of Botswana (1992–1998), he won the 2008 Ibrahim Prize for Achievement in African Leadership.


**Jan Mühlfeit**

*Chairman Europe, Microsoft Corporation, Czech Republic*

Chairman of the Europe division of the Microsoft Corporation. Before joining Microsoft, worked in the public sector as a programmer and information systems manager and as Director of International Sales and Marketing for Software602, a Czech software development company. He received a Computer Science degree from the Czech Technical University (1986)


**Harsha Kumara Navaratne**

*Chairman, Sewalanka Foundation, Sri Lanka*

The founding Chairperson of Sewa Finance and Sewalanka Foundation, a leading Sri Lankan non-governmental development organization. Field Director and Vice President of the Sarvodaya Shramadana Movement, later he became an Advisor to the late President Premadasa's Janasaviya Poverty Alleviation Program and his 15,000 Village Development Program. A graduate from the Community Development Studies at the St. Xavier University in the Philippines and an award-winning film-maker.


**Luděk Niedermayer**

*Former Vice-Governor, Czech National Bank, Czech Republic*

Vice Governor of the Czech National Bank (2000–2008). He became the youngest member of the Bank Board of the Czech National Bank in 1996 and stayed member for 12 years. He has the diploma of Mathematics from the Masaryk University, Brno and frequently contributes his articles and analyses to magazine Respekt.


**Michael Novak**

*Theologian and Political Scientist, USA*

Director of Social and Political Studies at the American Enterprise Institute in Washington, D.C. He is the MA graduate in History and Philosophy of Religion from the Harvard University and the author of 26 books on the philosophy and theology of culture with a focus on the essential elements of a free society. He also received number of international awards, including the million-dollar Templeton Prize for Progress in Religion.


**John O'Sullivan**

*Political Commentator, Radio Free Europe, Czech Republic/United Kingdom*

Special Adviser to Prime Minister Margaret Thatcher (1986–1988), He served previously in high editorial positions on The Times and the Daily Telegraph in London. He was an editor-in-chief of various journals, such as National Review, the National Interest, and Policy Review, and of the news agency, United Press International. His other positions include Founder and Co-chairman of the New Atlantic Initiative, member of the Advisory Council of the Social Affairs Unit, London, and the Honorary Board of the Civic Institute in Prague. He was made a Commander of the British Empire in the 1991 New Year's Honors List. He publishes widely on both sides of the Atlantic.


**Oswaldo Payá Sardiñas**

*Cuban Political Activist and Dissident, Cuba*

Oswaldo Payá Sardiñas has repeatedly accepted the invitation to the Forum 2000 Conference but was denied permission by the Cuban government to travel. Cuban political activist and dissident. He is a founding member of the Christian Liberation Movement in 1988. Created by secular Catholics it is today a non-denominational political organization seeking to further the civic and human rights of Cubans. In 1998, together with other members of the Christian Liberation Movement, he founded the Varela Project and remains its most prominent member. The National Dialogue, a process in which thousands of Cubans discuss their visions for Cuba's future, remains his latest effort to bring democracy to Cuba.


**Surin Pitsuwan**

*Secretary General, ASEAN, Thailand*

Deputy Minister of Foreign Affairs (1992–1995) and Minister of Foreign Affairs (1997–2001). A graduate and fellow of universities in Thailand and California and fellow of the Harvard University and the American University of Cairo, Egypt. He was elected Member of the Parliament in 1986 and became Speaker of the House of Representatives. Chairman of the ASEAN Regional Forum (1999–2000). At the present, he is the first ASEAN Secretary General with a significant political background.


**Jorge Quiroga**

*Former President, Bolivia*

President of Bolivia (2001–2002), previously elected Vice President in 1997, the youngest person to have ever held the office. He was Minister of Finance and Under-Secretary of Public Investment and International Cooperation at the Ministry of Planning. Recipient of the World Leader of Tomorrow Award from the World Economic Forum, he served as Governor for the World Bank, Andean Development Corporation, International Finance Corporation and the International Monetary Fund. He received his Bachelor's degree in Industrial Engineering summa cum laude from the Texas A&M University and MBA from the St. Edward's University.


**Sigrid Rausing**

*Founder, Sigrid Rausing Trust, United Kingdom*

Swedish philanthropist, anthropologist and publisher, she founded the Sigrid Rausing Trust (1995) – the largest British philanthropic foundation to support the international human rights movement. Co-founder of a publishing house Portobello Books (2005) and owner of Granta magazine and Granta Books. She received the Beacon Special Award for philanthropy (2005), followed by the 'Changing the Face of Philanthropy' Award in 2006. She is a granddaughter of Ruben Rausing, the founder of the Tetra Pak company.


**David Rosen**

*Former Chairman, International Jewish Committee for Interreligious Consultations, International Director of Interreligious Affairs, American Jewish Committee, Israel*

Former Chief Rabbi of Ireland (1979–1985) and former Chair of the International Jewish Committee for Interreligious Consultations, IJCIC (2005–2009), he is a member and prominent figure of a number of interfaith organizations and forums. In 2005, he was made papal Knight Commander of an Order of St. Gregory the Great for his contributions to Jewish-Catholic reconciliation. Currently, he is Director of American Jewish Committee's Department for Interreligious Affairs.


**Yohei Sasakawa**

*Chairman, The Nippon Foundation, Japan*

Chairman of The Nippon Foundation, Asia's largest private grant maker. A renowned Japanese leader in the philanthropic and NGO fields, he has initiated projects and worked on a global scale in such areas as public health, education and social welfare. He serves as the World Health Organization (WHO) Goodwill Ambassador for Leprosy Elimination, as well as Japan's Ambassador for the Human Rights of People Affected by Leprosy. Together with Václav Havel and Elie Wiesel, Mr. Sasakawa cofounded the Forum 2000 Project.


**Camilla Schippa**

*Senior Vice President, Global Peace Index, Australia*

Regional Adviser to the UN Office for Partnerships, she provides advice and support to the United Nations in efforts to build new partnerships with civil society, foundations, and the private sector in South East Asia. Until early 2008, she was Chief of Office in the United Nations Office for Partnerships within the Executive Office of the UN Secretary-General. In the past, she was part of the team responsible for setting up a new Peacebuilding Support Office at the United Nations.


**Jiří Schneider**

*Program Director, Prague Security Studies Institute, Czech Republic*

Former Head of the Policy Planning Department of the MFA (1993–1994, 1999–2001, 2003), Ambassador of the Czech Republic to Israel (1995–1998). He served as an International Policy Fellow at the Open Society Institute in Budapest (2002) and as an MP of the Czechoslovak Federal Assembly (1990–1992). Prior to 1989 and his entry into public service, he was employed as a forestry surveyor. He serves as a part-time lecturer at the Charles University, at the New York University in Prague, and to the PSSI's Robinson-Martin Security Scholars Program.


**Ady Schonmann**

*Ministry of Foreign Affairs, Israel*

Israel's newly appointed Legal Adviser to the United Nations in New-York currently, served as Deputy Head of the International Law Department in Israel's Foreign Ministry, and was involved in the formulation of the country's foreign policy in terms of human rights. She served as a member of Israel's Negotiating Team with the Palestinians, and has been for many years involved in various aspects of the Middle East Peace Process. She has represented Israel in a variety of international and diplomatic forums. She holds degrees from the Hebrew University of Jerusalem (LLB), Haifa University (LLM) and Harvard University's Kennedy School of Government (MPA).


**Tomáš Sedláček**

*Chief Macroeconomic Strategist, ČSOB Bank, Czech Republic*

Chief of Macroeconomical Strategies of ČSOB bank group and a member of the National Economic Council (NERV), governmental ad hoc body for tackling financial crisis. He was advisor to President Vaclav Havel and to Minister of Finances (2004–2005). He is a lecturer at the Charles University and the New York University in Prague as well as the author of numerous books and articles.


**Anna Sevortian**

*Deputy Director, Center for the Development of Democracy and Human Rights, Russia*

Deputy Director of the Center for the Development of Democracy and Human Rights since 2005. Being an expert on human rights, media freedom and civil society development in Russia, she contributed to 40 research and evaluations projects in her field of expertise and authored and edited a number of publications. Her research interests are focused on the state and non-state actors' relations, channels of political communication in emerging democracies and human rights discourse in international relations.


**Toshimitsu Shigemura**

*Professor of International Relations, Waseda University, Japan*  
Foremost expert on the East Asian Security issue particularly on North Korea. He was formerly Editorial Writer of the Mainichi Daily Newspaper in Japan. Currently, he serves as a Professor at Waseda University, Japan.


**Hillel Shuval**

*Water Expert, The Hebrew University in Jerusalem, Israel*  
Professor Emeritus of Environmental Sciences at the Hebrew University of Jerusalem and past co-Chair of the first and second Israeli-Palestinian International Water Conferences. He led the team of Israeli and Palestinian water experts in drafting the Water Annex of the Geneva Initiative. A veteran Peace Activist, he has conducted wide research on managing water resources and resolving water conflicts in the Middle East. He worked as a consultant to international organizations (e.g. World Bank, WHO, EU, UNESCO), governmental agencies and industries across the globe.


**Prince Norodom Sirivudh**

*Cambodian Institute for Cooperation and Peace, Kingdom of Cambodia*

The prominent figure of FUNCINPEC, the royalist party of Cambodia, and half-brother of the former king Norodom Sihanouk, he was Deputy Prime Minister and Foreign Minister of Cambodia (1993–1994). In 1995, he was arrested and sent into exile in France. Allowed to return in 1998 on the basis of political agreement of the competing parties, he is now the Founder and leading figure of the Cambodian Institute for Cooperation and Peace.


**Petr Šmída**

*Chairman of the Board of Directors, Alfa-Bank, Russia/Czech Republic*

Chairman of the Board of Directors of Alfa-Bank since 2008. He graduated from the University of Economics in Prague, spent four years as Chairman and CEO of GE Capital Bank, Prague after which he was the Senior-Vice President at GE Consumer Finance (USA). He joined Alfa-Bank in 2003 and served as Chief Executive Officer (2004–2007). In his term as CEO, the Bank has grown its balance sheet threefold, has built a strong national retail banking franchise, and has further expanded its corporate and investment banking operations. He also served as First Deputy Chairman of the Board of Directors of Alfa-Bank (2007–2008).


**Klára Starková**

*Executive Committee Member and Head of Polish Operations, Generali PPF Holding, Czech Republic*

Head of Organizational Development and HR, Legal and Internal Audit of Generali PPF Holding. Member of the Executive Committee at Generali PPF Holding, responsible for organizational development, human resources and audit in Poland and Slovakia. Before joining Generali PPF Holding in 2007, she worked 11 years for McKinsey & Company, where she started her professional career as an analyst and later became a partner, specialized in financial institutions at the EU and emerging markets level. Graduated in 1995 from the Vienna University with a degree in Economics and Business Administration, she completed her MBA studies at the US Business School in Prague in 1996.


**Trudy Stevenson**

*Opposition Politician, Zimbabwe*

One of the founding members of the opposition party Movement for Democratic Change (MDC). The first white woman to be voted into MDC National Executive, she is MDC's National Secretary for Policy and Research. After serving two four-year terms as Member of Parliament, she is currently a National Education Advisory Board member and founding trustee of Envision Zimbabwe Women's Trust.



### **John Suárez**

*Human Rights Director, Cuban Democratic Directorate, USA/Cuba*

Author of monographs published by the Center of Studies for a National Option in El Nuevo Herald, The Miami Herald, Epoch Times, and Florida Today. He has spoken before the United Nations Human Rights Commission and before the current UN Human Rights Council as well as before the Inter-American Commission on Human Rights to denounce human rights abuses. He has a Bachelor's degree in Biology from the Florida International University and a Master's Degree in Political Action from the Universidad Francisco de Vitoria.



### **Tamara Sujú Roa**

*Attorney, Human Rights Activist, Venezuela*

Columnist and President of New National Awareness Foundation (Nueva Conciencia Nacional), which is responsible for promoting human rights, values and democratic principles and providing legal support to political prisoners. She is founder of the civic movement Ladies in White – a group of wives, mothers and daughters of several Venezuelan political prisoners.



### **Aung San Suu Kyi**

*Opposition Leader, Nobel Peace Prize Laureate, Burma*

Given her detention under house arrest by the government of Myanmar (Burma), the Forum 2000 Foundation was not able to verify whether the invitation to the Forum 2000 conference to Aung San Suu Kyi was duly delivered. Pro-democracy political activist and dissident. She is the leader of the National League for Democracy in Myanmar (Burma), and a noted prisoner of conscience and advocate of non-violent resistance. She won the Rafto Prize and the Sakharov Prize for Freedom of Thought in 1990, and in 1991 was awarded the Nobel Peace Prize for her peaceful and non-violent struggle under a military dictatorship. She is currently under house arrest, with the Myanmar government repeatedly extending her detention.



### **Jan Švejnar**

*Professor of Business, Economics and Public Policy,*

*University of Michigan, Chairman, CERGE-EI, USA/Czech Republic*  
 Founder and Chairman of the Executive and Supervisory Committee of CERGE-EI – a joint project of the Charles University in Prague and the Academy of Sciences of the Czech Republic. In 2005, he became Director of the International Policy Center at the University of Michigan, where he has been a Professor of Business, Economics and Public Policy since 1996. He served as the Economic Advisor to the President Vaclav Havel as well as the Founding Director of the Economics Institute of the Academy of Sciences of the Czech Republic (1992–1999). He received his B.S. from the Cornell University and his MA and PhD in Economics from the Princeton University.



### **Abdulrahman Tamimi**

*Water Expert, Palestine*

Director General of the non-governmental Palestinian Hydrology Group (PHG) for Water and Environment Resources Development and member of the National Water Council. He took part in negotiations between Palestine and Israel on the issue of water. Member of the Steering Committee of the Palestinian Non-Governmental Organizations Network, he has recently been nominated for the "Ramal" International Award for his scientific contribution to building cooperation among Arab and European universities.



### **Mohammad Said Al-Touraihi**

*Director, Kufa Academy for Oriental Studies,*

*Rotterdam University, The Netherlands/Iraq*

Iraqi born, he is founder and Editor-in-chief of Al-Mawsem Magazine, a quarterly on Islamic heritage and tradition, of which eighty volumes have appeared since its founding in 1988. His editorial work includes the Encyclopedia of India in Arabic.



### Jan Urban

*Journalist, Czech Republic*

Journalist, university teacher and one of the leading dissidents during the communist regime. In November 1989, he helped to found the Civic Forum and led it to its victory in the first free elections in June, 1990. Pursuing his career in journalism, he served as a war correspondent in Bosnia and Herzegovina (1993–1996) and made two documentary films on the Kosovo conflict. From 2003–2006, he worked in Iraq on heritage preservation projects. Presently, he is a member of the International Independent Commission on Kosovo and a professor at the University of New York in Prague.



### Alexandr Vondra

*Senator, Parliament of the Czech Republic*

Minister of Foreign Affairs of the Czech Republic (2006–2007). He served as Foreign Policy Advisor to President Havel (1990–1992), the First Deputy Minister of Foreign Affairs (1992–1997), Czech Ambassador to the U.S. (1997–2001) and Czech Government Commissioner for the 2002 Prague NATO Summit. In 1989, he was the spokesman for Charter 77 and co-founder of the Civic Forum. In 2007, he was appointed the Deputy Prime Minister for European Affairs of the Czech Republic.



### Tomáš Vrba

*Chairman of the Board of Directors, Forum 2000 Foundation, Czech Republic*

A journalist since 1977 in independent publishing houses and magazines. During the 1990s, chief editor of *Lettre Internationale*, *Thema*, and *Presence* monthly. At present he works as a university teacher. He is Vice-President of the Association of European Journalists and Chairman of the Board of Directors of the Archa Theater. Member of the Czech News Agency Council (2002–2007).



### Grigory Yavlinsky

*Economist and Politician, Russia*

Economist and politician, Chairman of the Russian Democratic Party Yabloko. He studied at the Plekhanov Institute of the National Economy in Moscow (1967–1976). From 1993 to 2003, he served as a member of the Russian State Duma. He co-founded the Yabloko party in 1995, and is the Chairman of the Board for the Center for Economic and Political Research. Since the mid-1990s, he has focused his efforts on tax and budget reforms.



### Catherine Zennström

*Co-founder and Chair, Zennström Philanthropies, United Kingdom*

Chair and Co-Founder of Zennström Philanthropies, an organization fighting for human rights, working to stop climate change and encouraging social entrepreneurship. A former full-time volunteer at the *Medecins Sans Frontieres* and *Amnesty International*, she became a Trustee of *Refuge* (a UK national charity fighting domestic violence) in 2006 and a member of the Paris Committee for Human Rights Watch and the Global Philanthropy Forum in 2007. Joining the international Board of Directors of Human Rights Watch in 2008, she became a Trustee of the Institute for Philanthropy.



### John Zogby

*Founder and President, Zogby International, USA*

American political pollster, Founding President and CEO of Zogby International – a polling firm known for phone and interactive Internet-based polling. Senior Adviser at the John F. Kennedy School of Government at the Harvard University and the first Senior Fellow of The Catholic University of America's Life Cycle Institute in Washington, D.C. A member of the Board of Directors of the Advertising Research Foundation, New York City, he is a regular column writer of political analyses and a contributing blogger.

**Michael Žantovský**

*Ambassador to the United Kingdom, Czech Republic*

Diplomat, author and translator. Former Czech Ambassador to Israel. A founding member of the Civic Forum. In January 1990, he became the Head of the Presidential Office's Press Department and the spokesperson for President Vaclav Havel. Czech Ambassador to the United States (1992–1997). In 1996, he was elected to the Senate of the Parliament of the Czech Republic, where he served as the Chairman of the Committee on Foreign Affairs, Defense and Security until 2002.



Tonya Graves



# Transcripts

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## Opening Ceremony

11<sup>th</sup> October, 2009, Prague Crossroads

Welcome:

**Václav Havel**, Former President, Czech Republic

**Yohei Sasakawa**, Chairman, The Nippon Foundation, Japan

Remarks:

**Michael Novak**, Theologian and Political Scientist, USA

**Václav Havel:** Ladies and gentlemen, dear friends, first of all, I would like to welcome you all here. As is my habit, I will open the Forum 2000 by saying a few words about the tradition.

When I became President, I started to travel a lot around the globe because after so many years, I once again had a passport. I learnt about the numerous problems, threats and challenges facing contemporary society in different corners of our planet. I got to speak to many theologians, thinkers, philosophers, scientists, politicians, political scientists, and all of a sudden, I thought that it would be a good idea to bring those people from various professions, faiths, and corners of the world – to bring them together to discuss all those problems in an atmosphere of calm.

Back in 1997, we thought that it would be a one-off event. But it became a tradition; it seems to be something that people want, something they need, it seems that we have made many friends who continue to support us, and here we are at the 13<sup>th</sup> Forum. It takes place every year at this time in Prague.

There are so many conferences around the world, and one may wonder what their purpose really is. I believe they serve many purposes. Firstly, they satisfy the human need to think about the world. Secondly, they also fulfil another human need – for dialogue, conversation and exchanges with other people. Every conversation can be enriching, if we want it to be. It need not be at a roundtable meeting; exchanges can take place in the corridors, over breakfasts, lunches or dinners. Thirdly, they can, although they do not necessarily need to, result in something concrete, specific. We know that not one, not ten conferences, are likely to change the course of the world, to eliminate all of the threats looming over us, or to change human behaviour. Having said that, they can, in the long run, have a more indirect, inconspicuous, but still real effect. To give a small example: For decades there have been conferences about our planet warming up. All these conferences didn't appear to have any impact on the behaviour of mankind on this planet. Today, after all those decades, we can observe that states, and even the international community as a whole, are becoming aware of the seriousness of the problem, and are beginning to translate this awareness into concrete action.

To sum up, I think that there is an opportunity for a direct, concrete effect and an opportunity for an indirect, long-term effect.

There is an opportunity for discussion; a person becomes more true to himself when he thinks and reflects on the world.

Allow me just to briefly mention, at the beginning of this 13<sup>th</sup> Forum 2000, the topic of the 14<sup>th</sup> Forum, one year from now. Together with our fellow colleagues, and particularly with Mr. Sasakawa, we concluded that next year's Forum 2000 would have a theme, as each conference has a specific topic around which discussions revolve, and that is the theme of human settlement and the issues relating to our habitation of this planet.

Finally, I hope that you will not regret having spared your time to come to this Forum.

[...]

**Yohei Sasakawa:** President Havel, distinguished guests, ladies and gentlemen, it is my great honour to say a few words here, at the 13<sup>th</sup> Forum 2000 Conference. This year marks the 20<sup>th</sup> anniversary of the Velvet Revolution led by President Havel. This historic event sent an important message to the world. It was a message which told us that one country in the middle of Europe could play a pivotal role in changing the world and the course of history – a message that it could do so not through violence, but through the determined pursuit of liberty by its people, a message that moral leadership could make all the difference.

The collapse of authoritarian regimes twenty years ago brought optimism to the world, and generated a genuine sense of hope. There was hope that the world would become more united, that we would no longer have to live in fear of self-destruction that the world would inevitably change for the better. By the middle of the 1990s, however, this optimism was beginning to fade. There was a rising sense of unease about the direction in which we were heading, there was agreement that new tensions and conflicts could potentially result in a major catastrophe, and there was the realization that we cannot take the course of history for granted. It was against this backdrop in 1995 that President Havel came to me with his vision for a new forum – a forum where leaders and thinkers would come together to identify what unites our world rather than divides it. President Havel and I came from two very different parts of the world – we had led very different lives. But I discovered that we shared the same concepts, the same fundamental values and convictions. I was im-

mediately convinced that this would be the beginning of a truly important initiative.

Ladies and gentlemen, today the world may not be divided in the same way it was two decades ago, but is divided in other, more complex ways. These divisions have given rise to new problems, and they have at times made it difficult to work together in addressing others – religious conflict, global epidemics, environmental degradation. The list of challenges we face goes on and on. Now more than ever we need venues like the Forum 2000 Conference. We need thinkers and leaders to come together with a shared commitment to work towards a better world, to unite in the commitment to seek out common moral and spiritual values, to foster a sense of shared responsibility for our world, and to provide the moral leadership for addressing the vital issues facing us today.

I believe that now, more than ever, it is vital that we share the spirit and the message of this Forum with as many people as possible. By doing so, we can play an important role charting our way towards a brighter future.

It is a great honour and a privilege to extend my heartfelt welcome to our distinguished guests and to express my sincere gratitude to President Havel and the members of the Forum 2000 Foundation, who continue to make it possible for us to gather here in Prague every year. Thank you.

[...]

**Michael Novak:** President Havel, Mr. Sasakawa, all my fellow delegates, ladies and gentlemen. It would be hard to describe the emotion with which I return to Prague.

First of all, the constitution of the First Republic of Czechoslovakia was written in my home town and home state of Pittsburgh, Pennsylvania, in 1918. All four of my grandparents came to America a little over a hundred years ago from Slovakia, and I was always so proud in later years to have so distinguished an artist and political and moral hero as President Havel to look up to and to admire.

This year's theme of Forum 2000 is "Democracy and Freedom in a Multipolar World" – in a word, democracy after 1989. That theme is too rich for a brief introduction. Surely, though, one of the most

dramatic differences between 1989 and 2009, is the new salience of nearly all world religions in matters of democracy. As Jürgen Habermas, the great German public philosopher wrote after September 11<sup>th</sup> 2001: "The notion that the world is secular and becoming more so, is no longer tenable." In fact, after September 11<sup>th</sup> 2001, secularism seemed to Habermas like a small island, surrounded by a sea of turbulent religion. Accordingly, tonight I will make four points on the bond between religion and democracy.

The great French social thinker Alexis de Tocqueville taught us that religion gives democracy two important tasks, among others: to put in place the founding principles, on which human rights are secured against every raging storm; and two, to teach the habits of the heart that allow democracy to work in practice – habits of honesty, self-examination, self-mastery and habits of free association, which Tocqueville called "the first law of democracy". If you do not want to depend entirely on the state, you must learn the arts of free association, such as this Forum, such as Mr. Sasakawa's philanthropy – social activities, but not the state.

And finally, there is the sense of 'universal fraternity' with all other women and men on Earth. If men do not learn the habits of self-government in their private lives, how will they practice self-government in their public lives? To live democratically is to live a highly moral art.

By itself, secularism tends towards individual, not general moral standards. It begins with tolerance and steadily slides towards relativism, at least among the unformed young and among the entertainment élites. Cultural decadence grows like fungus on the face of democracy. The silent artillery of time wears down the good habits of the past. For this reason, democracy needs regular awakenings of conscience, often religious awakenings, not just to survive as a morally beautiful and worthy enterprise, but as a moral enterprise. Democracy is moral or not at all.

Religion teaches humble people that they are valuable and noble, beloved by their Creator, equal to every other man. It also teaches us that the personal lives of plumbers and carpenters and professors and playwrights, and all women and men, are meaningful, morally dramatic, and made in the image of God to be creative. These are the first bonds of religion and democracy. A second bond is the anti-totalitarian principle, as Nathan Sharansky calls it:

humans must not give to Caesar the things that are God's, nor to God the things that are Caesar's. Caesar is not God. Every state is limited. Many parts of human life do not belong to the state – not conscience, not inquiry, not the creative arts, and not the sacred and inalienable duty of each individual to say yes or no to his Creator. “The God who made us”, as Thomas Jefferson liked to say, “made us free at the same time”. In the same way, no religion dares to coerce from above all the decisions of Caesar; no religion can coerce the consciences of individuals – before God, all individuals are free to respond in conscience, to respond yes or no. In this, the state cannot interfere. Man's inalienable responsibility before God is the foundation of his inalienable rights before the state.

Thirdly, there is a worldwide misconception that there is only one kind of secular state – the kind found on the European continent, in France, for example. The kind rooted in the ruthless irreligion of the French Revolution of 1789. The continental secular state is virtually closed towards public religion. It tries to imprison religion in the recesses of private life, outside of public sight. Yet, there is, in fact, another type of secular state: the other type is open to religion. It is sometimes called the Anglo-American type. It is not better or worse, but it is important to consider. Here citizens are recognized as both religious beings and political beings; the one cannot be surgically separated from the other.

Similarly, the institutions of man's religious nature, and the institutions of his political nature – the church and the state – must be distinguished, as Caesar and God are distinguished. Nonetheless, religion necessarily flows into political consciences, and political consciences generally root themselves in pre-political beliefs about human nature and destiny. The two interpenetrate each other. Communism was overthrown not by secular morality alone – yes by secular morality, but also by courageous religion. Therefore, the state must not coerce religious consciences; institutional religion must not coerce the work of Caesar from above; fruitful accommodation must be worked out through trial and error. There is an accommodation of church and state that it is important to inspect, such as when in America, all our political festivals are marked by religious observances and political leaders and symbols of political life are present at all our great public religious observances.

Fourth, and most importantly, the Western world has yet to hear all the new reflections on liberty, human rights, democracy and the best human relations between Caesar and God from the other

great religions of the world: from Islam, Hinduism, and Buddhism, to name only those with more than 500 million adherents in each.

The careening adventures of freedom and religion in their long journey through history are not at an end. Much is yet to be learned. Thank you very much.



## Opening Remarks – Václav Havel

12<sup>th</sup> October, 2009, Žofín Palace

**Václav Havel**, Former President, Czech Republic

Ladies and gentlemen, and those of you present, firstly, and with much pleasure, I would like to say how touched I am by the interest people take in this conference. I extend a warm welcome to you all – to those who accepted our invitation and made their journey from different corners of the world, as well as to our fellow citizens who have come here to listen to the discussions we shall lead here.

This year's Forum focuses on the theme of development after the fall of the Iron Curtain. Undoubtedly, this is in connection with the twentieth anniversary of an historic event: The fall of the Iron Curtain had a wide range of causes – predictable, unpredictable, accidental ones, and was a historical event of immense importance, for it put an end to the bipolar division of the world. At that time, all of us were probably so overwhelmed by the historical significance of what had happened that we believed that history had come to an end and a new era of Paradise on Earth was beginning. As we know, none of this happened. The view of the world is just as sad as it was before the Iron Curtain fell, and in some ways even sadder.

I would like to draw your attention to some of the characteristics of the situation that leads me to this rather sad conclusion. Above all, the division of the bipolar world – knowing that it had been imposed through coercive and unnatural means, enslaving nations – also provided a certain guarantee against smaller, regional conflicts. Everything during the Cold War seemed to be determined by the tension between the two superpowers, serving as a sort of cap under which all other conflicts and hostilities – be they ethnic, so-

cial, ecological or others, were suppressed. With the end of the bipolar world, things which had not previously been so visible to us or were hidden, suddenly began to emerge. It is very important to analyse and define the current situation as it is, and to be merciless.

One of the great mistakes of politics today – and I am primarily referring to the politics of the Euro-Atlantic community – is the superimposing of economic interests over everything else, and the fact that attitudes towards different conflicts and problems in today's world are being distorted by the misappropriation of those spiritual values, which form the foundations of our society. With the prioritization of economic, material and energy interests, it is as if human rights and civic freedoms were simply a “cherry on the cake”, an embellishment of what really matters, while material growth and development are considered the most important. As a result, some things are simply not talked about. This is very dangerous, not only because solidarity with those pursuing freedom in different parts of the world is fading, but also for the Euro-Atlantic area itself, whose original and most innate identity is being lost. Clearly, all of this is dispersed into the different regional conflicts, but it is also all somewhat more sophisticated. We are no longer facing the obvious and transparent conquering of the world or subjugation of different countries in pursuit of some imperial interest. Instead we are seeing more sophisticated forms of infiltration.

In this context, I would like to mention Russia, one of the reasons being that we have our friend Yavlinsky on the panel. The current Russian regime is a very sophisticated regime, which means that it is a more dangerous instrument of imperial policy. There is, of course, no threat of occupations as in Brezhnev's time, if we choose not to count the recent conflict in Georgia. Instead, we are faced with attempts at subtle economic subjugation and the exertion of indirect pressure. This is really happening. Connected to this is the paramount question of whether institutionalized, standardized, normative democracy is a real and automatic guarantee of freedom. We may have free elections, pluralism of political parties, separate legislative and executive branches – where the latter is accountable to the former – and an independent judiciary. All of this may be in place, yet it does not mean that those citizens enjoy freedom, or can be certain of it, or that freedom is guaranteed. You may be familiar with Fareed Zakaria's book “The Future of Freedom” where he demonstrates this point. I believe that Russia is, to a great extent, a good example of this situation. In the famous play “King Ubu” by Alfred Jarry, the king says: “I will hang the two writers and two hundred

others will write what I want them to.” It seems to me sometimes that in Russia, two or three journalists are killed so as to make the others write what the rulers wish. Or that one independent businessman is sent to Siberia so that all the other businessmen will “behave”. This is a peculiar and sophisticated way of pursuing an incomplete democracy and of inconspicuously renewing the old spheres of influence in the so-called “near abroad”.

We are currently being tested. Russia could not care less about whether we have an American radar here or not. Russia is testing whether we are afraid of her, testing whether we are ready to do what we are told. So what can we do? Of course we would all like the West, the Euro-Atlantic area, to maintain good partner relations with Russia, but I do believe that real partnership can exist only between those who speak openly, who do not hide anything from each other, who tell the truth and are sincere. We cannot approach Russia as a slightly different, sickly partner, in whom we should tolerate certain things and avoid speaking about others, and as someone who is simply different from us. This does not apply, for the future of the world lies in the principle of complete equality between and among all continents, nation states and the global community. Here is where the road leads: a partnership has to be based on rules of equality, sincerity, co-operation and collaboration. Very often, we confuse partnership with blindness, or a peculiar kind of consideration. It is true that some have more specific features, such as thousands of political prisoners, but let us not go further, for the same partner also has oil. There are other such examples.

I would maintain that there is a need to keep an eye on what is happening in Burma, in Cuba, in North Korea, to look at how those regimes treat their citizens; we need to take note of how Tibetan nationhood is being suppressed. And never should our material interests preside over these other interests. In our country, we have had our own unfortunate experience with the policy of appeasement, a policy of giving in to evil. I believe that when the new Laureate of the Nobel Peace Prize postpones receiving the Dalai Lama until after he has accomplished his visit to China, he makes a small compromise, a compromise which actually has some logic to it. However, there arises a question as to whether those large, serious compromises do not have their origin and roots in precisely these tiny and very often more or less logical compromises. The Euro-Atlantic community is by no means better than the rest of the world. However, it should be faithful to itself, to its spiritual tra-

ditions, to its roots, and it should stand by these traditions by not compromising them with its behaviour in this multipolar world. I will repeat, therefore, that in this intricately structured world, which came into being after the fall of the Iron Curtain, it is extremely important to develop partnerships with all the entities of today's world that are based on full equality and openness. And if somebody were to tell me: "If you talk openly about my political prisoners, we will not give you any oil", then the only correct answer to this would be: "Keep your oil!" Thank you.



Michael Novak



## Metamorphoses of Democracy After Cold War

### Plenary Panel 1

12<sup>th</sup> October, 2009, Žofín Palace

Moderator:

**Michael Žantovský**, Ambassador to the United Kingdom, Czech Republic

Participants:

**Grigory Yavlinsky**, Economist and Politician, Russia

**Michael Novak**, Theologian and Political Scientist, USA

**Karel Kovanda**, Deputy Director General, External Relations Directorate  
General, European Commission, Belgium/Czech Republic

**André Glucksmann**, Philosopher, France

**Jeffrey Gedmin**, President, Radio Free Europe, Czech Republic/USA

**Michal Žantovský:** We are going to discuss the metamorphosis – after all, this is the city of Franz Kafka – of democracy following the end of the Cold War. Any discussion taking place here this year must start from the mood that we find ourselves in, which is the mood of reminiscence.

Twenty years ago next month, freedom and democracy triumphed in our part of the world. The triumph was so unexpected, so quick and so complete, that many people – some of them inside this room and many outside of it – found it difficult to resist the temptation of “triumphalism”. In his famous article, Francis Fukuyama declared the triumph of the Western idea. He suggested that we might be witnessing the end of history as such, the endpoint of mankind’s ideological evolution and the “universalization” of Western liberal democracy as the ultimate form of human government. For a time, it appeared he was right. The number of democracies in the world proliferated – first in Europe, then in Latin America, finally in Africa and in other places. But we have a tendency to forget. Even at that time, any event that did not fit into this rosy picture was either ignored or treated as an aberration that the forces of democracy would soon set right. We should not forget that this is not just the twentieth anniversary of the Velvet Revolution, but also the twentieth anniversary of Tiananmen. Tiananmen was all but forgotten, Rwanda was excused as a sin of omission, and former Yugoslavia was presented as a model of what democracies can do when they are ready and willing to act.

September 11<sup>th</sup> changed all that. All of a sudden, history was not over, there were other ideologies competing with that of Western liberalism, and the idea of the “West” itself had gone out of fashion. The realization that there were enemies of democracy as resolute and determined as ever seemed for a time to focus the attention of democracies on the threat, but then this “totalitarian threat” seemed to have faded, to be replaced by less controversial ones such as climate change or swine flu. These threats are also more “democratic” in that they affect everyone without discrimination, they bear us no ill will, they are threats without being enemies. The problem – if there is any problem – seems to be with us. Not only can it not be said that democracy triumphed everywhere, and Václav Havel has already spoken about the many new forms of what I would call “Velvet Authoritarianism”, but there is even some doubt about democracy having improved much in places where it was once seen as triumphant. It may have spread, but it has hardly deepened. The distance between voters and elected governments may have increased rather

than the contrary; new democratic structures such as the EU still struggle with the problems of accountability and democratic deficit; the problem of corruption is no longer considered a prerogative of the third world; and, recently, confidence in the free market, which has been seen as an inseparable element or even as a prerequisite of democracy, has suffered a big blow and has come under revisionist attacks everywhere.

So my question to the panel is simple: Yes, democracy metamorphosed, but has it metamorphosed for the better, and what does this mean for the democratic agenda? Are we on the right path, are we in need of a midway correction, or are we in the middle of a monumental fight to preserve democracy and freedom? To answer these questions, I could not have chosen a more competent or a more thoughtful panel. I will ask each of my panellists to speak for about ten minutes so that we leave room for interventions and exchanges at the end. I will start with a well-known guest of this Conference, Grigory Yavlinsky, Russian politician and economist, founder of the democratic YABLOKO Party, a long-time member of the Russian Duma. Mr. Yavlinsky, the floor is yours.

**Grigory Yavlinsky:** Thank you very much. First of all, I would like to express my deep gratitude to President Havel and to everybody who has worked so hard to organize such a wonderful and important conference. I think it is an unprecedented conference in today’s world, so I am extremely thankful. Thank you also for having invited me as a representative of my country to speak about such important issues. To present and explain my views on the question just asked, I will give you six main theses that I think are important to discuss.

The first one is that the consequences and results of the end of the Cold War were wrongly interpreted and generally misunderstood in the world. President Havel mentioned the expectation that a “paradise” would follow and all problems would be solved. He also mentioned that the world was divided into two parts during the Cold War. Its end showed us, however, that the world is extremely diverse, that there are a lot of differences – different cultures, different goals, different visions. All of this was wrongly interpreted and understood under the slogan of “the end of history” and the presumption that everything would, from now on, move in only one direction. The misunderstanding of what was happening resulted in the wrong policies being adopted and very big mistakes being made,

because those policies were not adjusted to the new reality. The vision of the most powerful states and élites in the world at that time was a victorious one, but did not reflect the twenty-first century, but rather the victory of the mid-twentieth century. Concrete, very painful mistakes were made and politics became more about bargaining, unlike real politics, which are based on values and principles. It was the implementation of those values and principles that brought victory in the Cold War, just as their neglect dragged down the quality of politics, demonstrated by mistakes such as the invasion of Iraq. If lying becomes possible, then you are bound to have serious trouble in big politics. There were many consequences of this, on the European and on the global scale. The low standard of politics is one of the main reasons for the world economic crisis, because business took its example from politics and became a part of politics. In America, business grew very close to political structures and formed a kind of oligarchy.

This leads me onto my third point: The fall of the Berlin Wall was not so much the end of history, as it was the end of a strategy – a very successful strategy which started in Europe almost immediately after the Second World War, whose substance it was to create a united Europe. It was a very successful plan and achieved tremendous results, but that was it. It was clear that, sooner or later, that strategy would come to an end. And so, what would be next? What would be the next step? What should Europe look like, for example, twenty, thirty, forty years from now?

The end of a strategy did not only occur in Europe, but also in the United States, and this became a real problem. For the last fifteen or twenty years we have been living in inertia, without any clear goals or strategy for the next twenty-four years. I would like to underline that today, for example, I see two important strategic goals for Europe. One is to form the grounds for explaining a common history, based on our common values, for what I find of great concern is an upsurge of what I would call post-modern Stalinism, and not just in Russia. This is a very dangerous development – it includes nationalism, imperialism and many other dangerous phenomena, which are already a reality. To try and explain how Europe really sees its history is now a very complicated and difficult thing to do. But without this, it is not possible to create a comprehensive and convincing strategy for the future.

Another, second, strategic issue for Europe is that thirty, forty years from now, there will be two major economic powers in the

world: one will be North America, the other Asia – or to be a little more precise, South-East Asia mainly, and Asia as a whole. The question is: What is Europe going to do in this situation? How does Europe want to achieve the position of the third major economic power? This is hugely important, but it means putting on the agenda a very new approach to the whole idea of the future development of Europe.

Now, one more comment: I was speaking about differences and diversity, trying to explain my view that the world became very different. But I have a big problem with “multipolarity”. It is very difficult for me to accept this expression, although it is the title of our conference. I cannot subscribe to the vision of a “multipolar world”, where on one pole you have human rights, and on the other you have systems which ignore human rights. This does mean “multipolar”, but it is also an approach, which cannot be accepted by principle because nowadays, there are attempts in the world to create military blocs of countries, which have in common mainly the principle of ignoring human rights and the lives of people in general. We can see how these blocs are organized and how they are moving forward step by step. That is the reality of politics as we see them today, that is what some politicians are saying and this is the “multipolar world”. This is unacceptable because what was really brought home with the end of the Cold War is that values such as life and freedom really are universal. Another question is: How do we move towards these values, and what means what in one culture or another? How fast should we move and how do we organize this process? In substance, personal freedom and personal life are certainly values which cannot be ignored.

From that point of view, a very short remark to finalize my presentation and to also refer to what President Havel said about Russia. First of all, it is necessary to understand and to accept that Russia is not a democratic country at all; it is simply NOT. I do not know whether this is good or bad, but it is simply a fact of life and it is necessary to accept this. Secondly, what is Russia? Russia is a consolidated, authoritarian regime. Russia has all kinds of democratic institutions, but in essence, these are just imitations of democratic institutions, but then, all countries in the world are “democratic”. You know that the official name for North Korea is the Korean Democratic People’s Republic – all countries, everybody is democratic. Simply put, there is no other language in the world except the “language of democracies”. In this sense, the question of Russian development is a very special topic. In international relations it is neces-

sary to accept a country as it is in reality, to engage with its political system and politicians, its leaders, who are also the leaders of the authoritarian system in Russia. If we adopt this approach, it would be much easier to find a common language – this is my view.

My last point is that we should try and do our best to improve understanding in the world after the Second World War. The Nobel Peace Prize given to President Obama is a kind of “Prize of Hope”, hope that he would be someone to move the world closer to a new understanding, and a new post-Cold War organization.

**Michal Žantovský:** Thank you, Mr. Yavlinsky. I consider myself very fortunate to be sitting on a panel with so many friends – Michael Novak, the Director of Social & Political Studies at the American Enterprise Institute, the author of more than twenty-five books to this date, and, I am sure, he is working on more, he has been a friend for years, Michael.

**Michael Novak:** Thank you very much, it is wonderful to be back with so many friends. I especially like coming back home, in a way, to Central Europe for an injection of cultural pessimism or, if I may say, a darker way of looking at things than is common in America. In America, we say that things are “looking up”, “picking up”, we are always using “up”, and it is good to come to a part of the world where so often people look down, my grandmother, for example. When I was teaching at Stanford University, one of my colleagues was Professor Paul Ehrlich, who every year had a new way of predicting the end of the world: “the population explosion, those thundering hordes of pattering feet”, he might say, “are about to overwhelm us”, and another was that “oceans are going to turn bracken, and, you know, we shall be up to our noses”. If I had said such things to my Slovak grandmother, I know exactly what she would have said. She knew the world was going to end badly, when in fact, she was not certain, but nothing dark would have surprised her.

The first point I want to make is that one reason we are facing these difficulties is that democracy is much more difficult than we had thought. When my ancestors were part of the Austro-Hungarian Empire, they were subjects of the emperor. When they migrated to America, suddenly they were citizens. In Austria-Hungary – and I am simplifying – they were good persons if they did three things: pray, pay and obey. In the United States, suddenly, as sovereigns for whatever went wrong, they had to take responsibility. If their treat-

ment in the mines or the mills was not right, they had to form unions. If the political leaders of their town or community were corrupt, they had to form political opposition. There were no jobs predetermined for them, they had to take the initiative and find their own work. In short, what one learns in democracy is, first of all, how many more moral skills it requires – moral skills that one did not need in a pre-democratic world; how much stronger the moral virtues have to be to see things true; and then, more difficult still, to accept responsibility. Dostoyevsky wrote once that everybody clamours for freedom, “Give it to them!”, in fifteen minutes they will begin to give it back little by little. They want freedom, but they do not like responsibility, they do not like taking the blame for what they do. In short, my first point is that democracy is moral or not at all.

The second point requires a very brief examination of the twentieth century when we had two great struggles. One is the claim, which became increasingly universal, that dictatorship is much better for people than democracy – that democracy is talk, talk, talk. If you want to get something done, you need dictatorship. And then the dictators disgraced themselves with the concentration camps, massive destruction and continual war. The second great struggle we had in the 20<sup>th</sup> century was the economic struggle – that socialism, the complete organization of economy from above is better for people than uncontrolled enterprise – within the law, but still free. Again, we would learn that the socialist countries ended up economically as part of the third, even fourth world, and suddenly collapsed. It is true in China, it is true in the former Soviet Union. But we were so concentrated on the political questions and on economic questions that our best brains, our best people, forgot the third pillar of the free society – the moral dimension, the cultural dimension. Unless people live morally, they cannot make democracy work; unless cultures form people with a certain character, certain characteristics, certain habits of the heart, they cannot succeed in making democracy or economic growth work.

My third point is to take a lesson from the struggle between 1989 and 2009 in this part of the world. The first word shouted everywhere in 1987, 1988 and on through 1989, was “democracy!” And suddenly people had democracy, and then people began to recognize after one year, or two or three years. What good does just electing people do? Because what people really want is not only democracy, they want its economic component; they want to see economic growth – however slow, however steady; they do not want paradise,

they have heard that, but they do want to see that the life of their family three, four, five years from now will be better than it is today. And they discovered that you cannot have a working democracy without economic growth. It is necessary to defeat envy, for envy is the most destructive of human passions. I heard a story from Rostropovich, with whom I received an honorary college degree: There was a British man, a Frenchman and a Russian taken prisoner by a cannibal king who was going to boil them alive on Monday and he gave them the weekend to do whatever they wished. The British man wished for a weekend walking with his setter in Oxfordshire, reciting Keats and Shelley; the Frenchman wished for a weekend in Paris with his mistress – no promises made, no questions asked – and the Russian wished that his neighbour's barn would burn down. Where there is not plenty, there is envy and people begin to turn on each other; where there is plenty, people begin to focus on where they want to be five years from now, not on what their neighbour is doing, for the neighbour has different desires and different hopes. That is crucial to defeat.

Economic growth is important, but people discovered with economic growth and voting that man does not live on bread alone. It can be empty. I remember my first visit to Wenceslas Square in early 1990 when there were still flowers strewn from the lamp that was lit to honour the young man who had burned himself, and where there was great excitement in the air, and still, one of the first businesses to open along the square was a porn shop! Freedom does not mean freedom to do whatever you please but freedom to do what you ought to do – animals do what they please – we must train our children, who are creatures of many desires, to learn which desires to favour and which to discourage; it is not enough to have desires, we must learn to practise self-government with them, and to do what we ought to do – become a free human being able to choose this and that calmly. I do not mean to go on too long, but I do want to say that this third dimension of freedom, this cultural and moral dimension, has been neglected for over a century. We really must turn our attention to it if we are to overcome the “depression of democracy”. Finally, it is wise to think of a free society, therefore it is not democracy alone. It requires a growing economy, full of opportunities for many people at the bottom, as in China, with many ordinary people beginning their own businesses. A free society must also have a set of moral ideas, certain heroes of the moral act, certain characters to emulate and to imitate. It is awful that in a contest in front of a tele-

vision set in your own home between the parents' teaching, the children and Madonna – Madonna might win. It is an unfair competition, and a serious problem.

Finally, I just want to close with a prediction, maybe silly, but a prediction: I believe that by 2050, the economic opportunities which the Chinese leadership have allowed people, the great prosperity and great growth – they hope to control these with the political system. They think they can maintain the system of commissars with the free economy; I think they cannot. By 2050, so many people will be so economically successful that they will begin to understand that they are smarter than the commissars, that they have more courage and more ability to build things than the Party, and they will demand a more republican government, a self-government and political say. Moreover, I predict that the very rapid growth of Christianity in China – perhaps already placing it among the nations with the most Christians – may reach immense proportions. Why? Because there is such a “spiritual desert” where communism was: life is, on the face of it, so meaningless, so much a product of chance, so materialistic etc., and there is a great hunger, in particular, for the language of liberty, the language of the free person engaging in many communities. This will have, and one already sees signs of this having, a remarkable appeal among the Chinese élite and the rest. So, for what it is worth, I think nature itself is on the side of free society everywhere in the world. What we have to do is to listen to all the voices of nature: political, economic, spiritual – a human being is all three things at once. And I just want to thank you very much.

**Michal Žantovský:** Thank you, Michael, for these thoughtful words. Now, my next speaker is the President of Radio Free Europe in Prague, an institution whose name resonates with many of us, especially in these days, because it helped to inform us and sustain us throughout the dark years, and it is still doing a wonderful job today. Jeffrey Gedmin has also been involved with the Aspen Institute, with the Council on Foreign Relations, with the American Enterprise Institute, but I would like to point out another public advocacy organization, the New Atlantic Initiative, of which he was the Executive Director, and which did a wonderful job in the nineties to help with our efforts to be part of the first wave of NATO enlargement, which finally materialized in 1999. Well, I have thanked him many times, but thank you once again, Jeff. The floor is yours.

**Jeffrey Gedmin:** Michael, thank you very much. It is an honour to be here with you, President Havel, Michael and such a distinguished panel; thanks to Forum 2000 for a splendid programme today. Radio Free Europe/Radio Liberty's work is not yet done, and today, we are still engaged in radio, television and internet broadcasts to parts of the former Soviet space, but also to the Middle East, Central Asia, Afghanistan, and, starting soon, to Pakistan. Michael, you are always incisive and pose very specific questions, and I am going to try to dodge the questions, because I cannot answer them, but I offer a context for puzzling through some of the things that you posed at the beginning.

In a very famous essay published in 1993 in the Foreign Affairs journal, titled "The Clash of Civilizations?" by Samuel Huntington, there is one quote about Russia that still pops out today. Huntington at the time wrote: "If, as the Russians stop behaving like Marxists, they reject liberal democracy and begin behaving like Russians but not like Westerners [...]", and by that Huntington meant, and said elsewhere in the essay, by behaving in "traditional, authoritarian and nationalist" ways, then "the relations between Russia and the West could again become distant and conflictual." Another quote was written four years earlier by an author that you cited, Michael, Francis Fukuyama, in a famous essay in 1989 entitled "The End of History?" – and by the way, it is not often said but should be said that the title of the article was, of course, "The End of History – question mark", just as Sam Huntington's article was titled "Clash of Civilisations – question mark". In the summer of 1989, Francis Fukuyama wrote: "The Soviet Union is at a fork in the road. It can start down the path that was begun by Western Europe or it can realize its own uniqueness and remain stuck in history. Ultrationalists, [...]" continued Fukuyama, "in the USSR believe in their Slavophile cause passionately, and one gets the sense that the fascist alternative is not one that has played itself out entirely there." I will make two points about this discussion about democracy and its future.

The first is whether we are experiencing a 'democracy depression', as part of the conference literature for today's proceedings pointed out. I think that is just wrong. The facts and evidence bear out that it is wrong: If you look at the world over the last twenty years as a whole, there is sufficient evidence to suggest that in part, we have a significant problem, but on balance we are not doing so badly. The part where we have a significant problem is the former Soviet Union, and, quite naturally, being in Prague and in this part

of the world, that is what occupies our thoughts. If you look at the former Soviet space over the last ten years, it is more appropriate to talk about a 'recession' rather than a 'depression'. I think that is a useful context. Let me make the following observations as to why we are where we are, starting first with the former Soviet space.

First of all, twenty years ago, our expectations were simply unrealistic, and, Michael, you talked about this triumph, and it was sudden, it was quick, and we celebrated – maybe in some ways, we even over-celebrated. As President Havel and Michael Novak have pointed out, democracy is difficult and it takes time. We underestimated the damage done by communism over the forty years and the Soviet Union's seven decades. We looked and we said: "Good heavens, they have bad roads; they polluted the environment; they did not achieve intelligent, reasonable economic development", but we did not at that moment fully grasp the damage to the mental, the spiritual and the moral infrastructure – and this took its toll. Democracy is about establishing and building institutions, but, as we have heard from other panellists this morning, it is also about values, it is about habits, it is about behaviours, and it takes time. Twenty years ago, we also underestimated that there are opponents of liberal democracies, and they have tactics and they have strategies, they have values and they have conviction and self-confidence. And I think you have experienced that in the last decade, in particular in Russia, where you have a leadership that has tapped into authentic trends, but has also helped manipulate and manufacture tendencies of nationalism, xenophobia, anti-Americanism, illiberalism – in fact, very masterfully and, I think frighteningly, exploited narratives of grievance vis-à-vis the West, and vis-à-vis the very idea of democracy. We know from 20<sup>th</sup> century history, from Germany's very tragic chapter, what happens or how toxic or lethal it can be when one mixes malign nationalism with a powerful narrative of grievance. I would say, in concluding this first of two points, that the battle is not over. It is a recession as I said, not a depression, and no one knows this better than Vladimir Putin and his allies. If it were over, and if Vladimir Putin's allies were confident that history has rendered this verdict, why would we be talking about the tactics of "Velvet Authoritarianism", and, as President Havel said this morning – "the sophistication of the authoritarians"? Why would the Russian dominant élite be so concerned at this moment if they were so confident of the outcome of the control of mass media – especially television – restricting the activities of NGOs, dominating education and youth groups, seek-

ing to distort history and co-op culture, if, at the end of the day, the outcome were pre-determined? It seems to me, that even as Russia is immensely difficult, enormously complex – it is profoundly important for Russia, but it is so important for Ukraine, the Caucasus, Central Asia, Eastern and Central Europe. Now that the authoritarians there have asserted their self-confidence, it would be a big mistake if we lost ours.

The second point: Michael, you said that 9/11 was a turning point, and perhaps turned Fukuyama's essay on its head. We have another part of the world that has occupied us for the last eight or nine years intensely, and as never before, and that is the so-called Muslim world. There too is a great debate about democracy and liberalism, what role it should play and how we can support it. Similarly, we are guilty of underestimating the complexity and enormity of the problem. Let me give you a few observations. First of all, look back at the literature in Europe and the United States and allies elsewhere: five, six, seven years ago, we consistently spoke about the "need to engage", "have dialogue", "cope", "contend with the Muslim world"; and it took us some time to realize there is no one single, monolithic Muslim world – it is Muslim worlds and Muslim communities, be it Shia or Sunni, be it Turks or Syrians, be it Afghans or Pakistanis, or be it Pashtuns in one area of the country or Pashtuns in another area of the country.

My second observation is that we understood the ideological dimension of the challenge, of the threat of Al Qaeda, but I think we underestimated the role that culture plays; and under culture I put ethnicity, religion, tradition, nationalism. It seems to me that as we dug deeper, we understood certain things: that there is indeed an ideological dimension within Muslim communities between dark extremists and those who reject extremism, but only now are we grasping that there is a large group in between, in any given community or country, that may well reject extremism, but it does not necessarily mean that they accept fully, or accept at all, Western liberal democracy. There are a number of reasons for that – Michael Novak, in your own critique of American society, you mentioned the disappointment at Wenceslas Square where flowers turned into pornography shops. There are all too many Muslims in too many communities who reject Al Qaeda but when they look West, they see secularism, hedonism, materialism, the debasement of women, exploitation and violence, and right or wrong, they say: "We equate the West with Hollywood, and Hollywood is not what we want for our children and for our future."

In the former Soviet Union and Eastern Europe, while we realize now that the challenges are greater than we realized, or looking around the world at countries with Muslim majorities, it seems to me that the challenge is not to take complexity as an invitation to defeat and despair. If you believe that democracy means institutions that take time to grow, and values and behaviours and habits that come from them and with them, it is a project of decades, not a project of years – and that is something that everybody in our democratic group has to think about. One is always speaking truth to power in the capitals of dictators – that is what President Havel said this morning. Another is to support dissidents without apology and with self-confidence and to always consider the full integration of human rights in all of our foreign economic policies – they are not mutually exclusive, they belong together. And last but not least, universal values – we already heard it on the panel this morning – either we believe in them or we do not believe in them; and if you believe in them, when things get difficult, it is precisely the time for redoubling that effort and not walking away.

**Michal Žantovský:** Thank you, Jeff. Karel Kovanda will be the next speaker. Karel is the Deputy Director-General of the External Affairs Directorate of the European Commission, but before that he was also Czech Ambassador to NATO, Czech Ambassador to the United Nations, Deputy Foreign Minister and a long-time colleague and friend.

**Karel Kovanda:** Thank you very much, Michael. Mr. President, Excellencies, ladies and gentlemen, of the various aspects of democracy, let me focus on one: choice. In politics, choice usually, though not exclusively, means voting. There are four questions associated with voting that I want to look at. Number one: who; number two: where; number three: how; and number four: about what. Some of these will be very quick.

When it comes to "who", in most countries this has been sorted out by universal suffrage, etc. Notice that even in undemocratic countries where people end up voting 90+% for a certain leader, even there they use universal suffrage. Incidentally, this reminds us that while democracy comes with voting, voting does not necessarily come with democracy. But even now, in the early 21<sup>st</sup> century, universal suffrage is not universal. There are countries where women's right to vote is greatly limited, if it exists at all. In Kuwait,

for example, introducing women's suffrage in recent years has been hailed as a major step forward and one which their Saudi sisters are still waiting for.

My second point has to do with "where". In this sense, one of the greatest changes since the Cold War has surely been the dramatic increase in the number of countries considered free, or, at least partly free, by Freedom House. In Europe alone, where we used to have nine communist countries, we now have two dozen countries of which all, except two or three, are definite democracies of one sort or another, and Jeff Gedmin discussed some of those exceptions. And, of course, there is an additional country that got reunited with the Federal Republic. This is a change, which does not need to be laboured on any further, so I will leave it at that. You can do your own statistics – and when you do, do not forget Kosovo.

My third point has to do with "how", and this is definitely a question which begs further investigation so I will spend a little more time on that. The technology of voting is something that seemed fairly straightforward until Florida in 2000 taught us otherwise and taught us a new word: "chad" (I wonder how that translates into Czech?). But I will just use this technological point as a marker. My second sub-point, however, has to do with how do we decide and how do we vote on even more complex issues? In particular, have we figured out a way of harnessing information technology to improve our decision-making? A few years ago, there was much hope in the possibility of you and me influencing, if not outright deciding, that is to say, choosing outcomes of individual policy possibilities, by pressing the "SEND" or the "ENTER" key on our computer. I do not see that this possibility has materialized. Why this has not worked, whether it is perhaps proving to be too difficult to eliminate cheating, I leave this question open. Perhaps somebody wants to enlighten me during the discussion. But as another sub-point, let me suggest that there are completely different approaches to selecting our representatives. There is the ancient approach, in particular, as in Athens where representatives who decided matters were selected by lot. Hard to do, you will argue, and yet I have been intrigued by George Papandreou, the newly elected Greek Prime Minister, and his proposals of several years ago, which he and his party have been putting into effect, to return to this ancient Greek system. Three years ago his party PASOK used this method to select candidates for municipal elections. Instead of a party primary, groups of party members were selected at random by lot, the members of these

groups were sent information on a variety of issues, a group would meet, spend hours in discussion and in questioning the candidates, and ended up voting in a secret ballot for who should represent PASOK in the next municipal elections. This method was developed by the Centre of Deliberative Democracy at Stanford University, and I want to find more about it as soon as I return to Brussels, because I did not prepare myself enough as I was invited to participate in this panel at almost the last moment.

At the outset, I mentioned that in politics, choice may include other aspects than voting, so my final remark about the "how" of choosing has to do with making choices in the marketplace. There is a tendency in our consumer society, albeit admittedly a tenuous one, to shop according to one's conscience: to buy green, to buy fair trade and so on. Particularly in the affluent world, buying is getting more political. It is called ethical consumerism, moral economics etc. Recently, I heard it called "buycotting". I will not go into the obvious pitfalls of "buycotting", that is, of expressing certain political choices or behaviour as consumers. I just wanted to mention this non-traditional phenomenon, which has been gaining some ground lately, even if it has emerged quite independently of the end of the Cold War.

I mentioned "green", and that brings me to my last, fourth point, the question: what are the choices about? With small exceptions, such as the current Czech President, we are all concerned with "green". As President Havel mentioned yesterday evening, we are all concerned with global warming. Since we are all concerned by this phenomenon, the existence of actual Green Parties may be considered as merely a transitory phenomenon. How can any political party not be "green"? So maybe the Green political parties amount to a transition in the fundamental realignment of politics: from the two hundred year-old left-right dichotomy of the pre-revolutionary French General Estates, to something that finally better reflects the concerns of our century. This is a shift which coincides with, but also got clarified by the end of the Cold War: we are now concerned with pan-human issues which had been obscured by the Cold War until twenty years ago, and so our awareness of global issues, including sustainability, climate change and resource scarcity, and our awareness of major European issues, such as migration, is in my book the greatest of the metamorphoses of democracy after the Cold War. Thank you, Mr. Chairman.

**Michal Žantovský:** Thank you, Karel, for these profound, yet compact remarks. Last but certainly not least, we have André Glucksmann, a leading New Wave philosopher, one of the leaders of the protest movement in the sixties, a principal opponent of the communist dictatorships in Eastern and Central Europe, including ours, an author of a number of important books, a member of the Cercle de l'Oratoire think tank, and a frequent participant at our conferences.

**André Glucksmann:** Since I am the last, I will begin at the beginning, and this is the title: “Metamorphosis of Democracy after the Cold War”. Firstly, what does it mean “after the Cold War”? There were two important events that led us out of the twentieth century and introduced the twenty-first, and they were global, economic, political, philosophical.

The first of these events was the change in the map of Europe as consolidated at Yalta, bringing with it a huge division, as symbolized by the Berlin Wall. This major change is the greatest event that occurred in Europe since the end of the Second World War, and one that is still continuing. It began with the uprising in East Berlin on the Stalin Allee, where masses of German workers protested against communist authoritarianism and despotism. The movement continued in Hungary: we know that in 1956 tanks were used to suppress the population of Budapest; in Poland, in the city of Poznan and other locations; then the Prague Spring followed, crushed with tanks sent by countries from the Eastern Bloc; after that came the Solidarność movement in Poland joined by Russian dissidents. Each time, the effort resulted in failure. Yet despite going from failure to failure, we still managed to achieve victory when the Wall finally collapsed. And it continued with the Rose Revolution in Georgia, the Orange Revolution – they were all “Velvet Revolutions”, soft and bloodless ones. Again, it is not a final victory, however, it is a movement that continues and spreads: in Lebanon they also had their orange dresses, and in Burma and other places. It is a movement that transformed the map of Europe and which still exists – for it is about emancipation, about the experience of freedom.

The second event, one that brought us into the 21<sup>st</sup> century, has not enjoyed much attention. There are probably one billion human beings who, since the 1980s, have been taking part in globalization. They are no longer doomed to live in hunger, with no hope either for themselves or their children. In mind I have people like the Indians

who are no longer fully enslaved in the caste regime, and we must certainly mention the Chinese who are departing from communism, though have not yet departed fully as the monocratic communist regime remains in power. However, there is an economy, which for the 500 million or billion Chinese means hope for a better life in the future. It is a fantastic event, and not only a Chinese one – the same is occurring in Africa, in South America and other regions. Whenever the Chinese arrive somewhere, and not always with the best of intentions, sometimes even with the idea of exploiting the local population, they become a symbol of the necessity to step out of the myth of collective ownership and communist economy so as to be free to breathe. In Europe we are somewhat self-centred and fail to take note of this when we say that globalization is awful. Yes, globalization can be awful, but we must realize that it is not only the current financial and economic crisis and it is not another forty to fifty million jobless people. Globalization started thirty years ago and brought modern living to more than a billion people who had previously suffered oppression and poverty. These are the two events that place us in the context of the post-Cold War period.

Regarding the second point: Democracy after the Cold War – what is “democracy”? It is the experience of freedom. A Chinese, exploited by capitalism that reminds us of the worst beginnings of capitalism in Europe, is still freer than he used to be. There is proof of this in the existence of many conflicts between those who have nothing and those who exploit them. This means that China has entered not so much into the economic miracle, but into a process where people fight and have the possibility – though at a great price – to fight for their own freedom. Therefore, what is democracy? Democracy is the experience of freedom, and what does this mean? The experience of freedom is what we lived through after the end of the Cold War. The experience of freedom, as defined by the German philosopher Schelling, is the experience of paradise and hell, of the best and the worst, and primarily, the experience of a citizen being placed before those alternatives. Michael Novak spoke of his shock at seeing pornography shops appear in Wenceslas Square. I remember when we used to cross the Wall along with the doctors to bring medicines and duplicating technology for propaganda materials, among other things. Each time, we would come with very large trucks and we had to prevent the border guards, especially in East Germany, from searching them. We, the doctors and intellectuals, did not have the slightest idea how to cross the border, but the drivers knew. They

always bought a copy of Playboy magazine in West Germany. Because it was too expensive to give out whole copies of the magazine, they would tear out single pages and give those to East German Police – women as well as men. The police, who were so thrilled at having something they could not get elsewhere, let the trucks through. This is not the only example. Clandestine copies of “The Gulag Archipelago” were sold in Moscow cafes, where pornographic novels were also being distributed. The two went hand in hand: the same binders and it was the same tolerance of the police, who probably showed more tolerance for the pornographic novels. It is also nothing new: Before the French Revolution those who propagated philosophical texts that were uncomfortable to the people in power, were also distributing “dirty” texts. When I was in Berlin on November 10<sup>th</sup> 1989, when East Germans were crossing to the West, they each had ten Deutschmarks given to them on Kohl’s orders. With this money, they would buy a cup of coffee and a newspaper. When I looked at the kiosks, there were always plenty of politically oriented newspapers available, but magazines of “dubious character” were gone almost immediately. This is to say that the experience of freedom is the experience of being able to choose. It is better to have a choice, and perhaps buy a copy of Playboy, than not to have such a possibility. It does not make us more correct, it does not make us more moral, it possibly makes us more brutal and cruel. Fundamentalists, whether, Serbian, Muslim or others, are evidence of us being better off with a copy of Playboy in our hands, instead of phantasmagorical texts that we cannot control.

The fact of the experience of choice being the experience of freedom was proven by history and by the emancipation of the people in Central Europe. You had two paths to choose from: the Czech path with President Havel who accepted the reality that Slovakia would be separate, not without discussions, but peacefully; and the path of President Milosevic who did not allow the Croats, Bosnians and others, to break away from the authority of Belgrade. So, there was no dialogue, but ethnic cleansing and war. Freedom is both the road, if not to paradise, maybe to a better world, and the road to hell. It is this that we have been faced with after the Cold War.

So how have we confronted this choice? Speaking of Western Europe, I would say we have not really confronted it. We are all very proud. At the time we were all so happy about the liberation of the Eastern Bloc countries, if only as a matter of principle, but we were not responsible for that liberation. Both the French President François

Mitterrand and the British Prime Minister Margaret Thatcher were against the reunification of Germany, they were afraid. When I finally came to Prague after my friends – Václav Havel and others – had intervened and arranged my entry with what were then still communist officials, I was received by the French Ambassador, who asked me: “Do you know the dissidents?” I answered: “Don’t you know? You have been in this Embassy for three years, and you don’t know them?” The Ambassador told me: “Well, as you do know them, tell them what they should do.” He then asked, “What is the main issue here?” and I said: “Well, freedom...” No, the main issue was that I explain to the dissidents that the reunification of Germany was something that should by no means be permitted. At that time, dissidents from Charter ’77 were actively thinking about Germany’s problems, of the Sudetenland, of the problems of the Czech nation at the end of the Second World War. Meanwhile, the French Ambassador simply followed the “mood” of the West and would just keep saying: “Be careful, beware!”

If we look closely at what was happening, the emancipation of Central Europe gave rise to choice, clearly everyone was delighted, but there was also an enormous anguish on the part of the West for we had not “lived the liberation”, or expected it, and we had not taken part in the long years of the dissidents’ struggle. The result was a kind of “decomposition” of Western Europe, which could be interpreted as a metamorphosis. There was certainly the decomposition of the communist parties, since the Berlin Wall could no longer conceal the terrible failure of communist regimes and the idea itself. Communist parties in the least ended up changing their name, as it is difficult to change the idea itself quickly. Then there were the socialist parties which should have been triumphant and were throughout the 1990s. In 1989, the EU was made up of fifteen countries, of which thirteen were ruled by the socialists. Today, none of these are, except for Portugal and Great Britain, but there, it seems, not for too much longer. This shift revealed a failure of the socialists – their inability to work together – but neither was it to the profit of the right, which is even more divided. Consider, for example, the representative head of Europe, someone who supports Europe greatly – Barroso from Portugal – and the Czech President who represents a threat to Europe and who even tried to hinder the ratification of the Lisbon Treaty, and yet both are conservatives. There is also the British Conservative party. This only shows how the right is dispersed, sharing very few common ideas, just as the left has problems doing. There is a certain change of political prejudices, which lead to the dissolution of the parties themselves.

However, the following is even worse: It is the loss of a sense of Europe. The European Union was primarily founded on the idea of preventing Europe from descending again into anything resembling fascism. This idea is, nevertheless, one that is very much alive with the different nationalist and xenophobic movements present across Europe, and we have seen a number of such conflicts recently. Secondly, there was “anti-totalitarianism”. When today you hear voices making excuses for Stalin, or about the interdiction of criminal investigations into the Gulags, it seems that very few people are protesting. When Putin refers to the dissolution of the Soviet Union as the biggest geopolitical catastrophe of the 20<sup>th</sup> century, nobody seems to mind. And when, for the first time since the 1980 Soviet invasion of Afghanistan, he invades an independent country, Georgia, and annexes 20% of its territory, again, few people protest. There we have a loss of the common ground, which gave real meaning to Europe. However, it is not exclusively an issue of human rights or ideals, for Europe has really been forged out of concrete economic agreements, such as the Coal and Steel Community, which sealed the peace between France and Germany. The two countries had been rivals in both mining and steel production, and over the Alsace-Lorraine region. Something is being lost, Europe’s energy autonomy – which is no longer based on coal and steel, but relies on oil and gas – has disappeared. The Europeans, one by one, are pleading with Putin for guarantees of their oil and gas supplies. But they do not unite to secure supply routes from South Asia that bypass Russia completely.

We need to understand and face these challenges and difficulties, and it was our capacity to do this, which made it possible here in Central Europe to see the fall of the Berlin Wall and the total collapse of communism. Today, it seems that now faced with these challenges, we are afraid. So, let’s close down the porn shops, let’s stop the flow of information on the misfortunes of Georgians, or others. I feel this is the worst of the metamorphosis we are risking today – that is, to sleep quietly. I will stop there.

**Michal Žantovský:** Thank you, André, for those inspiring words. I know that you all were looking forward to a heated discussion. Unfortunately, we have run out of time. I will give the panel an opportunity to each say one sentence of famous last words...

**Michael Novak:** I myself thought at Wenceslas Square that pornography was a sign of choice. I also thought it would dismay people and discourage them about the full implications of liberty.

**Michal Žantovský:** Václav? No. Mr. Yavlinsky?

**Grigory Yavlinsky:** I want to underline that one of the main causes or factors of the changes in the Soviet Union and the collapse of the communist regime, was the example of the West. Today, one of the main problems with promoting democracy in Russia and the post-Soviet states is the same – the mistakes and bad examples of the West in many situations, which are strongly voiced and developed by the authoritarian leadership in Russia. Therefore, the main recipe for the West for improving the situation in Russia is: please, put your house in order as soon as possible. Thank you.

**Michal Žantovský:** Thank you. Jeff?

**Jeffrey Gedmin:** Michael, I will turn back for a very brief moment to something Michael Novak said in the beginning in jest and in seriousness, and that is how good it is to be in Central Europe and have a good injection of cultural pessimism. We have heard it before, and one tires of saying it, but there should be an “Hour of Europe”, and there is great enthusiasm in Europe about our relatively new American President, who has a number of things on his plate: healthcare reform, North Korea, and others. One gets the feeling that in this part of Europe, and throughout the European Union as a whole, that Europe is more a ‘subject’ rather than an ‘actor’, waiting for others to make decisions and lead. On all of these democracy issues, the United States could benefit enormously from a little touch of your own self-confidence and your own leadership.

**Michal Žantovský:** Thank you. The sentence is getting longer. André?

**André Glucksmann:** After the Second World War, we had a choice between two Western policies: appeasement on one hand, and containment on the other. At present, we have an overwhelming presence of harmful powers in the world: people, sometimes even children, who through their missiles and Kalashnikovs want to impose despotic rule and exploit others. In reaction to this, we may choose appeasement, and tell ourselves that the situation is not so serious, and wait until

it passes – tell ourselves that Russia will modernize, we only have to wait, then everything will be fine. On the other hand, we can pursue containment and refuse to accept local killings, crimes, which may not be of the “obvious kind” such as those in the Second World War, but which may start to spread like an “epidemic”. Our insensitiveness, our passivity, as demonstrated last August 2008 when Russian troops threatened Tbilisi, recalled the invasion of tanks into Prague to put an end to the Prague Spring of 1968. Our inaction is dangerous. By this I am not suggesting going to war with Russia, but rather containing the thirst for Russian expansion which has been present for a long time and creates a feeling of fear in some of the best Russians, who are as a result often killed or assassinated. And let’s remember my friend Anna Politkovska and other Russians who are the victims.



Alyaksandar Milinkevich (left), Trudy Stevenson (right)



## Multipolarity and Human Rights

### Plenary Panel 2

12<sup>th</sup> October, 2009, Žofin Palace

Keynote Speech:

**John O'Sullivan**, Political Commentator, Radio Free Europe, Czech Republic/United Kingdom

Moderator:

**Jan Urban**, Journalist, Czech Republic

Participants:

**Festus Mogae**, Former President, Botswana

**Surin Pitsuwan**, Secretary General, ASEAN, Thailand

**James Mancham**, Founding President, Republic of Seychelles

**Trudy Stevenson**, Opposition Politician, Zimbabwe

**Alyaksandar Milinkevich**, Opposition Leader, Belarus

**Jan Urban:** For Whom the Bell Tolls – “Multi-polarity and Human Rights”: Who cares about human rights nowadays? Twenty years ago, it was the key word of international politics. The Helsinki Final Act and the Security and Cooperation in Europe Conference is still legally valid: all signatory governments have the right, at any time, to request information on individual human rights violations; it’s just that nobody uses it any more. We are here to discuss the state of our interest in human rights and their relativity vis-à-vis different cultures, different religions, but most of all, different attitudes. I will shortly introduce our keynote speaker, John O’Sullivan, Commander of the British Empire, Political Commentator for Radio Free Europe, but also for many American and British newspapers and magazines. Festus Mogae, former President of Botswana; Surin Pitsuwan, Secretary-General of ASEAN; James Mancham, former, founding President of the Republic of Seychelles; we all probably know Trudy Stevenson who is a known opposition leader from a very difficult country, Zimbabwe; and, in this hall, I surely do not need to introduce Alyaksandar Milinkevich of Belarus. Welcome everybody. John O’Sullivan, please ...

**John O’Sullivan:** Thank you, Mr. Chairman. It is a great privilege to have been invited to Forum 2000, and a particular privilege to be a member of such a distinguished panel. Human Rights and democracy, like love and marriage in the old song, go together like a horse and carriage. Also like love and marriage, however, human rights and democracy don’t always blend perfectly. They should reinforce, complement and correct each other. But correction implies that either rights or democracy will sometimes go too far and need to be restrained. And in these remarks I suggest there are five points in history – five revolutions of rights – where this has happened.

The first revolution established procedural or narrowly political rights such as free speech or free assembly. That first rights revolution was spread over three actual revolutions – the Glorious, American and French revolutions of 1688, 1776, and 1789 respectively. Since 1688 was not a democratic revolution, even if it advanced towards democracy, we can argue that rights preceded democracy in time. Indeed, democracy gradually advanced in part because it was seen as specific example of rights – the equal right of citizens to participate in collective decision-making.

From the first human, however, rights were seen as needing protection. They were not self-enforcing. They needed to be defend-

ed against all forms of government, including democracy, as early as the American Bill of Rights. So liberal constitutions usually contained provisions to restrain majority governments from restricting or removing the rights of citizens. It was not always clear what institutions would restrain majority governments if they were minded to undertake these actions. Voters would presumably be the final court of appeal in a pure majoritarian democracy; but liberal theorists were more concerned about the prejudices of the voters than about those of their representatives. Constitutional courts might restrain majority governments in theory; but judges were to remain largely deferential to political majorities for several hundred years. The Army played the role of a Supreme Court, protecting the secular values of Kemalist Turkey, but recently governments promoting Islamic values have gained enough popular support to override the objections of the military. And so on.

That remained the situation as democracy advanced until the end of the Second World War. It was felt following nazism that these political or procedural rights needed stronger support. They were therefore codified and given the moral support of the international community in the UN Declaration of Human Rights (UNDHR), signed in 1948 by almost all existing states. This was the high water mark of the identity between democracy and human rights. The political rights protected seemed all but identical with democracy – or at least necessary for its honest functioning. In fact there were always hidden tensions between them that were soon to emerge.

What, after all, is a human right? It is a claim on others that I possess simply by virtue of being a human being. If I have a right to life, then you have an obligation to respect that life. So-called “negative” rights require only that people should not hinder those rights – for instance, to refrain from obstructing the opinions expressed or the religions practiced by others. Thus my right to life is an obligation on you not to murder me. Government enters the picture when criminals or others violate that right. Its task *inter alia* is to ensure that they do not. In very modest ways almost unnoticed at the time, however, the UN Declaration of Human Rights went beyond a purely negative concept of rights to include a handful of social and economic (a.k.a. “positive”) rights, such as the right to paid vacations. Such rights place a much more onerous obligation upon someone else – in this case the employer or the government – to provide the right codified. But it’s fair to say that this burden was not initially seen as onerous – or even really seen as a burden at all.

Throughout the fifties rights continued to be discussed mainly in terms of freedom from torture, free speech, religious freedom, etc.

By the 1970s, however, the Soviet Union and Third World, embarrassed that their political practices always relegated them to the low end of any human rights ranking, pushed a new and more ambitious charter of social and economic rights through the United Nations. A second rights revolution was now seriously in the making. This was intended to show that the Soviet Union and other countries with universal social benefits, such as free medical care, really enjoyed far more rights than the citizens of advanced Western democracies with capitalist systems and selective systems of welfare or, worse, “workfare.”

To the advocate of positive or social rights, demanding that someone should make a payment or perform a service in return for receiving health or welfare benefits is entirely illegitimate. These things are their “right.” And there is at least a pretence of logic here. A right is absolute and cannot be encumbered by an obligation – at least not by an obligation on the recipient. If we then ask where the obligation lands, then the usual answer is “the community” or, more candidly, “the state.” Again, there are obvious snags with this notion. It might make practical sense in a prosperous political community such as Sweden to give citizens a right of free access to substantial material goods. Even in such societies, however, it would require heavy taxation on those citizens who already enjoyed these things as a result of their own efforts or of the voluntary charity of others.

So this second rights revolution revealed a second tension between human rights and democracy. Just as negative rights imply a limitation on the right of most citizens to choose certain policies designed to protect national or citizen security – e.g., internment to combat terrorism – so positive rights imply a limitation on the democratic choice of economic and social policies. If all citizens have a right to a high level of welfare, then a small limited state or policies of low taxation might be considered simply illegitimate – at least until a high level of economic welfare has been attained by all. If that is so, then governments making economic policy must do so within this straitjacket of positive rights. This is likely to foster controversial political disputes even within a single political community.

This is not simply a theoretical problem. When resources are not available to finance them, social and economic rights are fictions – virtuous fictions perhaps but fictions nonetheless. In some Third World countries that had agreed to provide their citizens with

free medical care, patients had to bring their own drugs, bed linen and even bandages into hospitals. Indeed, most of mankind throughout history has lived in societies that simply have no ability to pay for the positive social or economic rights their citizens supposedly enjoyed according to the United Nations.

That led to the third rights revolution, namely, the international rights revolution. If we enjoy rights by virtue of being human rather than by virtue of being American or French or Czech, then the obligation to support such rights crosses national frontiers and falls on the citizens of the other states that already enjoy high levels of welfare and prosperity. So, in the 1970s the UN became the forum for ideas of policies of international redistribution under a “new international economic order.”

A number of arguments were advanced to justify these policies. In particular there was discerned “a right to development.” Now, considered coldly (which it rarely was), a right to development is not unlike a right to maturity. It can be helped to emerge by outsiders, it can be encouraged, fostered, and rewarded, but a right to development cannot be simply granted from outside. It has to emerge at least partly through the efforts of oneself or one’s society. Some poorer societies were indeed developing through their own efforts at this point – the so-called Newly Industrializing Countries or NICS, later known as the “Asian Tigers.” Others were held back by several factors, including the corruption and unconcern of their own governments but also extending to the attitudes and aptitudes of the local people, as the late P.T. Bauer established in “Dissent and Development.” For the moment, however, these arguments were sterile since there was no means of enforcing the supposed rights of poorer countries anyway. There was no transnational equivalent of the democratic elections or constitutional courts that in theory enforced rights and held governments to account within individual nations.

Yet, as it happened, the theory in question was turning into practice: within individual nations governments were increasingly being held to account over their protection of rights. There was a slow-motion collapse of judicial deference in Western democracies from the 1960s onwards. Minority groups were becoming more vocal in pursuing their rights and interests through the political process. Scholars such as John Rawls invented concepts in political theory that made certain kinds of redistributive principles – and therefore redistributive policies – absolutely binding upon majority governments. These various trends coalesced in an argument that achieved

surprising circulation and acceptance: namely, that majority government was the opposite of minority rights.

Its acceptance was surprising because the argument is transparently bogus. The opposite of majority government is not minority rights but minority government. And if a minority – even a minority composed of judges – is the final arbiter of government policies, then that minority is the sovereign power. Human rights then become an excuse for a judicial oligarchy. We can see that reality clearly when an Army has the final say as in Turkey; but it is less visible when the U.S. Supreme Court is the sovereign minority. But such skepticism was rarely heard and still more rarely acted upon as the 1970s wound into the eighties and nineties – and as a judicial oligarchy gradually center-stage.

For with the end of the Cold War and the revival of international organizations crippled by it, we were entering the fourth rights revolution, namely, the rights enforcement revolution. A whole series of changes now combined to make international rights enforcement a live political issue. I have already mentioned the rise of judicial power within the West and the revived confidence of the UN system. In addition there was the emergence of new global and regional bodies such as the European Union that challenged the existing international order of sovereign states; new international legal institutions such as the ICC; the emergence of a UN Treaty and Conference process that set a world political agenda at Beijing, Rio, and Kyoto; and finally the NGO revolution. Together these changes amounted to the rise of post-nationalism AND of post-internationalism, weakening the sovereign nation-state, empowering new non-state actors, moving towards a new structure of trans-national order – and in particular creating new enforcement mechanisms for human rights.

Whereas previously rights could be enforced only internally within the nation-state by parliaments, voters, courts or conventions, now UN monitoring bodies and NGOs could enforce the provisions of international human rights treaties on signatory countries (and according to some lawyers, even on countries that had refused to ratify the treaties.) Yet, as the Hudson Institute scholar John Fonte has pointed out, the UN monitoring bodies often demand changes in law and practice that are the basic material of domestic democratic debate. Thus, the monitoring agent for the Convention on Discrimination Against Women told the British government to implement gender preferences or quotas, to amend the Equal Pay Act to institute ideas of “comparable worth,” and to compel gender equality of

parental leave. These may be sensible ideas or not, but they represent an intrusion into democratic politics and the attempted imposition of external priorities on a self-governing democracy. Human rights monitoring of this level of intrusion can even attack basic rights. Thus, UN bodies are critical of the U.S. for adhering to the First Amendment right of free speech when it obstructs the criminalization of “hate speech.”

So internationally enforceable human rights are likely to be hostile to democracy until we get something like universal agreement on what rights are and what they should protect. And that is where the fifth rights revolution inconveniently comes in – namely, the multipolar rights revolution.

In addition to the ambiguous status of democracy in this proposed new post-national order, there is another embarrassing flaw in all this. As the political theorist Kenneth Minogue has pointed out, it contains more than a little moral imperialism. Because of its superior wealth and power, the West has been able to hold other cultures to its own standards. This transnational order is a Western liberal order, standing on the shoulders of Christianity and the Enlightenment.

As long as it did so cautiously, by penalizing truly egregious violations of human rights such as torture, recognizable as such by men of goodwill in almost all cultures and religions, there was no great problem. But when “human rights advocates” take to advocating proportional representation of minorities in government and the rights of Islamic women to have access to abortions, real problems arise. These are not rights recognizable in all cultures, but the political agenda of the more ‘advanced’ sectors of Western liberalism. As such many such proposals are offensive to people in other cultures – and those cultures in the form of powerful states are now emerging to insist that the international rules should reflect their own rules and values. We have seen this in the talk of “Asian values;” in the attempts of the Organization of the Islamic Conference (OIC) to delegitimize criticism of religion; in such episodes as the Danish cartoon rights.

The first response of Western lawyers to the challenge of multipolarity to the UNHCR is to deny that there is any problem other than misunderstanding. According to Tony Blair among others, there are “universal values” underlying international human rights law to which all adhere once people of goodwill can adhere.

It cannot be too clearly stressed that this argument is false, condescending, and dangerous. There may be universal truths – as a Catholic believer in natural law, I think there are. For these truths

to be universal values, however, they would have to be universally accepted. And that condition clearly does not apply.

It is not difficult to make a checklist of the matters on which the Cairo Declaration of Human Rights either directly contradicts or heavily qualifies the 1948 Declaration. Here are a few: I. the 1948 Declaration guarantees equal human rights to everyone – Cairo limits this greatly, guaranteeing merely equal human dignity; II. the 1948 Declaration guarantees equal rights between men and women – Cairo offers women different and inferior rights appropriate to the different female role in life; III. the 1948 Declaration guarantees freedom of religion – Cairo guarantees only those rights compatible with Islamic sharia law; IV. Cairo is even ambiguous about the right to convert to another religion or to atheism, protecting only the right not be converted forcibly; V. 1948 guarantees an almost unqualified freedom of speech – Cairo states with brutal plainness: “Everyone shall have the right to express his opinion freely in such manner as would not be contrary to the principles of the Shari’ah.” And VI. whereas traditional international law placed the responsibility for the enforcement of rights on sovereign nation-states and whereas the new transnational order foresees that human rights treaties will be enforced by a combination of global courts, NGOs, and in the last resort national judiciaries acting with quasi-independent extra-national legal authority, the Cairo Declaration maintains that enforcement of rights is the responsibility of the entire Ummah – namely, the worldwide community of Muslim believers. And as the controversy over the Danish cartoons demonstrated clearly, there are Muslims everywhere who take such responsibilities seriously or at least literally.

Now, let me stress right away that there are many admirable things in the Cairo Declaration. If it were enforced throughout the Muslim world, it would improve the practical lot of many people, including most women, even as it denies them in theory some Western rights they don’t possess in practice anyway. A Christian conservative, indeed any moral conservative, must also appreciate the way in which the Declaration seeks to strengthen family life and maintain public decency. But there is no escaping the blunt truth that the Cairo Declaration is incompatible with the 1948 Declaration, with the liberal rights it embodies, and most of all with the post-national structure of international law that is being constructed.

If Cairo also faithfully represents the sentiments of most Muslims, then the human rights revolution in international law is also incompatible with democracy in the Muslim world. We have seen the

mayhem created by the Danish government’s defense of free speech in Denmark. Imagine the mayhem that would ensue if some international court sought to enforce the right to publish something critical of Islam or the Prophet in a Muslim country. The more democratic the Muslim country, the less possible it would be to impose religious, civil, free speech, and gender freedoms on such societies. The only way that the full extent of the human rights revolution could be sustained in the new conditions of multipolarity is through the establishment of a liberal world moral dictatorship. And that would be intolerable not only democratically; it would also violate the universal principle of live-and-let-live.

What therefore can be done? Let me suggest that there are three possible ways forward. The first is a gradual surrender by the new transnational order to ideological pressure from both Muslim states and Muslim communities in the West to limit freedoms offensive to Muslim and perhaps other non-Western traditions. Unfortunately, this solution is all too likely. We already see it in the willingness of Western governments to consider making disparagement of religion an offense that would lose protection under international human rights law. Blair’s British government sought something similar four years ago. Those in NGOs and international legal bodies might well consider such a sacrifice worthwhile if it were to consolidate their power on other matters. For their principal concerns are restraining the sovereign power of Western countries and establishing new governing institutions internationally. But the result would be a corruption of law internationally, a loss of freedom in Western countries, and the degradation of democracy as national governments (e.g. Denmark) were compelled to implement the corrupt compromises of the international courts.

The second option is to accept that different legal traditions, being rooted in different religions, are genuinely incompatible on key points and to encourage the development of several international legal regimes, each corresponding to a particular civilization. Thus, there might be an Islamic international law, a legal regime rooted in Asian and/or Confucian values, a post-Christian liberal order based on the European Union, and a Christian liberal order built around the United States and some of the Latin American countries. Each international regime would evolve its own standards. Conferences between them would seek to harmonize these different traditions – but the process would be open and un-coercive and capable of living with unresolved conflicts. In effect conflicts would be resolved as different national

choices were shaped by the facts of cultural geography – namely, that some nations have Muslim majorities and others Christian ones. All this would reflect a rational and tolerant Huntingtonian acceptance of civilizational differences. The only difficulty is that it is hard to see such a solution being adopted since the kind of people who would be asked to craft it are passionately committed to global uniformity on such matters.

That leaves the third option, namely, returning to earlier concepts of international order: human rights, legal treaties, and democratic accountability. International human rights treaties would be modest in scope. They would be interpreted narrowly. Their power would be largely rooted in moral influence. And their enforcement would be a matter for national governments rather than for NGOs or transnational bodies. Many of the social and economic rights now covered by recent treaties would be determined by democratic debate (and budgetary possibilities) in particular societies. Basic political or “procedural” rights, such as free speech or freedom from torture, would be justiciable in domestic courts perhaps. In most cases, however, the protection of human rights would be enforced by democratic pressures at home – governments would act virtuously largely because of media attention – and diplomatic pressures from democratic nations and human rights groups. This option would meet resistance from the same “human rights” lawyers and organizations that would oppose the second option. But it has a slightly better chance of success because it might attract the support of rising powers such as China and India which place a higher value on their sovereign independence than do European countries now entangled in EU structures.

That said, the most likely result is option one: the gradual corruption of human rights protection and democracy in an attempt to blur the different views that different cultures hold on human rights. To avoid that outcome we need a revival of the democratic spirit within Western countries—and especially within Western Europe. That should be a higher priority in current conditions than the continued multiplication of human rights and of the mechanisms to enforce such rights.

**Jan Urban:** Thank you very much for this thoughtful presentation, highly provocative, very pessimistic, but – I am afraid – realistic at the same time. Why don't we start from the right, President Man-  
cham, your reactions...

**James Man-  
cham:** Mr. Chairman, distinguished guests, ladies and gentlemen. I believe we have just heard a very intellectual exposé of all the different aspects of the human rights question. Human rights, democracy in a multipolar world: I would like to approach the subject from the perspective of a leader of a small island nation, seeing things from the outside, stating a few viewpoints which may be of interest for further consideration.

During the Cold War, human rights and democracy were attributes very much associated with U.S. leadership and with mature European democracies. The Americans would tell us that if the Soviet system prevailed, we were going to see an abuse of human rights and certainly no democracy. What did we see happen after the Cold War? A group of American neo-conservatives wrote about the need to maintain a Pax Americana-like world order, pointing out that the United States has become so strong that they can act unilaterally and nobody can do anything about it. They also said that if other nations had acquired the position of the United States, they would not care and would still act unilaterally. Those experts did not get very far until September 11<sup>th</sup> 2001. Sadly, all of us objective observers of the political scene would have to agree that we saw American leadership move away from those characteristics, which we had been taught to believe in relation to democracy and human rights. Those of us who have studied law, either in the United States or in the United Kingdom, must be mindful of such developments as the Magna Carta, Habeas Corpus, the Bill of Rights, and others. What is the relation of all this to a situation like Guantanamo Bay? There will be no respect for human rights worldwide, unless the most powerful nation in the world sets an example by abiding and respecting the principles.

In today's world, whether we like it or not, we must accept the fact that the United Nations has a pivotal and vital role to play if we are to improve the world order. What did we see? Before the start of the war in Iraq, we saw the marginalization of the United Nations. At the end of the Cold War, the United States was in a unique position to secure a rapid reduction in nuclear capacity. Saddam Hussein was being accused of manufacturing weapons of mass destruction. Yet, at the same time the U.S. leadership was asking the Congress for billions of dollars to develop something called the “small nukes”. To quote the words of the late Ted Kennedy: “Small nukes – do we need a quarter of a Hiroshima? Do we need a third of a Hiroshima? Half of a Hiroshima? Now, if we manufacture them, we're going to use them.” This was Ted

Kennedy speaking, not an agent of the Soviet Union. If we are going to see human rights being implemented, we need to accept that “right” is considered “might”, as opposed to a policy we have been seeing lately where “might is right”. As a member of the Academic Council of the European Peace Council, I recently visited Kosovo. There, on every corner you had a contingent of soldiers – the British army, the Germans, the French, the Dutch – and as you looked around, you could see the big tanks and AK47s. All of this just to maintain peace. Yet, how little money is being spent in the world to promote peace, to cultivate a culture of peace and the objectives of initiatives such as this Forum. The world needs a very strong United States, but one that is guided by principles such as those enacted by the founding fathers. This is perhaps the message which the Nobel Peace Prize Committee sent to President Barack Obama, having decided that he was determined to bring about a more respected and more acceptable United Nations. For those further interested in my views, I have recently published my autobiography “The Seychelles Global Citizen”, which is now available. Ladies and gentlemen, thank you very much for your kind attention.

**Jan Urban:** Thank you, Mr. President. Trudy Stevenson ...

**Trudy Stevenson:** Thank you, Mr. Chairman, and may I say what an honour it is to be the only woman on this panel and, indeed, to have sat at this table at this conference. Thank you for inviting me from Zimbabwe. In Zimbabwe, the term “human rights” is a red rag to a bull, to Robert Mugabe and his regime, even though we are now in an inclusive government. It immediately conjures up visions of NGOs and demonstrators funded by the West, and it is a term loaded with political connotations. Robert Mugabe likes to portray human rights as Western, and in the same breath attack the West with: “Don’t teach Zimbabwe about human rights when you’re responsible for Guantanamo Bay!” Meanwhile, his agents continue, and recently abducted and tortured a number of human rights activists after the signature of the global political agreement. Some of them, particularly Jestina Mukoko, could not be found for three weeks and had to sign confessions of plotting to overthrow the regime by training armed militia in Botswana, the country of Mr. Festus Mogae. For those of us involved in the struggle for democracy, human rights are universal, and all peoples agree on certain basic principles. This is what holds mankind together, and has enabled us as a global community to continue as far as we have since its very beginning.

As a Zimbabwean, however, I do wonder about the multipolar world, which we are discussing in this conference. Our perception down in our small piece of Africa is that the United States still calls most of the shots, especially after the collapse of the Iron Curtain. China is an economic giant now, but its influence in politics is still far behind America because of the colonial influence of the English and French-speaking peoples across the globe for centuries. China is only just starting out. There is also the Muslim pole, of course. Getting back to human rights: we speak of a person’s moral compass as well as poles, and the internal moral compass should point you in the right direction.

The problem in Zimbabwe, as I mentioned here last year, is that our society has so completely shattered that nearly every family is divided. Yet it is the family which protects and brings up the child. So now our young often have no moral compass, especially if they have had to drop out of school: Half of our children who start school in grade one drop out before they ever get to secondary school. These are the ones likely not to have any moral compass at all, and most likely to be exploited by predators, and to become, what we call the “Green Bombers” – the youth militias. These youth militias are used by the predators – the strong in the régime – to terrorize, torture and violate, or murder political opponents with no respect whatsoever for human rights. Last year, in the runoff for the presidential election, these youth militias were used by political leaders to identify, torture and kill people who had voted for the opposition – the MDC. The phenomenon of child soldiers, or youth militia, is spreading in Africa. And it is a terrifying phenomenon: the Lords’ Liberation Army, the child soldiers in Liberia and Sierra Leone, and our own Green Bombers. These children are indoctrinated, drugged and violated so that they have no sense of their own dignity, let alone anyone else’s; they certainly have no notion of human rights, and their controllers keep them like that to serve their own purposes. Likewise the young taken into the Taliban or Al Qaeda – they are also abused, if not in the same way, and they become killing machines.

This is then our problem in the so-called multipolar world: how to protect our young from the predators in order to ensure the peaceful progression of society, in which the sense of human rights is so deeply soaked into our innermost being as children that we would naturally balk at violating those rights. The family, which protects children, is also the solution to promote and protect human rights, for the family is more or less the same unit throughout the world,

wherever you go. Most religions teach the importance of the family, and, of course, religious instruction is also of vital importance, so long as it does not become pure indoctrination. The family can and should impart a sense of human rights, the importance and universality of those rights, whether that family is in the United States, China, Uganda, Afghanistan, Cuba or Zimbabwe, and anywhere else.

We must always guard against political forces that destroy or divide our families, and that remove the young from their parents. That way of removing the young from their parents is the way of the predators, and predators would destroy the world for their own end. In our struggle to rebuild our families and rebuild democracy in Zimbabwe, the importance of the European Union, and particularly of the Czech Government, remains important, and it is important to remain there and give us your support in our struggle as we continue. Thank you.

**Jan Urban:** Thank you, Trudy Stevenson, for pointing us to the family and its role and function in politics, and specifically, in the politics of human rights. Moving now from Africa to Asia, Surin Pitsuwan...

**Surin Pitsuwan:** Thank you very much, Mr. Chairman. Excellencies, ladies and gentlemen, it is a great privilege for me to be here at Prague's Forum 2000. I must express my appreciation to President Havel and Mr. Yohei Sasakawa for this invitation – I have been invited many times, but this is the first time I have been here. If I had known that Prague was this beautiful, and the Forum so inspiring, I would have come here a long time ago.

Excellencies, ladies and gentlemen, we in the Association of South East Asian Nations (ASEAN), comprising ten countries, and 582 million people, draw a lot of inspiration from your struggle, and your achievements here in Central Europe, so it is rather disturbing to learn that you are re-examining your approaches to human rights and democracy. At a time when there is general acceptance of the fact that human rights are universal, indivisible, and must be nurtured within the framework of a liberal democracy, we are also being led to believe that the world is reluctant and uncertain about its commitment to these values.

We in ASEAN have decided, for the first time on 23 October 2010, we will establish an Intergovernmental Commission for Human Rights (AICHR) that is endorsed by the ASEAN Leaders. Many observers are following these efforts closely. In particular, the

civil society organizations and critics have lamented that the terms of reference of this body have not gone far enough, as its emphases are more on promotion than protection. The Commission will have the mandate to raise awareness of the importance of human rights in international dialogue, but not the powers to investigate human rights violations by the states or by elements within the states.

But the body is a reflection on the resolve of the ASEAN Heads of State and Government that we have to begin somewhere. In the history of the movement of the ideas of democracy, human rights, and equality, there has not been a singular action that has produced flawless results. Indeed, in the Declaration of Independence of the United States, Thomas Jefferson wrote that “all men are created equal”, but significantly, the Declaration omitted women, the blacks, and people without property. We therefore believe that the process should be evolutionary.

Our assertion is not that the human rights movement is suffering from relativism divided by the East and the West, but we have to be mindful that it must be an evolutionary process. While you were struggling here with inspiration from Western Europe and the U.S. to establish your liberal democracy and the mechanisms to protect human rights some twenty or thirty years ago before the fall of the Berlin Wall, we, in the East, were struggling to establish “democratic” regimes. That experience alone has not been easy.

Now that the world is no longer divided, the space is open. The process of globalization is gaining momentum, and we in the East are adopting universal values. We live in historical, civilizational and cultural contexts which we cannot abandon in order to establish an instant democracy. Therefore, the development of the protection and awareness of human rights must be incremental. We ask that you are not selective in the promotion of your own human rights: the issue is not one of “who” violates human rights, but rather that everyone – states, non-state actors, ethnic militia can be guilty of human rights violations. This morning, President Havel observed that there is a tendency for some to argue that those states who possess natural resources should be treated with some sensitivity about their lack of adherence to the principles democracy and human rights. With that kind of approach, those of us committed to the advancement of democracy and human rights as universal values within our unique historical and cultural circumstances have a very challenging task ahead of us.

It is not that we believe that human rights and democracy are Euro-centric, or Western-centric. But we must consider our own cultural diversity in Asia, particularly in Southeast Asia, where I am from. Ten member states belong to the Association of Southeast Asian Nations. Our member countries include those with a Catholic and Buddhist majority; the largest Muslim country; and a good number of Hindus. There is no other region in the world that is more diverse than Southeast Asia.

Last night, Michael Novak sought a response from those who practise Islam, Buddhism and Hinduism, to hear them express their interpretation of their own human rights, human dignity, and democracy. We have to begin these discussions at forums like these, where governmental or non-governmental organizations alike can gather to promote and cooperate on research into our own historical and cultural roots. If you do that, you will find that human rights stand on solid ground, and you will be able resist their importation in totality from the West. In Buddhism in Thailand, where I am from, there is a saying in Pali, that every human being is the guarantor of his or her own well-being, and is dependent on one's own power, resources and responsibility. In Islam, God will not require from one individual soul more than that soul is capable of – this is the essence of the principle of the equality of responsibility.

We must encourage cultural units of all sizes to contemplate on their own foundation of faith and ideology, to try to identify the similarities and the differences. If they are encouraged and inspired to make these reflections, such as at public forums like this, we will find that we have a lot in common – at least in our common belief in humanity, in human freedom, in human dignity.

Let us move a little further from human freedom, human rights, into the realm of human security. To concentrate on the security of the state alone will no longer be adequate, because the state could become the instrument of oppression, insecurity, and human rights violations. We have seen this happen a great deal. What we want to do is make sure that there is a paradigm shift from focusing on state security to individual, personal, human security. That will not be easy because many of these countries, particularly the countries that are still in the process of nation-building, will not be comfortable with that shift. However, unless and until we refocus our attention on human security, it will be very difficult for us to hold discussions in the abstract about the issue security for the entire spectrum in the state. We will be entrenched in discussions on the security of the

state personnel, the state apparatus, and of the state, rather than the security of everyone within the state.

I am therefore proposing to all of us that we “experiment” on ourselves. We should be confident, rather than wavering about our mission; and about what we have achieved. I would also like to respond to what President Havel described this morning about the notion of a standardized, automated democracy, where one adopts a specific number of measures before one can be pronounced a democracy. That is not how we are approaching the issue in the East. We want to make it a meaningful democracy. We may fail and succeed here and there, but we are making progress in the march towards democracy. It has the support of the people, and is not imposed from the outside. Thank you very much.

**Jan Urban:** Thank you, also because I think this audience needed a dose of optimism after this morning's session. Mr. President...

**Festus Mogae:** Thank you very much, Mr. Chairman. Mr. O'Sullivan has enumerated a formidable list of rights.

Coming from a part of the world where many of these are violated or ignored, and as until recently I was a political practitioner, I attach the greatest importance to political rights: the right to elect a government of your choice, because if this were to be realized in Africa over time, it could be expected that the electorate would enforce the other rights through the ballot box. If we have a situation where politicians fear the electors, and not the other way round, which happens in my part of the world, then I would be hopeful that ultimately, all the other rights would be realized, not immediately, but over time. That is why I have been parochial; I know the issues we are addressing are global, but permit me to be parochial and apply them first to my part of the world – Africa, and above all, sub-Saharan Africa.

The proliferation of rights as enumerated here has had an unintended effect of blurring the distinction between basic human rights on the one hand, and civic rights on the other. Civic rights – some of those are affected by culture, as has been mentioned. But there are basic human rights, which are independent of culture: the right to life, freedom from torture, the right to food, sustenance and shelter – those are basic human rights – and I do not think they can be described as Western or Eastern. If think tanks and other organizations concerned with human rights and democracy, such as us here today, Forum 2000, can debate these issues and rank these rights, they would have done the world, or

at least Africa, a great favour. Democratic imperfections would remain, but I believe that if the right of people to elect a government of their choice and remove it if they do not like it were enacted or practised in Africa, many of Africa's evils would be remedied.

Behind all of this, what goes with genuine democracy is tolerance: tolerance of divergent viewpoints, tolerance of religious and cultural differences, because we are in this world together. There is currently a wide debate about climate change and all the evils it has brought: who is to blame? Who must do what? That is an example of where all of us – big and small, rich and poor – must have a hand, and yet some, especially the richer and the well-established countries of Europe, have continued to add more than others. Therefore, my feeling, and the feeling of Africans, is that those who have polluted more should pay more for adaptation and mitigation.

The subject is very broad, so I will simply say the following: Regarding religion, I fear men who kill in the name of God. I also think that the many rights and the disproportionate ability of organizations and individuals in richer countries to influence the world or events have had the effect of distorting the priorities of the international community. However, one has to accept that he who pays the piper calls the tune, which is unfortunate. Let me stop there.

**Jan Urban:** Thank you very much. We started in Europe, we will end in Europe with Alyksandar Milinkievich on the Belarusian perspective.

**Alyksandar Milinkevich:** Dear Mr. President, ladies and gentlemen. A long time ago, the change in Europe led to our belief that the whole international system would be changed in a way to guarantee the development of democracy and human rights. The great hope was that these universal principles and mechanisms of human rights protection would at last be accepted and respected globally.

Unfortunately, that did not happen – there has been no definite triumph of democratic values in the world as a whole, and not even in Europe. Furthermore, some of those values are being questioned and put into doubt by leaders of authoritarian regimes. We can even say that in certain regions regression away from democratic and humanist principles is under way. While insisting on rights of state integrity, sovereignty and the principle of non-interference in the state's internal affairs, authoritarian regimes do not hesitate to infringe rights and human dignity.

Referring to the current economic growth in our country, the non-democrats across the whole world claim that economic modernization need not be necessarily accompanied by liberalization, political plurality or respect for human rights. Arguments such as the reputed political, national stability are used to justify ideological domination over society, the hunting-down of dissidents and the eradication of political competitors. Often, these regimes point their fingers at democracies to accuse them of double standards, hypocrisy, egoism, particularly if they find that democratic values are not being fully respected by the democrats. This is done through propaganda and by the authoritarian governments' attempts to convince their citizens of the absence of values in politics, and all the more in the triumph of human rights. It's no problem, human rights are not necessary for prosperity. Those who struggle against authoritarianism for the respect of human rights are stigmatized as liars serving the West.

Human rights are universal, and human dignity is applicable in the same way across the world – be it in Belarus, Myanmar, Cuba or China. Every person has a right to live in better conditions and to have a government which is more just. Our multipolar world needs to respect human rights, and the already democratic countries, such as those of united Europe, have a two-fold responsibility: to protect and guard what they have achieved in their own respective countries; and to promote humanist ideals elsewhere. Commercial pragmatism and economic relations should not stop us from insisting on fundamental values with authoritarian leaders and to help dissidents across the world. Though touched by the economic crisis, the democratic world will, hopefully, find a solution to the crisis, which also lies in the moral domain – human rights should be protected abroad as well as at home.

I would like to say a few words about the situation in my own country, Belarus. For years, it has been called one of the last, or, perhaps, the last dictatorship in Europe. Both the European Union and the United States looked for various methods to bring about a positive change in the human rights situation. At the beginning, Belarus was isolated following the constitutional coup thirteen years ago, and it is necessary to say that there has not been much improvement since. On the contrary, the situation has been deteriorating: the number of political prisoners increased, as well as that of students expelled from universities for their political and social activities. We have seen the increase of the “politically unemployed”, and general fear is prevalent in my country.

A year ago, the European Union changed not its strategy, but its tactics: It started a dialogue with Belarus after some steps had been taken towards democratization, with, for example, the release of political prisoners, allowing the existence of well-known NGOs and the distribution of a few liberal newspapers. The European Union commenced a dialogue and economic cooperation with Belarus. Our economy has not been reformed for years, and, thanks to the reliance on Russia for most economic support, is heavily indebted, which is putting our independence at risk. Our country faces a number of problems: human rights, democracy, as well as independence. What are the results of the political change that recently took place? Is there more democracy? A little, yes. The Belarusian state and its current leaders are afraid to show that the situation remains basically unchanged. Not many steps have been taken until now, because the dialogue is not yet happening.

I stand for dialogue, I am for pursuing contacts between the leaders of democratic countries and the authoritarian ones in Belarus, however, such dialogue requires conditions. The situation must be analyzed continuously with a critical spirit, to track improvements in democracy and human rights. In addition to this, there lies the question of whether to use the method of the carrot or the stick. In the case of my country, where independence is in question and human rights pose a problem, the stick does not work. It does not work because if the régime finds itself in isolation, we could lose our country by becoming a protectorate of Russia – at first economically, then politically. I am not anti-Russian, but I would like to live in a free and independent country. Russia should not be isolated – this won't work. However, we could offer the carrot while attaching specific conditions. I am not worried about the economic assistance – which is much needed to modernize our economy – that is at present being provided by global and European institutions, but I want this assistance to come with conditions for developments that lead to democracy. This is a regular approach, for those are European values, which should not be changed.

If relations exist between the European Union and my country – which is not a democracy – it should not be forgotten that Belarus is not simply an authoritarian power: it is also ten million Europeans. It is therefore absolutely necessary to maintain contacts with the civil society, to support it, as well as the free media which, despite being weak, does exist. That is our task: to bring democracy to my country. Your assistance – that of democratic countries, and especially those, which not long ago were part of the Soviet system

such as the Czechs, the Poles or Lithuanians and others: we need your help to support democracy. A few words on the civil society in Belarus: they are citizens upholding democratic values and partners for democratic countries – long-term partners, which is most important. I would stop here, thank you.

**Jan Urban:** It was not the goal of this panel to solve all of the problems, or to find a joint strategy for human rights on this planet. We have heard a wise introduction to human rights studies, universal human rights, the perception of human rights as an evolutionary process. We have heard different predictions, or rather predictions of different scenarios. If I could summarize what we have heard, it would be this: it is a never-ending debate, a never-ending struggle and a never-ending search; multi-polarity is a fact, because of the changes in technology, the changes in our interaction and because, after many centuries, we tend to believe that this planet is one. We are at the beginning of this debate, and evolution definitely means that there will be ups but also downs. Silence would be the worst. Ending this discussion would be the worst scenario we could foresee.

On this note, I would like to recall one situation. Twenty years ago, as dissidents in Communist Czechoslovakia, we worked with our great Russian friend, journalist and dissident, Alexander Podrabinek. He was dissident then, and, twenty years later, he is dissident again. Alexander Podrabinek is still in hiding, and though he was invited again to this conference, to our knowledge, he couldn't come. He's trying to come, but it's very difficult. I would very much like my government and other governments to work as Western governments worked twenty years ago, asking for Alexander Podrabinek's rights and freedoms everyday: today, tomorrow and in the future. As I said: Silence would be the worst. It is clear that I speak on behalf of this distinguished panel: Silence will not happen on our watch.



Jorge Quiroga



## The Instruments of International Influence

### Plenary Panel 3

12<sup>th</sup> October, 2009, Žofín Palace

Moderator:

**Jiří Schneider**, Program Director, Prague Security Studies Institute,  
Czech Republic

Participants:

**Festus Mogae**, Former President, Botswana

**Grigory Yavlinsky**, Economist and Politician, Russia

**Ján Kubiš**, Executive Secretary, UN Economic Commission for Europe,  
Switzerland/Slovakia

**Jorge Quiroga**, Former President, Bolivia

**Ady Schonmann**, Ministry of Foreign Affairs, Israel

**Jiří Schneider:** Good afternoon, ladies and gentlemen, welcome to Plenary Panel Three: “Instruments of International Influence”. My name is Jiří Schneider, I’m from the Prague Security Studies Institute, and I have the honour and pleasure to be the moderator of this panel. With no further ado, I would like to give the floor to the lady on our panel: human rights lawyer and legal expert from Israel, Ady Schonmann, who has been working for the Israeli Ministry of Foreign Affairs for quite some time. She has recently been appointed to be a legal adviser at the United Nations, and was involved in various rounds of peace talks and negotiations with the Palestinians, including the most recent. Ms. Schonmann, I would like to ask you to introduce the topics from your perspective, and, by default, I expect that it will be a more legal perspective, but also that you will address this nexus between the legal perspective and the policy side of the topic, which is – as the organizers have assigned it – more about questions regarding the friction between sovereignty and international policy in various aspects. So, the floor is yours, we’re looking forward to your remarks.

**Ady Schonmann:** Thank you. It’s a distinct honour and a great privilege for me to have been invited here. Coming from the realm of international law, I’d like to offer you some personal insights from the perspective of an international legal practitioner.

The first three instruments of international influence in this century that spring to my mind are the United Nations Charter, the Genocide Convention and the Universal Declaration of Human Rights. The United Nations Charter has become perhaps the ultimate guide of conduct for those entering the exclusive “Club of Nations”. Having been tested for over the past half century, the Charter has developed into the closest thing we have to a universal legal diplomatic vocabulary. With all its shortcomings, this may well be the only safety net that prevents our discourse, from regressing to a biblical Tower of Babel. The Genocide Convention marked the development of modern humanitarian law and its link with human rights. Ironically, for all its compelling moral authority, it has also been notable for the failure of states to enforce its obligations. The Universal Declaration of Human Rights marked a quantum leap in international law with the evolution of the human rights movement and its breakthrough in recognizing, for the first time, individuals as legitimate subjects of rights under international law rather than states alone.

Coming from the world of international law, I consider my profession to be one of crafting and designing language: it’s not merely about linguistics or tailor-made rules, the business of international law is more about crafting a discourse with meaningful content, with a vocabulary that can influence mindsets and perspectives on how we interpret values, and how we assess the legitimacy of action or inaction. The practice of international law also carries an enormous responsibility not always fulfilled, I am afraid, to ensure that words will not be easily reduced to empty slogans and that they will not lose their meaning. This challenge becomes ever more difficult given the inherent and constant tension between international law and international diplomacy. Today, legal rhetoric, especially that relating to human rights and humanitarian law, has permeated virtually every sphere of diplomatic discourse; it’s become a common currency among stateswomen/men, world leaders, diplomats and the media at large; it’s trendy, its’ fashionable, and although it is often used as mere lip service, it also carries important and appealing normative values. Take, for example, the concept of human rights which has challenged many walls of traditional schools of thought in international law, including the way in which one interprets notions of sovereignty. Human rights inspire, they are aesthetic, they carry a vision and hope, but I believe that their magical and almost seductive appeal also carries an inherent weakness. When they are translated into the international reality and applied in state practice, we sometimes find them lost in translation and manipulated. They also reveal the nakedness and vulnerability of some international institutions, both their tragedy and their farce.

I believe, though, that with all the shortcomings and imperfections of international law, it remains the most effective system of norms that we have available to us in international politics. But, at the same time, it often proves counter-productive to dress up any and all notions in legal cloth. In fact, in some cases, we may risk hindering rather than advancing noble ideas. Now, to my mind, this trinity, if you like, this unholy trinity, so to speak, of international law, universal ethics and international politics, is inescapable. And in this matrix, I think that both international human rights law and humanitarian law are often interpreted as a legal expression of some kind of a universal morality. Perhaps this implicit expectation to moralize politics is unrealistic, especially when we are dealing with concepts that are vague enough to serve as the lowest common denominator for all nations, when we are consciously aware that there is a very clear

divide among countries in the interpretation of basic definitions and values; and yet without being ironic, I believe that this is the price we pay for obtaining some semblance of an international the rule of law. By the way, this tendency to link moral considerations with the law is not new: one example can be traced back to the 19<sup>th</sup> century in the famous Martens Clause, which is part of the Hague Convention on the Laws of War. It places all parties “under the protection and the rule of the law of nations” based, among other things, on “[...] the laws of humanity and the dictates of the public conscience”, whatever that may mean. This is why I believe that in our discussion, it’s critical to recognize at the outset that international instruments carry an intrinsic illusionary component. It’s perhaps a “necessary fiction”, or, in the legal slang, we would call it “constructive ambiguity”, but it boils down to the understanding that there are limits to the application of legal concepts. And here too, I must emphasize that legal imagination and legal acrobatics are essential to international law; the ability to colour it with language that highlights or shades, allows for the creativity and the development of international law.

The problem arises, I think, when fiction becomes too dominant at the expense of overlooking both the limits of international law and “the danger of moralizing in the abstract”, to borrow Professor Stanley Hoffmann’s eloquent phrasing. With this in mind, I would like to turn now to the concept of Responsibility to Protect – which is one of the subthemes of this panel – it’s also known as R2P in its abbreviated form, and I would like to share with you some of the dilemmas that are involved. If I spoke earlier about the challenges of international law as a language, then the concept of Responsibility to Protect introduces a fascinating challenge: from the perspective of language, when this concept was first conceived in 2001, it rather brilliantly – in my mind – shifted the emphasis from a so-called “Right to Intervene” by States to an idea of responsibility that comes with the privilege of governing. What it basically did was to generate consensual response in a way that the earlier language simply could not do. By the change of terminology, it elevated the lives of the individual over those of the abstract entities of governments and states; in this way, it recast sovereignty as a form of state responsibility in a way that appeals to basic notions of universal morality. In broad terms, as was pointed out by Gareth Evans, one of the leading architects of the Responsibility to Protect, this concept evolved, in a very specific context to meet a very specific need, to address a narrow subset of extreme cases involving mass atrocity crimes with crimes against

humanity at the core, which occur within the boundaries of a single state. This concept suggests that states have a primary duty to protect their population from the most serious atrocities: genocide, crimes against humanity, war crimes and ethnic cleansing. If they fail to deliver, being unable or unwilling, then the international community has the responsibility to act and prevent, somewhat like the Good Samaritan who cannot be a bystander and who acts to save lives. With this winning script which gained international political acceptance in an extraordinarily short span of time of four years, it seems that the R2P concept can hardly be contested from a moral and ethical stance. For me, it’s closely associated with the “Never Again” imperative not to silently stand by, with the powerful echoes of the Holocaust, even though the R2P concept was conceived decades later, having in mind other atrocities and repeated failures to prevent them in Rwanda, Kosovo, Cambodia, Darfur and elsewhere. But on second thought, this concept also raises many complex questions – conceptual, legal, practical, political, institutional and many others. Obviously, there are the usual concerns of exploitation and abuse of this concept, that it will serve as an excuse to intervene by extending its reach to areas that were not originally meant to be covered by it, such as environmental emergencies or civilian protection in conflicts in general, or human rights generally.

I believe that any attempt to widen the application of the Responsibility to Protect concept beyond its core purpose of addressing mass atrocity crimes is dangerous and counterproductive. If anything else is squeezed under this label, we run a serious risk of diluting its capacity to receive international consensus in the cases where it is really needed, as well as diluting fundamental legal principles such as the understanding that civilian loss of life, unfortunate and tragic as it is, is part of any deadly conflict, whatever its cause and whatever its scale. Another difficult challenge is how to mobilize political will, and whether this concept requires the introduction of new tools in order to implement it, or whether the existing mechanisms are sufficient. But before addressing aspects of implementation, I think it is critical to first define the scope of Responsibility to Protect and the elements of this concept. From a legal perspective, this opens a Pandora’s Box of questions. I have mentioned earlier the constant tension between international law and politics, and the growing trend today to use ‘legal speak’ in virtually every sphere of international diplomacy; and, irrespective of the recognition that it takes time and state practice in order for a concept to actually be

come normative and to gain legal status. It was pointed out by the former High Commissioner on Human Rights, Professor Louise Arbour, that the R2P concept doesn't say what kind of responsibility the Responsibility to Protect is: is it a moral responsibility, a political one, or is it a legal one? Another basic question is whether it's necessary, or desirable, for the concept of R2P to be given some more formal legal status with all the implications that this entails.

There is a controversy among scholars and policymakers whether this concept reflects political rhetoric or also a legal norm. I would like to suggest some of the risks that may arise if this concept is treated as a legal concept. There are many things this concept does not say: for example, what is the appropriate threshold for activating this concept? In other words, which cases should be properly characterized as R2P situations, and which should not? More specifically: which conditions on the use of force such as proportionality and military necessity are applicable under the R2P concept? And certainly, while this concept of Responsibility to Protect should not be confused with the right to self-defence, it remains an open question whether it can be triggered as part of the right to self-defence or as part of the duty to counter terrorism.

There are also many unresolved legal uncertainties concerning the definition of related key concepts such as what constitutes ethnic cleansing despite the treaties and international jurisprudence that exist. Another interesting question, which was extensively discussed by Professor José Alvarez in a very insightful presentation on "The Schizophrenias of R2P", is: Could a failure to exercise such responsibility be considered an internationally wrongful act and give rise to legal remedies? Or, to take this one step further, could it impose legal responsibility on international organizations such as the United Nations, or even regional organizations who fail to act in the face of mass atrocity? In other words, quoting Alvarez's question: "Could this mean that the United Nations should have been held legally liable for failing to act in the face of the genocide in Rwanda?" However admirable this effort could be, I too, take the liberty of assuming that such a duty is extremely premature and unlikely to be affirmed by state practice.

But even if we were to find the UN legally responsible in such a case, pinning down this responsibility remains difficult. For example, Professor Alvarez makes the following very valid and compelling point: Do we mean that the organization is responsible as a whole so that all UN member states owe Rwanda compensation for

the organization's failure to protect? Or do we mean only members of the Security Council? Or, if taken to a further extreme, does it mean that only those states that are able but unwilling to contribute armed members to protect Rwandans would be liable? And if the UN failed to protect, does this mean that member states are entitled to impose countermeasures on the UN, for example, by failing to pay their UN dues? These are all open questions worth contemplating; I turn to my earlier observation that it's not necessarily wise to dress up different notions and ideas in legal cloth. In some cases, it may be counterproductive. It is difficult to believe that the same international community that so far has failed to agree on a comprehensive definition of what constitutes terrorism would likely be able to define such elastic and politically loaded terms as "just cause", "right intention" or "reasonable prospect of success".

My own assessment is that the risks probably outweigh the benefits. It would be literally impossible to get states to agree to direct legal liability of the kind proposed. In closing, I would say that it's one thing to expect Good Samaritans to act; it's quite another thing to require them to do so or otherwise be held legally responsible. Does the concept of Responsibility to Protect require them to do so? History teaches us that our failure to act is an act of failure. But can the Responsibility to Protect achieve that or will it prove a step too far in the current international climate and state practice? I leave you with these thoughts. Thank you.

**Jiří Schneider:** Thank you very much for what I think was a very important insight, showing us that it is not that easy to only have good intentions to prevent something from happening, which, we all agree, should be prevented, but it is very difficult to put it in a legal form that doesn't have any unforeseen consequences and doesn't result in further problems. It doesn't relieve the question of its the moral urgency, that after the "bloody century" – the 20<sup>th</sup> century – we cannot just remain indifferent bystanders to the many atrocities and wrongs which are taking place. You mentioned the United Nations in the beginning of your presentation, I would like now to give the floor to Ján Kubiš, who has, after serving his country, worked extensively for international organizations and is now working for the United Nations Economic Commission for Europe. I would especially like to highlight Minister Kubiš's tenure as Secretary General of OSCE in Vienna during some difficult years, and we really look forward to hearing what your experience from international organizations will

bring to this perspective on Responsibility to Protect, and also to other instruments of international influence.

**Ján Kubiš:** Thank you very much, and thank you, ladies and gentlemen for being with us. Let me also stress that I'm speaking here in a personal capacity, and not on behalf of the UN Economic Commission for Europe, notably on a subject like this, because it has close to nothing to do with what we, or I'm dealing with in my formal capacity now. Let me just mention a couple of points that are related to the concept of Responsibility to Protect. Are we able to move forward, to put it into operation – to agree first on how to put this concept into operation, how to promote it? What should be the driving forces behind it? What should our approach be?

The concept is well-defined but, in practical terms, we have got nowhere up to now. We know how discussing works in New York – when countries try from time to time to revive the discussion on the subject, they are almost immediately blocked. The discussion is not moving forward. Let us think about this concept as a good example of the challenges, controversies, but also hopefully as a potential to elevate the human being as the first object of our care, our attention; and the well-being of people to not be collectively taken as a sort of anonymous entity – the well-being of every individual to become the focus of our attention. This should be the starting point. We should then use the potential to ensure that these individuals can live in peace, security, that they can benefit from human security – yet another concept that is not necessarily accepted by the whole international community, be it in the United Nations, but also, for example, in the OSCE.

Some of the challenges lie in how we work with this concept, and don't just rely on the concept of the sovereign rights of sovereign nations that is still prevalent and will continue to prevail in the world. After the tragedies of genocide in Rwanda, of the wars in Bosnia and former Yugoslavia in general, it was almost inevitable that the international community with its leaders and groupings should finally come to an understanding that we must do something differently, that the instruments and the legal underpinnings of the current world – including the work of the United Nations as the top instrument that should be, and is responsible for peace and security and stability, and by that also for well-being – that they are not able to deliver, that they were not able to protect people in Rwanda or in Bosnia and Herzegovina from these atrocities, from being killed indiscriminately. And I am

glad that they came up with this concept of Responsibility to Protect. But immediately you saw the reactions: This is against the sacrosanct principle of state sovereignty, this is an invention of some countries, of the Western powers, to impose their political will on the countries of – let me use a term that I personally don't like that much – the Third World, that it's a plot against their sovereignty and would be used to dominate them. Another reaction was that this is to strengthen – and that's from the United Nations – the role and mandate of the Security Council, which is encroaching on certain territories that have been given, or should be given, to the whole membership community of the UN, including, and first of all, the General Assembly.

At this time, almost every year, there is an attempt to revive the concept, but so far, the discussion has not been very productive in leading us anywhere. Perhaps – and this is a question that I put to you to consider – we should try to broaden, or discuss whether the Responsibility to Protect should, first of all, cover instances of human rights abuses as it does now, and I am referring to the act of genocide in Rwanda, etc., because that was one of the most important moving forces. This means selectively focusing only on one area of human rights. Or, should we not try posing a question as a part of the solution of broadening the scope? What is in the hearts and on the minds of the majority of people today? It is the financial and economic crisis. It is poverty. It is enough to look at the discussions taking place not only in the General Assembly, and to look at different opinion polls telling you that it is not necessarily about questions of peace or war, or stability in the more traditional sense, but that it's a question of whether I will survive tomorrow, whether I will be able to feed my children tomorrow, what will happen to me, to my family, and, perhaps, to the broader family, my nation – will we be able to cope with this?

The second area that is being discussed, and will be discussed even more, is climate change and the challenges that come with it. At the summit on climate change organized a month ago in New York, it was very powerful listening to the statements of some of the leaders who told us: “The international community, the co-leaders, don't understand us; if there is no good deal in Copenhagen on climate change and if you force us to sign a not so good a deal in Copenhagen, you are basically asking us to sign up to suicide.” Again, this is one of the most problematic areas.

When trying to address the issue of Responsibility to Protect, we could look at all the issues, such as gross violations of human rights,

and try to expand the discussion. By doing so, we would also engage better – as equally interested partners, those that see the concept of Responsibility to Protect as just an invention of a small number of countries, wealthy and powerful countries in the world trying to dominate them, who would simply use it against their sovereignty with God knows what intentions or ideas. Part of the controversy is the conceptual approach; unfortunately, not everyone agrees that the focus of our attention – of our protection – should be the well-being of every individual. That's one of the problems. I'm not a lawyer so I will not speak about this from the perspective of international law, but as a politician I saw this many times when we discussed the subject. Even such an attractive, appealing concept as human security is not generally accepted because there are many who consider this as a disguised encroachment on their sovereignty. So it is not even accepted by a number of countries that don't just profess their commitment to human rights in words, but defend it, and even they are cautious about the human security concept.

Another contradiction is the mixture of the concept with morality. Very often those countries which came and promoted this concept, were, and sometimes rightly, simply accused of assuming the moral high ground without keeping to it. The case of Guantanamo is one of the most well-known examples of when double standards are applied according to particular interests. If we were able to address this part of the problem, we should then be able to move forward with the issue of Responsibility to Protect, and we would also be able to get more supporters and partners to discuss it. Part of this is also a question of cultural and political challenge. We discuss, we know, and we are – and, definitely, I am – in favour of the universality of human rights: You cannot simply have different kinds of human rights in different situations; but there are cultural differences in many societies as to how to combine the two, and there are insensitivities to those cultural differences. This creates certain problems, and we cannot close our eyes to them.

All in all, we have these kinds of challenges, yet, from my perspective, the concept of Responsibility to Protect is something that we must defend. We have now reached a point where, perhaps, we have more opportunities to develop the concept. First of all, it was difficult to promote it when the major world power was more in favour of unilateralism than multilateralism – more in favour of doing things with a small group of countries rather than seeking partners. Now, the situation is changing. The second, positive element

of the world today is that there is a search for a better functioning of multilateral organizations – for greater effectiveness and increased representativeness. We should use this momentum, these changes in the world (one of the representations of these changes might be the philosophy and the policy of President Obama) and try to see whether using this approach of looking forward, trying to engage partners, trying to understand what their concerns are, whether we could translate it into a momentum to help us move forward with the promotion of a concept that I'm strongly in favour of – that is, the Responsibility to Protect.

**Jiří Schneider:** Thank you, Minister Kubiš, for adding a political perspective to the picture. You've also touched on some important dilemmas related to the broadening of the concept, which you raised as one of the questions – as there are some other challenges, what would be the consequences of broadening? The previous speaker was quite critical about any attempt to broaden the concept, because it's broad enough already, but you were right to bring urgent crises into the picture – be they economic or environmental. The next speakers are two Presidents, both of them were successful leaders of their countries, both of them have experience of international financial institutions – I expect we'll get more of the economic angle from them – but especially, they have political experience. President Jorge Quiroga is a former President of Bolivia, he has also worked for international financial institutions – the World Bank and the IMF – and he received an important award from the World Economic Forum. President Quiroga, the floor is yours.

**Jorge Quiroga:** Thank you. I'd like to begin by extending my thanks to Forum 2000 and the Nippon Foundation, and to President Havel for inviting us here. My remarks are not so much about the Responsibility to Protect in obvious cases such as mass genocide, places with great poverty like Sudan, or hotspots for terrorism like Afghanistan and Pakistan – those get enough attention. I'd like to rather look at the responsibility to defend democracy and preserve freedom under creeping authoritarian regimes some of which are emerging in Latin America. I'll make two points on this: one about how international architecture has evolved, and then a case study from my region.

Firstly, how has international architecture evolved? From my perspective on Latin America, it has evolved in three stages. Number one: From World War II to 1989, we had a bipolar world where the

alignment in Latin America was political and economic, mainly with the U.S., in some exceptions with the USSR, and everything evolved from that – political alignment, lines of credit, aid, cooperation, and other things. The definition of right and left was very specific: those aligned with the U.S. were on the right, and those aligned with the USSR were on the left. You had regimes in Latin America that had what today would be called left-wing economic policies, but by being aligned with the U.S., they were called right-wing regimes.

That changed in 1989, and for the lack of a better point in time, let's take 2003 when Iraq was invaded, and let's take that fourteen-year period of 1989 – 2003. It was basically a unipolar system where the U.S. and the West determined whether something was done in former Yugoslavia, or whether something was not done in Rwanda. If you wanted economic cooperation, the keys to heaven were held by the IMF, which should have been called the ABTR Monetary Fund – Argentina, Brazil, Turkey, Russia – who had about 90% of the total loan portfolio of the IMF – and those were the tools that were used. If you wanted investment, lines of credit, help, aid – 90% of the time of anybody in Latin America was spent in Washington because that's where the international flows came from, that is where the relief came from, where the investments and markets were.

That then changed, and we now live in a multipolar world thanks to the advent of China. For Latin countries now, if you think of a buyer, particularly in South America, you think of China, you don't think of the U.S. If you think of investors, you think of Spanish companies, you do not think of the U.S.; and we now live in a more dispersed, more diffused a world. The IMF is basically irrelevant today in Latin America – it's probably now the “Eastern European Monetary Fund.” The architecture of the UN, the IMF, or bank boards certainly need new designs. The UN Security Council is very antiquated, the G20 is a better form for economic discussion than the current boards of the IMF and the World Bank, and I think that is bound to change. But I'm very sorry to say that what really matters is what President Havel said at the end of his intervention this morning: A developed country, when it sees a poor nation that has oil saying: “Because I have oil, I can trample on my democracy and erode human rights!” ought to pass a message to that country: “Just keep it!” And we all clapped – I clapped very hard. I wish that were true. The reality today – the message is: “Send it! And buy some weapons from me, by the way! And I'll look the other way while we are at it.” That is the hard reality of the international system when it comes to the erosion of democracy and freedom.

In my second point, I will use a specific case study that we have in Latin America. Over the last ten years we have under way the largest threat to democracy and freedom that my region has ever seen, ever, by far! The best financed, best-led, best-structured project of hemispheric proportions is underway and is led by the man that rules Venezuela – I call him the ‘Petro-Pirate of the Caribbean’. It's worse than a movie, it's hard reality. The project works by destroying freedom, confiscating property, eroding democracy, and trampling over sovereignty. It is led by the ruler of Venezuela who, for a long time, was regarded as a buffoon, or a sideshow. Trust me, he's not, he's got a photographic memory, he knows exactly what he's doing, he's obsessive, patient, and he is the best combination on the planet of CNN – the news channel, MTV – the music channel, history channel, religious channel and comedy channel, all mixed into one with the run of the remote control in Venezuela, because you have to watch him for hours and hours with long, protracted programmes, and he broadcasts through TeleSUR all over Latin America.

His project was originally called “Bolivarian” because he wasn't as ambitious at the outset – he just wanted to take over the Andean countries. Then it became 21<sup>st</sup> century socialism – that has a wider scope that allows him to meddle in Central America, Paraguay and other countries; it is wrongly classified or called “populism”, which is too benign a term to capture the dimension of what this man does. It is populism at the beginning to win power, hegemony to govern, and tyranny to perpetuate itself. He is well into the tyrannical stage of what he is doing. His is many times deceptively called a left-wing regime, but Carlos Fuentes, the celebrated Mexican left-wing writer, when he was asked if the ruler of Venezuela was a left-wing icon, he said: “No, he's a tropical Mussolini.” So, you can quote Fuentes, not me, about what his real intentions are. If it was just in Venezuela, I wouldn't be talking about it; the problem is that he meddles in all the other countries; and the effectiveness of the meddling – which has been going on for years – is a formula that depends on the price of oil and the internal consolidation of the regime inside Venezuela. In the year 2000, the meddling was rudimentary but as time went by, the price of oil skyrocketed, his consolidation increased and became much more effective.

It expands by using very simple mechanisms that you saw here in Europe in the first half of the 20<sup>th</sup> century – what Burkhardt called “simplified reiteration”. In the first half of the 20<sup>th</sup> century, you saw it with posters and radio; today it's internet, TV and it still works:

emotions over reasons, and simple messages (the poor versus the oligarchs, the people versus the elite, the movements versus the parties, social versus neoliberal, Fidel versus Bush). It works very well if you have the oil-mining forces behind it to propagate and disseminate that message. It's a very flexible project; it's not really dogmatic in terms of ideology – it's about seizing power. To take over countries, they use economics PhDs, “coca leaders”, Catholic bishops, whoever – Chavez is very flexible in terms of how he goes about it – and it creates unrest and finances convulsions in countries that are not subject to its tutelage to eventually try to seize governments, and he has seized plenty of governments in Latin America. When he does seize the government, the recipe is fairly predictable: a constituent assembly to liquidate the established order; the seizure of institutions – congress, judiciary, military, electoral, intelligence, tax regimes; the closure clamp down or purchase of media outlets; the centralization of resources; and confiscation of all private property and investment – whether it's oil, mining, steel, telecoms, what-have-you – slowly grab all of that. What is very difficult is that it has the democratic veneer of periodic elections, but between elections, the dismantling of institutions, of free independent media and the centralization of resources is underway, and that recipe is being copied in a lot of different countries in our part of the world. When this and the erosion of democracy and freedom that we see underway are analyzed in many circles, it is very easy to look at the caricature and say this is left or right. Trust me, this is not about left or right; this is an ambidextrous project, it's two-handed: it grabs and seizes power with two hands – and it's really about the rule of law that we are likely to live under, or the law of the jungle, which these regimes propose, democracy or autocracy, sovereignty or foreign hegemony; it's about using the poor to seize power, like the ruler of Venezuela does, or using public power to help the poor long-term. It's basically about liberty or a semi-fascist system.

When we describe all this, and we see how it's evolved, it begs the immediate question: where do we go? And it's not an obvious case like the ones you find in Africa or other places. Where do you go to defend democracy and preserve freedom? What international architecture is there? I've become somewhat sceptical about formal architectures and I'll give you the reasons why: if you want to talk to the EU, to be very frank, many European countries would rather do business in the Faja del Orinoco or sell weapons than preserve democracy and freedom in Latin America. If you go to the Organiza-

tion of American States, our little local regional political gathering, the power of oil is so great that Mr. Chavez controls twenty-two of thirty-four votes. If you look to the UN Security Council, between oil sales and weapons procurement, you're almost sure that Venezuela will have at least one veto of the Security Council when anyone tries to do anything about it. If you look at the U.S. – I'm sad to say that the U.S. has a mutual “satisfaction of addictions pact” with Venezuela: the U.S. is addicted to oil, Mr. Chavez is addicted to power – they swap oil for money, everybody leaves satisfied. So the answer will not come from there. It's important to know that Mr. Chavez has a great anti-imperialist rhetoric, but he lives off imperialism: he has seven refineries and ten thousand gas stations in the U.S. I wish I had that; he gets a hundred and ten million dollars a day – every day, from the U.S. consumer, to in turn impose imperialism on the region. When I look at the map of the UN Security Council, the OAS responsibility to defend democracy – the OAS Democratic Charter, I'm somewhat sceptical. I shouldn't just point to the European or U.S. positions, but also in Latin America where the large countries, quite frankly, look the other way as well when democracy is trampled on and freedoms are eroded.

To conclude, I will tell you that if you ask me who is the international agent who will best stand up and combat this erosion of democracy and freedom that we have underway in Latin America, I will say it is the same one that you had here in the Czech Republic: It is President Havel's spirit. I know that there is a lot of controversy over whether the Czech President will or will not sign the Lisbon Treaty, but these “big things” get taken care of. To me, a more important signature was President Havel's signature on a little letter for some Cuban dissidents – Cuba having a lot of political prisoners. That's a more important signature. It's very symbolic of how you go about combating it. It's a long-term endeavour, it takes time, but the human spirit that yearns to live in freedom and the rule of law and democracy is the one that will eventually prevail. If you ask me, I'd trust that much more than I would any formal structure or institution to preserve democracy and freedom in Latin America.

**Jiří Schneider:** President Quiroga, thank you very much for telling us that former presidents can sometimes do more than current Presidents. With that, I'd like to move to President Festus Mogae, who was President of Botswana for ten years, and was recently the recipient of a prize which doesn't have a long tradition; the Ibrahim Prize for Achievement

in African Leadership is quite a recent venture. Those who know something about Africa know that this man deserves this award.

**Festus Mogae:** Thank you, Mr. Chairman. The previous speaker has described in some detail how democracy is being perverted, in his instance in Latin America. That, of course, also happens in Africa – we do have a counterpart, if not counterparts of Chavez in Africa who do exactly that. I hope that in Latin America, there is at least a veneer of democracy and liberation rhetoric. In our part of the world, it is worse than in Latin America.

When we are talking about the sources and the direction of the flow of investment in the past and present, or intervention to prevent genocide, it all revolves around the willingness of those with the capacity to act. We Africans are known to always complain, and even when we mismanage our affairs, we attribute it to our failures, to colonialism and to racism, but sometimes it is not without cause. We can't help remembering that there was a genocide of an African tribe at the turn of the last century, from 1903 – 1907, in South-West Africa. It was acknowledged and condemned as such, but nothing else was done until the Second World War. The same nation did the same thing, this time, from our point of view, on a people who were white, and the world has never forgotten. More recently, genocide – black on black – was committed in Rwanda. The United Nations troops were actually in the country to keep peace, and they moved out, which enabled the genocide to take place. When it happened in Kosovo, North America and Western Europe decided to take action, and they did.

Therefore, whether we extend the legal provisions of the Responsibility to Protect or not, much will always depend on the ability or the willingness, or otherwise, of those who have the capacity to act. What President Quiroga was saying is right. In the seventies, I worked for the IMF, and at that time the United Nations held seventy-five per cent of the vote. Certain decisions required more than seventy-five per cent so decisions could not be taken if the United States was not in support. In those days, Latin America was friends with the United States, the United States was friends with Europe, so what did you expect? Now we have a multipolar world: Latin America is receiving investment from elsewhere, which is an improvement – it is good that we now have a choice. But in the final analysis, whether it's the present economic and financial crisis or apparent genocide in Darfur, much still depends on the willingness of North America and Western Europe to do something about it, be it in the physical sense

as in Darfur, or in financial terms elsewhere. So I find it somewhat “academic” to be talking about the possibilities of widening, in legal terms, the requirement to protect, when those who have the capacity to protect are not willing to do so.

Some would argue – and I'm not necessarily arguing this way – that if big powers like Russia or the United States step in, who could act against them? Maybe this is a reality that we must accept – that some are more equal than others and can therefore do certain things with impunity. But in the case of smaller, more “manageable” powers, the duty to protect can sometimes be undertaken – as was undertaken in the case of Kosovo, but at other times, it was not – as in the case of Rwanda, and now Darfur.

I have not much to add on the subject because it seems to me that everything really revolves around this. There is also a perception that sometimes those who have the duty to protect, who are the members of the Security Council, are not even-handed in dealing with situations, which, to a lesser or greater extent, result in human rights violations. I don't want to go into details because I don't want to get involved in controversies, but this perception is there. That being the case, legal provisions become irrelevant if their implementation is in doubt, however well they may be written. That is why I say that I'm not so sure whether it's productive to talk in detail about the Responsibility to Protect, when big powers have their preferences, to which they are entitled, and when we, small countries, behave like them to some extent. There was a civil war in Angola during the Cold War, and even after, but at that time, Angola bought weapons from the Soviet Union and was also assisted by Cuba who actually sent troops. The United States, in principle, was applying sanctions, but the American company Shell prospected. One time, South African forces came across an oil prospecting crew and were told by the United States that if they touched them, they would pay a price. So, on the one hand, the United States was applying sanctions, but on the other, American companies prospecting for oil were exempt from those sanctions. I fear I am moralising too much – coming from a region, which is guilty of many wrongs.

**Jiří Schneider:** Thank you very much, President Mogae. Last, but not least – I was tempted to say that not only former Presidents, but, maybe, future presidents are around – who knows? But Grigory Yavlinsky doesn't need to be introduced in Prague; he's been here several times, he's always welcome, and, Grigory, we look forward to your remarks.

**Grigory Yavlinsky:** Once again, thank you for the invitation. I heard a lot about the President of Venezuela, and as the President of my country is the best friend of the President of Venezuela, I think I am just in the right team to be speaking. That he is a friend of the President of Venezuela says a lot about what is going on.

Speaking about the instruments of international influence, it is enough for me to say briefly that there are three major instruments: knowledge, moral motivation and the ability to take decisions or the ability to act. That's it, full stop. That could be the end of my speech, but I want to say a bit more. I'm not going to speak about international institutions, because I don't have a lot of experience of them, and there are greater experts at this table than me, and also because there are many discussions about the problems and negative qualities of international institutions and so on. All of this is true, to some extent, but I think that international institutions are very important for their role in facilitating negotiations and introducing political standards – and this is absolutely necessary and very important.

The influence of international organizations is extremely high, although maybe not high enough. The main problems of international institutions are rooted in the background of how decisions are taken. Over the course of the past fifteen years, the global paradigm has entirely changed: decision-making as well as expertise against the background of new challenges of the past decades, at the same time revealed their organic weaknesses. For example, civil control was the main force of European democracy for over fifty years. Now, it is fading drastically, especially, as far as pan-European institutions are concerned.

I also want to emphasise that international organizations as well as governments have a strong tendency to neglect independent experts and expert bodies and to consider them useless at coming up with practical solutions. The fact is that independent expertise, carried out by think tanks, NGOs and the media, is becoming less and less welcome, and is not, to any small degree, taken into consideration in the decision-making process. All these facts put together make me concerned about the machinery of decision-making in these organizations. One could say that we are now living not in a totalitarian world where the “propaganda approach” has already been replaced by the “information approach”, but in an information society where anybody who wants to know anything can easily find it out. However, I want to suggest to you to consider that we are already living in a post-information society where the amount of information is so vast that even psychologically, it is impossible to find out what is

important and what is not – what is noise, what is reality; and it is increasingly difficult to take decisions on this basis.

So, what is my recipe for improving the influence of international organizations and strengthening the instruments of international influence? I think that independent institutions can, and should, remain a serious source of knowledge and expertise in the areas where they are active. Independent institutions are especially important for creating a dialogue between society and authoritarian leaders before trouble or bloodshed break out. It is very difficult for independent experts, independent institutions and NGOs to express an influential point, let us say, on issues such as the relations between India and Pakistan, or Russian gas policy, etc. They are not serious players in these areas. On the other hand, in many other situations, they are absolutely crucial. For example: if the international institutions had paid enough attention to the activities and expertise of independent organizations and NGOs in the case of Georgia and the Caucasus as a whole, I can assure you that a lot of things wouldn't have happened. They wouldn't have happened because the information about what is going on there has been accumulated for fifteen years, and every observer who were to look carefully into the independent expertise, would have clearly seen that something was going to happen, and it would have been possible to prevent it. As another example: What I think was a very smart initiative, the Eastern Partnership, was launched not so long ago when the Czech Republic held the European Union Presidency and could be very positive and successful, but it badly needs the expertise which should come from independent personalities, organizations, analytical structures, NGOs, for this expertise is extremely valuable.

More than that, I can say that in the Caucasus at the moment, the situation is very dangerous, and the information coming from the area must be analyzed well in advance – and there are people who are very experienced in doing that. In order to understand how valuable information from these people can be, you may know that in Russia these people are very often murdered, for example, representatives of independent, human rights organizations, such as Memorial. These people bringing their expertise, but are killed – the last killing took place not so long ago.

To conclude, I think that the world cannot exist with weak international organizations in it; and the combination of international organizations and independent expertise and independent analytical structures, can give a new breath and a fresh step to international activity.

**Jiří Schneider:** Thank you, Mr. Yavlinsky, for highlighting something which was also the intention of the organizers: to speak about not only international organizations and governments, but also the bearers of information and expertise, and sources of information for decision-making, this is an important part of the equation. Before I give the floor to all the panellists for their concluding remarks, I just want to ask Mr. Kubiš if you would like to take on some of the points raised here on the panel.

**Ján Kubiš:** The last piece of information prompted me to react. I would like to say that I'm grateful to you, Mr. Yavlinsky, for having raised the issue of how decisions are being made.

There was an excellent presentation from a legal point of view. My presentation and, I believe, those of others, were more of a political nature, and, I assume, more from the perspective of how things should be done – how to avoid and prevent situations like Rwanda or Darfur from arising, and Darfur is not resolved, as we know.

So, what can be done? From a practitioner's perspective, I am interested in looking into what kinds of solutions we can at least put on the table for discussion, and then, perhaps, come up with some ideas for improving the situation. We either work with the notion that those who can act should act – and this is quintessentially unilateralism, maybe of a collective form, because you can then lead a group, coalitions of the willing, and let them act. Or you still try to use the existing institutions, or others, as a part of the multilateral solution, based on certain legal documents, and, I would like to see the UN Charter upheld as the core document.

I believe that we have seen a failure of the policy of unilateralism in its different forms: it was unable to prevent the situation in Rwanda, and at the time when the philosophy of unilateralism was predominant, it was neither able to deal with issues like Darfur. Let's give multilateralism a chance, let's give a chance to working together – that's one of the key messages of the Nobel Prize Laureate, Mr. Obama. I might put a question mark on whether giving him the Nobel Prize now was the wisest thing to do, but I don't question his thinking or his concept because it's a new concept that might help us.

So indeed, it is about decision-making. Part of this decision-making also means engaging as many countries as possible because you cannot act unilaterally, although it is still the basis of many things that are happening. It would be very difficult, for example, to ask

one or two countries to intervene in the case of political, manmade, but also natural disasters – it simply might not work. I remember the discussion – and I believe that there are others who remember who know it better – around the time when the tsunami hit Indonesia, or Myanmar. With the tsunami in Indonesia, it took us, the international community, some days to work out a solution together with the Indonesian government to help the country. It took us some time and it was not easy, and there were voices saying that this is an example of when the concept of Responsibility to Protect should be enacted in the case of a natural disaster. This is partly also a reaction to life expanding the political scope – not from the legal perspective of human rights for we should not dilute or make human rights more relative – but from a political perspective, an operational perspective of the concept of Responsibility to Protect. How do we react in the time of manmade disasters? That's why I linked it also to the discussion about climate change. The concept is not expanding in the legal sense, and neither are we looking at the situation with this idea of diluting the core values of human rights, it is simply about making the concept practicable.

Another interesting aspect for consideration is that if we are to work together, how do we ensure that the most interested parties give the right signals? Darfur is a case in point. You know what the International Court did with regards to the President of Sudan. That was an international, independent institution, and I am not going to comment on it – I accept that as a fact of life. But I also know – or we know – what the political response was of peer countries: the G77, Arab League, and many other organizations backed the President. Again, I'm just putting this on the table for your consideration.

I registered an interesting situation, though a bit different: The war between Russia and Georgia, where we saw unilateral recognition by Russia of the independence of South Ossetia and Abkhazia, but no recognition by the partner countries in the Commonwealth of Independent States. Think about this as about the different perspectives.

Again, this brings me back to the question: Should we act, and ask the countries that are able to act unilaterally, or should we try to develop a partnership consensus using whatever imperfect international institutions there are as a platform for getting us to certain solutions? From my perspective, the second way is better; the first way could be more confrontational, it would not lead us that far, it might alienate the partners that we need in many other areas. That is why

I very much hope that more leaders will listen to President Obama with more attention, and try to work with him more. This is as valid here in Europe, as in other parts of the world.

**Jorge Quiroga:** To conclude briefly, I have two points. One is that very often we demand solutions to problems in Africa, Latin America, or other areas, from the Euro-Atlantic axis, and I think to be fair, we have to demand that leading regional powers – whether it is Brazil or Mexico in Latin America, or South Africa – have to step up to the plate and assume more responsibility. They would primarily like to join the UN Security Council – I think Brazil deserves to – but with glory comes the responsibility to exercise leadership in the resolution of humanitarian crises.

The second, and last point, is that I have become radically green – not so much out of direct concern for carbon emissions melting our Andean Mountain glaciers, or for the rise of oceans, but because oil in the hands of authoritarian regimes is so incredibly damaging to democracy. People like Chavez erode democracy faster than the glaciers melt or the oceans rise, and they are more dangerous for democracy. If we don't move towards a green world, we will continue to live in a black, grey and white world: oil, arms and drugs dominating what happens on the planet. We know many oil tyrants, many oil dictators, but I don't know of a single biofuel dictator, windmill dictator, solar dictator – renewable energies by definition do not allow rent-seeking and rent-capture by governments.

**Jiří Schneider:** Thank you. President Mogae, your final words.

**Festus Mogae:** Yes, I agree with Jorge Quiroga, let us first find out about the substitutes for multilateralism, but within the multilateral approach, certain countries could, from time to time, be authorised or mandated to take action on behalf of the majority. I agree that leading countries in regions, such as Brazil and South Africa, should be made aware that they have to assume certain responsibilities. Here again, I can't moralize because there are a lot of things that have happened in Africa. In Darfur, the government of Sudan agreed with the government of South Africa (with the previous administration) to insist that UN forces must not be led by a non-African, that non-Africans should only provide technical support, not operational command. That was because the President feared that otherwise UN forces would be used to arrest him, and so there was a conspiracy be-

tween the administration of South Africa, the biggest economy and power in Africa, with the Sudanese government. The world has not behaved very well, as far as the people of Sudan are concerned, but we, Africans, are equally guilty.

**Jiří Schneider:** Thank you. Ady Schonmann?

**Ady Schonmann:** Perhaps just two points. For me this discussion reinforced two basic understandings: one is the necessity to first resolve the existing uncertainties about conceptual questions, whether it be those I alluded to, or others relating to the respective roles of the UN General Assembly in comparison to the Security Council, for example. Also, basic conceptual aspects relating to the core pillars of the Responsibility to Protect: the responsibility to prevent, the responsibility to react, and the responsibility to rebuild. A lack of clarity also exists in the role, responsibility and the application of the principle with respect to non-state actors, and there are many open questions.

The second thing that has been reinforced for me is that mobilization of political will is perhaps the best course of action. Ultimately, the role of NGOs and civil society in mobilizing this will, as my distinguished partners in the panel have reinforced, is very important in educating the public. We are dealing here with two difficult conversations, both internally and internationally, and I think that the ultimate success lies in the ability to try to create a link between the internal decision-making process, and how it influences the international one.

**Jiří Schneider:** Thank you very much. Ladies and gentlemen would you join me in thanking our distinguished members of the panel for providing us with valuable insights, and also for their encouragement not to give up our efforts to positively influence international developments. Thank you.



Yegor Gaidar (left), Vladimír Dlouhý (right)



## After the Storm? Can We Discern and Learn What The Economic Crisis Is Disclosing About Us?

### Plenary Panel 4

12<sup>th</sup> October, 2009, Žofín Palace

Keynote Speech:

**Jan Švejnar**, Professor of Business, Economics and Public Policy, University of Michigan, Chairman, CERGE-EI, USA/Czech Republic

Moderator:

**Tomáš Sedláček**, Chief Macroeconomic Strategist, ČSOB Bank, Czech Republic

Participants:

**Chao-shiuan Liu**, Former Prime Minister, Taiwan

**Sandra Kalniete**, Member of the European Parliament, Former EU Commissioner, Belgium/Latvia

**Jorge Quiroga**, Former President, Bolivia

**André Glucksmann**, Philosopher, France

**Yegor Gaidar**, Former Prime Minister, Russia

**Vladimír Dlouhý**, Economist, International Advisor of Goldman Sachs, Czech Republic

**Tomáš Sedláček:** Ladies and gentlemen, I have the privilege to welcome a very distinguished panel of guests tonight to debate a topic that is, perhaps, a little bit ahead of its time. I'm looking forward to seeing what kind of answers we will have to the question of whether the storm is now over. We might have very diverse opinions about whether the storm is yet to come or whether the storm is over, whether it was a storm, what such storm could be, and so on. I have the honour to introduce Professor Švejnár, who will give the keynote speech to open the debate, and then we have other panellists from the "crème de la crème" of today's economics. Many of them have either been in office from the beginning and through the maturity of the crisis and all of them have observed it from their individual standpoints. I have the honour to introduce the former Prime Minister of Taiwan, Professor Liu and Ms. Sandra Kalniete Member of the European Parliament and former EU Commissioner of Latvia. We have the former President of Bolivia, Jorge Quiroga, French philosopher André Glucksmann, former Prime Minister of Russia, Yegor Gaidar, and Vladimír Dlouhý, my colleague from the National Economic Council. Without any further delay, I ask Professor Švejnár to give his keynote address.

**Jan Švejnár:** Thank you very much. I was asked to be provocative and brief – so I'll try to do that. I'll start with the second part of the title of this session: What Is the Economic Crisis Disclosing about Us? In a few words: We were not prepared and we are not sure how to get out of it. That's, I think, a fair statement in terms of where we are starting from. The first part of the question: Is the storm really over? We don't know. We are at the stage where the first wave of panic is over. It's good that we are no longer where we were in February or March, when many people were really thinking that it was a free fall and we didn't know how to pull out of it. We are obviously in the greatest global recession since the Great Depression of the 1930s. Our hope now is that we will not go any deeper – that we will not go through a major recession. Frankly, nobody really knows. We are not yet out of it, we are at some kind of bottom, but it's not clear whether it is the very bottom. We're all hoping that we're coming out of it; the leading indicators now predict moderate optimism in the sense that we are hoping for some economic growth and further stabilization in the financial sectors. This is especially starting in the United States, where the financial sector caused the origins of the current crisis in its most brutal form.

There are some warning signs; we have some data indicating that the situation is improving; there are other data indicating that the situation is stable, but that the level of economic activity is low; some data are still indicating a worsening of the situation, such as the unemployment rate that's rising in most of the leading economies. We really don't know for sure whether the current economic crisis is really over. History in this area shows that very often there are situations where there is some growth and then there's another decline. In that sense, it's a problematic situation.

We still face significant deflationary pressures in many economies around the world, and so many of the policies are geared towards dealing with this very unusual problem as well. The stock markets – to the extent that they are forecasting anything – are very optimistic, perhaps, overly. So, there is a chance that this is a false start, or it could indeed be a major indication of a turnaround.

Going back to what history teaches us, the stock market indicators often go up and down a few times before they eventually resume growth and signal real recovery, so one has to be quite careful. From a broader standpoint, the most serious issue is the unemployment situation. Many of the advanced economies, after trying for a long time, managed to reduce it – Western Europe being a good example. Now the current recession is raising the rate of unemployment in many of these economies, the U.S. being a leading warning indicator where unemployment is heading towards 10%. From the economic standpoint, with 10% of the labour force unemployed, there is clearly a major underutilization of resources. We experience major psychological shocks. It's a very painful process, and that's despite the fact that in Europe we have a system that's effective in mitigating the effect of recession on unemployment. It is a very serious situation.

What has the crisis revealed? I think that it is an overdue lesson in humility about our capability – we are fallible. It has shown us that in regional crises we can be quite effective in pulling the affected regions out of the crisis, be it the Asian Crisis or other crises in the world. But a global crisis, in which we are now, is much more complicated because there isn't any significant part of the world economy that's doing very well and is able to pull out the rest of us. It shows us that small countries such as the one that's hosting this conference, the Czech Republic, have relatively limited options as to what they can do when there are these large shocks on an international scale.

We have also learnt that it's not only individuals who are in some sense irrational and myopic in their behaviour but also institu-

tions – it is public and private institutions which have succumbed and are susceptible to the same kind of myopia in terms of how they think and how they act on the global scene. The interesting thing is that the public in general is more educated than it used to be in the past. And yet, in some sense, people still choose to believe things that are too good to be true. We are way too optimistic in the way we approach things. Very often the media contribute to it as they try to play up things, to make them more interesting than they actually are.

Let me say a few words about the crisis and economic science – after all, the economists are the ones who should have predicted this. In a way, most of the elements of the crisis were known to economists for a long time, so it's not that we, the economists, weren't able to identify what happened. We knew, but we weren't able to generate voices loud enough to warn about it. Now, there is some debate about this. There are those economists who are taking the blame and saying “we failed professionally”. There are the two-handed economists: On the one hand we say this, on the other hand, it's that; there are different voices. There is a voice from the University of Chicago which always has a very clear view on these matters. Not everybody, but a group of people who argue that economists do very well predicting the predictable – and in some sense, they've done that. Then there are those things that are totally unpredictable. You know you can't predict events that are stochastic – and this is a stochastic event. So economists are just fine; the profession is just fine: it did what it could do; and this event should be classified as a tsunami that you can't predict.

You can choose where you are in the continuum. I lean towards admitting that human behaviour is very complicated – we can predict and understand significant parts of it, but there is certainly plenty of room for the economics profession to improve its understanding and help humanity by providing better early warnings. I have a few interesting historical vignettes: in 1720, as many of you know, there was the ‘South Sea Bubble’ – a bit similar to the ‘dotcom bubble’ that we experienced during the last decade. One of the big players on the scene was Sir Isaac Newton, the inventor of calculus – modern mathematics. He was in charge of the Royal Mint, and warned everybody about the bubble and that they should not participate in it. Nobody heeded his warnings. He finally decided that he was wrong, he bought in, and the bubble burst. He then said: “I can calculate the motions of the heavenly bodies, but not the madness of people.” Very appropriate. In 1929, just before the Great Depression, Irving

Fisher, the leading economist of those days, lost both a fortune and his reputation as an economist in this particular area by predicting that share prices would not decrease. John Maynard Keynes himself in 1927 said: “we will not have any more crashes in our time.” Then, he was providing the major theories as to how to get around one. And there are more, which I will not delve into. I think we should be very cautious when betting on these general and long-term forecasts. Even the finest experts in the field can be wrong.

This crisis really started as a financial market crisis. In that sense it has been a financially-driven crisis. Financial markets are prone to and susceptible to these fads and bubbles, we just have to be aware of it and recognize this fact. The real value of the underlying assets is very difficult, if not impossible to predict. Human nature is such that it inflates these bubbles once they have started. It's just the way it is. There is peer pressure; there is a certain type of management culture; there is cognitive dissonance, and particular cultures in financial markets. I think that it's really important to realize that yes, we can analyze things to some extent, and understand them, but it is a limited understanding. We always need to take that into account.

What should we do at this point? We should, first of all, act quickly. I think that delayed responses are much less effective than immediate responses. In that sense, whether you agree or not with the philosophy behind the U.S. approach to the crisis – the good thing about it (I'm not saying it's succeeding) is that it is trying to act in a decisive and quick way. The common feature that everybody agrees on is that we have insufficient demand – we have insufficient demand from the people, insufficient demand from enterprise. If the government steps, it should do so fast and very decisively.

At the international level, we need much more coordination than we've had so far; we need to put in place re-evaluation, risk measurement systems. In other words, we need to prepare ourselves to really take advantage of the early warnings. There were early warnings, they were not heeded, and they were not sufficiently developed. It's time to learn from this.

Overall, we should be more humble in the sense that we should pay more attention to the lessons provided by other fields of inquiry than just those that have an immediate bearing on this: economics, in particular, and finance should look into behavioural psychology, and experimental studies of various kinds. We should not exaggerate the predictive powers of our models and we should share this openness with the public at large.

**Tomáš Sedláček:** Thank you very much for opening the debate. I know that in history, there are a couple of great figures that knew the future – one of them was Master Yoda, the other one was Neo, and then we had a couple of prophets, but never an economist. Mr. Chao-shiuan Liu...

**Chao-shiuan Liu:** Thank you, Mr. Chairman. In September 2008, the U.S. subprime mortgage storm triggered the worst slump since World War II. As you know, Taiwan depends mainly on exports as the driving force for economic growth, so the domestic economy was severely affected. To be more exact, 70% of our growth came from international trade. In the first quarter of this year, the drop of foreign trade was by 45% – so this figure will tell you how severe it was. To counter the effects of the global financial crisis, our government actively stimulated a variety of economic revitalization measures which enabled the economy to inch its way up and move from a period of recession into a gradual recovery ahead of most Western countries. According to our estimates, Taiwan hit the bottom of the recession in the first quarter of this year when our economy growth rate stood at -10.1%. This is a historic record. However, it will swing back to a positive growth rate of 13.27% in the last quarter of this year. In 2010, our economic growth rate is expected to climb to a positive 6.14%.

I believe that Taiwan's ability to withstand another financial tsunami and recover swiftly can be attributed to the government's timely and quick adoption of a variety of revitalization measures. When the financial crisis swept upon us, we immediately set up a National Policy Response Team which acted quickly to propose a range of stimulus measures designed to minimize the adverse impact on our economy. First of all, we reckoned that we had to begin by stabilizing our financial system as a prerequisite to civilizing our economy. Hence, in October last year, we announced a government guarantee of all domestic bank deposits, making us the first country in Asia to institute such a measure. Immediately after that, Hong Kong, Singapore and Malaysia followed in and the financial institution of the entire Southeast Asia was stabilized. Other countries resorted to pumping a massive amount of money into their banks to preserve financial stability: more than \$300 billion in the United States, \$18.2 billion U.S. in Germany, and £78.1 billion in the UK. Taiwan achieved the same effect without having to spend a Taiwan dollar. In addition, we launched the so-called Three Pillars of Support Policy involving government supporting banks, banks supporting business, and business

supporting their workers to generate financial stability for the entire enterprise sector and its workforce.

Secondly, we concluded that we had to expand domestic demand as quickly as possible to make up for the gap caused by the export shortage. The policies we adopted included a few interesting things: First of all, we issued consumption vouchers which were worth about 83.7 billion NT\$, the equivalent of €1.78 billion. Secondly, we allocated about 500 billion NT\$, which is equivalent to €10.6 billion to a four-year programme to expand investment in public works. Thirdly, we cut various taxes, including income tax, commodity tax, estate tax and gift tax. At the same time, we were concerned about the impact of the financial crisis on disadvantaged people and families, so we also introduced a number of employment promotion measures with subsidies and other provisions aimed at providing immediate relief for unemployed people and others in hardship. More than 870,000 people benefit from these measures. Taking the consumption vouchers I mentioned earlier, a lot of economists were uncertain about the effect. I consider this as a social part of the programme and in that respect it was extremely successful.

To cut a long story short, what did we learn from this crisis? The financial crisis was a great opportunity to put the fabric of our national economy to the test with the crisis itself also acting as a turning point. During the crisis we realized for the first time how vulnerable our industry was – we depended too much on a very narrow range of products. The government had to change our policy drastically, and the crisis was the best time for our industrialists to accept such a change. Another thing the crisis taught us is that recovery from a global recession depends on all countries around the world being able to act in unison in implementing large-scale stimulus measures. Only when every economy does its best to manage its own crisis in a concerted manner can a global crisis be reduced, and the damage minimized to a manageable level.

**Tomáš Sedláček:** Thank you very much. Before I give the word to others: Do we live in an economic system that is sunshine-ready only? When trouble arises, do we need acute and immediate help from the politicians? Is this the system under which we live? Another question that I was thinking about: Is growth a result of market capitalism or is it a *condicio sine qua non*? What kind of a system is it if it can't take a couple of percentage point GDP decrease after seven years of very strong growth? Ms. Kalniete.

**Sandra Kalniete:** Just two days ago, I was taking part in the Friends of Europe Board meeting (this is a think-tank based in Brussels), and we were discussing the state of Europe today. The majority of all present were very much concerned about this and even asked: Is Europe still a global player? If we look at the notes of the last G20 summit, we can see that the European Union as an entity was not present. As member states there were the European superpowers like Germany, France, Great Britain, Italy.

One of the impressions Europe gives nowadays is that at a time when Europeans need Europe more than ever, Europe is becoming a fragmented power. For instance, European Union authorities have no power to rescue transnational financial institutions across borders within Europe; they have to turn to national governments for rescue. The Monetary Union – the single European financial market – still has national financial supervision.

If we want to reflect on what exactly we have to do to overcome that fragmentation, de-nationalization tendency of common European policies and the national protectionism present in almost all European debates, then we have to look back to the very issue of the ‘union’ – to that magic formula that makes the European Union an ever closer union. How do we achieve this? First of all, we have to preserve and enforce the internal market. Being in the European Parliament, I see that this is not an easy task. In addition, the discussion on establishing a unified regulation and supervision of financial services is under way in Europe. However, there are also those who, with the recovery, are starting to lose the determination for reform. This I consider to be one of the most dangerous trends. Governments are not under pressure and banks are returning to their previous feeling that there is no urgency any more. There is urgency! And all those who are involved in economy, politics and industry know it.

What institutions and member states also have to do is to provide a roadmap – a clear roadmap. I would even expect to provide a fast-track to the Eurozone for new member states. I know that this is the most diverging issue, but let’s ask: what do the Maastricht Criteria mean today when member states of the Monetary Union themselves are not able to fulfil them? I will tell you what the costs of the crisis for Latvia are. Latvia has cut 10% of its GDP since the end of year 2008, which means devaluation of national assets, national currency by different means. It means that 20 to 35% of the publicly employed have lost a part of their salaries; 10% of all people employed today are facing unemployment, 25% of them

from the public sector; we are closing small schools, we are closing hospitals.

That’s why I’m asking: what does the principle of solidarity mean in the European Union? This crisis was not born in the Baltic States or in Eastern Europe – it was born across the Atlantic, and the echo travelled across to Europe. To provide more flexible criteria would mean a major input to the stabilization of these small economies. It would stir our population out of its misery. Whenever I speak in public, I always appeal to people to try and understand how important it is. We have to look more to our common policies and prevent them from becoming national.

There is one common policy I would particularly like to mention: energy. Just recently the EU Council discussed the so-called security of gas supplies. It turned out that European Union countries love phrases; they are divided into two: those who want a common policy, and those who do not. If we do not have the common vision that neither Germany nor France are able to face and compete in the world on their own, then Europe will continue to be a fragmented power.

**Tomáš Sedláček:** Thank you very much. Perhaps we are also forgetting about the 10% GDP growth that you had in many previous years. But let’s move on from there.

**Sandra Kalniete:** I’m not saying we are blameless.

**Tomáš Sedláček:** Let me welcome a philosopher who will present a larger perspective, we look forward to it, André Glucksmann.

**André Glucksmann:** I was afraid that, as a philosopher, I would be out of place at this table. I thought I didn’t have the level of expertise of my friends here. Then, after giving it some thought, I reread the title of this panel: “Can we discern and learn what the economic crisis is disclosing about us?” And I decided it was a perfectly philosophical question.

Philosophy is defined as the knowledge of oneself; an example of this was given by Socrates, the founding father of philosophy, in the way he listened to myths and legends. On the legend of Typhon, the last Titan who wanted to destroy Olympus, he would say: “I look at it neither as a meteorological catalogue, nor as a work of literature, but as a mirror – a mirror of myself. And I ask: Do I have the

same rage inside me as Typhon had? Do I have the same desire to destroy?"

Faced with the present crisis – it is actually disclosing ‘us’. And that is a truly philosophical issue. Firstly, the crisis was a surprise – but this is logical because all crises are a surprise; had it not been so, it would not have occurred. This is very simple. But we have to ask ourselves: Who do we blame for this? It is not simply our inability to foresee, I believe that this crisis is a reflection of a ‘mental crisis’, of a crisis inside all souls; and the proof of this is that the traditional spokespersons who have been commenting on crises for the last three hundred years, both in Europe and the U.S., are now silent. Think of the left-wing back in the 1930s – how much we wrote, how much we read, shouted and proclaimed in support of the left. This resulted in increasingly totalitarian, anti-capitalist revolutions. However, there were also right-wing theories which produced ‘black’ totalitarian revolutions: Germany was born out of this immense disapproval of capitalism which stood at the centre of the crisis. This has disappeared.

There are the believers, or men of religion, who say: Do you now see where greed has led you? But this does not mean rejecting capitalism. Capitalism, and political economy in general, have always implied living with people who are egoistic, vicious etc. It is precisely what free markets and democracy are about, because this is how such flaws are neutralized. This ‘religious criticism’, if you will, is eternal; it tried to ban capitalism before it was even born in the years before the Renaissance. The second type of criticism is the socio-ecological kind which says: We are in an era of commercialization, of technology – everything is bad. We must put an end to it. What must we put an end to? Production? Trade? That is the new atheist religion which is extremely egoistic and limited to just the privileged few. And then there’s the reaction of economists themselves who said: These are the mistakes we have committed; we will never do it again. But the question is: Why were these mistakes, which are now being put right, why were they not avoided? What were we thinking when we said: It’s over – all of the rules we introduced in the 1930s, such as the separation of clearing banks and investment banks, and others. Why were they not followed?

Now, we have to ‘enjoy’ the crisis to the full. It’s not a single crisis – we went through the financial to the economic and social crises. But we also had smaller crises before this one, and not all that small after all: For example the stock exchange crashes in 1987, in South-East Asia and in Russia in 1998 – they were not mere details. As for

greed and employers, we had Enron, the banks in France made all sorts of silly mistakes – this sort of thing has been going on for a long time. How long? As long as globalization has. If we take the period between 1974 and 1980 as the starting point, we find that the crisis is a kind of ‘revelation’ – not necessarily in the sense of discovering a new illness that has to be cured immediately, because the crisis is not a case of influenza – the crisis is the capitalist movement itself. There have always been crises and there will be others.

What connects the crisis with globalization? I will tell you a short story. Those of you who know Molière and “Don Juan” may recall a dialogue between Don Juan, who has to go to the court, and his tailor, Mr. Dimanche, who says: “I will make you a suit, but you have to pay for the one that I made for you five years ago, four years ago, and three years ago, ...,” To that Don Juan says: “If you do not make me my suit, I will not be able to go to the court, I will have no money to pay for all of your suits, not even the one you are about to make; it is in your own interest to make me one on credit.” Now, let us say that China is the tailor, and America – the whole world – living on loans, is Don Juan. The relationship between the industrialists and aristocrats has endured in Europe for over two centuries. This crisis is not over, and it will not alter the relationship between the creditor and the debtor – America lives off credit, but to the benefit of the Chinese! They are well aware of this: they buy America’s debt as the tailor in fact did make the new suit for the aristocrat.

And it is not necessarily negative, because the great event at the end of the 20<sup>th</sup> century was the entry of one billion people into the world market – Brazilians, Indians, Chinese and others, who used to have no hope for themselves or their children, and who lived in misery and endless revolutions. 500 million Chinese could tell you something about it. The fact that this enormous number of people entered the world market – living in terrible conditions, but better than they had lived in before – is the basis for globalization. It is for this reason that the process will not stop, why there will be more loans, why we will continue to run the risk of those loans being misused.

If the quality of globalization to a humanist appears terrible beyond any doubt – yes, it is terrible that fifty million people were made jobless because of the crisis, but on the other hand, one billion people got out of absolute poverty, and that’s excellent. There is a negative side to this: Why are we now being told that it was these or those technical details which could have been put right? Why were they not put right before?

We have Nobel Prize winners in economics – and one of them, with whom I do not always agree, said: “We were living in Panglossism.” By this he means Voltaire’s notion of optimism, that is the idea that the world is constantly improving. It is the theory of the end of history, the theory that risk in the financial and economic sector can be overcome, can be shared, and can be mitigated, because it will be ‘collectivized’. This idea forms the basis for the assumption (of the Eighties) that there will be no more crises – and it is this very idea that brought about the Great Depression in the 1930s. Similarly, when we say that Russia will become democratic, and will modernize, we are deceiving ourselves. When George Bush insists that Putin is a ‘good guy’ – he’s wrong. If we accept that the banks believe that everything is improving, that one can draw loans with a minimum of capital – again, it is the same over-optimism of Voltaire’s *Candide*.

I believe the fundamental problem is this, at least since the fall of the Berlin Wall, but maybe even before then: We were living under the illusion that there is no evil, there are no risks, there are no challenges. This gave rise to Fukuyama’s “End of History”, but also to the post-modernistic ideas that there are no more big debates, big conflicts or big risks. It can also mean that nobody makes any fatal mistakes, that nobody steals from their neighbour anymore, that nobody misbehaves towards others – and then suddenly, it’s a huge surprise when we find that one gang wants to steal from another, etc.

I think that a personal reform – Patočka says a “metanoia”, i.e. conversion – must be undertaken by each of us. Unless we do that, we will all keep on saying: “Yes, we can.” It’s not about “yes, we can”, it’s about “no, we should not!” We should not insist there are no risks, we should not insist that Georgia is just a small country that will only be better off if it goes back under the roof of a ‘new’ Soviet Union, and so on. We want to sleep well, but when we sleep well, not only can we have bad dreams, but we can also go mad. And our ‘traders’, who did not manage to withstand the excitement of “yes, we can, yes, we can!”, behaved as though they were on ‘drugs’. I only hope that our politicians will not make the same mistake, even if they do receive the Nobel Peace Prize, and only God knows why some of them did.

**Tomáš Sedláček:** Thank you very much. Can we take crises as a slap in the face for our belief in the religion of constant growth? The wealth of Don Juan was obviously artificial; it would be interesting to compute how much of our own wealth is artificial and debt-induced.

Let me give the word to another great personality that we have here with us today to get yet another picture from a premier politician. Mr. Gaidar.

**Yegor Gaidar:** Dear friends, I will be speaking about the economic consequences of the crisis, but, let me start with the subject of Georgia. I was the Prime Minister of Russia during the dissolution of the Soviet Union, which was more or less peaceful. It was an enormous achievement, considering the example of Yugoslavia. There were a few conflicts. Almost from the moment when the Soviet Union was peacefully dissolved, both South Ossetia and Abkhazia were practically independent, not controlled. My advice to the Georgian authorities was not to try to resolve the problem by force. I spoke about this, for instance, with Eduard Shevardnadze. I was told that he did not control the military. So, Georgia started two wars in Abkhazia and Southern Ossetia and lost both of them. When there was a decision to unilaterally accept the independence of Kosovo, I told my friends both in America and Europe that there would inevitably be a mess in Transcaucasia – not because it was my choice, but because I know how things are there. I can guarantee you a mess in Transcaucasia. When we do something unilaterally we think that we can explain it as a unique case which has no parallels. In these situations you are just not analyzing the situation correctly. It is not a unique case, and it, of course, had very negative consequences for the developments in Transcaucasia, Russia and the Russian-Western relationship.

For Russia, the crisis was mostly unexpected. Russia by 2008 had experienced ten years of quite dynamic economic growth of approximately 7%, meaning a growth in real revenues for the population of approximately 10%. The Russian élite was not prepared to accept the idea that our growth is strongly dependent on what happens in the global economy. It is dependent on commodity prices, and commodity prices strongly depend on global demand; 80% of Russian exports are oil, oil products, gas and metals – products with extremely volatile prices. Russia’s balance of payments, its budget, are strongly dependent on factors which nobody can predict, because nobody can predict the price of oil regardless of how many billions of dollars are invested to resolve this problem.

Secondly, there is the capital account. We know very well that generally in a transition in emerging markets, and especially in emerging markets which are dependent on commodity prices, you can have a strong shift of capital inflow or outflow. In 2008, we had

a capital inflow of \$72 billion U.S., and the leadership of the Central Bank was trying to do something to push it down. I discussed the subject with my good friend in the leadership of the Central Bank in late spring of 2008. His perception was that we would reduce the inflow of capital from \$82 billion U.S. to something like \$25-30 billion U.S. In reality we got an outflow of capital of around \$132 billion. The reaction of the authorities was a little bit late because there were discussions that “we will be a safe haven, the crisis will not touch us, it’s not about us.” Splendid! We would not do anything. We would not correct budgetary policy.

In August, September and October 2008, it was evident that all this was nonsense and that the crisis would radically change the environment for economic development in our country; that instead of a significant budgetary surplus we would have a budgetary deficit; instead of dynamic economic growth we would have a reduction in GDP. The reaction of our authorities was a little bit slow. I think it was delayed by approximately six to nine months, but, generally it was good. It was asymmetric to what was done by the countries with reserve currencies – and that made sense.

The countries which do have a reserve currency, like the United States or the European Union, have opportunities and obligations in the situation of this global economic crisis, which is probably the worst in the last eighty years. They can support the global demand – it’s their duty. They have to pay for their advantages. Countries without reserve currencies, like Russia, have another duty: to maintain financial stability, to keep hard currency reserves, not to allow radical destabilization of the exchange rate, to prevent a panic and a banking crisis. Those were the priorities of the Russian authorities from September last year.

That policy in some aspects succeeded; we increased rather than decreased interest rates, we radically cut down the exchange rate of the Rouble to both the Dollar and the Euro. We did not increase budgetary expenditure; we decreased at least some budgetary expenditure for investment projects. As a result, from January this year, we stopped losing hard currency reserves, which was very well received by the market. It fluctuated between 390 – 410 points. Of course, we have to pay for this, and the bill for the crisis is not pleasant: we have a serious deterioration of the situation on the labour market. Until 2008, there were no serious problems with unemployment in Russia – we were unable to spend the money in the budgets which we allocated for subsidies. Now unemployment is rapidly

growing and starting to be a very serious social and political problem. Of course, we experienced a radical change in the dynamics of our GDP.

Now the most serious discussion in Russia, as in many other countries in the world, is on whether the crisis will be long or short. This is the billion dollar question! If you can persuade yourselves that the crisis is short, that the lowest point is behind us, then why not spend the money from the hard currency reserves to stimulate the economy? The problem is that nobody in the world knows the answer to this question. Maybe it will be short. Maybe it will not. There might be a second wave of the crisis. Are all the problems in the European banking system resolved? Do we understand how deep they are? What will happen with the fixed income instruments of the big corporations during the first quarter of next year? We may be confronted with a bubble in China. Who knows the answers to these questions? That means that we need to maintain our position of promoting conservative budgetary and monetary policies, that’s obvious.

One thing that was clearly demonstrated by the crisis is that we need to restructure the world’s financial infrastructure. In 2007 it seemed as if nobody needed the International Monetary Fund (IMF) – they were cutting personnel by the hundreds and thinking about how to feed those who were let go. It became evident during the crisis – and was declared by the G8 and G20 – that both the IMF and World Bank are radically decapitalized and do not have the ability to deal with the crisis. It would make sense to increase the capital of the IMF at least threefold. We need this type of organization especially in times of crisis. That also means that we need to reform this organization. The need to reform the IMF and the World Bank was discussed many times, but little was done. Everybody understands that IMF and World Bank were created by Americans and Europeans and are run by Americans and Europeans, no matter what is said officially. Both organizations were attuned to the realities of the middle and late forties, and the world economy of that time. It is absolutely not attuned to the realities of the 21<sup>st</sup> century when we face the radical increase of the roles of China and India in the world economy. We have a situation in which Belgium, whatever respect I may have for this splendid country, has a bigger representation in the IMF decision-making policies than India. This is strange and it’s difficult to explain to anybody. We need a stronger financial infrastructure, which will be perceived by the world as being their own organiza-

tion, not an instrument of control of the Europeans and Americans. This is, from my point of view, an important lesson from this crisis.

**Tomáš Sedláček:** Thank you very much. We have a nice question. Now we know that in times of troubles there is always a bail-out and government guarantees, politicians will run to help the market. What is the future of competition then? May I ask our next speaker, Vladimír Dlouhý, please.

**Vladimír Dlouhý:** Thank you very much, good evening. First of all, I would like to thank the organizers for inviting me onto this prestigious panel. Let me make two comments at the beginning. First, despite being an economist, I will try to look at the issue which is the topic of today's panel from a slightly more general perspective. Secondly, I have an affiliation with Goldman Sachs and because Goldman Sachs is in the eye of the storm I just need to say that I'm speaking in a private capacity.

In the aftermath of the crisis, we heard very depressing, but quick conclusions that we must start to search for a new paradigm of how our societies should be set up, that capitalism has failed and greed has been unleashed, etc. In a nutshell, what happened? The years 2003 to 2007 were definitely not a standard period in post-war economic development. There were too many peculiarities in the financial sector which was too leveraged with limited liability with all those deposit insurances implicitly guaranteed by taxpayers' money and subject to inefficient regulation. The financial sector and people in the financial sector accepted more risk than social responsibility. All this combined with improper macroeconomic management of the large economies, either deficits as in the case of the U.S. or surpluses as in the case of China and other countries in Asia, obviously undermined the problem. After the bubbles burst, extremely difficult adjustments with rather strong social consequences followed all over the world. Then, after the collapse of Lehman Brothers in 2008, an immediate solution led to massive state interventions. Paradoxically, it led to banks getting even bigger, and to even bigger failures in many cases. The moral hazard seems to be even bigger than before the crisis. There was a substantial increase of deficits and debts as Ms. Kalniete from the European Parliament reminded us. Today's Eurozone countries are creating deficits and are anticipating debts that would have been unimaginable two years ago. Developed economies are faced with a retreat from stardom and emerging markets are on their way up.

So is the storm now over? Not yet, as we have heard from Jan and many other people. Nobody knows exactly whether this is going to be a w-shaped or u-shaped or prolonged U or a long L-shaped continuation. We are all, especially in Europe and in the United States, searching for exit strategies for both fiscal and monetary easing. At the same time, we do not yet see any clear propositions for long-term and systemic solutions yet. I just came from the annual IMF meeting in Istanbul. I came to the conclusion that the new industry that has been invented and developed quickly is an industry of talking about regulation and improvements in the banking sector. We talk and talk and talk. We organize conferences in the same way. Big shots in economic science travel to the same conferences and speak, and all the small shots in economic science like me come there to listen. We are not yet back to normality after the rather difficult period of 2003-2007. We are facing more downside risks as Yegor Gaidar mentioned.

We need a solution for the global imbalances. I'm convinced that the problem is more on the improper macroeconomic management, especially when it comes to the Fed's monetary policy. I'm also convinced that in the long run, it is by solving the macroeconomic imbalances in today's world that we will provide the final framework for getting out of this crisis. Here, I would like to disagree a little bit with Jan Švejnar. Maybe it was a question of formulation, because I heard Jan saying that we should help the emerging markets to get out of the crisis. I am afraid it is going to be the other way round. Emerging markets, BRICs (Brazil, Russia, India, China) – they will take us out of this crisis. At the same time, this is not a great depression and will not be a great depression – at least, this is a good conclusion.

Let me talk more generally: Let's have a look at some other facts over a longer period of time. Since the end of the 1970s and beginning of the '80s – the time of the so-called Reagan and Thatcher revolution, the period when globalization started – if we look at the long-term data, we must admit that there was a remarkable improvement in the standard of living for millions and millions of people in the emerging markets. There was a huge transfer at first mainly of simple production, but later on also of know-how and other things, especially to BRICs. This has been used very efficiently. Capitalism had provided not only in the past five, seven years, but over two or three decades the way out of poverty on an unprecedented scale. If you look at the Gini Coefficient, which is one of the standard measurements

of inequality, there was a substantial improvement in the emerging markets and some worsening in the developed economies. Yes – especially in the last year – there was a tiny élite who were subject to entirely improper payments. Yes, this was a moral failure. Their returns hugely exceeded their contribution to the general value they added to our society. But something else happened in the societies of the developed economies especially in Europe, but, unfortunately, more and more in the United States as well. It is a different problem than the general globalization problems or the problem of payments for the élites.

Life in our part of the world is better than it has ever been, but what we observed, especially, in some parts of our societies, is an increased aggressiveness, even hatred towards our life and towards our system. Especially the younger generation, obviously not all of it, is mostly spoiled, too complacent, lazy, and simply, not working enough. Especially compared with the emerging markets. The intellectual élites in Europe, with a few remarkable exceptions, were almost always in opposition towards the Reagan-Thatcher revolution. Now they see the writing on the wall, and they believe that their time has come. We are all living in a world with what I am calling a “welfare state mentality”, and this is getting worse and worse. We all can see the anecdotal evidence, be it in Western Europe or be it in this country. We see it in the United States as well, that people are just expecting the government to take care of them. This was happening despite the crisis. I do not want to underestimate the fact that there is a social impact on some parts of the society which is very heavy and difficult to overcome and which is a consequence of our failures and the failures in the financial sector. Nevertheless, it is just a crisis, nothing more!

This crisis, I believe, has revealed the problems in the societies of developed economies. What have we learnt? In the narrow sense – in the economic sense, in finance, for me, at least, one of the most important lessons was that financial innovation will always be one step ahead of regulation – like it or not. Second: Monetary policy failures equal self-inflicted wounds. Third: We were able to draw positive lessons from the Great Depression, there is no doubt about that. The performance of decision-makers and policymakers was nowhere near as bad as you might sometimes feel when you read the Financial Times, the Economist, Wall Street Journal or even the Czech press. Obviously, we need to draw a very strong lesson for the financial and banking sector to avoid a repetition of such a moral hazard

again. Some of my colleagues have mentioned that the financial people, bankers, say that they will never allow it again. Be sure it will happen again. The only issue is to try to limit it and to regulate it as well as possible.

In a more general sense: Do we really need radical change? Should we look for a new economic and political paradigm? My humble answer is: NO. Capitalism has proved once again all its virtues and vices, but it is and always will be the least evil way we can imagine to organize our society. I join Jan in his call for humbleness, especially in terms of the theory. Many people believe that economics is something like physics: that at sea-level water always boils at one hundred degrees centigrade. No. Economics is a social science. Probably the hardest of the social sciences, but it never will provide such an answer. It will be much more open and prone to risk, and we all, theoreticians, academicians in the financial sector, politicians, journalists – we should be more humble towards what we can expect from economic theory and from the conclusion which it provides for economic policies.

The second, more general conclusion: Emerging markets, especially BRICs, made their success by making use of the very essence of capitalism itself, and because of that they will take over the future. My present belief is that within the next two decades, China is going to hit a substantial barrier, which will call into question its entire political setup. That moment has not arrived yet and I don't think it will arrive in another ten, fifteen years. There is a danger that if we exaggerate, if we overstate the reaction, in regulation for instance, we will undermine the most precious attribute of capitalism, which is efficient allocation of resources. Here in Prague, twenty years after the collapse of communism, we still very well remember the forty years when the role of capitalism had been diminished substantially.

I believe that growth is the result of the efficient allocation of resources plus the cultivating of long-term growth is achieved by factors like education, innovation, technology and all those kinds of things. I do not want to sound like a staunch defender of capitalism and I don't want to sound like somebody who defends the huge mistakes and moral failures of the recent past. I just would like to remind everybody who lives through the anecdotal evidence of a cheap trip to the sea, a cheap mobile phone, a cheap computer. All this is now a part of the minimum standard of living, and people require these to be paid for them in the minimum wage. This is something which is unbelievably different compared to twenty years ago.

If we allow European societies to continue to slide and if U.S. society starts to slide as well into this welfare mentality threat, I am afraid that we are doomed to failure. This does not have to happen because this is not the Great Depression and this is not the ultimate failure of capitalism. We don't need to search for another paradigm. Thank you.

**Tomáš Sedláček:** Thank you very much for such a clear answer to the question. I always like to say that we have to look at it from the perspective of cycles. When we criticize the downturn, we also have to consider the upturn. Whatever we blame for the crisis, be it human egoism or be it misregulation by the Fed, we have to blame the very same institution for the growth that we had seen before. The Czech Republic has grown by 48% in real terms in the last seven years. If we now fall 4-5% it's still a good deal. Let's have our last contribution from President Quiroga.

**Jorge Quiroga:** I think this crisis is a great paradox in that it followed a 2003-2008 bonanza economic period. The paradox lies in the fact that that bonanza was unleashed by Chinese capitalism and it came to an end, or at least a standstill as a result of what could be called U.S. socialism or at least massive U.S. state intervention. I think that is something worth pondering. I'll make points on the following: Bonanza and the crisis – I think you can analyze a crisis and think that that is normal. I would submit that part of the bonanza, at least for the developing world that we had before the crisis, was beyond the norm. Second: The regional effects. Third: What I would learn and what suggestions I would make.

Firstly, the 2003–2008 period, at least for Latin America, for many countries in Africa and for many of the world's developing countries, was the best five-year period ever in terms of economic development. It was triggered by this combination of hundreds of million of Chinese and others coming into the globalized market. We benefited from their demand for copper, cement, aluminium, soya beans, chicken, beef, etc. Secondly, the Asian crisis of the '90s left some scars that made a lot of those countries go for devalued exchange rates, accumulation of reserves and export-driven models. The third thing that happened was the lack of financial regulation in the U.S. that was close to a swindle, if you ask me. That's been happening over the last ten years. I will not go into all the details, but investment banks and commercial banks used to have a wall. That

was broken. Every commercial bank could be an investment bank. Then they invested in financial assets. They could leverage not 1:12, like a bank lending money to people, but 1:30, 1:35. Housing agencies in the U.S. could leverage 1:100. I used to be a finance minister, and I remember the IMF officials would torture us if we didn't have our banks in Latin America or in Russia at 8% capital ratio. I wonder where those people were when it came to housing agencies and the subprime markets they created, or the credit derivatives, which are basically bets on the market.

Swaps that were also bets, were designed by a Chinese mathematician – David X. Li. He designed this formula, it took off, and everybody bought it. I said once that this was a 'casino', and I must apologize to casinos. Any time you manage people's money you've got to have reserves. A bank has to have reserves for withdrawals. Insurance companies have to have reserves for somebody getting sick or somebody dying. Casinos have to have reserves in case you get lucky and win at blackjack. With credit default swaps you could issue \$60 trillion worth of financial assets without any capital and no reserves behind it. I think that is the combination of liquidity and financial "innovation" that created this world. Niall Ferguson called this 'Chimerica' (China and America). It sounded too good to be true. One country, the U.S., consumes everything – flat screen TVs, microwaves, refrigerators. The other one manufactures everything: China. One runs up huge debts, the other one saves. One has lower inflation, the other one has an overvalued or devalued exchange rate. One has six hundred banks created for housing (the U.S. over the past five years), the other one has hundreds of factories. The Chinese were the tailors, the makers of the goods and services that were put into U.S. houses with subprime markets. That created a bonanza.

If you went to Latin America, it was the best of all worlds: very high exports, high migration remittances. Our people came to Spain to work in the housing boom or to the U.S. There were high credit flows and high tourism. Between 2003 and 2008 Latin America quadrupled its exports, tripled migration remittances, doubled credit flow and tourism revenues. This was based on a foundation that was not sustainable in the long-term – this Chimerica foundation. If on top of an unsustainable foundation you put not a twelve-storey building, like the banking regulations should have, but a thirty-storey building or one hundred-storey building, then you have the crisis that we had.

Speaking of Eastern Europe, there are some countries that to me resemble the Argentina crisis. Massive amounts of debt on a currency that is not yours, trying to keep up with the peg that may not be sustainable. We lived through that in Argentina. It is very painful to get out unless you offer more rapid integration into the EU. Argentina didn't have that, you have it here. I am afraid if you don't use it, it may be more painful.

What have we learnt from this? For the developed countries: – they don't invite me to G7 finance ministers' meetings, but if they did – clearly this is not just a 'flat tyre'; this is almost like an engine breakdown, and a new model needs to be developed. Part of that new model is that the dollar will weaken. I have just been in the U.S., and everybody there complains about the weak dollar. But if you want to balance U.S. and China, when the U.S. economy is 70% based on consumption and almost half of China's economy on exports, that is not sustainable. Part of rebalancing the world would involve some type of currency that would be determined by Chinese central bankers. Real financial regulation. 8% ratios with all assets. In my judgement, credit rating agencies were complicit with a lot of what happened. If they get paid by the emitter or the issuers of financial instruments, they tend to go with the flow. If somebody paid us to tell them how good-looking they are, if they paid us enough, we'd say "Yes, Brad Pitt, Angelina Jolie – they look good." That's what happened with credit rating agencies. I don't know where the solution is. Do you make them public, do you pay them by different means?

I think there are changes that need to happen to prevent the recurrence of financial inventions coming on-line. From a developing country standpoint we need more integration, not less, including in the Eurozone, including free trade agreements. I think we need to be protected from protectionism, be it commercial, labour, financial, exchange rate, and all kinds that are going around. We need integration to take care of the part of the population that is vulnerable. We have many cash transfer programmes to poorer families in developing countries. Those programmes need to be kept up and worked on.

Thirdly, long-term oil dependency creates booms and busts and makes things very unsustainable. I think the point that was being made by Sandra Kalniete about energy is critical. I can also tell you that the crisis hurt, but I can tell you that before the crisis, Central American countries that all import food and energy were in dire straits. We all export food or energy or both in South America. If you don't, and the barrel price was a hundred and forty and wheat and

grain were sky-high, it created all types of other difficult problems. A green world with renewable energy is needed. Since we in Bolivia have half of the lithium in the world, more lithium batteries for cars would be nice.

Finally, drugs. We, in Latin America have learned: The crises need cushions, and the cushions come from informality, mobility, migration – which is not available now – or criminality. Drug production has often been a conduit by which you absorb young populations in the midst of a crisis without job creation. That needs to be looked at differently. It's not the subject here, but I think drugs are basically an exchange. Drugs and thugs for cash and guns – that's always been the swap. When it happens in Colombia and Bolivia, people don't care very much. It is happening now on the U.S.-Mexico border. The U.S. gun policies are incomprehensible to me. I think it has to do with the fact that people were armed against the British long way back, but I don't think the British are coming back to take over the U.S..

From a developing country's standpoint, as a response to this crisis, it is critical that we strengthen and deepen integration, trade agreements, that banks that help us (the World Bank) take care of vulnerable populations, getting away from oil dependency with renewable energy, and fighting drugs. Obama gave an iPod music player to the queen of England. If I was invited to talk to Mr. Obama, Mr. Sarkozy, Ms. Merkel, Lula and all the rest, I would give them an I.P.O.D: Integration, Population, Oil dependency, fighting Drugs. But the I.P.O.D. wouldn't be 3G or 4G, it would have to be 20G, that's better than G7. I think that if we worked on that and found a recipe, we would make progress.

**Tomáš Sedláček:** It's a pity that we are running out of time, because finally we have a little controversy: we have the little-detail proposition as Vladimír Dlouhý was saying: this is like a flat tyre problem – if I got it right – you don't need to change the engine. Jorge Quiroga was advocating that we need a systemic change of our system. Let me ask something because I can – yes, I can. How many of you think that the crisis is a reason to do a systemic change and how many of you think that this is a just flat tyre that we need to change, but we don't really need a different paradigm or a different system. Is that a legitimate question?

**Jorge Quiroga:** It's a major engine damage, but I didn't say let's get a different car. I did talk about the engine breaking down, but the car can still keep on going. I don't want to get into the Chavez car and fall behind.

**Vladimír Dlouhý:** Now, this is a Latin American politician. It was a very dangerous question.

**Jan Švejnar:** I think Mr. Quiroga is producing engines and that's why he's arguing that.

**Tomáš Sedláček:** Ok, the car is still running.

**Jorge Quiroga:** I think that we just need a faster engine.

**Tomáš Sedláček:** Let's just see how many of you think that this is a fine-tuning, change of oil, flat tyre, change of gasoline problem, and how many of you think we need a new engine in terms of paradigmatic change, which needs actually to go down into theoretical economics and reshape the very basis of it? So how many of you think that it's a flat tyre problem? (the audience is raising hands) How many of you think that this is a systemic, more metaphysical problem? (the audience is raising hands) Good, so, at least, we got some controversy. Do you have some final remarks?

**André Glucksmann:** When you say 'change the car', or 'or replace a tyre' – the error in this question is that you are forgetting about the driver: it is the driver that must be changed.

**Tomáš Sedláček:** The system – it might just be running on automatic pilot. If there is somebody driving it, then, I think, we're ok.

**André Glucksmann:** The system can never 'drive itself'. When we look at renaissance paintings, how do we see the bourgeoisie depicted there? He is the one who is weighing his coins to find out whether they are real and not faked. There must be some people – not necessarily bourgeois, but certainly people weighing affairs to find out whether we are not being told rubbish, cheated, or whether it is something positive that we are dealing with. They are the 'drivers' – not one driver, but drivers. There used to be people checking the coins for any fakes. What we have been seeing lately are capitalists, min-

isters of finance, numbers of experts, who do not 'weigh the coins', who do not look closely at what kind of investments, shares they are dealing with.

**Jan Švejnar:** Is it not the officials from the International Monetary Fund performing the role of the 'bourgeoisie'?

**André Glucksmann:** You are very optimistic!

**Vladimír Dlouhý:** It's not only a flat tyre problem, it's more difficult, I admit. But it's not about changing the whole car. We are in a deep crisis; there hasn't been such a crisis since the Great Depression, despite the fact that this is not a great depression.

What I'm warning about are improper, amateurish attempts to improve the engine. One of the most experienced bankers I have ever met – and I will not tell his name – I've just listened to him at a conference in Switzerland, where he described the financial sector as a very complicated Swiss watch. Not only one which shows the time, but also the phases of the Moon and God knows what. Such a Swiss watch is composed of probably several hundreds of pieces. Each piece fits into the other pieces, and if you move just one piece wrongly, the whole watch is probably going to collapse.

There is a fear inside the financial sector that improper, even well-meant improvement might lead to much deeper damage. I am aware that this sector, where I have worked for the past twelve years, went through a period when it accepted much higher risk than was socially responsible and accepted much higher payments than it contributed in terms of added value. There is no doubt about that, but this is not a reason why we should put our finger into the complicated Swiss watch and completely destroy the functioning of the whole mechanism.

**Tomáš Sedláček:** Thank you very much. And whether we need to change the tyre, the car or use more bikes, I leave to you to decide, and I thank you very much for your active participation.



Klára Starková (left), John Zogby (right)



## Shifting Values in Capitalism

Excerpts

### Business and Economy Roundtable

12<sup>th</sup> October, 2009, Laterna Magika

Moderator:

**Pepper de Callier**, Chairman, Bubenik Partners, Czech Republic/USA

Participants:

**Muriel Anton**, CEO, Vodafone, Czech Republic/Canada

**Klára Starková**, Executive Committee Member and Head of Polish Operations, Generali PPF Holding, Czech Republic

**Frank Lampl**, Life President, Bovis Lend Lease, United Kingdom

**John Zogby**, Founder and CEO, Zogby International, USA

**Pepper de Callier:** Welcome, ladies and gentlemen. This is an exceptional opportunity to be among this panel to discuss something so timely today in the economic climate we find ourselves in. Let me just for a moment set the stage for our discussion today.

We find ourselves today in the wake of a financial crisis of truly historic proportions. Unemployment rates around the world are hovering at, or exceeding historic heights, consumers and business leaders are worried – they’re waiting for the next crash. Is there going to be a double dip to this recession? Is the after-shock going to be worse than the initial event? When are we going to see sustained and widespread economic growth? To compound the injury, there is a scandal that CNN has reported as being, and I want to quote them: “a scandal of breathtaking proportions”. They reported it as a gatekeeper scandal, that the very institutions, the very people that we placed our trust in – the regulators, the rating agencies, stock pundits, CEOs, banks – have misled us in ways that would have been unthinkable in another generation. Unfortunately, today many of us here trust no-one for advice on doing business in a number of areas. And my question is this: will the Titans of high finance – the AIGs, the Bernard Madoffs of the world – will they have a lasting effect on us, on the way we view our position in the system we call capitalism?

Of additional interest are some other studies that have been done recently: various reports indicate that there is a historic rise in volunteerism, with some agencies reporting from between 25 to over a100% increase in applications to their organization from volunteers. One survey done recently in the USA asked participants to select what attributes best fit their definition of success. 88% of the respondents picked as number one: “spending quality time with my family”. Another recent study conducted with recent MBA graduates from worldwide, top-tier educational institutions indicated that they would be willing to give up 14% of their cash compensation to work for a company with a good reputation and which was socially responsible.

All of which brings us to the topic that is facing our panel this morning: are we seeing a shift in the values of capitalism, from both sides – from the side of the consumer and from the side of the companies involved in the system? And is it something that will last?

First I want to introduce our panel to you. On my immediate right is Muriel Anton, the CEO of Vodafone Czech Republic, which, as many of you know, is part of the world’s largest mobile network.

Muriel is also a founder of a cross-company mentoring programme for women in the Czech Republic to help prepare them for board positions in companies. On her right, born a Czech and knighted by Queen Elizabeth in 1990, is Sir Frank Lampl, a long-time supporter of the Forum 2000 foundation and someone from whose counsel we have benefited greatly. Sir Frank was the President and the Chairman and CEO of Bovis Construction Group and is now Life President of Bovis Lend Lease, one of the world’s leading and most respected construction and project management companies. On my left is Klára Stárková, Executive Committee Member of Generali PPF Holding, which is a leading insurer in 14 countries in Central and Eastern Europe. Klára has responsibility for operations in Slovakia and Poland and enterprise-wide responsibility for organizational development at PPF Holding. On her left is John Zogby, CEO of Zogby International. Zogby International is a company that is considered by many to be the gold standard in polling data, market research and information services to companies, governments and media organizations in more than seventy countries around the world. John has recently published a book that we are going to have outside for book-signing after the event, entitled *The Way We’ll Be*, and I must say that it was no small part of the inspiration for the topic of this panel. So please join me in welcoming the panellists this morning.

Sir Frank, what are your views on how this crisis differs from the technology bubble and the real estate bubble of previous years?

**Frank Lampl:** May I first tell you a very short story, and you will probably have a good laugh or cry. Two old Russians meet in a coffee house in Moscow and one of them says to the other: “You know, everything they’ve been telling us for all those years about communism and socialism – it was all a lie!” And the other says: “You’re right. And everything they told us about capitalism was true.”

I have to answer your question; I can’t leave it to the two old men. I think the common denominator of all three crises is the overvaluing of assets – whether they be physical assets, property, housing, intellectual assets – that created a bubble situation which led to excessive lending so that people feel that they are rich, and therefore spend excessively, live above their means. That’s the common denominator of all three crises. This is actually, in my opinion, a common denominator of capitalism – that the crises have a cycle because eventually something is overvalued, and if it’s overvalued

and the banks do not acknowledge that it is overvalued, there is too much money flowing in, and if too much money flows into the market then it leads to some sort of crisis. However, the size differs, and the depth of the value is different. The last crisis was the first one to become global, that is the first element, and it was also a crisis of a total breakdown in values – it would have been unbelievable 10 or 15 years ago for a CEO to walk home after five years with 260 million dollars and for the shareholders to lose everything. The CEO and the executives are there to look after the values of the shareholders, and the levity with which they risked other people's money without suffering the consequences which such risk should entail, is a moral disaster; from the point of moral values it's really, as you called it, a scandal.

[...]

**Klára Starková:** I would like to challenge the notion of being misled by the gatekeepers, which Sir Frank was also pointing to. If we look at the crisis, there was at the beginning something really fundamental – it was not the overvaluing of assets, it was wrongly given credit – and there must be a taking side and there must be a providing side. There is the responsibility of the person who takes money that he will never be able to repay and uses it for his consumption, and then there is the responsibility of the salesperson who is pushed, or is wrongly incentivized. Then there are the values, or ethics – the drivers and motives for the company that is basically making these two match. Yes, you have all the gatekeepers, the CEOs, the regulators, the capital market analysts, the rating institutions – it's all there, but this started with the issuing of bad credits, which is a one-on-one discussion. So there must be some notion of personal responsibility included in the root causes as well.

[...]

I believe that at least three bodies are responsible [for the crisis]: one is the person who is taking the credit to go on vacation, which in itself is questionable; one is the person who is pushing the credits on him – misusing the situation, the motives, or his ignorance; and one is the institution – in this case the bank, or the rating agency. So I would not point a finger just at the CEOs, at the companies, or at the gatekeepers; I would also question what has actually caused the consumer to accept credit that he is then using just

for consumption. And that also leads into the question of shifting values – what values have driven this?

**John Zogby:** It is not so much that we are in a period of the destruction of capitalism, rather, that capitalism is the victim of its own success. At the same time, what capitalism has done in recent decades is create an unprecedented opportunity, both in developed and developing countries. And the upshot of that is that for many undeveloped countries the market has become saturated with consumer goods to the point where the public themselves challenge the necessity of many of those consumer goods. “This is not what I need, this is not what I have to have”. It's an Abraham Maslow hierarchy of needs where members of the public – those who are satisfied and even those who are somehow dissatisfied – have drawn the conclusion of “I have too much, it's time to slow it down, it's time to change my purpose in life to something more self-actualizing.” In developing countries we have had unprecedented growth, regardless of how you define it. We now have, for the first time ever, a significant decline in the number of those in poverty, and a significant increase in the size of the middle class. Their aspirations, however, are not aspirations to buy wasteful products, energy-wasting products, but rather to skip that whole period of waste that we experienced in developed countries. So, in many ways, where we are today, in terms of the public, is that a whole new set of needs are being established – a whole set of self-actualizing needs that will define the next economies' products, services, entrepreneurialism, and most importantly, how we live our lives: in a less wasteful sort of way, and also in terms of the very real statistics that you have just cited – the need for mentoring, for volunteerism, for bypassing traditional obsolete channels of leadership and distrusting traditional channels of leadership, and in many ways doing it ourselves.

[...]

**Muriel Anton:** I read recently – and I love this quote but I'm going to challenge it as well: “The business of businesses is doing business.” And that really is around the profit motive of businesses – that many organizations look at their role of providing return to shareholders, and that is the profit. But I think the world is changing and many organizations, many companies, are changing in that regard, because they're not just looking at pure profits, they're also looking at their

profits, they're looking at their people, they're looking at their planet. You may hear this in many different ways – some call it 'the triple-bottom line', some call it 'value-based organizations', some call it 'sustainable organizations'. If you take a step back and look at what's happened over the last year or two years, if all organizations and institutions had had more breadth in terms of their thinking and their drive towards their responsibility, then we wouldn't necessarily be in this situation.

**John Zogby:** Over the last years I've had the opportunity to speak to many business groups all over the world. Three, four years ago, you never heard the word sustainability; now it dominates every association, every individual group – there is that triple-bottom line. I think the argument, however, is that it came not from the top-down, it came from the bottom-up and that's because of shifting values in the consumer himself.

[...]

**Frank Lampl:** There has been a huge 'up and down' evolution in values. I think that the values have, unfortunately, dropped with globalization and privatization. Globalization brought business to the point where profit-making is a golden calf – it is the ideal and nothing else matters. Once you make enough money, you have achieved what you wanted to achieve. After all, capitalism is an economic system; the Oxford dictionary doesn't say it has any values at all – it says it's an economic system which is based on investing capital and making profits. That's a definition. The privatized enterprises in Eastern and Central Europe started with this premise, whilst the American and British and German and European enterprises, where capitalism was already old and mature, had values. We were convinced that it is enlightened self-interest to have values.

[...]

**Muriel Anton:** I believe that when organizations that have sustainability or this dimension of corporate responsibility beyond profits, when analysts and markets start to give them some value, (in other words, are these companies actually returning to their shareholder a higher return than organizations that don't focus on this?), this is where I think we'll start to get something that would make a sustain-

able difference. The test during these more difficult times is: Are organizations actually pulling back from this dimension? Like, if you have to cut, where do you start to cut? And are these types of venture the easiest areas in the organizations to cut? If you do that, it won't be a fundamental part of your business and it won't be a sustainable part of your business going forward. So I think this is a period of testing businesses in terms of whether or not they can keep this as their fundamental premise.

[...]

**Frank Lampl:** I saw a positive development maybe ten, fifteen, or five years ago, when graduates came and started interviewing us. We were taking on graduates, usually eighty a year. I liked to be at the interview myself and I soon noticed that they are interviewing us, asking: what are your green policies? What is your sustainability strategy? What about management development? How much do you spend on this and how much time on that, and so on. There I saw enormous hope. I've found less of it in Central and Eastern Europe these last five years, where I've found more of "how much will I earn?", which is quite understandable.

[...]

Globalization meant a slight setback in that there are many countries where capitalism is absolutely new and is therefore lived by the first version of the book – what are the profits? What profits will I make? And everything else is not my problem. I think that the universities and colleges and courses have an enormous job to do here. There's absolutely no doubt that a company which has a reputation for social responsibility will employ better people, sometimes even for less money, but they will get better people, they will get better clients, they will get better subcontractors because the relationships will be built on something moral, on steady values and not just on the basis of contemporary profit, in which they still may not be profitable.

[...]

**John Zogby:** I do think globalization has brought something good. As I mentioned before, there has been a tremendous growth of the middle class, and also of entrepreneurship worldwide – which is very positive. Those are models in developing countries that we need to

be looking at more and more because the problems we have in developed countries and in areas like eastern and central Europe is that those who are entering the world of business and those who are leading globalization efforts, have had very little relationship with the end user of their products. That is what made capitalism strong, and what made capitalism humane is the entrepreneur and the entrepreneur's relationship with the end user. There was a bond there and the further that the owner moved away from the end user, the more business people – men and women – became bureaucrats, people who answered a different call – the bottom line moving up in the organization. There was a different self-interest than the ultimate self-interest, which should be: What do I give to the end user that creates value? How do I listen to an end user? This is before people even thought of doing surveys – they had their own connection. The further and further the owner, the decision maker, moved away from the end user – the more you have to hire people like me to find out what they are thinking. That I think is the real crisis that we need to be considering. To Sir Frank, what I would suggest is that in the curricula of business schools, rather than training young managers to become upper-level managers, and rather than teaching them the processes of business, teach them how to create entrepreneurialism. How do you create an entrepreneurial sensibility among those who will become decision makers? Even if they're never entrepreneurs at all. How do you recreate that connection with the end user of a product?



Jan Švejnar



## Sustainable Business

### Business and Economy Roundtable

12<sup>th</sup> October, 2009, Laterna Magika

Moderator:

**Jan Mühlfeit**, Chairman Europe, Microsoft Corporation, Czech Republic

Participants:

**Jan Švejnar**, Professor of Business, Economics and Public Policy, University of Michigan, Chairman, CERGE-EI, USA/Czech Republic

**Luděk Niedermayer**, Former Vice-Governor, Czech National Bank, Czech Republic

**Riprand Graf V. U. Z. Arco Zinneberg**, Founder and Chairman, American Asset Corporation, USA/Germany

**Petr Šmída**, Chairman of the Board of Directors, Alfa-Bank, Russia/Czech Republic

**Camilla Schippa**, Senior Vice President, Global Peace Index, Australia

**Jan Bubeník:** Let me start by introducing the moderator of the second panel, Jan Mühlfeit, the highest rated Czech in the global corporate world. Besides his corporate duties, Jan has been very active in cultivating and facilitating dialogue between the private and public sectors, both in Europe and, since he made Prague his home again a couple of years ago, in the Czech Republic as well, including hosting his own talk show on public TV. Before I give you the floor, to talk about the very serious issues of business sustainability, since you recently had breakfast with José Manuel Barroso, the appointed President of the European Commission, and given the interesting current relations between the Czech Republic and the EU, maybe you can give us some of the gossip from Brussels. Jan Mühlfeit, thank you.

**Jan Mühlfeit:** Ladies and gentlemen, good morning. It's a great pleasure to be back in Prague. Last Friday, I did indeed have breakfast with José Manuel Barroso. We were mainly discussing global issues – figuring out what Europe should do in this global crisis. But it's sometimes hard to explain what is going on in my own country; I hear the developments are very dynamic – sometimes too dynamic – but I hope we will figure out what to do and continue with two of our anchors: NATO and EU membership.

Let me start by going back into history. If you read “The Wealth of Nations” by Adam Smith, who was one of the fathers of capitalism, it's a very thick book. But the one lesson I drew from it is that profit and care can ‘live together’; that the first thing we care about is profit, but the second thing we care about are others – we care about society. I think that as a society – and I am not only talking about the financial services industry because everybody profited from the depth and the leverage –, in the last fifteen years, we were too focused on profit. So, what does it take to take “care” more into account?

I have three outlines for the discussion today.

The first: We still need to deleverage the economy – we are moving out of the crisis but if you think about sustainability, there are three bigger sets of points and four big trends to be mentioned. One is inclusive globalization, and by this I mean that it should also include Africa. We should create balance of trade – one of the reasons why the world is in such imbalance is because some countries accumulated large surpluses while other countries descended further into debt. And that is also the discussion in the G20 today – what should be the new balance? The second issue is energy and the environment – again, they are global issues and we will not solve them with

a local mindset. Then there is the difference between the rich and the poor: in 1950, the difference between the richest and the poorest country was five-fold, today it is forty-five fold. So what do you do there? And what do you do in this multipolar world? What kind of governance do we have and what should companies do to behave in a new – sustainable way?

The second point is the question of a new ‘baseline’ for companies in terms of profit and sustainability. What is the new baseline for society as a whole? What is the new baseline for individuals? You have heard about the young generation and new technology in the previous session. I don't think we'll grow as fast as we did in the past; how much of it was driven by drugs? How much by debts? And how much of it is real growth?

My third point is that we need to renew trust in and the credibility of capitalism. I think it's possible, but think about what is happening today: the crisis is partially a reality – yes, but to me it's also about psychology. Very little research has been done on behavioural economics – what we as human beings do and why, what the role of today's media is. In the last ten years, thanks to the Internet, we have moved from a business of facts to a business of stories. So, what are we going to build?

It's my great pleasure to introduce what is a fantastic panel: Petr Šmída, who has had a distinguished career in GE, he then became Chairman of the Board and CEO of Alpha Bank. First to my left is Riprand Graf V. U. Z. Arco-Zinnenberg, he was born in Germany but I think he is more ‘global’ – he lives in the U.S., and he's the founder of American Asset Corporation. On my right, I don't think I need to introduce Jan Švejnár, a very distinguished Professor and also former presidential candidate. Jan was a Founding Member and he's still a Founding Chairman of the Executive Supervisory Committee of CERGE-EI. Second on my left is Camilla Schippa, who had a very broad career with the United Nations, and what is very interesting is that Camilla is now the Senior Vice-President of the Global Peace Index (GPI). It's very interesting to see how all those trends I mentioned are influencing world peace and the GPI is an index, which measures the levels of peacefulness in most countries of the world. On my very right, we have Luděk Niedermayer, who is currently a Director with Deloitte Consulting, he is a former Vice-Governor of the Czech National Bank and, as you may know, he was also the youngest member of the Board when he was elected.

Everyone will get around five minutes to speak and then we will have a discussion. Without further ado, I pass the word over to Riprand Graf Arco.

**Riprand Graf Arco:** My name is Riprand Graf Arco Zinneberg, President and owner of American Assets Corporation, a real estate and investment firm in New York. Additionally, I am an owner of agricultural, forestry and brewing interests in Germany, Austria and the Czech Republic.

Today sustainability has become a buzz word which has as many meanings as the people using it. The complexity and speed of global industrial and technological development in business, the change in the division of production and supply, have all made it less transparent and harder to follow the interdependence of processes and to identify sustainable solutions at the source. The current economic system, capitalism, has placed enormous pressure on the planet, while catering only to the needs of a quarter of its people. But over the next decade, also because of capitalism, about twice the number of people will become consumers and producers, traditional approaches to business will collapse and companies will have to develop innovative solutions. Therefore the new paradigm for business and entrepreneurs will be: Sustainability is innovation. Resources have to be evaluated and the cost benefits have to be distributed fairly between all the stakeholders, developing a generational perspective.

The question of sustainable business is nothing new, for example, in forestry. The Romans recklessly destroyed the forested mountains of the Apennine for ship-building, leaving an eroded and devastated mountain range behind. This is a great example of a 2000 year-old cost/benefit disparity. Since then, sustainable forest management has been the operational prerogative in Europe. In most European countries, such as the Czech Republic, sustainable forest management is the law. Generational private landownership has an incentive to create a financial annuity while never cutting more than will grow back, sustaining economic benefits over generations. Water quality, biodiversity, recreational value is the secondary benefit for society as a whole. In this case interests are aligned.

And, of course, how does sustainable business relate to society in general? Conflict sometimes occurs through the discrepancy between demands by environmental advocacy groups, top-down government policies and the specific realities of businesses and lo-

cal communities. Policies are often implemented from above and are based on insufficient research and influenced by ideologically-motivated interests, leading to distortions of reality, with limited impact on the environment and sustainable business. Market distortions and incentives for special interest groups have created the 'business of sustainability': business flourishes under the label of 'sustainable'. In particular, under the slogan of renewable energies, subsidies for solar plants, biogas, or wind power plants – they all have romantic connotations for the public and voters, but have questionable viability for real sustainability or make economic sense on a truly competitive basis.

Responsible and sustainable business must be seen, without a doubt, in relation to specific priorities set by society with a true cost/benefit allocation. Regulations in global standards are probably necessary. But innovation from entrepreneurs and small businesses brings us to the verge of a new technical revolution. One of many examples is a start up company Calera from California, which has developed a technology to extract carbon dioxide from industrial emissions and bubble it through sea water to manufacture cement. The process mimics that used by corals, which build shells and reefs from calcium, magnesium and seawater. That's true entrepreneurial, innovative and sustainable business. Sustainability is a constantly changing value, but ideology is not. I would like to stress that one hundred years ago, sustainable business would have focused on what to do with horse manure piling up in city spaces and roads, based on traffic growth predictions. This problem disappeared very quickly with the invention of the car and airplane and the massive urban subway system. So, innovation will render many of our sustainability concerns mute and will create new challenges. Things do not stand still.

**Jan Mühlfeit:** Riprand, thank you very much for the journey back into our history and for making the link with our reality. I think that when we talk about sustainability, we also need to talk about nature, as you said. The other big topic is demography. I understand that you, Petr, would like to talk a bit about that. For some continents, demography presents an opportunity, while it may be a ticking bomb for others.

**Petr Šmída:** Thank you, Jan. I will also tell you a bit about my background because it will give you important information about my perspective. I was a private entrepreneur until we sold the business to GE Capital, I then worked for GE for seven years and two years out

of that globally – from the United States. Then I moved to Russia – very much discussed recently, and many times in our history – and spent five years there running the largest privately-owned bank in Russia.

In terms of sustainability, in all of those positions, we and I maintained a sustainable ROE – Return on Equity, and that's what shareholders expect. I think that the context for the sustainability of ROE is changing. Evolution is bringing us different views and values, different approaches and attitudes. As was discussed on the previous panel, there was a period before you achieved positive ROE – it is the case for many small businesses, so that's a different game entirely; it's an issue highly dependent on the context. I have to say that this global experience was enlightening but also confusing for me. Before I embarked on the international ship, I was much more certain about what is right for the world. When you see all the variations of views and cultures, when you experience them and you have to manage change in such different environments, it is at times confusing. Whenever I faced a new problem, I learned to ask myself: What is the problem? Once I had an explanation what the problem was, I asked a second question: Why is it a problem? Why do we call it a problem? And the third question I asked was: What would success look like in this case? If it is a problem and we know why it is a problem, then what will success look like?

I don't know what your experience is of the last couple of months, but one of the experiences I am taking out of the crisis is that nobody really knows what lies ahead of us. Those who predict the future are wrong – pretty much all of them. At certain points in time, some are more often right and less often wrong, but I don't know anybody who hasn't made mistakes – including Warren Buffett. So, that's encouraging, isn't it? Then, facing the new problem of business sustainability, I asked myself: Where do we go?

One thing, which is more or less predictable, excluding low probability high impact events, is demographics. I printed out some data and some of it shocked me. I consider myself an informed person, and I realized that I really don't know anything. Consider that in 1959/1960, the global population was three billion. By the year 1999/2000 we had doubled this number: we added another three billion people to our population, that is 100% in only forty years. Between the years 2000 and 2044, which is another forty-four years, we have – and this is very good – only 50% increase, but it's still equal to three billion people (be careful with percentages – during com-

munist, they used percentages to confuse us). So, we are adding the same number of people to our population in forty-four years, as we did previously in forty years.

The question is: Is this one of the reasons for considering sustainability? I am raising a big question – isn't it about the sustainability of the Earth? Because this curve is not turning down – it continues to grow. My contribution to this panel is therefore: What are the demographic factors? We could also discuss aging, because continents will look very different with an aging population; and certainly, as somebody already said, we will have to work longer and harder in Europe. That will be one of the effects on Europeans.

In conclusion, living the multicultural experience, seeing the multicultural environment, I have more questions than I had before. I think it is very good to have panels like this one to look for answers to the important questions, and I'm looking forward to finding out what the answers are.

**Jan Mühlfeit:** Thanks very much, Petr. I think here is a very good connection with what Camilla is going to speak about – the Global Peace Index. If you consider the demographic situation, you will need more energy, you will need more food. If you talk about the difference between the rich and the poor – how will this influence the sustainability of peace? What is the role of corporations on the one hand and the role of governments on the other? Camilla...

**Camilla Schippa:** Thank you. It's a pleasure to be here in Prague with all of you. Yes, the Global Peace Index is the first ever index to measure the level of peacefulness of countries, but also to identify some of the drivers of that peace. We would all agree that the challenges we're faced with today are those of sustainability, and, picking up on what Petr has just said, overpopulation underpins all of them: climate change, lack of fresh water, ever decreasing biodiversity. These challenges, you would probably also agree, are global, they are urgent and they require a degree of collaboration that is unparalleled in human history. That is what lead us to focus on peace; because without increased levels of peace, we are not going to get the levels of collaboration, social inclusion and equity that are necessary to solve our global challenges.

Why a peace index – why do we measure peace? I think it comes back to the business principle: you can't get what you don't measure. By measuring peace we are starting to understand whether the ac-

tions we are taking are helping to achieve our goals, or hinder them. We are also starting to better understand what the fabric of peace is and what drives peace. As we carried out this work, we found strong links between peace, economic development and business. So we started digging a little bit more and we found that the Global Peace Index correlates very strongly with most economic and business indices out there – the World Bank’s ‘Ease of Doing Business’ index, the World Economic Forum’s Business Competitiveness Index and so forth. So, we dug a little deeper and we found that for every ten places a country rises on the GPI – so as countries become less violent, more peaceful – per capita income increases on average by over \$3000 U.S. With that, consumer spending in practically most of the areas also increases.

This year, we commissioned two economists from “Economists for Peace and Security” John Tepper-Marlin and Jurgen Brauer, to calculate the value of peace to the global economy. The results of the research were quite staggering. They concluded that the total economic impact of violence on the world economy was equal to 13.1% of GDP in 2007. This figure is made out of two components: a static peace dividend, which would be the amount of economic activity shifting in peace from the more violent industries to other industries; and what is a more interesting component, the dynamic peace dividend, which is the creation of additional economic activity, because violence is suppressed. This was estimated at 8.7% of GDP, a value of \$4.8 trillion U.S. in 2007. I should add that that this is a very conservative estimate and the numbers could be far greater.

I wish to leave you with the point that if business is the business of growing, expanding markets reducing costs and increasing profits, than it should perhaps start considering decreasing global violence, as one of its options.

**Jan Mühlfeit:** Thank you very much. All that we have outlined here are global issues, and I’m a strong believer that, while corporations have a slightly better global mindset because of the nature of their mission, I don’t see it among today’s global leaders – and they are the ones responsible locally. So what do we need to do in terms of co-regulation, in terms of the various international bodies? All of those institutions – the World Bank, the International Monetary Fund, etc., are a legacy of the Second World War, and do not necessarily reflect reality today. Now moving on to Jan Švejnar, I’m sure that Jan with his global perspective can talk more about that.

**Jan Švejnar:** Thank you, Jan, thank you all for coming today and for contributing to the discussion. It is one of the most fascinating subjects – when you think of what is sustainable business and when we have all the rather extreme traditions. One is the worrying about how not to inflict damage on our planet, on society, or, going further, how to improve things with the current crisis – how to survive. So here, sustainability is a sort of sheer survival for many. In terms of the broader issues that were mentioned here, it is really the way to think about it.

I’d like to focus on us thinking more about where is a sensible deviation from the paradigm we’ve had – simply put: profit maximization, to the extent that business is about maximizing profit in some perspective. How do we sensibly go beyond that? That’s what people really mean when they talk about sustainability. How do you harness innovation for social welfare? These are the kinds of issues that come with it and I think that the economic and environmental dimension that is traditionally involved, can be merged. The question is how do we achieve an increased pursuit of a more global, broader sensible goal in a world that’s increasingly more competitive? In some sense, we are moving into a world where the emphasis on what would be called ‘bottom line profitability’ is more and more prevalent, and yet, we’re trying to achieve something that is broader and, at first sight, seemingly incompatible.

I will take the insurmountable task of arguing that this actually can be done, that in some sense, having markets – and markets can be extremely helpful – we just have to use them in a way that is sensible for achieving this goal. So, how do we do it? I’ll just give a few points for discussion.

I would say that the first step is an emphasis on education. And here, I’m supplementing what others have said – not saying that what they said is not sensible, on the contrary, I agree with everything. But if you educate people, they will have a wider perspective. Consumers will value the environment more as well as the broader goals; people who determine what businesses do will also appreciate broader perspectives; those who dictate to business leaders – namely the shareholders – will also have a broader perspective. So, what I think is important is an overall increase in the consciousness of people about a broader welfare measure than just profit.

The second, complementary tool is regulation. How can we regulate positively rather than negatively? Traditionally, the problem has been that very often, regulation is very burdensome. So, how

do we regulate in such a way that it reinforces the positive aspects? I think that's really important in going from bad to good.

And the third aspect is incentives, or, in economic jargon: shadow prices. How do we move people – nudge them in a direction where they will take into account the reality as it's there, stark, while adding something to it? For instance, for things that are green, we would put a different price – implicitly, a shadow price; we would say that this has some other positive value that we want to stress, and on those that have negative effects, we would put a lower value. Through this adjusted pricing, we can, using the market system and a positive government influence, move quite a long way.

Properly pricing infrastructure projects, which are of long-term duration, is very hard to conceptualize, even in a traditional context, and so to improve things in the long run. Research subsidies: very often the word subsidy has a negative connotation, but in certain areas where you have a long-term dynamic, an inter-temporal view, they can be dramatically positive.

All of these things lead me back to what the previous speakers were saying, namely that what we need is to complement, not to throw out, but to complement the good things we have with coordination, collaboration, peace. All of these things come together taking into account long-term factors. And, as Petr correctly pointed out, demographic factors are a primary example of this intergenerational, inter-temporal aspect that we have to take into account, but which we don't. I think that if we were to start the discussion along those dimensions, we could actually make a lot of progress – not solve everything, but make a lot of progress in a relatively short period of time.

**Jan Mühlfeit:** Thank you very much, Jan. Over the weekend, I read in last week's Economist a report on the state of the world economy, which I would still describe in two words: 'confusion' and 'uncertainty'. I didn't learn anything new. I don't know where we are, and perhaps, Luděk, you can help us shed some light on that question?

**Luděk Niedermayer:** Thank you very much. I will try to help you understand why it is we don't understand. But I want to stay a little bit closer to the ground. For a better future – and sustainability determines a better future –, we should learn from the past, how the recent past has helped us. What have we experienced in the last couple of months? First of all, we have seen a really spectacular failure of the financial sector that was very expensive for everyone. Many politicians

were convincing their people: "We will not make Wall Street damage your life." But we know that everyone will have to pay. We have seen a dysfunction of the market that no one would have expected in the last twenty or thirty years; we have seen a failure of regulation and supervision and many errors in macroeconomic management. Many governments, instead of providing their countries with reforms, were instead throwing money into the economy, and the economy just had to overheat. The central banks – and I blame myself as well – were held too low and let the asset bubbles emerge. So if we were to go on blaming, we could blame just about everyone for causing the misery, but it doesn't help us make the future better.

Let's look at what we know. We know that crises do happen from time to time: as the economy fluctuates, it's not difficult to imagine that to move from a downturn in the economy to some kind of crisis is relatively simple. Obviously, what we have been seeing during the last year was different because this was the worst crisis since the 1930s. I don't know whether the U.S President Obama went to Chicago and asked the local economists, but the British Queen went to the London School of Economics and she asked: You tell me – you really didn't know? And they said: No, we didn't know. So, the crisis was very surprising and the decline was very deep. At the same time, we see that thanks to the massive interventions of governments, the recession seems to be much shorter than expected; it seems that the global economy will soon get back on its feet. That's good, but there are still some side effects that governments should be dealing with, and it seems they are not ready to do that because the fiscal expansion is so huge. The other thing that we should be aware of is that this was really the first serious global crisis. And it's likely that the next crisis – or one of the next crises – will have the same magnitude or the same features, and this is not very encouraging.

But there are also many things that we don't know, which makes it more difficult to see what should be the right reactions. First of all, we should ask: Are the failures in the economy and in the financial sector larger than in previous crises, or is it the growing role of the financial sector institutions in the economy that caused the big impact of the crises? So these are some questions, which are related to another: How serious are the changes we need to make in the regulation, in the architecture of the financial sector, in the restrictions? People are now talking a lot about changes in regulation – about making regulation stricter, or cleverer. But before these changes will be implemented it's good to always ask: What will be the benefits and what will be the costs?

Surprisingly, more than twelve months from the collapse of Lehman Brothers – let’s say eighteen months since the first troubles in the U.S. economy –, we are still pretty far away from finding any reasonable and robust solution. Thank you.

**Jan Mühlfeit:** Thank you, Luděk. One example of a responsible approach is in Europe, in Germany, where people save a lot, as I saw when I lived there for seven years. But at the global level there are many differences. For those of you who were on today’s panel on Asia, Asia is a fantastic example of how globalization is moving the region in the right direction; but you still have lot of people dying of HIV/AIDS and other catastrophes in Africa and other parts of the world, and nobody is even writing about these issues anymore.

So, what would be a balanced approach for us in the Western hemisphere towards Asia or Latin America, which are booming, and towards Africa on the other side? If we say that everything is fine in the Western hemisphere, in Asia, emerging markets are doing fine, so let’s forget about Africa – that would not be right.

Petr, from the perspective of demography, what would be a balanced approach?

**Petr Šmída:** This is a tough question, because the balancing act is a ‘people act’.

**Jan Mühlfeit:** I will try to help you. Today we produce 2.5 times more food than we are able to consume, and there are 1 billion obese people in the world while another 1 billion people are starving. So how do we build a better balance?

**Petr Šmída:** When I came back to the Czech Republic after living abroad for seven years, many people told me: “The situation is still not great here; materially, we are not where we would like to be”. But if you take the United States, the whole of Europe, Russia and Japan together – this is 1 billion people. The total world population today is 6.3 billion, which means that 5.3 billion people are living in very different conditions to those of our day to day life. So I don’t have any answers to the question, to be honest. I think it’s a process. And what is the balance? To balance this situation, one side would have to go in one direction and the other side in the other direction, or one side could try to reach the level of the other, which is already high.

When I looked into the energy statistics, I found that the United States was world number two in oil extraction and is buying the same amount from other extractors in the world, and is a country of only 300 million people. So, if we were to talk about 9 billion people, there would surely not be enough oil for all of the people across the globe to live in the same way as the U.S. middle class is living today. There is not even enough oil and other resources for people to live the same way as we do in the Czech Republic.

**Jan Mühlfeit:** Sorry to interrupt you – unless there is innovation, a technological breakthrough, as Jan mentioned.

**Petr Šmída:** That’s what I am getting to. I don’t think that those things are easy to balance without something new in the game. When discussing the new, technology is one, but I’m also a big believer in education. Regulation is a tricky one, and I would like to hear from Jan Švejnar how he views positive regulation, because it is something totally new to me. And there are incentives, obviously. All of those things come from those who understand the need for change. My experience at GE Capital has been that global companies are exposed to different cultures, different conditions on different continents and they are given incentives to find common answers to those differences. So, this is how they can surely contribute on this path – and I think Microsoft is one of those companies.

**Jan Mühlfeit:** Thank you. Riprand, you mentioned nature several times. What, in your view, should be the new balance between us human beings – in terms of sustainability in doing business – and nature?

**Riprand Graf Arco:** I’m sure there’s no magic pill for those problems. I think that technical innovation is very important, but I also think that so is political reform. In many of those countries where poverty levels are highest, the governments are the worst. As an entrepreneur, what am I looking for, when I go to another country? I want a relatively decent government; I want to invest in a country with a low corruption index, at least for private business; it’s very disturbing if you have great instability and insecurity in a country and no rule of law.

So, in order to solve things on a global level, we have to improve the forms of government in many of these countries, which suf-

fer the most. On the other hand, those countries that have introduced reforms, have improved their market situation, become democracies and have adopted the free market system, such as China, India, or other Asian countries; they have become booming economies, which brought hundreds of million people out of poverty over the last fifteen or twenty years. The system proved very beneficial to these countries, and I think it's very important to reform governments and create conditions for a free market, which will then bring sustainability.

**Jan Mühlfeit:** Jan, as a renowned economist – you will have heard about the initiative of Nicolas Sarkozy, the French President, on the measurement of happiness in France. I think that GDP measurement is an old measurement; it's as Maslow's theory says – money can buy you quality of life and happiness on a certain level, but then it's rather a question of emotional intelligence, how happy you are in society, in the workplace, etc. Do you think that from a global perspective, measuring happiness like this is possible? If we look to five or ten years from now, how would we measure the real quality of life? I would also say, from my experience, that the issue is much broader and goes beyond measuring GDP; it is a balance between success and happiness.

**Jan Švejnar:** I agree with you. In some sense you are rediscovering the ground because decades ago, development economists and others were constructing indices where they tried to factor in the broader perspective. I think that this initiative sponsored by Sarkozy – and Joe Stiglitz and others have worked on it – is very important in the sense that if we are more aware of it, we can do more about it, and that's the coordination I was stressing at the end of my first intervention. If we can go in that direction – if we can all support it, it will be good. The limitation – and this is actually a positive aspect – is, in fact, correlated with GDP. This means that we can build on what we've been using and what we've already done, and supplement it.

Let me add to what Petr mentioned, namely this positive government intervention, because the two subjects are related. I think there are some good examples – there are many that are bad, but let me give you two good ones. One, that Riprand mentioned: To the extent that a government can – through its intervention – reduce corruption, and reduce the deleterious effects, is positive and takes us in the right direction. Another is research and development. Here, the invention and application of the Internet is a very good example – an

extreme one, but a very good one. It started as a government project for the U.S. Navy and, as soon as it reached the stage where it could be further developed from the original idea, it was spun off to universities. Various universities participated – Michigan, where I am located, was part of that project – then, as soon as it was applicable to the commercial sector, it went commercial. So, here we have a form of government intervention, which was not only not deleterious but was positive for business and, from the environmental standpoint, it contributed to a paperless society – it's so much greener than anything else. I've selected two extreme examples, but I think they give way to thinking out of the box in terms of: "How do I approach these kinds of issues?"

**Jan Mühlfeit:** Perfect, thanks, Jan. Camilla, I have one question on the balance of generations. As you may have heard on the previous panel, we have today a very young, technology-savvy generation with a global mindset. On the other hand, the decision-making power is in the hands of people like me – the baby-boomers if you like, and I was born in 1962. So how do you balance these two generations – in terms of a positive development towards world peace?

**Camilla Schippa:** Free flow of information and education is key to the progress of a society. We analyse the structures of the most peaceful countries, while many people and organizations tend to look to the bottom – focus on who is less peaceful, we actually want to find out who is on the top and why they have reached such levels of peacefulness, and what they have in common. This allows us to identify the structures of peaceful societies. The ability of societies to have a free flow of information and to keep their children and youth in school for the longest possible time, seems to be one of the structures of peaceful nations. Interestingly, the amount of money that is spent by governments on education doesn't seem to correlate with peacefulness and a faster progressing society – it's more about how much time students stay in school, the mean years of schooling correlates strongly with the Index.

Going back to the point of the Sarkozy Commission and this new approach to measuring progress of societies: If we keep on just measuring GDP, we will probably manage to achieve increased GDP, but what does that mean for society? The Global Peace Index and the measurement of peacefulness within a society are a part of what they are using to redevelop this new measure, which is, of course, very en-

couraging for us. If we want reductions in violence, increased equality and happiness, well, that is what we need to measure.

**Jan Mühlfeit:** Luděk, today we measure – whether it is a stock exchange or the economy – with very sophisticated computer models. But then, when it all collapses, we are figuring out that we should be studying psychology and emotions. With the new role of the media, we are connected all the time. To what extent should we be using sophisticated computer models and how much should we be studying human psychology – a sort of behavioural economy, if you will?

**Luděk Niedermayer:** Things like behavioural economics and a fundamental understanding of what people are doing on the financial markets would help. I fully subscribe to the opinion that the development of mathematics in the financial sector has helped create the current crisis because so much of the modelling is based on the past. When things are going up, it looks as if things can only get better, but then there is a turning point – and it's not just the fact that there is a turn, but what is even worse is that it looks as if it will just continue going down indefinitely.

Unfortunately, this is linked to the regulation of the financial sector because the logic of a very technical approach to market supervision and regulation was also implemented by the supervisors themselves. That's why, at the beginning, I asked: How far-reaching should the changes be? It seems wise to strengthen the tie between a very technical understanding of what's going on and behavioural economics, fundamental analysis and so on. But equally, it was governments or supervisors who forced the financial industry to make huge investments into those “economically blind” computer-based methods. So, the answer is far from trivial. But clearly, that spill-over of development of relatively easily accessible technical methods created a kind of false belief that things are under control. To give one example, the bankers were working with probabilities – and 98% percent probability for a top manager of a bank is OK. But if you work with this level of probability on a daily basis, it basically means that seven times a year it fails, and you can lose a lot of money. People were not thinking about this, in fact, mathematics is not to blame – I must defend mathematics, because I'm a mathematician –, it was simply used improperly.

**Jan Mühlfeit:** It looks as if we as a society and corporations are at a crossroads. I talk of sustainability all the time. On the other hand, I have been with Microsoft for seventeen years, and when I joined, there were seven thousand people employed and around 60% of the stock ownership was in the hands of the employees – so then, you could talk about long-term sustainability scenarios. Today, we are still trying to be long-term and sustainability-oriented, but we – like other companies – are driven by quarters and by investment funds. This was the reason why I refused to forecast anymore during this crisis, like Unilever. What do you think needs to happen – so that investment funds and the people who own those companies realize: “Hey, this approach is not sustainable”. For example, if you create a disparity between the rich and the poor, you'd have no middle class. And who would buy your goods? We are a typical middle class company. What needs to happen for those people to realize? I am asking because it looks to me as if the stock is recovering and it's becoming business as usual. I will start with Petr.

**Petr Šmída:** From my experience and from my reading of many books, I would say that it's always better for people to have to live with the consequences of their decisions than if their decisions were to spill over to the others. I don't quite know how, but I would suggest that a big part of the answer lies in increasing awareness. How do we make people understand, especially in developed countries? Because it is also about Maslow's Pyramid: if you are poor, the world changes. In one discussion during the break, I said: If you didn't let the panel eat for five days, there would be a lot of different people sitting here now.

Finding ways of explaining and seeing the consequences is like a safety belt. You can read books, but you won't fully understand until you experience it. I see more and more people who've seen short movies about what happens to a child in a car crash, and it may be an extreme example, but I have friends who fasten their child's seat-belt for a two hundred-metre drive, saying: “We saw what can happen and we are not risking it”. And so, this is risk management.

Another thing is the definition of risk management – what is it? If you talk to risk managers nowadays, they're taking on more and more responsibilities. The definition of the “managing of risks” is broadening. One of the consequences involves large companies where a big part of their value is in their brand – what your brand is saying to your clients is so important in this world. These brands will

discover – and they are gradually discovering – the potential in communicating and learning about sustainability, and helping the world to understand that it may increase their value and profitability.

So, in many cases, I don't think there is that much of a conflict between profitability and moving forward in a sustainable way. I'm therefore suggesting two answers here: one is consequences – explaining consequences; the second – maybe for some businesses especially – is nature.

**Jan Mühlfeit:** Riprand, you lived in the United States for a long time, but you've also got the European experience. How would you compare the German model of regulation with that of the United States? Which is more sustainable?

**Riprand Graf Arco:** I would agree with Petr. I think we have to manage risk better and we also have to better manage expectations of the system.

People are not aware, or not aware enough, that a capitalist system can go both ways; “no risk, no fun” is an old American saying. I think that the expectations, in the financial system, were that everything would go well, as were the expectations of the public and companies. In a free market society, we have to live with the consequences of our decisions, and I think that's how I would define capitalism. From the business point of view, and even today after the crash of Lehman Brothers, I prefer the American business model to the German or the European social-democratic model because I think the latter hampers innovation; it creates great market distortions, entitlement systems, beneficiaries at the end of subsidies and so forth. In the end, nobody knows exactly where he is in the free market. I personally prefer the American system.

**Jan Mühlfeit:** Thanks. Jan, is there a third way? One country, which avoided this crisis, is Canada; the reason why is basically that they never changed the regulations much – they pretty much kept what they had. So is there any better model in between?

**Jan Švejnár:** I think it is really hard to point to a better model. Canada was partly lucky, as was Poland for that matter. If you don't go to extremes and you keep certain checks and balances – or in the Polish case, state ownership –, you can intervene more effectively, or have more control in a critical situation. I would say that one should learn,

as there is no system that's best overall. But we should be eclectic in the sense that we should learn from different parts of the world and from our experiences with different institutions, with different forms of regulation, to finding out what works in terms of innovation, and put it together.

Another form of positive government intervention is peace. If you maintain peace, there are obviously peace dividends and everybody is better off. All in all, I would go back to what the two previous speakers said: that there is risk and risk is inherent in investment. Investment means expenditure upfront and benefits downstream; and it's really hard for people to realize that the benefits will come and to be willing to go for major investment upfront. I would stress that that's what should be done.

Regarding the problems with income distribution, the presence of the middle class, etc., I think that we have to be aware of what the system we're in entails. The market system has many great advantages and I'm a great fan of it here in the Czech Republic, but we also have to be aware that it brings with it – if pursued –, inequality of income distribution. If all of us here are equally capable and productive, and we leave this room to enter the market system and return in the evening, some of us will be rich and some will be less rich – simply on account of opportunity, standing on the right corner at the right time.

In some sense, there remains the question of whether we should do something about worsening income distribution in the world, which comes with globalization, because globalization is making the market system operate more efficiently, more effectively throughout the world. One third of the world population that was outside of this system for half or more of the last century is now a part of it. So we have all these benefits and we have this one negative aspect.

Here's the big question: To what extent can we increase the opportunities, increase access – access to the market, access to education, etc.? I think it's really important to think about. Businesses are in part doing it by moving business to poorer countries – that's a step towards changing the situation. Should we go beyond that? Some people have suggested we might want to have a world tax – that seems farfetched, and the first reaction is usually: “Why would I want to have a world tax?” But when you think about it, if it were effectively implemented, maybe it would not be a bad thing. A lot of philanthropic activity plays that part already. Again, it's just going back to psychology. Many people assume that their governments

are doing more on their behalf to alleviate poverty than they're doing. America is a good example: a very philanthropic society, people give aid to good causes and they assume that "We, the Americans", as they would put it, "are contributing tremendously to poor countries". And then you tell them that it's much less than 1% of GDP and they're shocked. So, by raising peoples' awareness of these issues, maybe we could find effective channels to tackle it from this side as well.

**Jan Mühlfeit:** Thanks very much, Jan. As you probably realize, we don't have silver bullets on this side of the room. I think that if the questions we were discussing here opened up your minds a little bit more, we've then reached our goal. In the last third of our session, I would like us to continue the dialogue and invite any questions from the audience.

**A man from the audience:** Good morning. My question is about another aspect of sustainable business, which was tackled here a little. We all certainly believe that money, whether in the form of cash or plastic, will be sustained; we also believe that the internet is sustainable – we all believe in this great innovation. In more general terms, how does technology help business to be more sustainable?

**Jan Mühlfeit:** Allow me to kick off with a few points and then ask my colleagues to answer.

I was one of the people in Microsoft – one of three people, in fact – who wrote the strategy for emerging markets six or seven years ago. And I and many other people had said: "Forget about selling MS Office for \$200 U.S. in China. The first computer in China was a mobile phone, so you could sell the Office experience for \$1 U.S." I think in order for your business to be sustainable in new markets, you need to have the right model. But the truth is, as Petr had said, that technology is making a lot of things possible. If you think about democratization around the world, at the time of the elections in Iran, the country was shut down, but thanks to Twitter, people were still kept informed. And we should realize that Twitter has eleven employees. As a matter of fact, at that time they were about to start server maintenance, which would mean shutting down the servers in the U.S., when they got a call from the State Department and they delayed it. So the world was kept informed – that's the power of technology. So I'm very optimistic about what technology can do.

I will now ask our distinguished panel to comment.

**Petr Šmída:** One of the most impressive, eye-opening ideas I've heard – and of course you could discuss the pluses and minuses – was from the CEO of Toyota, Cho-san, who said: "Look, we imagine cars that would have filters and as they travel – especially, through cities, they clean the air". So the long-term concept of cars, could be – and it's feasible – to clean the air just by driving them through cities. This is linked to my chart here [Petr Šmída showing a chart to the audience] as huge cities – numbering 22 million people today and perhaps 50 million people in the future –, all struggle with car traffic and pollution. I'm a big believer in technology. Another example, which I'm totally intuitive about because it's not my expertise at all, are computer games. I would assume that many of them enable you to get rid of stress – ventilate any angry feelings; and though it's not my case, I believe that there is gradually less aggression in the streets, because people could ventilate their aggression in front of the computer rather than on the street. Maybe this is just my assumption. All of this would be an interesting discussion and Jan, I'm sure you could help us there. If you look at the effectiveness of car engines today – they keep improving, they need less petrol, and so the whole car industry would be a good example. The fundamental question is: can we avoid people wanting to drive cars, globally? I am suggesting that because there are things we cannot control; there is a limited number of ways in which technology can help with this uncontrolled growth.

**Jan Mühlfeit:** Let's give the word to the right side of the panel. Camilla, how can this phenomenon of bottom-up social networking have a positive influence on global peace?

**Camilla Schippa:** We haven't even seen anything yet; it's going to be an increasing phenomenon and it's going to have a huge impact. The question is more about making sure that information is somehow available to all and that it's not going to be diverted by other powers. But it's proven that the more informed people are, the more peaceful they are; it's most frequently the unknown that we want to battle against. The internet and all these tools that we now have at our disposal and that the new generations are growing up with these embedded into their daily lives and opening the world to them. So it's definitely seen as an incredibly positive de-

velopment. But we are still to see exactly how it's going to impact the world.

**Jan Mühlfeit:** Very good, next question please?

**A woman from the audience:** Thank you very much. Jan Mühlfeit, you mentioned Africa and that will remain marginal and poor; I believe that in thirty or forty years it will become the manufacturing heart of the world. But what about Europe – where is Europe going to be in thirty to forty years' time? Is it still going to be as it is now – one of the defining economic forces of the global economy? And if it wants to remain in this position, what does it need to do?

I also have one comment. I was very pleased by how many of you mentioned education as a key factor in a future sustainable world, because I don't think it's always understood properly, even in our society. I was also pleased to hear this panel discuss the uncertainty in which we live and are going to live in; we don't know what is going to be in ten or twenty years' time – in terms of technology, etc., and we need to be able to live with this uncertainty. We need to understand that even if people do everything right, things may go wrong, maybe because of things happening in other parts of the world. People need to understand that a 98% probability does not mean that things will certainly happen. There are many studies which show that in societies with a stochastic way of thinking, uncertainty is at a reasonable level and people are happier. So is this a quality we will need to be able to talk to each other in the future and to live productive lives?

**Jan Mühlfeit:** Luděk, could you take the first question on Europe? I have previously written articles about Europe needing to wake up before it's too late, and I am very interested in what you have to say given your experience in the financial sector, in the Czech National Bank. Now that you're working for a big consultancy firm, what is your view, and what is Deloitte's view on Europe?

**Luděk Niedermayer:** I guess it's not hopeless...

**Jan Mühlfeit:** ...It could be worse, right?

**Luděk Niedermayer:** Definitely. If you think about the fact that it costs something like a €100 per hour to hire a German worker, and if you

look at the situation around Asia, possibly Africa, it doesn't look for Europe very promising. But still, the combination of tradition, infrastructure, education and other facts means that we can be competitive, though obviously not in everything.

I'm actually glad that you turned to me with this question, because when you talk about imbalances, it seems that China can beat everyone, but we should not forget that this is because the government is keeping the Chinese Yen extraordinarily weak. So far, China had to buy hundreds of billions of USD from the market to prevent the domestic currency from becoming too strong in order to make the country more competitive. So, there should be more pressure with regards to such policies. This doesn't only apply to the currency regime but also to the environment, for example. It doesn't make sense if your own companies are being shut down because of environmental regulations when you import goods which are produced at much higher environmental costs plus costs for transportation. We should make conditions fairer and pay more attention to these kinds of factors.

We also shouldn't forget that Europe has more of a 'competitive edge'. The fact that it's not 'all lost' and that we have some areas where we can compete, doesn't mean that we can do this in all of them, and nor does it mean that significant parts of the economies won't be badly affected.

**Jan Mühlfeit:** Riprand, you were quite critical about the German model and the German economy. If you were to compare the European economy to that of the United States, where do you think Europe should be in the future?

**Riprad Graf Arco:** That was my personal observation. Americans are much greater risk takers than the Germans, and I think for an entrepreneur, you have to take risk and accept risk, self-reliance, and not be looking to the government but resolve things on the subsidiarity principle. Let's say I'm a real estate developer and I build shopping centres: I have to deal with communities in the neighbourhoods all the time. I have to listen to their demands and try to incorporate those in my project. Subsidiarity as a political principle is also a very good principle to keep business 'straight', to create a sense of social responsibility within a community but also to create self-reliance. I think that's missing in Germany.

**Jan Mühlfeit:** Thank you. Jan, you talked about education. I think there are two reasons why there is such risk awareness in Europe: one is bankruptcy. I think when you go bankrupt in Germany, you can't do business for seven years. The other is the education model. We talk about education and creativity when our own educational model, especially in basic schools, hasn't changed in the last hundred and fifty years. It's still based mainly on memorizing and logic. What should we do to shake the educational model in Europe? It seems to me that it's in the hands of national governments, and while there is a lot of talk, there is very little action.

**Jan Švejnár:** There's a lot that's good about the German, the European, educational model, so it certainly should retain an element of memorizing. I think there are some positive aspects of teaching facts, but they should be combined with what is good in the American system, and that's the prompting to look for solutions out of the box, and so on. We should also put more emphasis on the very advanced stage of education, which is where the United States is still the best and where a lot of the innovation comes from: the combination, the indivisibility, of research and education.

In Europe we still have too many separating walls; in the United States education is totally integrated and young people who come out of the system, have innovation combined with knowledge. This is where Europe still has too many barriers, too many traditions in the way the university system is structured. The decision makers are not really managers – they are not accountable, they don't have to pursue quality. And I think quality is, in the end, what it's all about. The world is full of quantity, of goods, services etc., but what's becoming more and more important is the quality. That's where Europe really has to put an emphasis – on moving ahead in terms of being more dynamic, producing things that are at the forefront. This is how you can sustain high salaries, high wages; if you offer something that others are willing to appreciate and pay a lot for.

I would say that Europe has incredible potential and it's only up to Europe to lose it. It is really a question of whether it is going to step in and realize that just walking is not enough when others are running, that you fall behind if you're just walking while others are moving faster, so it's relative speeds.

Going back to relativity, relative logarithmic is actually important – not in the population sense of having finite demographic constraints, but in terms of relative performance, that's where it all is.

With the great potential Europe has, it needs to be much more dynamic and move ahead; it needs a strategic vision. I think Europe also suffers from the fact that it doesn't feel like a leader; Americans and increasingly others, are willing to act as leaders, and a part of this is a self-fulfilling prophecy, that if you act like a leader, you often are a leader, and if you act as a follower, you are a follower.

**Jan Mühlfeit:** Jan, I absolutely agree with you. The one thing I learned in the world of business and competitiveness is that you need to run fast, you need to run faster than the others to be competitive. Next question please. Jan Bubeník...

**Jan Bubeník:** Thank you. You've been talking about the pollution of \$3000 cars, about fair trade, aid, moving jobs to cheaper countries, etc. To complicate things even further, European or US-made cars have a big component of social contract in them: we're talking about sustainable business, going beyond the transaction, moving into a relationship with the consumers and communities. Those cars, built in India for \$3000 U.S., will most probably not have the latest catalyst or, going back to what Petr said, will not clean the air rather than pollute it, how does this play into sustainable development in the so-called underdeveloped countries? The world tax: are we going to have a world environmental tax? How do we achieve consensus in our overall global goals, and in building peace? What's the solution to this?

**Jan Mühlfeit:** This is a very good question. In fact, I co-chair – with my counterpart from Daimler – one of the boards that deals with this issue. Cars today have a higher budget for software than for hardware. The car-making industry is actually a typical example of how you divide labour. Is the western hemisphere going to do the inventing and designing and Asia the “made in” part? But the Chinese had more patents last year than the whole of the European Union together.

Riprand, do you have some kind of silver bullet for what the European or U.S. car producers should do in this global competition?

**Riprand Graf Arco:** Today, cars are produced globally anyway. Let's say that BMW produces in South Africa, in North America, and only a small part is produced in Germany. About a year ago, I read in an

article that there are more American car parts in a Toyota than in a GM, because most parts are built elsewhere. So it's a question of where cars are assembled and which parts are built where.

**Jan Mühlfeit:** My question was more: Where will the added value be? What part of the process do we concentrate on so as to create jobs?

**Riprad Graf Arco:** The former President of BMW once said that to me: Our cars aren't any better than any other cars; it's just 50 cents plus emotion that we're selling.

**A woman from the audience:** I have the feeling that parts of the debate are turning into a little bit of a cliché, reminding me of Reagan saying that Europe's economy is sclerotic, that we need free trade and free markets and then everybody will be happy, there will be no more poverty. I'm German and we now have a Christian Democrats-Liberals government; the Liberals have been winning a lot, so I would defend the view that Germany is in a learning process. But we are living in a globalized, rather complex world, and I think clichés like: "either a very free or a very regulated economy", do not lead us to new solutions.

I would like to ask you to speak in more concrete terms about the issue of taxes. On the agenda of the G20 is the so-called Tobin Tax, or a version of this. There is a lively debate within the G20 about it, and I think it would be useful to relate to it, because this is the reality. What are your views on the Tobin Tax – and on the idea of this tax providing more money for climate change projects, for projects to combat poverty of women, than any development aid is providing at the moment? What do you think about European financial and bank regulation? How should emission trading be dealt with, now that we are waiting for the summit in Copenhagen?

My questions are aimed at addressing the clichés I've mentioned and the issue of fighting speculation money. I believe there must be some form of regulation or at least control of cash channelled into terrorism and organized crime. So, what kind of regulation would you use against excessive speculation, which brought instability and poverty to some countries and how should we regulate against organized crime and terrorist money flows?

**Jan Mühlfeit:** In a nutshell, Luděk: Keynes, Friedman, or something in between? What do we do about the regulation around terrorism and organized crime?

**Luděk Niedermayer:** I believe in common sense and transparency. Obviously, there are problems within the financial sector, for example, you mentioned the unresolved issue of European bank regulation – I was a member of various European Union's bodies where it was discussed for ten years, with no results. In this sense, the crisis is a great opportunity; it's a wake-up call, so I think that we will move forward from here. You may have noticed just recently the big pressure being exerted on banking secrecy rules; it's a good thing that we are not moving into an Orwellian world, but too much protection was probably given to some people that I don't think deserved it.

I am definitely for equal and sensible pricing of ecology costs; I would not say that introducing an ecological tax would be distortion, but rather that it would remove distortion, because we know that ecology or sustainability costs and some technologies are not being priced properly.

At the same time, in practice, it would be very difficult to get to any kind of global initiative – like the text on trading on financial markets. This is unfortunate; we can discuss it, but unless there is truly global consensus on the subject, it just isn't technically feasible.

**Jan Mühlfeit:** Thank you. Our very last question, Mr. Stehlík...

**Pavel Antonín Stehlík:** Today, democracy is widespread and spreading – its further expansion is going to cost each country more money. In my experience, what politicians like to do is take money from people who are capable of generating it to give it to people who are capable of spending it; it's called taxation. What level of taxation is going to hurt business sustainability? Is there such a level? Over the last three centuries it has been 10%.

**Jan Mühlfeit:** Jan.

**Jan Švejnar:** There is no absolute answer. Every society is looking for the best modus operandi. These things change even within a country – from administration to administration. I think that there are some principles which are good to bear in mind at whatever level or rate of change you end up being in a given country, and they are:

don't tax – or don't tax too much those things that bring benefit. In that sense, for investments, education, research, etc., you can have a negative tax – you can even subsidize it if you feel that the benefits are big. On the other hand, there are other things which people are willing to pay tax on where demand is inelastic, so there is a consumption tax on certain items.

There can sometimes be a whirlpool situation in societies – and the former communist countries are a good example –, where certain markets didn't work, such as the real estate market, where real estate was seen as consumption and not as a capital good, and where you don't rent apartments even if you have extra rooms in your villa that you inherited from your grandmother. Real estate tax can actually not only bring revenue, but it can suddenly increase the amount of real estate rental property on the market, because people rent. In America, upper-middle classes rent their houses; as soon as you move for several months, you rent your house. Nobody does it in Europe. There are examples of being innovative in this very nasty area of taxing; basically taxation is a way of redistributing and one has to be cautious because you can kill the goose which lays the golden eggs.

**Jan Mühlfeit:** Petr, to conclude the panel, in general, should we tax income or consumption, in your view?

**Petr Šmída:** It's a relatively complex question to answer simply. Taxes are also about behaviour – and we've talked about the growing importance of behavioural economics. The numbers that I brought, in fact, support this even more. So I think taxing consumption is the right thing. An example could be the very low tax on gasoline in the United States; here I would say that it has an impact on people's attitudes towards consumption of that particular resource. So the simple answer from me would be to tax consumption.

**Jan Mühlfeit:** With that, ladies and gentlemen, let me thank you for your attention and thank you very much to our distinguished panel. It was a very broad discussion, which brought more questions than answers, but this is about complexity and the uncertainty we are living in today.



Prince Norodom Sirivudh



## Current Security and Political Challenges in Asia

### Special Panel

12<sup>th</sup> October, 2009, Žofin Palace

Opening Remarks:

**Yohei Sasakawa**, Chairman, The Nippon Foundation, Japan

Keynote Speech:

**Surin Pitsuwan**, Secretary General, ASEAN, Thailand

Moderator:

**Karel Kovanda**, Deputy Director General, External Relations Directorate General, European Commission, Belgium/Czech Republic

Participants:

**Toshimitsu Shigemura**, Professor of International Relations, Waseda University, Japan

**Harsha Kumara Navaratne**, Chairman, Sewalanka Foundation, Sri Lanka

**Prince Norodom Sirivudh**, Cambodian Institute for Cooperation and Peace, Kingdom of Cambodia

**Karel Kovanda:** My name is Karel Kovanda, I work in the European Commission in Brussels and I am responsible for some aspects of European external relations. Today, I have the privilege to welcome five very distinguished Asian scholars and specialists. Chairman Sasakawa will provide some opening remarks, and we all know he is one of the moving spirits behind the Forum 2000 Foundation. He has been with the Foundation since its inception, as he reminded us yesterday, and has remained with it ever since. In fact, Forum 2000 owes an awful lot to Chairman Sasakawa; so we are very happy that he will open this session. Why don't you take the floor, Mr. Sasakawa?

**Yohei Sasakawa:** Thank you, Chairman. Distinguished guests, ladies and gentlemen, I am very pleased that we have been able to organize a panel focusing on Asia at this year's Forum. Over the past twenty years, my work at The Nippon Foundation has taken me all over the world. During this time I have seen and felt the world changing around me. Nowhere have I felt this change more than in Asia. Asia today is not the Asia of two decades ago. The region has been growing at three times the rate of the advanced economies. Today, while much of the world is still struggling to recover from the financial crisis, Asia is making an astonishing rebound and leading the way out of the recession. Asia's growth has brought great benefits, not only to people living in the region, but also to the rest of the world. And I am convinced that the region's importance will only grow with time.

I believe that at the heart of Asia's vitality, resilience, and potential is the region's diversity. Asia is home to half of the world's population. It is also home to more languages than any other region in the world. It is the home to a myriad of beliefs, cultures, and traditions. Asia is an incredibly diverse eco-system and a spectacular array of landscapes. The potential of this diverse and dynamic region seems boundless. But it also faces considerable challenges. Asia's rapid transformation has brought with it new problems: urbanization, the income divide, and environmental degradation. At the same time, the age-old issues of poverty, epidemics, and human rights persist. Many of these issues cannot be addressed effectively within borders. Not just national borders, but all other kinds of boundaries – linguistic, cultural, political, institutional, environmental – need to be negotiated. Diversity – one of Asia's greatest assets – can at times serve to further complicate and magnify its challenges. The Nippon Foundation has been working in partnership with governments, re-

gional bodies, local NGOs and educational institutions to address these challenges. As an example, we have been creating regional centres of excellence for the visually impaired, hard of hearing and disabled, promoting regional cooperation to improve maritime security in the Malacca Strait, and utilizing traditional medicine to make healthcare available to all.

Our panellists today are tackling different issues in different areas, or in some cases the same issues, but in different ways. They are all, however, engaging issues that are vital to the future of Asia. As we look to the future, I believe that what is vital to Asia is vital to the rest of the world. I also believe that the lessons learned in dealing with the challenges Asia faces can greatly benefit other parts of the world. I am convinced that no truly meaningful discussion about the future of our world can take place in the absence of Asia. It is my sincere hope, therefore, that we can continue to expand the participation of Asia at Forum 2000. I look forward to a productive session.

**Karel Kovanda:** Thank you for your opening remarks in which you outlined briefly the changes that Asia has experienced in the last twenty years, in which you pointed to Asia's successes, but also to the new problems that Asia is facing in addition to the old ones that have not all been resolved. You spoke about the extraordinary work of the Nippon Foundation. Let me thank you for the multifaceted work your Foundation is involved in under your leadership. Now let me invite Mr. Surin Pitsuwan, Secretary-General of ASEAN, to take the floor with the keynote presentation to this panel. I would like to say that Mr. Surin Pitsuwan is an old friend of mine, but the fact of the matter is that we've met once before in Brussels, had lunch together, enjoyed each other's company, if I may say so, and I'm delighted to welcome him to Prague. It's a bizarre thing for a person from Brussels to welcome anybody to Prague, but there you go. Mr. Surin Pitsuwan, the floor is yours.

**Surin Pitsuwan:** Thank you very much Karel, and Mr. Yohei Sasakawa. We in Asia have always dreamt of a day when we can also contribute to the reform of the international system, and contribute to the efforts of making this global community a better place. We have a lot of work ahead of us in developing a regional order in our part of the world.

Two or three decades ago, Henry Kissinger observed that as far as economic technological progress go, Asia has advanced to 21<sup>st</sup> cen-

ture Europe, but its political and security systems are embedded in the 19<sup>th</sup> century. But we have been trying. In particular, since World War II, the growth of East Asia has been impressive. In the beginning, Japan tried to lead the rest of the Asian countries in the direction of progress. Lately, economic development has been sustained across East Asia. At the end of the Cold War, it was hoped that it would lead to the end of history, ideology, and conflicts between the two camps in the global community. It was also expected that globalization would spread universal values across the globe. However, what happened was not the free flow of democratic values across the globe, but economic globalization and growing materialism, commercialism and consumerism. Therefore, the operating standard became economic and commercial. Some governments in Asia are attempting to tame and manage this force of globalization by telling their people: "I have a vision! Follow me and we will survive the global competition! But in order for me to lead, give me the power and I will begin with populism: I'll pay for everything, if you give me the right to lead along the way. In order to sustain that populism, I will reward my cronies, and conflicts of interest will ensue. Forgive me if some of my people are profiting from my power." Along the way, there is corruption, the limitation of freedom, authoritarianism and dictatorship.

Whatever we do in East Asia, we should ensure that we do not sacrifice our rights, freedoms and democracy for material and economic progress. We have a lot of problems on the political front. Many countries in East Asia experience cultural fundamentalism, ethnic extremism, creeping materialism, and are grappling to hold on to values that will need to be reformed or refined in order for us to move along the path of value-based globalization. In India and Pakistan, we have the problem of the two nuclear powers in West Asia still trying to settle past differences, cultural fundamentalism and religious differences. In Sri Lanka, we are attempting to build an inclusive system that provides space to ethnic groups vying for power. The Korean peninsula has a legacy of the past that has not been resolved. We are trying to contain nuclear proliferation which threatens the stability and security of North-East Asia, and which will have implications on the entire landscape of East Asia. Japan and China will be affected, as will the countries in South-East Asia, where I am from. Confidence in the region will be eroded, and a sense of insecurity and instability will inhibit our growth and development. Myanmar is another country which has had a long history of internal

conflict which has created a sense of insecurity in the region because refugees and drugs emanate from there. These cross-border issues have to be managed by its neighbours in ASEAN. These are some of the political issues that we face.

The structure that we are trying to build in East Asia is one that only small and medium-sized countries can provide. China and Japan have a long history of mistrust. China and Japan need the small group of ASEAN countries in South-East Asia to provide the path, the form, and space for them to meet. They are much more comfortable with each other now. India and China also have a long history of conflict, and mistrust, but they are now part of the ASEAN Regional Forum and meet more frequently. ASEAN has provided new architectures for East Asia so that these diverse groups of "dialogue partners" can meet, learn from each other and build mutual confidence. This is how we hope to move the region forward in the direction of peace and prosperity, based on inclusive economic development rather than unequal economic progress, as witnessed in so many other parts of the world. These are the political challenges that we face.

Most of the countries in East Asia are export-oriented economies. While we benefit from the growth and stability of the global community, we depend very much on demand here in the West. When demand decreases in the West, in North America, and in Western Europe, we are all affected. But the West and the world are still very much relying on the growth of East Asia, especially of China. The question is: Can East Asia continue to depend on external demand? The advice from the G20 in London, and Pittsburgh, has been: Create your own demand and stimulate your own economies so that you will reduce your dependence on the rest of the world. It is not that easy. When we attempt to turn workers into consumers, we cannot simply decide how much we are willing to pay; we will have to allow the workers to express how much they want to be paid. This is changing the dynamics of the system all of across East Asia. This is an economic reality that can lead to political instability, if it is not managed it well.

At the moment, there is political instability and insecurity in the system. However, we are striving to build an ASEAN Community that is not only self-sufficient, but that can also contribute to the international community, and the reform of the international system. We, in East Asia, have accumulated tremendous wealth. We have benefited a lot from the system that the world created for us,

but we have also been financing consumption in the West. The question now is not how much savings we can accumulate, or how we can finance the world's consumption: it is how much we can relieve the world from the pressures and the imbalances that East Asia has created in the system. So, we are introducing a pool of financial resources among our thirteen "ASEAN Plus 3" countries, comprising the ten ASEAN countries including Japan, China and Korea. The objective is not merely to compete with the IMF or other international financial institutions; this structure is for us to tackle our own problems and manage our own affairs. We are introducing this small pool of resources so that economies under pressure and suffering from microeconomic instability will have one more alternative beyond the World Bank or the IMF.

We had attempted to do this before when we were confronted with the first Asian financial crisis ten years ago, but we were discouraged because the world thought that East Asia was going to establish an entity independent of the global system. Now that the world is in disarray, East Asia is trying to come up with a project called the Initiative for Financial Stability, by contributing our own US\$120 billion to the initiative. It will not replace or compete with the IMF, but it will help East Asia relieve the world of some pressures. The IMF, in turn, will be able to divert their attention to other parts of the world because East Asia, to an extent, will attempt to do this on our own. This instrument will be launched at the end of this year at the East Asian Summit. These are the kinds of initiatives that we are attempting to create incrementally, and step-by-step.

Let us recall the observation that Henry Kissinger had two decades ago, that our political system is still embedded in 19<sup>th</sup> century Europe. We would like to begin our journey nonetheless, and we have learnt a lot from Western Europe. People ask me: "Will ASEAN ever be like the European Union?" I usually respond that tremendous diversity still exists among the member states in the region, so we cannot rush to create a union, but the EU has provided us with inspiration. In the future, we look forward to the day when we will be able to manage our political and security challenges in a way that is appropriate for the region, and with your support and cooperation. We are very much encouraged by the things that you are doing here in the West. Thank you very much.

**Karel Kovanda:** Surin, thank you very much for this extraordinary 'tour d'horizon' of what you in ASEAN are doing. You spoke about

economic globalization, which affects you but doesn't necessarily bring values. What I picked out from what you talked about, is your discussion of power, which, so often in your part of the world – East Asia – and I think one can generalize, is associated with corruption, populism, authoritarian tendencies and so forth. You talked about the historical legacies among countries. This is something that applies not only to Asian countries. I am very interested in your discussion of the efforts to build Asian structures and transcend the dependency on West Europe and U.S. well-being and consumption. I'm glad that you're taking the European Union as an inspiration, although you know about the difficulties we are having with the Lisbon Treaty right now. Maybe when you get to that point, you will call it a Luzon Treaty. I hope that we sort out our difficulties. You picked out a few countries as having a particular set of problems. Let us go into greater details about some of them. Let me invite Toshimitsu Shigemura from Waseda University, a leading Japanese specialist on North Korea, which is a constant worry to people, and not only those who are concerned with security. So let me invite Mr. Shigemura to give us his view of what's happening in Korea.

**Shigemura Toshimitsu:** I am greatly honoured to be speaking at this conference today. I am going to share with you my analysis and opinions on the current crisis related to the nuclear development in North Korea. I will also present my analysis on the origins and reasons of today's crisis in East Asia, and tell you about the body double of the North Korean leader.

North Korea's leader, Kim Jong Il has already died, or has been ill for more than six years. Chairman Sasakawa asked me to share this truth with you at the thirteenth Forum. This means that since 2000, the North Korean leader has not been himself but is represented by what we could call a "body double", a "fake" or a "look-a-like". One of my friends met with the double of Kim Jong Il in November 1995; the body double told my friend that there were two body doubles who looked like the Dear Leader. They had a fantastic salary. They appeared whenever an open air ceremony was conducted, usually in the Kim Ir-Sen Square. We know that Kim Jong Il has been terrified of the possibility of a coup d'état and assassination that could be carried out during those ceremonies. He was attacked in April 1992 when military leaders had planned to kill Kim Jong Il and his father with a heavy tank during a military parade. After this failed coup d'état, he would not appear in open air ceremonies and

has had a body double since. We got two videotapes, one from indoors, the other came from an open air ceremony. We asked doctors to examine Kim Jong Il's two faces: they concluded that they were two different people. The real Kim Jong Il had signs of facial paralysis on his right cheek. More information came out in May 2005. Just after the second North Korea-Japan summit, a Japanese TV station, TV Asahi, found that Kim's voice was different. They asked the University Institute of South Korea for a voiceprint analysis of Kim Jong Il: it was found that one voice was that of Kim Jong Il in 2005, the other came from the 1980s. An abducted South-Korean film director and his wife recorded Kim Jong Il's voice before they escaped from North Korea in 1986. The result of the voice analysis was clear: the voices belonged to two totally different people. The TV station asked for a second voice analysis from the Japanese Institute of Sound in 2007, which again confirmed the result. Kim Jong Il had been in love with a popular Japanese woman, Majisha, whom he visited secretly near Tokyo every year from 1982 to 1989. After 1990, he could no longer go to Tokyo so she was invited to Pyongyang twice, in 1998 and in 2000. We began contacting her in order to confirm a couple of facts. At first, we did not trust her testimony, but later we came to do so, and got hold of a lot of evidence, concluding that she met Kim Jong Il in April 2000. Kim Jong Il had appeared in a wheelchair – he had severe diabetes. She asked his son and daughter to call her cell phone when he was dying – they called her at the beginning of 2003. When we studied Kim Jong Il's behaviour, we found out that he disappeared for ninety days between February and April 2003. He did not contact any high-ranking North Korean officials for two years; only five or six officials had any contact with him. We therefore have to conclude that President Clinton may have met with a body double this year, as well as President Lee Myung-Bak of South Korea, the Prime Minister of Japan, President Kim Young-nam of North Korea, and many other Presidents and Prime Ministers. The possibility is high – still, it's just one of those stories.

To change the subject, I want to discuss North Korea and China. The original communist ideology originated in Europe. But why does it still persist in Asia? China and North Korea have one common element, which has allowed communism to persist: confucianism. Confucian ideology resembles the principles of communism: not just the bureaucracy and the highly centralized form of government, but also the violation of human rights, are the common denominators of confucianism and communism. These two traditions

and cultures corrupt countries. Absolute loyalty to the leader and absolute obedience to orders from the top were already present in confucian ideology.

The Chinese military has the greatest domestic political power and influence on Chinese foreign policy. China's growing military power is derived from a perceived fear acquired throughout history; China has the longest border out of all countries, and is afraid of its neighbours. China remembers the Opium Wars – a significant lesson from history: China's sovereignty was violated and her borders were challenged by European countries. The fear of external intervention stemming from the Opium Wars continues in China today. China also remembers European, Russian and Japanese invasions. A comparison of Ancient Greece with China's current sense of fear would serve as a good analysis. In 400 BC, the ancient Greek historian Thucydides wrote a book called "History of the Peloponnesian War". In his analysis, Thucydides concluded that the main cause of war was fear. This can also be applied to China and North Korea of today. The main cause of China's growing military power and North Korea's nuclear development is their sense of fear. The North Korean military has little oil, its army's weapons are too old, and it could not sustain a war. They are afraid of being attacked by South Korea and by the United States. So North Korea decided to develop nuclear bombs.

The agenda to implement peace and liberal democracy is one of the most urgent tasks. In Europe, the world had seen that the collapse of communism would bring about a true sense of peace, human rights and liberal democracy. If the abolition of communism can bring about peace, can such a formula be applied in the Asian context? The reality is that North Korea would not stop its nuclear development. North Korea has cooperated with Iran and Syria on nuclear and missile development. The unification of the two Koreas is a necessity in order to stop the nuclear programme. If South and North Korea were to become one unified nation like Germany, North Korea's nuclear development would come to an end. Thank you.

**Karel Kovanda:** Thank you, Professor Shigemura. I find the body double exploration extremely interesting – I have to ask myself the question: What practical difference does it make? What are the implications of one person with a name or different personalities with the same name? I was intrigued by your comparison of confucian ideology and communism. Finally, you explored the roots of why the Korean and Chinese military are so bent on build up – this being

based on historical fear of their neighbours. Thank you very much for this contribution to a conference on democracy and freedom. I think that what you are pointing out is that there are parts of the world where these two words just don't play any role at all.

Now, our next panelist is Harsha Kumara Navaratne, who is the Chairman of Sewalanka Foundation from Sri Lanka. On the one hand, Sri Lanka, as we know, has until very recently been torn apart in a very violent struggle against the Tamil Tigers who have been universally recognized as a terrorist organization. On the other hand, since the military defeat of the Tamil Tigers, the Sri Lankan government has been keeping tens of thousands – and the number may be even higher – of Tamils in internment camps. Four months ago, I was in Sri Lanka and visited the Manik Farm camps myself. We are very interested in what Harsha will have to say in explaining the current policies of the Sri Lankan government. And here comes a point of historical parallel with Central Europe. One might think of it as an intellectual exercise. If we think about the end of World War Two and a defeated nation and people of that nation being kept, say, in this country or Poland in internment camps – where are the differences apart from the sixty years that went by? Harsha, it's all yours.

**Harsha Kumara Navaratne:** Thank you. When I met Mr. Sasakawa in Tokyo, he asked me to come to this conference. I asked him: "What for?" and he told me: "Come and talk about security in Asia." So, going back from Tokyo to Colombo, I thought: Well, I may be one of the best people to talk to you about security because I represent a country where for the last twenty years when we left our house, none of us knew whether we would get back home alive. Whenever I was in any other part of the world, every day after two o'clock, I always tried to see whether my three daughters had got home alive. That has been the situation in my country for the past twenty years. Many times, when I was out of Sri Lanka, even recently at Beijing University, a group of graduate students asked me: "How is it possible that Sri Lanka, a Buddhist country, has produced hundreds of suicide bombers? Why has Sri Lanka become so violent? Why do you live in such a violent country? Can you explain it to me?" Every time these questions are asked outside Sri Lanka, I'm also puzzled because I come from a very small village down south. I can remember that when I was little, a small fly fell into the water in which my mother was washing me. My mother took the fly out of the water and said: "We have to help the poor fly." That's how our teachers taught us about non-violence.

We come from a region where the two greatest non-violent teachers were born: the Great Buddha and Mahatma Gandhi. So, how has this particular region become so violent? In Bombay, hundreds of people died. Everyday, people are dying in Afghanistan. Luckily, since last June nobody has been killed by a bomb in Sri Lanka because Sri Lanka's government has militarily defeated the Liberation Tigers of Tamil Eelam (LTTE), I underline militarily defeated. But back to the question: Sri Lanka is a Buddhist country where 72% of our people are Buddhist and 17% are Hindu. Both of these religions teach non-violence. How has it become so violent? My answer is what my teacher told me: "Our country has lost its values." The values which we have had for thousands years – we have lost them. We learned democracy the wrong way. In our country, democracy means a person – politician – who takes democracy, and thinks he can do anything with it. For what? For himself, for his family, to get more land, to get more money, to get everything that will make his life better. Money means votes and votes mean power. Most of the politicians from 1948 onwards – when we got our independence – have divided the country in the name of democracy. They divided us for profit. Most of the politicians have messed up our thinking, our value system. They kept saying: "Democracy means 'majority rule'; this country belongs to the Sinhalese Buddhists; this country belongs to the majority!" That's how our politicians explained democracy. When I was only eighteen years old, I was a member of a socialist student movement. Some of my friends thought the best way to break this type of democracy was to take a gun and kill the President, Prime Minister and others. They tried to do that. Twenty thousand of us were killed, sixty thousand of us were sent to jail. That was in 1971. Again in 1986, the Sinhalese Buddhist students in the South went against the government saying: "The system is wrong." Again, thirty thousand were killed, forty thousand were taken into custody. In the North, for twenty-five years, Tamil youngsters cried out: "Give us freedom! Give us our rights! This country also belongs to us. Give us equal rights to live in this country!" The politicians thought otherwise. They said: "No!" So those youngsters turned against the government. They tried again to talk, for hours and hours, but it didn't work so, what happened? Nearly one hundred thousand people died in the last twenty years; eight million coconut trees were destroyed; two and a half million other valuable trees were destroyed; billions of rupees worth of buildings and properties were destroyed; two generations are gone; two generations have built up anger, against every-

body. Some of the youngsters don't know how to talk to each other. People in the North think anybody who comes from the South is a soldier. Southern people think anybody coming from the North is a Tiger. This is how the society got broken. Surin was giving some examples. If you want to see a country destroyed by politicians, come to Sri Lanka. If you want to see a country which was destroyed by selling democracy, come to Sri Lanka.

This morning, I was listening to the philanthropy panel. I was very emotional when Bob Geldof was talking about politics. All these things are politics – two years ago our biggest donor was Japanese; today our biggest donor is Chinese. The European Union tells the Sri Lankan government that there are a lot of human right violations, a lot of abductions. During the last ten days of the war, nobody knew what was happening. Even now, no one knows what really happened. So the European Union and Washington said to the Sri Lankan government: “We need to come and see what's going on – there have been lots of human rights violations.” The Sri Lankan government responds: “Tough, that's our business. Don't come and tell us what we are supposed to do.” We live on an island. Island people are proud, even arrogant. So we are an arrogant and proud community. We don't want the “Whites” to come and tell us what to do (from the day when the British took over, we call people in the West ‘Whites’). That's what our President says. But, how are we going to do this? Recently, one of the Assistant Secretaries from the U.S. talked to me in Washington. He asked me: “So, Harsha, tell me what is the best way to handle Sri Lanka?” I said: “Don't push them. Don't push them against the wall. If you push them, they will turn to the wrong friends. You are already pushing them and they are with the wrong friends. They are with friends who don't understand what democracy is. Don't let them learn more lessons from those wrong friends.”

Let me finish with what security means for my people. I was there when people were walking from the conflict area into the nearest city. I was there for seven days until the last person arrived from the conflict area. All these people were packed into a refugee camp – two hundred and eighty thousand people were living in one camp stretching over one kilometre. When it was decided to build this camp, most of the non-governmental organizations, international and national ones – we all said to the government: “Don't do that, please. Don't do that! Let us, the UN and other international NGOs take care of it. We have the capacity.” The government responded: “No, it's our responsibility. We will take care of it.” So now there are

280,000 people who have been living in these camps for the last six months. When I was there recently, I asked one of the community leaders about food, as there are lots of difficulties with providing it. Most of the foreign donors say: “Look, we have to stop the distribution of food, because we cannot take care of these people when they are all in the camps.” The government says: “OK, if you can't take care of them, it doesn't matter – you can leave.” Five days before I left I asked some of our field workers: “What's the best thing to do?” One refugee, an elderly person, walked up to me and said: “Look, please, I don't want anything to eat, I don't need anything else, let me go. Let me go to my own home – it doesn't matter that there is no house. It doesn't matter if I die stepping on a landmine. Let me go. Let me go and sleep under a tree. I don't need anything if I can leave with my children. If I can live under a tree with my children, without anybody looking at me twenty four hours a day, if I have my freedom, if I can live my own life, that's what I want.” That's what security means to the people with whom we are living in South Asia.

**Karel Kovanda:** Harsha, thank you for this quite emotional and, shall we say, straight from the scene, testimony. You talked about things that puzzle us: Buddhist violence! You talked about democracy turning into populism and into the overlordship of the majority. You used an extraordinary phrase: democracy destroyed the country. There are lessons to be learned here. You point out what happens when rulers, the overlords, refuse to talk with the minority. Whatever type of minority we might have in mind. You made an important political observation: If the West pushes the Sri Lankan rulers too fast too far, they will turn away completely and turn to a totally non-democratic country. We all know which country we're talking about. Frankly, the same goes with Myanmar. There are many lessons, Harsha, which you outlined or which you implied in your observations.

Let me turn now to Prince Norodom Sirivudh from the Cambodian Institute for Cooperation and Peace, who is the brother of Prince Sihanouk and uncle of King Sihamoni. Here I reflect on the fact that we have been talking about Korea where who knows what will happen in the next few years. We have been talking about Sri Lanka where the conflict has only just ended, and now, we are about to hear about Cambodia where the conflict ended a couple of decades ago. Let's see what find out about the state of affairs there.

**Prince Norodom Sirivudh:** Before I start, I would like just to share my sentiments with Harsha: (To Mr. Navaratne) You will go back home, like me. Cambodia faced a lot of challenges, the Khmer Rouge genocide. I was jailed, exiled. But now, we're back home! Please, don't give up. Now, I would like to bring a message from His Majesty the King, my nephew. As you know well, our king has a Czech background: he grew up here, he was educated here, and he asked me to present his affections and friendship to President Václav Havel, and to all his Czech friends in Prague. It's my first time in Prague. I was very impressed by the city. When the Czech Republic held the EU Presidency, we had the great honour of hosting an Asia – Europe meeting in Cambodia. Your Foreign Minister came to visit us and to see His Majesty, the King. The problem was that we couldn't take any notes because when His Majesty talked with your Minister, they spoke Czech. I was the Foreign Minister who could not take notes. Anyway, it shows what special relations we have. I take this opportunity to thank Forum 2000 and particularly President Václav Havel and Chairman Sasakawa, as the Nippon Foundation runs a lot of programmes that help Cambodia. We would like to see this cooperation deepen.

Coming back to security and challenges, I fully understand my old friend, His Excellency Surin Pitsuwan, I understand that he's the Secretary-General of ASEAN. Therefore, I will speak on my own account and share my personal view, as I don't have any restrictions.

When you talk about the EU and ASEAN, we don't think in the same way. Just to remind you, among the ten countries, there are six old members: Thailand, Singapore, Malaysia, Indonesia, Brunei and the Philippines and four new members, where Cambodia is the latest one. We are the young child in ASEAN. And, as Surin Pitsuwan said, there are diversities among us – political systems, cultures, etc. I tease him from time to time saying that I still need a visa to go to Thailand. Here, I just get a Schengen visa and I can go everywhere. I think we have a lot of things to do to improve what we call Regional Concept and Cooperation.

I would like to bring to you a slightly different angle on security and the challenges in Asia as a whole. Cambodia was for many decades a victim of the Cold War division into two blocks with the United States on one hand, and China and the former Soviet Union on the other. I still remember that in 1955, correct me if I'm wrong, when my brother Prince Sihanouk visited Manila in the Philippines, the late U.S. Secretary of State Dulles asked him in front of the Assembly: "Prince Sihanouk, can you respond

to us: are you pro-American, or are you pro-Chinese?" My brother said: "Thank you for your question, but I'm pro-Cambodian." Everybody applauded him in 1955. So far, the region is still dominated by U.S. – Chinese relations. On the one hand, you have the U.S. and their allies – Japan, Korea, Australia, and others, and even within the ASEAN, some countries have special relations – agreements, military cooperation – with the United States. Then you have China. I think security in the region is based particularly on U.S. and Chinese relations, and whether these are good or bad. We are happy that U.S. – China relations are still, let's say, good, but it's a kind of love-hate relationship. They need each other. Then there are the South China Sea and the Spratly Islands. As you know, there are a lot of competing claims to the Spratly Islands by ASEAN members like the Philippines, Indonesia, Vietnam, and even Malaysia. They all had conflicts regarding the South-China Sea issue and the Spratly Islands. The regional security concept is still there. Of course, U.S. Pacific Command in Hawaii is watching us very carefully.

Turning to the Czech Republic, I have to tell you that you have a very bad reputation in my country. You were perceived as very bad communists during the old times – even during communism. A Czech friend is a very bad communist. You are undisciplined, you like your own way of life. Please be proud of this, not ashamed. In Cambodia we were also very bad communists. We even had genocides, but we must deal with this in our own way.

Allow me to take three more minutes to deal with one question: Where do we go now? I think that Cambodia, as a small country, and as member of ASEAN, can be very supportive of the ASEAN concept. On the other hand, Surin, you will not be angry, we are linked with, what we call, non-interference. You cannot interfere with others. I remember he said a few years ago, when he was Foreign Minister: "Cambodia was occupied by Vietnamese communist troops because neither was a member of ASEAN." You can intervene easily when you are not a member of ASEAN. Once you are a member, you cannot move against another member. I still remember what he called it: "flexible engagement". What did Thailand do? Singapore and the rest helped us, and the Czech Republic within the UN framework. We became free, the Vietnamese troops withdrew, and we held free and fair elections. The United Nations had spent two billion U.S. dollars and the result: we got two Prime Ministers.

Let me just say where we should go: I think we must maintain this balance of power. The key is balance of power. We appreciate very much when Japan, Korea and China sit down together with ASEAN. It means ten plus three or ten plus one, one, one. I think it's a good framework for talking with the United States, with the EU. We are very happy that this year in 2009, a lot of new things happened. Chairman Sasakawa, what has happened in Japan is quite interesting, attractive – setting new parameters for all of us. In the United States, Obama was elected. From the Cambodian angle, things are moving. Let me conclude by saying that we must not see the South China Sea as a conflict zone. I think we shouldn't see the security of East Asia as a challenge. It means cooperation, perhaps joint ventures – even between Thailand and Cambodia. Let me be frank: we have a border problem, and our troops are still stationed there – at a standstill – I'm happy that they're not fighting each other. What does it mean? It means that security has not been achieved everywhere but there is at least stability and certainty. To be positive, we have ARF – ASEAN Regional Forum which includes the U.S., India, Pakistan, Canada, Australia, New Zealand and other countries sitting down together. Australians and New Zealanders asked me: "Prince Sirivudh, we feel more and more Asian. But we feel that you are a little bit reluctant to recognize this." I said: "Not at all." Australians and New Zealanders don't know where to go. They feel as if they are somewhere in between. Asia and the Pacific are so important. ARF has been responding to the need for a regional forum for security. And, let me say that concerning China I think that we must not exaggerate its rise, although I agree that the Chinese Navy is becoming more operational.

This brings me to my final subject, that of energy security. I agree with Surin Pitsuwan – it's what we call traditional security. Now we are living in a time of non-traditional security. What is non-traditional security? Pandemics, viruses – A1H1N1, HIV, tsunamis, typhoons – and I don't think we are really coordinated. We lack mechanisms to coordinate and help each other in terms of this non-traditional security, including food security. So, I think that ASEAN needs to do more, with the understanding and support of the EU. ASEAN needs to be more concrete in terms of resolving our security problems because we have been accused of being an elitist political group. ASEAN as an organization is not really in touch with the people of ASEAN. Now it's time to democratize ASEAN – East Asia for the people.

**Karel Kovanda:** Prince Norodom, thank you very much for this perspective from a country which has probably experienced the greatest tragedies of any of the countries that are represented in this hall, even though you only mentioned genocide in one short sentence. Your remarks were very interesting in your emphasis on maintaining the balance of power, which includes the U.S. – China relationship. Further to Asian security, you mentioned the importance of ASEAN plus three for the overall East-Asian balance; you talked about the ASEAN Regional Forum and its implications, and, not perhaps for long, but you also talked about non-traditional security – about energy issues and the Straits of Malacca; you mentioned food security, and so forth. One thing that I thought was very interesting was your insistence on the territorial differences in South Asia, namely the question of the Spratly Islands in the South China Sea. You mentioned this twice – the importance of seeing this not as a conflict, but as an opportunity for cooperation. Let us all hope that that's the way things will end up. I am delighted, ladies and gentlemen, that by my watch it's about five past five so we've got about ten minutes. I already see one gentlemen anticipating what I'm going to say – ask your questions.

**A man from the audience:** My name is John Schwartz, and I'm with the Cuban Democratic Directorate, and my question regards Asian security issues and their connection with Latin America: we've seen a heavy footprint of China in Latin America. Venezuela received 12 billion dollars in loans just in February of this year; Cuba, last month – six hundred million dollars in loans and grants; and a lot of Latin American friends travel to mainland China. I'm curious as to what impact you think this sort of relationship is going to have. Especially as Venezuela also maintains relations with Iran – there's talk about a nuclear programme being developed – and, at the same time, there is such a heavy Chinese presence in Venezuela. With that type of political instability being generated, what consequences might it have for security in Asia? The second issue is Cambodia: I think the trial of the Khmer Rouge leader, the head of the camp – Mr. Duch – has also been quite interesting. Especially when we are talking about justice, and being able to move beyond issues such as genocide, and having to reconcile with what took place in the past. I'm curious as to what your perspective is on that process taking place in Cambodia today. Thank you.

**Karel Kovanda:** Thank you very much, I wonder who would like to take up the first question which I interpret – Mr. Schwartz will correct me – as the impact on East Asia of the increasing and intensifying Chinese relationship with Latin America. Is that correct? Would you like to take that one, Surin, and then, of course, I'll ask Prince Norodom to take the second question.

**Surin Pitsuwan:** Yes, thank you very much. For countries adjacent to China, I think China's role in recent years has been quite responsible and welcome. China is trying to live up to its status as a power, particularly in the Security Council. China has earned a lot of respect in many cases: in Africa, certainly through its role in the Korean Peninsula, in the Six-Party Talks, and various other initiatives around the world. China has been very accommodating and responsible. From the perspectives of the ten countries of ASEAN – all of us have benefited from the rise of China economically, and I'm rather confident that politically, China will become more responsible to ensure that the region is calm and stable. Prince Norodom has mentioned the overlapping claims on the South China Sea, but that these have not degenerated into an open conflict. This is important to all of us, it is important to China, South Korea and Japan – 80% of energy sources come either from South-East Asia or through the waters of South-East Asia – the South China Sea shipping lanes. Products from the East-West trade depend on the stability and security of those waterways. All of us are playing our part, trying to keep it safe, secure and stable. So, from our perspective, the role of China in the region has been rather competent and welcome, and, I think this experience needn't be extended to other parts of the world.

**Karel Kovanda:** Prince Norodom on the trial of Duch.

**Prince Norodom Sirivudh:** Thank you, Mr. Chairman. It's a kind of dilemma. On the one hand there is the agreement between the United Nations and the Cambodian government to set up a tribunal. On the other hand, there is a problem of how to decide on how many people are to be judged by the court in terms of their responsibilities for the genocide. Both sides have agreed on some people – I think six people. But during the investigation, we could see that from the UN's perspective, it would like to see more people in front of the tribunal. There is a lack of confidence between the UN and my government. I hope that this issue will be resolved soon, and that there can

be an agreement. Yes, in Phnom Penh now, you can see that every day a lot of people are interested to see what's happening at the tribunal. International tribunals for genocide like the one for Kosovo and elsewhere, cost a lot of money. We are expected to spend – United Nations, Cambodia, and some donor countries (thanks to Japan) have contributed to financing the tribunal – about 62 million U.S. dollars. I think the budget will be more than this. I strongly believe that we must not forget the genocide, but, on the other hand, Prime Minister Hun Sen said clearly that if more people are tried in the tribunal, you will end up completely destabilizing the situation in Cambodia and face a civil war. Now we are in a dilemma of how and where to go, but, at least, Duch is now in custody and he's supposed to be tried by the tribunal. On behalf of the Cambodian people who have suffered from the genocide, I think this situation will provide hope, and crimes against humanity will not be tolerated – that is my personal opinion. Thank you.

**Karel Kovanda:** Thank you very much, Prince. I'll take one or two questions.

**A woman from the audience:** My name is Jaroslava Vránová. I have one question to Prince Norodom Sirivudh: how many parties are there in Cambodia now, and which party is the biggest?

**Prince Norodom Sirivudh:** During the 1980s there was only one party, the former Communist Party of Cambodia. Since the 1991 Peace Agreement, general elections have been held under United Nations supervision. There are three main parties: the Royalist Party that won the elections; the Communist Party is now called the Cambodian People's Party – which is somewhat better than Communist; and what is called the "Sam Rainsy Party" – the SRP – leading the opposition. We have three major parties and there are a lot of small parties. In terms of the political arena, the real competition is among the three parties. Allow me to say that His Majesty the King thinks that Royal Family members like me must not go into politics. The Royalist Party is now led by others, not by the princes themselves. The idea is to take the Royal Family out of politics, and let politicians run the elections. I think he is right. In a constitutional monarchy, it's very rare to see the Royal Family involved in politics. However, I'm not sure whether that is a good thing? Based on our Constitution, anyone could be a politician. I could be a candidate for Prime

Minister. But I will not compete with the current candidate; I will stay out of politics.

**Karel Kovanda:** Thank you very much. We have time for one more question.

**A woman from the audience:** I'm Eva Quistorp from Berlin, Germany, and I'm very happy to be here with you. I come from the European Parliament. As you said – you're inspired by the European Union and Europe, but not as a model. What about the role of parliaments in Asian countries? Not just to be, but to improve cooperation and, especially in the field which is urgent now – in nuclear disarmament, if we do not treat Obama as just a dreamer, but see some real aims behind his plans. Regarding the very interesting remark of the colleague from Cuba about weapon deals between China and Iran, and uranium deals between Russia and Iran: Is there a role for the parliaments in the Asian region in contributing to nuclear disarmament? Is there a possibility for a constructive involvement of Asian countries for democracy in Iran, and not for building the bomb?

**Surin Pitsuwan:** If you've been listening to me from the morning session until now, my point is that we are all trying to establish a more effective and more inclusive and more balanced system based on democratic values. I think each country is still trying to find that balance, therefore involvement in some of those issues global they may be, challenging they may be – are different from one country to another. I think countries like Japan are extremely interested in some of those issues; countries like South Korea are very much involved in those debates. Many of us in South-East Asia belong to what we call the ASEAN Parliamentary Assembly. We interact with the European Parliament, and we are engaged in discussing these issues. Regarding an effective influence on policies, I think we are still far from the European Parliament. We are far from European national parliaments. But, as I said, you are our inspiration. It'll take some time for us to get there, but we are, generally, on the road and travelling in the same direction, and that is to bring all these issues down to the level of the people. To bring these issues down to the level where people can themselves contribute. That is the evolution of democracy. In this multipolar world, there is room for a lot of us, for dialogue, for engagement and interaction. The road to a better global community – a more democratic community – is too impor-

tant and too precious to leave to any one particular power, or to any one particular organization. I think there's room for NGOs, room for civil society, room for governments and room for the private sector. That is the challenge and the beauty of the multipolar world that we live in. We don't have the stability and the certainty we had in the bipolar world, or would have in a unipolar world. We have uncertainty, but within that uncertainty there is room, there is space for all of us to contribute. I think that is important for you here in Europe, particularly in Central Europe, the "New Europe".

**Karel Kovanda:** Surin, thank you very much for those excellent concluding remarks. Why should I even say anything in addition to that? Mr. Sasakawa, you expressed your pleasure that we have a panel on Asia I suspect that President Havel will have heard this message, and an Asia panel will be continued in future years. Who knows, in future, the elephant in the room, namely China, may be represented on the panel as well?



Ella Lazarovna Kesaeva (left), Grigory Yavlinsky (right)



## Russia in Global Politics

### Conference Roundtable

Organized by the Forum 2000 Foundation in cooperation with DEMAS

13<sup>th</sup> October, 2009, Žofín Palace

Moderator:

**Alexandr Vondra**, Senator, Parliament of the Czech Republic

Participants:

**Yegor Gaidar**, Former Prime Minister, Russia

**Sandra Kalniete**, Member of the European Parliament,  
Former EU Commissioner, Belgium/Latvia

**Grigory Yavlinsky**, Economist and Politician, Russia

**Ján Kubiš**, Executive Secretary, United Nations Economic Commission  
for Europe, Switzerland/Slovakia

**André Glucksmann**, Philosopher, France

**Ella Lazarovna Kesaeva**, Co-Chair of the Voice of Beslan, Russia

**Alexandr Vondra:** Let me open the last conference roundtable of Forum 2000. This is really the last, but not the least important panel discussion of the two days' gathering here in Prague. Václav Havel and the organizers selected a theme that has been broadly discussed here in Prague as well as in many other Central European capitals over the last couple of months. The theme is Russia and its role in global politics. We have here a very illustrious and, I think, balanced group of speakers to present their views. I believe that this debate is more than important. This year, 2009, is not just the year of commemorating the 20<sup>th</sup> anniversary of the fundamental changes in Europe. This is also the year when we can see a certain reconfiguration on the international scene: on one hand, the Americans are coping with the problem of overstretch, which was publicly admitted by the U.S. President at the UN General Assembly; on the other hand, Russia is once again a player, and it raises the question in many minds: what kind of player? Is it a part of the solution or is it a new problem?

We are trying to complete the ratification of the EU Treaty – the result of an eight-year-long effort – and you all see how difficult it is. This is also a year when the Czech Republic itself is going through a phase of asking questions on this 20<sup>th</sup> anniversary. This panel intends to answer one of those questions regarding Russia during a time when the world is facing one of the largest economic crises ever.

The speakers come from all corners of Europe: we have here Yegor Gaidar, a leading Russian economist and politician who was Prime Minister of Russia in 1992, and he will be the first to speak on this panel. He certainly has his mind and thoughts in order, but I would like to put to him a question: What is the impact of the crisis on the position of Russia in global politics? We read about the winners like China or Goldman Sachs, we read about the potential losers – and I do not want to name or single out any entity – so, Yegor, where does Russia stand as a player, coming out of the current economic crisis? What can we expect from Russia?

**Yegor Gaidar:** The crisis strongly affected the development of the Russian economy. It was not expected by the majority of the expert community, or by the majority of those in power. After ten years of dynamic economic growth of approximately 7% a year, of dynamic growth in income of approximately 10%, they somehow believed that there was no crisis in the global economy, thereby ignoring the

history of the previous two centuries. So, when we had the first few signs of recession in the United States, there were lots of articles in Russia and statements along the lines of: “Well, there won't be a recession in the United States, and if it does happen, it will not affect the global economy because of China and India, and it will not touch Russia because oil prices are high,” etc. All this proved to be absolute nonsense. Russia, as a strongly commodity-dependent economy with 80% of our export being oil, oil products, gas and metals – the commodities whose prices are strongly dependent on global developments, global demand – was, of course, very seriously hit by the crisis. First of all, by developments in the price of commodities with its influence on the balance of payments and on budgetary revenues; and secondly, on the balance of capital operations, because with the global slowdown, capital usually moves away from emerging markets to the more developed markets, and, particularly from commodity-dependent markets, because investors are not fools: they understand what will happen.

The good thing was that we were relatively well prepared for this. Only two years ago, it wasn't Russian populists but my friends from the IMF and World Bank who were asking me why we needed such huge hard currency reserves. They are no longer asking me such questions; they are not resolving the problem, but they are allowing us to adjust to the new realities in a constructive way. Before them, every populist in Russia had been asking on TV why we needed a stabilization fund, why we shouldn't spend it when we were facing so many problems.

This discussion is now over. The Russian authorities were a little slow in adjusting to these realities, and I think that they lost approximately six to nine months, but starting from last autumn, they understood more or less, at least in macroeconomic policy – budgetary, exchange rate, monetary policy – what should be done. That allowed them to halt the decline of hard currency reserves from the 15<sup>th</sup> of January, so that after that, they fluctuated somewhere between \$390 and \$410 billion U.S. without declining further.

Generally, I hope that the crisis will be good for Russia because it is too easy to run a country which is oil-dependent when the price of oil is \$145 U.S. per barrel. You can make lots of mistakes, and you can think that you don't have to consider serious institutional reforms, serious changes, which would help the diversification of our economy. Now, at least from my point of view, it is less evident for those who are in power. Thank you.

**Alexandr Vondra:** Thank you very much. So, the statement is that the crisis is going to help Russia by keeping oil prices down. The next speaker is Ms. Sandra Kalniete, a very well-known Latvian historian and politician who was Foreign Minister of Latvia between 2002 and 2004, and somebody who was rightly recently elected as a Member of the European Parliament. I think she is also here to show how Russia influenced the fate of so many throughout the century because she was born in Siberia after her parents were deported there. Many of you may have read her book which was also translated into Czech, called “With Dance Shoes in Siberian Snow”. The question for Sandra is obvious: Should we be afraid of Russia, should we have a serious concern, is Russia a continuing problem for Europe, in particular, for its neighbours, or is Russia a solution and there is no cause for concern?

**Sandra Kalniete:** Thank you, Alexandr, for this very ample introduction. First of all, I would like to say that there is no country in the world who wishes more than Latvia – the closest neighbouring country which has a long border with the Russian Federation – to have good neighbourly relations, good economic exchange, good trade, and a good psychological climate in our relations.

However, in response to Mr. Vondra’s question, I would like to make three comments. The first goes back to 1997 when I was the newly accredited ambassador to Paris and I paid a courtesy visit to Russia’s ambassador. He was not a career diplomat, and that’s why we were not making diplomatic small talk. We were talking about the demographic crisis; as a physicist, he was thinking strategically and was greatly worried about the destiny and the impact of a declining demography on Russia’s future development. Just recently, I read the new UN Human Development Report on the state of demography in Russia. This is a very worrying report. Since 1992 Russia’s population has decreased by more than 12 million people, and the prognosis is that Russia’s total population could fall to as low as 128 million by 2025. This is a state of demographic emergency, which is the most acute problem facing Russia today. Why is it important for Latvia as a neighbouring country, for Europe and the world? Because it has a very important psychological dimension: Russia has always felt that, in a way, it is surrounded by hostile nations, and that it must use every means to protect itself – and all means are justified. I think that this psychological feeling of insecurity is increasing among the governing élite and also among the people. In

politics, the tendency of isolationism is growing: Russia is losing its belief, its trust, in the instruments of international cooperation and international organizations, and this also fuels the ambitious attitude in Russia’s international policy. And we all know the examples of that: first of all, the unilateral rhetoric, which is often sensed in the statements delivered by Russia’s Foreign Minister, President or Prime Minister. Also, as a holder of very important energy resources, on which Europe is largely dependent – and there are countries who are almost 100% dependent – Russia is using this as a tool, or an instrument of political pressure, especially in the countries which Russia considers their own sphere of interest like Ukraine and Belarus. And I won’t even speak about the war in Georgia with its consequences of an occupied Abkhazia and Ossetia, both of which are territories of Georgia.

My second comment will be on what I see as a contradiction between hyper-controlled and centralized politics, the control of politics over the economy, and the ambition to change – over a period of some ten years – the economic structure of Russia from one based mainly on natural resources, which is most typical for third world countries, to a modern, competitive and diversified economy. Just recently, Russia adopted a governmental strategy: the Concept of the Long-term Socioeconomic Development of the Russian Federation, which describes what measures have to be taken and implemented to change Russia into one of the world’s leading economies. However, this existing state-centric approach towards diversification – the Russian approach to modernizing the economy in some respects – is still Soviet because it is based on the state-controlled economic giants. They are presumed to be the best vehicle for promoting development, and because of that, the whole process should be conducted in a top-down fashion. It is understandable that the Russian élite’s ambition of economic diversification is far-sighted, but these old methods put the success of this ambition in doubt. And the emphasis on domestic innovation with limited foreign involvement, the top-down approach and the preservation of barriers to competition – all make rapid transformation into a knowledge-based economy unlikely.

My third comment follows the presumption that Russia accepts that Central and Eastern Europe are no longer within its sphere of influence. This is what we expected – that Russia would accept this, and would stop trying to interfere in our regional politics. But geopolitical competition did not stop: Moscow is simply trying to pres-

sure and interfere in new ways – using energy and other weapons of political pressure. It seeks to marginalize the countries of Eastern Europe and the Baltic states in NATO and in the EU, by going above our heads. It still wants to create a zone of special Russian interest, influence and also lesser security. The fact that there are no official defence plans for Central European and Eastern European NATO members speaks for itself; there is an ever-growing feeling of uncertainty in our countries as to whether NATO would be capable of coming to our rescue today were there to be a crisis involving Russia. Many of us no longer believe that the political solidarity, which is one of the basic principles of NATO, still exists. This adds to Russia's efforts to marginalize our region; we also take the withdrawal of anti-missile plans from the Czech Republic and Poland as a signal that Eastern Europeans and Balts are not as high on the U.S. agenda as was the case during the Clinton and Bush administrations. I was among those European leaders who signed a letter to Obama appealing to him not to disengage from our region. The presence of the United States in Europe today serves as a counter-balance to Russia, which feels insecure and very ambitious. Thank you.

**Alexandr Vondra:** Thank you very much, Sandra. We have another addition to the panel, who was not mentioned in the programme. Because our speaker is a woman, and because I think that there should be a certain sequence and logic to the debate, I would now – with the permission of Grigory Yavlinsky, who was expected to speak next – pass the floor to another woman on the panel: Ms. Ella Lazarovna Kasayeva, Co-Chair of the Voice of Beslan. After the Beslan school massacre in 2004, she became a member of the Mothers of Beslan. In 2005, she founded the Voice of Beslan, an NGO and association of the parents of child victims of the massacre, which is highly critical of the Russian authorities and the government for their questionable approach to the crisis and its subsequent investigation. She currently co-chairs the group with her sister. Mrs. Lazarovna Kasayeva, please, take the floor.

**Ella Lazarovna Kesaeva:** Thank you. I would like to touch on the most fundamental issue that should be disturbing to all of us. When the Israeli Minister of Defence arrived here today, the first thing he was concerned about was his security; I think that this is right, we should be concerned about our security – the security of our families, of our country.

A concerted action is needed to solve the most complex and serious problem in Russia, which is terrorism – a specific kind of terrorism. After the 9/11 terrorist attacks in the U.S., there was a genuine and intensive search for the international terrorist bin Laden, but he was not found, as our Israeli friend said. Or, you may only partly believe that this was genuinely done. When the Nord-Ost and Beslan massacres took place, Russia responded by saying: “These acts of international terrorism are attempting to destroy our country and we will defeat this threat.” We carried out our own investigation and realized that these terrorist attacks had no connection with international terrorism, thereby challenging the position of the country's leadership; but it was international terrorists who were blamed for killing the children in Beslan and the hostages at NordOst. Not a single representative of the countries engaged in the fight against terrorism said: “Our intelligence services, our law enforcement organizations – be it in Israel, Palestine, or elsewhere – tell us that we have any connections to NordOst or Beslan, in any way.” If the leader of a country like Russia blames international terrorists for attacks in his own country, and the intelligence services of all other countries remain silent, then, I believe, it's a game played by the Russian leadership; they know exactly what happened, but they try to point their finger at other countries, which keep silent. This gives the impression that a game is being played, and everybody is taking part. People are killed and no one in Russia carries out a proper investigation. Some virtual terrorists are blamed, who do not, in fact, exist in Russia, otherwise there would be some evidence; you could investigate and find out which countries paid or equipped the Beslan terrorists, but nothing like that happened. That's why I say that if such terrorist attacks take place, there must be a more responsible approach to investigating them. No investigation, punishment, or fight against terrorism is possible if each country starts pointing fingers at others instead of investigating, and the other countries silently agree. And that's despite terrorist attacks continuing to happen, and every country being afraid of that evil – it is not possible to fight evil unless there is a common effort.

It has been mentioned more than once that realistic assistance could be provided if we were to organize an international investigation committee, and if the investigation was not superficial and terrorist attacks were not considered to be the internal problem of a country. If an attack took place in any country, including Russia, and was then investigated by all countries at the request of the citi-

zens of that country, it would not be interference in the internal affairs of the state. If you say: “It was an international terrorist attack”, what sort of interference could there be? And so an international investigation could be carried out, which would then deter those who carry out terrorist attacks for their own interests.

I would like my words to be taken seriously, as I am sure that there is no other solution than a common, international effort; and the sooner we understand this, the sooner we can look after our lives and security. Thank you.

**Alexandr Vondra:** The intensity of the reaction in the hall is a confirmation of how this voice was an important part of the panel. The next speaker is a man who is very well known to the audience of Forum 2000 conferences. He is a regular participant here in Prague, a well-known Russian economist and politician who in the late eighties belonged to a group of young, liberal reformers; he later founded the well-known political group YABLOKO, and even now remains to be one of the critics of politics in Russia. Grigory, the same question as I asked Sandra: Should we be afraid of Russia, should we be concerned? What are your expectations regarding the future of Russia’s internal policy and its impact on Russia’s foreign agenda?

**Grigory Yavlinsky:** Whether you should be afraid of Russia or be happy with it is up to you. I’m going to tell you what I think about my country and it’s better that you make your own judgment.

First of all, as the Chairman has already reminded us, twenty years have passed since the collapse of the Berlin Wall – and it’s important to recall that Mr. Gorbachev and the Soviet people played a decisive role in that event. I also want to underline that it was absolutely unexpected and unpredictable that the Soviet people would voluntarily and peacefully put an end to the Communist system, at least, formally. There was nobody in the world who was able to predict such developments, so I’m very proud that my people took such an unexpected and tremendous step. There is a lot of criticism of Mr. Gorbachev nowadays, but Mr. Gorbachev gave the Russians – the Soviet people, a freedom that these people were not even fighting for – it was simply a gift; and what these people did with the freedom is another question, but it’s not Mr. Gorbachev’s problem but their problem. So it’s very important to realize and to be reminded

of this because you were speaking twenty years after the fall of the Berlin Wall.

Regarding the question of Russia in global politics: what is Russia’s role? Is it a true global power or a regional one? Recent U.S.-Russian relations – what is next? The economic and political role of Russia in Central and Eastern Europe – there is a lot, but I will try to answer the key questions.

Firstly, Russia is a country which certainly plays an important international role and will continue to do so because Russia has enormous potential in nuclear weapons. Russia’s geopolitical and geographical position means that it has the longest borders in the world – parts of which are with the most unstable regions in the world, including countries which are successful today, but whose future is not very clear. Thirdly, Russia certainly has great energy reserves, and will play an important role in energy policy. At the very least, Russia will be an influential world power – I don’t know about ‘superpower’, but certainly an influential power. In world politics, Russia will also play an important role because without Russia, you can’t solve some of the very sensitive problems such as non-proliferation, the war on terrorism – or whatever it may be – energy supplies and partly the climate change problem. This is a given.

Politically, Russia is not a democratic country – it’s an authoritarian system: in Russia we do not have one working democratic institution, all of them are imitations of institutions – they are only about imitating democracy. From this point of view, Russia is unpredictable – even for me – , not transparent. On the one hand, it’s a very influential country, on the other, it’s a neighbour with whom it’s very difficult to deal. Even for us Russians, it is not easy to deal with our own state.

Professor Gaidar was speaking about the economy – and economy is also a very important political point. He was speaking very thoughtfully about the macroeconomic situation in Russia and recent economic developments, and I want to add several points about the institutional situation of the Russian economy. Russia has a problem with private property – Russia has no clear private property rights. Secondly, Russia is an over-monopolized economy with a very big element of corruption. Thirdly, state dependence on the Russian economy is extremely high and is growing; the influence of the state on the Russian economy is also very high. Generally, Russia is not a modern market economy, but it is very powerful. Once again, there are two sides to the story.

With regard to current politics in Russia, one of the key issues is its spheres of influence: Russia is trying to establish a right to its spheres of influence, meaning that Russia wants to be influential with former Soviet Union republics and to play a large role there. From my point of view, this goal is not achievable because Russia has nothing to offer – that’s what the Russian leadership do not understand, they simply have nothing to offer to these countries that the countries would want to buy, except for gas. But gas is not a commodity that people would be ready to buy in return for their independence, and so this is the main issue. But attempts to establish that influence may be dangerous – here I want to underline that this autumn will be a crucial time when we see what’s happening with Ukraine. This is a very serious issue and I would prefer that it be debated in Europe in advance – not just in January, with surprise when the problems come. If the actions of European diplomacy were to start in advance, it would be much easier to find proper solutions.

To go back to global politics and Russia, I would say that twenty years of political development after the fall of the Berlin Wall reveal policies which are partly cooperative, partly confrontational – as were the policies from, for example, the Clinton period and the Bush period. When half of the policies are confrontational and the other half cooperative, then the results are faulty, disastrous policies – I would rather that this approach should stop: policies must be clear and it’s better to proceed step-by-step. For example, to say quite honestly that the nuclear potential of Russia is the same as that of the former Soviet Union, the missiles are pointed in the same direction as during Soviet times, and so are the American missiles, or that Russia doesn’t care about human rights and such things. We have problems where we just don’t understand each other; it is all about saying everything clearly, honestly, without anger. If the main and only problem between Russia and Europe is the import of Chinese meat from Poland to Russia, and this results in Europe freezing its relations with Russia, it is simply a joke because it makes a farce of all relations between Russia and Europe. It is important that we are very clear, open, friendly, and that we use words whose meaning is clear. If politics come down to pipelines and gas, it’s not just a Russian problem; it is also a problem of how Europe conducts its politics: Europe discusses only this aspect, Russia only discusses the other – that’s too simple. Russia does have a very specific political system at the moment – and this must also be said loud and clear –,

it is something we see but it’s not necessarily a reason to freeze relations. There were relations with the Soviet Union, in the old times with the tsarist Russia, and now you have this system, and Europe could say: we don’t believe in this system, we don’t think that this system has a future, but it is your choice if you want to have such a system, so let’s talk anyway. This has to be made very clear, openly and without anger, without fighting all the time – it simply has to be said: that’s how we will cooperate.

Speaking of U.S.-Russian relations, the United States needs Russia so badly because it has made so many mistakes; it cannot solve a single problem without Russia: not Iraq, not Iran, not Afghanistan, now the economy – it needs Russia to speak to China in order to find a way out. The situation is very clear: if you make one mistake after another, if for ten years you’ve been putting your country in a very peculiar situation – to put it mildly –, then you need cooperation. We were all talking about the new American policies being about dialogue; the decisions on missile defence were very symbolic decisions, as everybody knows this, and that is why there have now been some changes in policies. The sides need different symbols, and they are using different symbols, the politicians in Eastern Europe should understand that. In the future, it could be that the symbols are removed because the policies change – that should not be a big surprise. It is simply a clear vision of politics without a very big strategy, but, at least, with some strategy.

Here I want to underline that the price which the United States is ready to pay for that cooperation with Russia must not be unlimited: there must be clearly defined limits of situations where principles and values are more important than whatever practical achievements cooperation may bring. This relates to, for example, the former Soviet Union Republics: it must be made very clear that the sovereignty of these republics and their future are indisputable and unquestionable, which is also in the vital interests of Russia and the Russian people. Yes, don’t keep quiet – it must be said clearly and very openly. I’m not certain about expanding NATO into this territory: there needs to be a different approach to resolving the problem, that is certain, but, in principle, the point that the price is not unlimited must be clearly made.

I was asked about the role of Russia in Eastern Europe: Russia’s role would always be serious, important – in both economics and politics, and that’s why it’s necessary to think and to prepare a special strategy on how to operate with such a neighbour. I’m not

in a position to tell respectable Eastern European countries what kind of policy they should adopt – that is up to you. The only thing I would say is that it would be preferable for you to have ‘smart policies’ – I sometimes see examples of such policies: the last statements of the Prime Minister of Poland were a very smart and new move. It’s necessary to understand the political situation based on the points which I have mentioned, and to create a sophisticated and productive policy accordingly.

In conclusion, I think that in the coming two hundred years, we will still be neighbours, so we should love each other – no other decision. Thank you.

**Alexandr Vondra:** Thank you so much. I think Grigory Yavlinsky has raised the question of European policy towards Russia, and I think it rightly brings us to the next speaker of the panel, Mr. Ján Kubiš. Many of us know him very well from his various jobs and positions in Slovak, and previously also Czechoslovak diplomacy, as well as from the international scene. He is the former Slovak Foreign Minister, former Secretary-General of the OSCE, he is also former EU Special Representative for Central Asia, and, right now, he is Executive Secretary of the UN Economic Commission for Europe. My questions to him are precisely about how the EU should handle its policy towards Russia. Do we have a smart policy or, Ján, what is your prescription for a ‘smart policy’ towards Russia for Europe?

**Ján Kubiš:** Thank you very much. President Havel, Sasha, colleagues and friends, my personal message is to Grigory Yavlinsky: If love, Grigory, then tough love, and it will be a tough love, I believe – at least in the coming period. You cannot expect anything else. This is what I expect – tough love and cohabitation.

Let me start with what was on the agenda and what was discussed during the opening panel of this Forum 2000: it was that Russia is currently deliberately, intentionally, testing its partners – putting their endurance to the test, testing their limits, patience, cooperation. I believe it is the case: it’s a new Russia that has emerged – a much stronger Russia, conscious of her power, and she’s trying to test us – but funnily enough, not the whole world. We should understand that Russia tests primarily its European partners and the United States. As far as the rest of the world is concerned, Russia has a good number of interesting and difficult partners like China or

Iran, it’s a player in the Middle East etc., and you don’t see the same willingness to test those – on the contrary.

The new policy of testing us is oriented first and foremost towards her European partners and the United States. And this is also one of the clues for us on how to design a smart policy towards Russia. Here, Russia also uses its comparative advantage, as she sees it, in gas and oil – whether she, or whoever, likes it or not, this is a fact of life. But it’s also an intense desire to invest in the Russian Federation. There is a competition of who will be the first, of who will grab the most, regardless of the crisis – things have slowed down a bit, but nevertheless, companies are rushing towards this country. And there is a strong interest in the international community to cooperate with Russia in solving various global problems. Of course, Russia is a Security Council Member, has nuclear weapons, but, I would say that even without taking this too much into consideration, Russia is simply a natural partner in trying to solve the questions of Afghanistan, Pakistan, the Middle East, the future of the world economy, China, etc. So, you cannot just put everything into the basket of thinking about Russia as a nuclear power or a Security Council power – Russia is simply an interested partner, and we must deal with her as such. Naturally, Russia – whether we like it or not – has a very strong interest, and, indeed, still rather strong influence on what they used to call the Near Abroad, and this will not disappear.

There was a question asked on this panel about whether the new Russia and the new posturing of Russia is a solution or a problem. I would say it’s a reality, and it’s not for us to like or dislike – it’s a reality; we may try to change, to influence this reality – better through dialogue – but it remains that Russia has been and will be present in Europe, for Russia is a part of Europe. Without our understanding that Russia is inevitably a part of Europe, we won’t reach any solutions; we won’t have a smart policy.

But, of course, Russia is an enigma and in a league of its own. I will not speak about its internal developments; there are people on this panel who are in a better position to do that. Also, I believe you have heard prominent representatives of Russian civil society here, telling us what the current Russia is like internally. I heard Grigory say that Russia is an authoritarian regime, and ask us to understand and deal with the country as it is and not try to invent another Russia. However, Russia is a member of different international organizations like the OSCE and the Council of Europe, which are based

on values, norms and principles, and Russia is accountable to the membership of these organizations, to all of us as countries responsible for the implementation of those principles. And there are other legal instruments to be used, should there be trouble.

Looking at Russia's behaviour on the international arena, you will find examples of good cooperation, but from my perspective – and, again, what I'm saying is my personal opinion and I speak here in my personal capacity – there were two developments that should strongly influence our thinking about Russia and the way we develop our policies towards Russia. First of all, there was the 'gas war' this January between Russia and Ukraine. It was a very nasty war, both actors grossly disregarded their international obligations – obligations towards each other, but also towards all of us here in Europe. Luckily, for the first time – and I was then still Foreign Minister of my country, Slovakia – I saw that the European Union finally understood that something was happening, and began to get its act together. I am very glad that this is happening; I hope that it will continue. Indeed, I can't say that the story is over, so it is better to be prepared, and let's prepare beforehand, as Grigory said.

The second event, which is extremely important from the point of view of global development and the positioning and posturing of Russia not only towards Europe, but also in global matters, is the Russian-Georgian war of last year and all of its consequences, including – and for me this is the most worrying factor – the recognition by the Russian Federation of two regimes – Abkhazia and South Ossetia. If a member of the Security Council that holds responsibility for peace, war, stability and for international law as such under the Charter of the United Nations, takes this kind of step, it is a new factor. Yes, we were used to some of the other great powers doing the same in the past – they would violate international law in whichever way, but I don't remember the Russian Federation doing so – and it's not the Soviet Union and never will be. It is the first time that the Russian Federation has taken this step; it's a bell, and we must understand what happened; we must understand what kind of resolve, determination, this signals.

So these are the two elements which seem extremely important to me. And what is the reaction? You have the EU Report – as predictable, a report that is somehow being used by both sides to say: "We are right!" In a way, it clears the European Union and NATO to continue its cooperation with the Russian Federation. That was

the political essence of the Report and the whole exercise. But you also had an interesting reaction from the closest allies of the Russian Federation: from the region, none of the allies recognized South Ossetia or Abkhazia – and that's also important.

One can say yes, it is a difficult country but it is also a partner, a desired partner, a necessary, indispensable partner, with whom we need to work. You heard Ehud Barak in the previous session. One of his concluding remarks was very clear: we need Russia, the current world needs Russia in many respects. It will remain a partner in the economic sphere, as elsewhere. So, what should our response be? We can always complain – we can say that Russia is encroaching on our territories, on our interests, that it's using its gas and economic interests, that it's using its influence. We can complain that the new policy of the United States pays less attention to what is happening in Central and Eastern Europe, etc. It's perhaps a function of the fact that our countries are now first and foremost members of the EU and NATO, which means that we should consider our own interests and do what we need to do ourselves – that's a smart policy. Not complaining about others betraying us or encroaching on our interests – but to put up the barriers ourselves. As I said, I was encouraged by the European Union moving slowly forward in doing this. Although, I have my doubts about how far the European Union can go. Frankly, even with the Lisbon Treaty, it is only with difficulty that you will get a Common Foreign and Security Policy towards the Russian Federation in the fullest sense of the words, it's extremely difficult. In some areas you will find glimpses of it, but we should have a more comprehensive approach towards the Russian Federation – an approach of partnership. In the first place, we need to think about how to deal with the energy resources and how to prepare ourselves for potential difficulties in the future.

If there is concern about the ability and the capabilities of NATO providing the necessary assurances, let's strengthen NATO then. Let's do whatever is necessary to prepare ourselves – we are allies, we are talking here on equal terms with each other, including the United States. Let's get NATO to take care of its core business instead of spreading into areas such as the environment, potato seeds, etc., because everything, in fact, could have an impact on security-related matters. Let's be serious about NATO: we don't have enemies – and I don't see an enemy in Russia –, but if we have an instrument (NATO), let's use it and let's keep it in good working order. That would be the natural response – we don't need Russia in

order to do that, and we don't need to be afraid of Russia. We can simply take our own steps as necessary.

So how do we structure our relations with the Russian Federation? At this point in time – after the failures of the previous approach based more on challenge and unilateralism, let's try the approach now being promoted by President Obama – but not blindly – it's not idealism that is motivating it. Let's try partnership, let's work with them, let's challenge them and test their limits, and let's test the potential of this new partnership. Let's then assess what the situation is in two, three years from now, based on concrete terms – and I agree with Grigory that values, norms and obligations must be a part of this relationship. It's not just about mutually recognized interests, and if possible, common interests. It also about norms and values – they are a natural part of such a relationship. That would, in my opinion, be the smart policy: rely on ourselves, be not afraid; we are grown-up and mature enough in Central and Eastern Europe to be able to take care of ourselves as members of NATO and the European Union. Thank you very much.

**Alexandr Vondra:** We got the diplomatic prescription for a smart policy, and now, we should end with a philosophical prescription for a smart policy. This brings me to the last speaker on this panel: André Glucksmann is also a frequent visitor at this gathering, a man who has a long history of writing about the dangers of totalitarian regimes, a man who did not miss any opportunity to jump into various intellectual debates across Europe in the last couple of decades, and a man who is credited with not staying silent when there was a debate or, at least, a sign of a debate in Europe about the reaction to the war in Georgia – and Ján Kubiš has raised this issue as well. André Glucksmann together with Václav Havel and others produced a statement of a slightly different value than the classic EU diplomatic report chaired by the Swiss ambassador.

Mr. Glucksmann, what is your philosophical prescription for the smart policy? What should Europe do to engage itself? – and not when it's too late as it was in the Summer 2008. I'm deeply convinced that the conflict started well before August 8, 2008.

**André Glucksmann:** It is not a philosophical view that I will present here, it is a matter of common sense, or at least an attempt at common sense, as one can never be certain of one's common sense. All of it is based on facts, and, in principle, there is unity in recognising

those facts. But there remains one small problem – of vocabulary. When we say Russia, when we say that we have to accept Russia as it is, then it is Putin's Russia that we are talking about. When we say that Russia is a part of Europe, this has been true for three, four centuries, and it is true for European culture, which would never have been the same without Dostoyevsky, Pushkin, Turgenev. So, we have Putin's Russia and a European Russia. Even today, we have at least two Russias – there's a Kremlin Russia and the Voice of Beslan Russia, there is a Russia of Memorial, there is a Russia of those who risk their lives for democratic liberties. We have a long way to go before we are used to this in the West. So, we have to be careful when we say “to understand Russia”. We have to understand Russia, we have to understand Putin, but we also have to understand Anna Politkovska or Mothers of Beslan, as well as Natasha Estemirova who was murdered on the 15<sup>th</sup> of August. Then you come to understand that Anna Politkovska and Natasha were not on good terms with Putin. So when you say Russia, you have to think about who it is you are listening to, you have to listen to both Russias.

We cannot dismiss the events of the last decade as meaning nothing. If we say we have to start from zero once again, which is one meaning of the “reset” approach put forward by the American diplomacy, I don't think this is the right approach; it should instead be based on facts, on what has been done.

In the economic field, there is no Russian economic miracle, as opposed to the Chinese economic miracle, for example; so the two countries, both of whom do not respect human rights are not the same in all aspects. Russia is in a class of its own; it cannot be said that Russia is one of the many countries that do not respect human rights – that being the case for a majority of UN countries. There is something particular about Russia. There is the fact that Putin's Russia used an enormous amount of money from its oil and gas to buy the Champs Élysées and many other things instead of using this money for the development of Russia – for the development of its economy. Russia is not China, so if we want to understand each other, we have to ask what is it that makes Russia a special case?

Regarding the social situation, which has already been mentioned by our Latvian panellist: the social balance is catastrophic: the population is declining, there is alcoholism, there are people suffering from tuberculosis, HIV, there is unemployment. This is an important balance, but then there is the democratic balance. During the last decade, there was a series of murders that have never

been explained. The murder of two women journalists, of ordinary people, such as the three or four hundred citizens of Moscow who were victims of two explosions in 1999, and nobody ever found out what really happened, who did what. All seems to indicate that the police did not go after those responsible, but rather that it was they who did it.

Here is a terrible democratic deficit, which is redoubled by the ‘human balance’. Two hundred thousand Chechens have died over the last decade – out of a population of one million; 20% of Georgian territory has, in fact, been annexed. Certainly, autonomy must be granted to South Ossetia and Abkhazia, as to all peoples of the world, but also to the Georgian people, and Russia’s approach to the annexation is very different, after all.

The economic, democratic and social balance indicate something very specific; I don’t want to call the country a ‘monster’, but its policies are damaging and harmful. I would not say the same about China, although there are certainly many problems with democracy in China – it is a totalitarian regime – but China’s existence is not based on a determination to harm others. At present, China is on very good terms with the United States; China is an example of an economic miracle, but that of course, does not mean that everything will develop perfectly and we will all get along well, it just means that China is a slightly different case from Russia. At the beginning of the 20<sup>th</sup> century, Japan and Germany were also economic miracles. But this is not the case with Russia; it is a power which is based on extortion, on using its power to damage others with its nuclear capability, with its capacity to supply weapons to very dubious countries; it is the second biggest arms trader in the world; it is a power which uses its energy sources to lead an aggressive policy. So I am very glad that the European Council realized this was a problem for the Europeans, but those Europeans had already noticed this some time ago, when they were trembling with cold earlier this year. What I am saying does not mean that Russia should be treated as an enemy, that war should be waged; I only want to say that Putin’s Russia is not what our officials thought – a country that would gradually modernize and democratize itself. A country can modernize without democratizing – which is currently the case with China; but a country may also not modernize, and may not be democratized, but still use the profit from its energy resources and other businesses.

Does this mean that at the core, Russia is, in fact, a huge Arab Emirate, which generates profits from its energy and natural resources? No, because Russia has the political will – and when I say Russia, I mean Putin’s Russia –, and in the face of that political will, there are Russians who want to live as Europeans do: with their rights, their freedom of speech, with the possibility of living in peace. It is this that we have to think of – a divided Russia, and one that we have to talk to. If we say that everything is going well with Putin, we have to be reasonable – who is, after all, our partner that is making the disputable moves? It was more than disputable in Georgia; it was also the first time since the Russian war in Afghanistan that external borders of a UN member state were not respected by the Russian army in the European sphere.

Given all of this and as historical experience reminds us, if we say “we must accept it”, it is called appeasement; if we say “discussion must be undertaken”, it’s a manifestation of our will to contain the threat. People are not good by nature – and Putin’s Russia is not likable, but we have to live with it. To do that, we need to have foresight, and to know when to resist.

**Alexandr Vondra:** I think we have five minutes for two questions, comments.

**A woman from the audience:** My question is to Ms. Kalniete: When you were one of the leaders of the People’s Front in Latvia in 1990, you came up with the proposal to establish an independent Latvia as a zero version scheme, to grant the whole population of Latvia equal rights, and you won the first elections. Now, going back to Latvia, I could observe the very efficient attempts by the Kremlin to manipulate those citizens of Latvia who are regarded as non-citizens. Are the politicians in Latvia now ready to take a more sophisticated approach, and to take the ball from the hands of Kremlin propagandists by granting some rights to those who are regarded as alienated citizens of Latvia? Thank you.

**Sandra Kalniete:** When you say “to grant some rights”, then I would like to say that there are rights, otherwise Latvia would have never become a member of the European Union or NATO, because one of the Copenhagen criteria and a criteria of NATO membership, is a strong commitment to and a legislation of human rights. You are talking about one of the most intimate links established between

a person and the state – about citizenship. According to the Latvian legislation, we had two steps: the first was to restore citizenship to all those persons and their descendants who inherited it from the moment of Soviet occupation in 1941. The second step was to develop appropriate legislation, which was done with the assistance of the UN and the Council of Europe. Those who were introduced to our country after the occupation – how could those people have that citizenship? Our naturalization legislation is considered by international experts as one of the most liberal in Europe, especially if you compare it to that of Switzerland. Everyone who decides to become a citizen of Latvia has to pass a language test, which is to guarantee that this person can be competitive in the labour market; secondly, the person has to show loyalty to the state; and thirdly, he has to pass a test of basic knowledge about the history of the country. Everyone who is born in Latvia (after independence) automatically has a right to Latvian citizenship. So, I don't see why, persistently twenty years after, that disinformation is still so dear to many journalists and politicians. Thank you.

**James Mancham:** Mr. Chairman, I am James Mancham, founding President of the Republic of Seychelles. Last week I was in Bucharest where I was invited to attend a round table discussion promoted by the Romanian-French Friendship Association on the subject of Europe and a New Russia. A French philosopher and politician attended and gave a keynote speech. After admitting that the Franco-German collaboration promoted the guiding force of Europe, the gentleman said that there could be no prospect of Russia becoming part of the European Community because Russia is so vast that if Russia were to become a part of Europe, the concept of Europe, as we see it, would change. I would like the panel to comment on this because I found a little question mark in relation to the acceptance of France and Germany constituting a 'big block', and difficulty in moving towards trusting Russia enough to accept it as a member of 'global village politics'. Thank you.

**Alexandr Vondra:** That brings us to the end. If I may ask every panellist, starting with Sandra, continuing with Yegor, André, then Ella Lazarovna Kasaeva and Ján Kubiš, and then the final word – because this is a panel about Russia, and I think it only fair that the final word of this panel should go to somebody from Russia – Grigory, would be the last. Please, try to respond in one sentence whether

you believe that Russia could one day be a member of the European Union. Thank you.

**Sandra Kalniete:** I would not believe, but I would hope for it, because that would mean that Russia is living up to all the standards required to be a normal democratic state.

**Yegor Gaidar:** I don't think that it's realistic. I wanted very much to put it on a practical political agenda when I was working in the government, but I never got any positive response from the European Union.

**Alexandr Vondra:** André.

**André Glucksmann:** The response is this: you have not been listening, because there are several Russias. And I would respond by asking: which Russia would you like to see as part of Europe? Is it the Russia that killed two hundred thousand Chechens over a period of one decade? No thank you – the European Union has abandoned the idea of colonialism. Are we talking about the Russia which murders its journalists and prevents them from speaking out? No, thank you – the European Union was built on the rejection of fascism. And there would be more.

Which Russia is it that we are talking about, then? The answer lies in whether the European Union will survive. The German Chancellor's Office has a large portrait of Catherine II, and I think in Germany, we are seeing a very strong tendency to believe that the Franco-German engine is running out, and that for the Germans – and it's not only Schröder who is corrupt – that the new locomotive for Europe could be Germany and Putin's Russia.

**Ján Kubiš:** Both organizations – the EU and NATO – have their principles, their norms, they have their objectives. First of all, if there is a Russia fully in conformity with those objectives, principles, etc., then we can ask that question. That's perhaps the response for the foreseeable future. Eventually, I would not exclude that Russia would first try – in case changes do take place in that country – to think about NATO membership, and not necessarily EU membership.

**Alexandr Vondra:** Ella.

**Ella Lazarovna Kesaeva:** If we continue with the idea that has just been presented, I can say: Yes – if the policies change, if Russia stops being Putin’s Russia. But with the present state of affairs, and as a citizen of Russia, I don’t see such a prospect. Violations of rights are continuing, will continue, and one must not turn a blind eye to them. If you do, then you are passively taking part; if you agree passively, then no positive change will take place – and Russia must be made to change, and we have to press it to change – all of us together, the citizens of Russia and citizens of other countries. No one should be asking: “What can I do alone?” – not alone; all of us together can force Putin’s Russia to take a civilized course.

**Alexandr Vondra:** And Grigory, you have the final word.

**Grigory Yavlinsky:** Thank you very much for that wonderful question. My answer is yes; in twenty, fifteen years from now, Russia will certainly be a part of Europe. There is a long way to go, a very difficult way. Russia would be a member of Europe not in terms of Brussels, not in terms of the European Commission, but in terms of its political principles, its human rights, its values, its role in world politics, and it would also be a part of the European economy. But it will take many years – maybe fifteen, maybe twenty. Here I want to underline that there are millions and millions of people who are fighting for the new Russia: in my party, in the last ten, fifteen years, four people were killed when fighting an authoritarian, corrupted regime, so we are paying a very high price for the fight for a democratic, open, liberal Russia of the future. It’s a long process – it’s not an Eastern European country, it’s Russia, it’s thousands of years of a different kind of culture and history. That’s what we are doing and what we will continue doing; it’s our responsibility to bring Russia to a European way of life, because if we are not successful, Russia will collapse, and that would be a big problem. I want to support very strongly the idea of ‘two Russias’; I want to support the idea of communicating with both sides. During the Soviet period, your governments were so smart – they talked to the Russian people, to the Soviet people and to Soviet governments, whether it was Brezhnev or somebody else in the Kremlin; and that was a smart approach – it was the right approach. And there is no such approach at the moment. So I very much support this proposal.

Last but certainly not least: How can you help? That is always the question, and the answer is simple: by setting an example. Please, put the European Union in order, please show us the future, show us that you can exercise the values and the principles which you yourself have declared, help the United States to overcome the economic and political crisis, and we would look at your example and we would move much faster. All the other things we would do ourselves. Thank you very much.

**Alexandr Vondra:** Thank you very much to all of you.



André Glucksmann (left), Jan Švejnar (right)



## Special Remarks – Ehud Barak

13<sup>th</sup> October, 2009, Žofin Palace

Remarks:

**Ehud Barak**, Deputy Prime Minister and Minister of Defence, Israel

Moderator:

**Jiří Schneider**, Program Director, Prague Security Studies Institute,  
Czech Republic

**Jiří Schneider:** It's my privilege and honour to introduce Ehud Barak, Deputy Prime Minister and Minister of Defence of the State of Israel. I am one of those people who associate the name "Barak" with him and not with the current American President, for I had the privilege of meeting Minister Barak in a period of his career as he was becoming one of the highest achievers in the Israeli military. Minister Barak finished his military career by serving as Chief of Staff in some very challenging years during the time of the Oslo peace process between 1991 and 1995: the high mark of his thirty-five-year military service. Since then, he has served in all the important positions in the Israeli government – he was Prime Minister of Israel for two years, Minister of Interior, Minister of Foreign Affairs, Minister of Defence. I also associate his activity with the very difficult negotiations for a peace settlement with the Palestinians. As we know, it has not been successful so far, but Ehud Barak is not a man who gives up, and he continues even now to be deeply involved in a very painstaking negotiation process. Without further ado, I give the floor to Ehud Barak. Welcome.

**Ehud Barak:** President Havel, distinguished guests, friends, I'm glad to be here in Prague with all of you in this important gathering.

Life within a framework of a free and democratic society is one of the most precious dreams of humanity since time immemorial. But if I had to answer the question: what is the situation of democracy and freedom in this multipolar world today? I think I would have to use the old line: "In one word good, in two words not good." The good part is this: with the exception of early Athens, until well into the 19<sup>th</sup> century, there was hardly a place on earth where people lived in a free and democratic society. It was only after World War II that the major part of the world turned to democracy and freedom, and more dramatically, in the last twenty years. In this regard, you here in the Czech Republic – from the old days of Masaryk, through Jan Palach, to the leaders who led the country from the grip of the Soviet Union, and down to the presidency of Václav Havel – offer an extraordinary example of the spirit that leads to democracy and freedom, of the readiness to sacrifice for it, and then to execute it in an impressive way.

But there is bad news as well: Two thirds of humanity are not yet living in either democracy, or freedom, or both. In the European Union – if I'm not mistaken – the cattle-rearing industry is subsidized by governments to an average of three euros per cow,

per day – from birth to the restaurant. Probably 60% of mankind lives on less than three euros per human being, per day. This should prompt us to consider that one quarter of humanity doesn't have access to fresh water – and you've just heard about what we are doing in this regard in our little corner – or normal sanitation. They are all human beings – hundreds of millions of them live in democracies, some in the biggest democracies on earth. So the road ahead is still long, but the direction is unmistakable: the direction is forward – the right way.

The real, most important obstacle in this great march towards democracy and freedom, is the triad of radical, mainly Muslim, terror, rogue states and military nuclear proliferation combined, as if in a perfect storm, with the deep economic crisis which we are going through, and the negative changes in world climate. The result of the struggle against this triad of challenges – radical terrorism, nuclear military proliferation and rogue states, and their overlap – will decide the nature and success of the drive towards democracy and freedom, clearly in our corner of the world, clearly in the wider Middle East and ultimately, I believe, in the whole world.

Israel is the focal point of the fight against these challenges. We have been fighting terror for the last forty years. We are surrounded by some of the rogue states – if you think of the rogue states from Iran to North Korea, to a certain extent, Syria, Somalia and Yemen are on their way to joining this club – most of them are in the Middle East, and some of them are old-time rivals and neighbours of Israel. Around us, we have candidates for acquiring nuclear weapons. It is more than a generation since an Israeli Prime Minister, Menachem Begin, ordered the destruction of an Iraqi nuclear military reactor outside Baghdad, and there are other examples, some already on the horizon. We have Hezbollah in Lebanon – I was the Prime Minister who ordered full Israeli pullout from Lebanon up to the last square centimetre, after a tragedy of 18 years that cost the lives of thousands of Lebanese, and more than a thousand of Israelis. We expected it to be calm, and to lead, in a short time, to normalization. We ended up with forty thousand rockets, missiles with heavier warheads and more accurate targeting capacity, are probably under orders from the ayatollahs in Tehran. With the presence of militias, it is a tough neighbourhood for us. Then there is Hamas in Gaza: after eight years of suffering from indiscriminate shelling and rocketing of our citizens, after much delay, we finally launched an operation there which, as a result of the deployment of Hamas deep into the highly popu-

lated centre, caused a lot of damage to others, including civilians. I see here one of the victims of this operation, sitting just behind the President. We feel that it's our primary contract with our citizens to protect them from being hit by rockets from a neighbouring area. I remember hosting the then presidential candidate Barack Obama in the city of Sderot and showing him the rockets that landed there. He said: "If my two daughters were living here, I would do whatever it takes to stop it." Nothing is simple.

The same candidate, now President Obama, is leading an extremely important effort to bring an end to the conflict, to bring us and the Palestinians and, in fact, the whole region, to the negotiating table – to sit around the table and solve the issues. In spite of the ups and downs – more downs in the recent week or two – I'm still very optimistic. The mutual interest is there, the will of the people is there, the willingness of the leadership, I believe, is there, and there is now a need for decision, for determination. The even-handedness of President Obama; the focus of the whole region on Iran; the renewed political authority that Abu Mazen has received from the Palestinian people as a result of the last congress of the Fatah; and even the fact that the Israeli government, led by the right wing of our political spectrum, is ready to say loud and clear: "we accept all the agreements signed by the previous governments, we accept the roadmap" – these are all positive factors. The vision of the Israeli government is a vision of two states for two nations: a Jewish state named Israel where all people living in it enjoy full respect, existing side by side, in a peaceful relationship and good neighbourliness with a viable Palestinian state with its national anthem, flag, and all the attributes of independence except for certain mutually agreed limitations on the size and nature of its armed forces and demilitarization.

The challenge is extremely important – it is the only way of preventing our region from drifting gradually into either a Bosnia-like or Belfast-like situation, not to mention examples from other corners of the world. The time is now, and we should muster the courage and determination to cross the corridor, however painful it may be along the way, and go into the room where decisions will have to be made.

I'm the head of the Labour Party and we say, loud and clear, that for us the terms stated by President Obama in his General Assembly speech just recently are realistic and form a basis for negotiations. He basically stated that there should be an Israeli homeland for the Jew-

ish people, existing side by side with a viable Palestinian state, whose very existence will put an end to the occupation that began in 1967, and will bring a better future to our Palestinian neighbours.

Having said that, I should still say that those challenges exist independently of one another. I've heard in many parts of the world the idea that the Israeli-Palestinian conflict is the source on the causal chain of whatever happens – of all of the trouble in the Middle East. I think this is wrong. I believe that the agreement with the Palestinians is long overdue. We could have had it ten years ago if Arafat had been ready to go for it. But even if we had peace with the Palestinians, I have no illusion that the ayatollahs in Teheran wouldn't like to hegemonize the Gulf and its oil resources, or that the schism between the Shia and Sunni Muslims in the world would have disappeared, or that the frustration in certain corners of Muslim societies against the West and its way of life would have diminished. Of course, it could contribute a lot: peace between Israel and the Palestinians would signal to many – as both a practical and symbolic action – the horizons of what is achievable in reconciliation, but it would not have solved it alone.

The real challenge is still Iran. Iran is a challenge for the whole world, not just for Israel. And it's a challenge because if Iran goes nuclear, that's the end of any non-proliferation regime. Other players, neighbours in the Middle East, might go nuclear: think of Turkey, Egypt or Saudi Arabia, and probably others. Some may do this through hard scientific and industrial work, some by buying a bomb for ten billion.

It will be the end of any conceivable non-proliferation regime also because it's not the first example, but the third one. There was Pakistan twenty-five years ago, there was North Korea ten years ago, and now there is Iran. The Iranians are extremely sophisticated – they are not backgammon players, they are not checkers players – they are chess players, they invented it. They seem to me to be determined to defy, deceive and deter the rest of the world, and to continue developing the technology. The fact that North Korea can get away with it – if a third-grade dictator, who can hardly feed his people, can get away with nuclear tests and a nuclear bomb, after once and again defying the whole world by making engagements, breaking them, opening the Yongbyon reactor, closing it down, reopening it – and doing this in the backyard of Russia and China and not just the Western world – what does this mean for Iran? I told our American friends that I'm worried the Iranians are considering the

situation by observing very closely what happens to North Korea. If North Korea is not blocked even after it conducted a second nuclear test, and it keeps developing long-range missiles that will, in a few years, reach Alaska, and probably in another few years reach Europe – how can anybody possibly expect the Iranians to stop?

I think that there is still time for diplomacy, but there is a need for conclusive, coherent, tough and consequential diplomacy. Much tougher sanctions should be imposed, preferably based on Chapter VII of the UN Charter, and if not, imposed by a coalition of the willing – there should be nothing short of coordinated sanctions on any financial transactions, on any insurance of the transport of goods, probably even steps against the import of light distillates of oil. You may know that Iran produces maybe three million barrels of oil per day, but they have no refineries. They have to refine most of it abroad, so certain circles benefit from this process, and the need for distillates in Iran is extremely important.

We are in no position to tell the Americans whether or not to engage with the Iranians, but I suggest that no one should have any illusions about the results of doing so. They will probably stop enriching, say 20%, but they will continue with their strategy of deceiving, defying and deterring the world from taking action against them. There is still time for engagement or diplomacy, if that is the choice of the leaders of the free world, but it should be limited in time, and with clear thought in advance about what should follow, and I strongly recommend to any major player not to remove any option from the table.

I've talked about Israel and moved a little bit beyond to the Iranian issue – With regards to the overall approach to the challenge, the only way is to go quickly and consistently through a paradigm shift in the relationships between the countries of the world. The only way of winning over this triad of terror, nuclear proliferation and rogue states, is by joining hands with Russia, China and probably – at least regarding Iran – also India. It is only through this joining of hands that the 'good guys', so to speak, will be able to win over the 'bad ones'. It's not a simple paradigm shift to convince the Americans that Russia and China have evolved from being archrivals into major partners. It is not easy, and neither is convincing the Chinese and the Russians that this strategic cooperation is real and meaningful. It will take time, it won't be easy, and it will have its ups and downs, but it's absolutely necessary in order to succeed. It's true with regards to North Korea, it's true

with regards to Iran, and it's also true with regards to Afghanistan and Pakistan.

Pakistan remains a disturbing, potential nightmare with an already existing nuclear arsenal. One can't tell how and when the whole system will melt down. Afghanistan is a harsh place: your own soldiers probably tell you that the state of things in some parts dates back to the 16<sup>th</sup> century. It is still a tribal society – little has changed since Alexander moved through Afghanistan, and clearly nothing has changed since the British Empire was there for several hundred years.

It's a big challenge, and there's a need for cooperation, diplomatic action, sanctions, intelligence sharing and coordinated, targeted operations against the head of Al Qaeda and the global Jihad. Probably the most effective way of dealing with these phenomena, is to find the way to reach the heads of the hydra: Usama bin Ladin ignites the imagination of hundreds of millions, and is capable of mobilizing perhaps millions for action. He is still alive after eight years, after toppling the Twin Towers, after having America invade Afghanistan and then Iraq, and having run a worldwide operation for eight years. He is still there, alive, still sending his video cassettes; and they are preparing. Whoever had an opportunity to look at the details of their preparation for the 9/11 attacks will never underestimate their capacity to create even more disastrous operations the moment they can put their hands on more decisive or more damaging means to do so.

This challenge is coming together with the economic crisis, with the gradual changes in the climate – which also need global coordination – to reach a point where the march towards democratic societies and freedom on earth is extremely important to all of us. Freedom is a part of our way of life, we enjoy it, and sometimes we fail to estimate how important it is for us because we take it for granted, but for billions of people who do not share it, this march forward should continue. And it will succeed if the peoples of the free world take action, if the leaders of the free world coordinate even with the leaders of non-democratic societies and nations. Democracies are very slow to mobilize themselves to face struggles: there is too much scepticism, a certain kind of individualism instilled into our societies, but once we mobilize ourselves, we are more effective than any tyranny on earth, and history proves this. With the right approach to the economy, with the use of science and talent, and employing the free spirit of our societies, we can win this struggle – we have to win this

struggle in order to protect the future of our own societies as well as helping other societies to have a viable dream of a better future. We should win it, and I believe we will. Thank you very much.

**Jiří Schneider:** I was approached to pose Minister Barak some questions, and he has answered some of those already. They were about the Obama administration, the Peace Process. But there is one regarding the cooperation even with non-democracies: what do you think about Iranian democrats and the rising civil society after the recent developments in Iran? Are they allies in this struggle? Forgive me for putting it this way but I think this is a key question of your presentation, because democracy is very dear to most of the participants in this conference and in this hall, and your call for cooperation even with countries which cannot be considered democratic may raise some questions.

**Ehud Barak:** Iran has been an empire since the dawn of history and has a great sense of pride in being an empire. But it's an extremely heterogeneous society: in Azerbaijan, you have 8 million Azeris – in Iran you have 23 million, and there is a mixture of many ethnic groups with certain common traditions, a legacy and a sense of identity, which transcend ethnic origins. It is a sophisticated society; someone I was talking to tried to compare it to Iraq and I tell you, it is totally different. Iraq is an artificial product of the post-First World War power-sharing of colonial powers, and always had to operate under some extremely tough centralized regime. Iran has been there with its rich history and civilization and very different experiences, including democracy, or rather a very open political system, and to this day, it's still much more open than Iraq was under Saddam.

I always talk about Iran with mixed feelings: as a young officer, some thirty-five, thirty-seven years ago, I visited Iran – they were our – Israel's – best friend in the Middle East. We coordinated with them, we were more intimate with them than with any other nation – and they are still the same people, they didn't change, they were just taken over by the ayatollahs. I was a graduate student at the School of Engineering at Stanford, a leading American University on the West Coast, and some of the best students were Iranians. They are an extremely gifted people, but they were taken over by the ayatollahs. It's clear to me and it's now clear to the whole world – I have felt it for years – that something is simmering beneath the surface. I don't believe that the ayatollahs will be there ten years from now. It's a very

young society, and I think that the third generation, which has now reached maturity – people who were born after the Khomeini revolution – they will not just stand by. It's a paradox that in the whole of the moderate Arab world, the leaderships are pro-American, and the people are extremely anti-American. In Iran, it's the opposite: the leadership is extremely anti-American, but the people – they watch their TV, they see what is happening in Dubai, in Abu Dhabi, in Qatar, in Saudi Arabia, in Egypt, in Lebanon – and they want to join the club of the rest of the world.

The problem is that the people who demonstrated on the streets of Tehran are not really synchronized with Mousawi, or Kharroubi, or the moderates in Iran. Even the moderates are Ayatollahs – they are all the same group, this combination is not something unnatural. What we saw during the demonstrations was that the real pulse of the Iranian people has a strong desire to put an end to the regime. As you get to know people with higher levels of education and the social élite, you will find them more open.

Simultaneously, there is a fracture within the religious leadership in Q'um.

I don't believe that trust can be restored between these people. To restore trust between Mousawi, Kharroubi, Rafsanjani, Khomeini and Ahmadinejad – I don't see this happening. It used to be a collective leadership, but it's not collective any more; even if it appears to be united – the split is there. The question remains when, how, and under what circumstances it will finally break open. They are aware of this, they are tough, and they will not be deterred – they quite cleverly limited the use of live fire so that the situation would not get out of control.

But the crisis is waiting for them below the surface, and, in a way, it's a competition: what will happen first? Can we slow down their nuclear effort so that certain changes from within will emerge before they reach nuclear military capability, or not? I don't think we can assume that heaven will help us; we should make sure that they are blocked, and we cannot pretend not to intervene in their internal politics to a point, as no one can really influence it from the outside.



David Rosen (left), Tomáš Halík (right)



## Religion and Democracy

### Interfaith Dialogue Panel

13<sup>th</sup> October, 2009, Žofín Palace

Keynote Speech:

**Michael Novak**, Theologian and Political Scientist, USA

Moderator:

**William Cook**, Professor, State University of New York, USA

Participants:

**David Rosen**, Former Chairman, International Jewish Committee for Interreligious Consultations, International Director of Interreligious Affairs, American Jewish Committee, Israel

**Prince Norodom Sirivudh**, Cambodian Institute for Cooperation and Peace, Kingdom of Cambodia

**Tomáš Halík**, Member of the Program Committee, Forum 2000 Foundation, Czech Republic

**Muhammad Said Al-Touraihi**, Director, Kufa Academy for Oriental Studies, The Netherlands/Iraq

**William Cook:** Good morning, everyone, and welcome to the panel on democracy and religion. I confess, having spent forty years as a college professor, the breadth of the topic overwhelms me. For those of you who are familiar with academic conferences, we tend to talk about things like the land tenure of the central part of Medieval France in the 13<sup>th</sup> century and from an archaeological perspective – and that’s regarded as a broad topic among academics. So, if nothing else, we do not lack scope this morning. We’re going to ask Michael Novak, who, I assume, needs no introduction, to speak first – this is the third time you will have the privilege of hearing Michel Novak. For those of you who have not been here, you may not know, but you need to know that he is, in fact, the Director of Social and Political Studies at the American Enterprise Institute in Washington. Michael Novak.

**Michael Novak:** To begin with, I have two points, and then I’ll try just to speak on five different points. The first political institution of democracy, Tocqueville wrote, is religion. Strange statement, but he meant it in the sense that all practice of democracy has pre-political roots. You need to have some conception of the meaning and rule of choice, of intellect and will; and the human being’s place in the universe. In particular, he thought it is the province of religion – and here he probably meant, writing in America and for French people, Judaism and Christianity. It is the political task of these religions to give us an understanding of human rights endowed in us by our creator, as the Declaration of Independence puts it; and a theory of the foundation of human rights in human conscience. His second important sentence is that the spirit of liberty and the spirit of religion belong together. They haven’t always been together, but they belong together because if the root of all the world religions is either an idea of reward and punishment, which makes a judgment, and which makes no sense if there is no liberty, or a way of perfection, by which one is expected to use one’s liberty to become more and more of a human being. Again, the dependence on the idea of liberty is quite clear.

The second point I want to make is that today, the world needs to hear the voices of all the world religions – on how it is that they explore, and expound on the roots of liberty and the meaning of rights. We haven’t heard from all of them, but it seems reasonably clear that the ingredients for these ideas of liberty and rights are present in all the world religions. I speak not as an expert, but to suggest that at the very least, we must make the attempt. We need new foundations for liberty of conscience – why is it that a human

being has liberty of conscience before God, and before the state, and before family and friends and civil society? Because it is true that when God speaks, sometimes you must oppose your family, or your friends, or your civil society, or your state. It would be good if we developed a universal language to speak about the roots of our conceptions of freedom and conscience in each of the world religions, so that together, there might be a richer dialogue about the meaning of democracy. We haven’t yet discovered all the possible riches of democracy, indeed we are at the beginning of a new sort of inquiry. It is almost certain that each religion has something fresh to teach when it begins to plum these depths in its own way. I’m trying to say that each of the world’s religions brings something fresh out of democracy; but, at the same time, democracy is a teacher, and forces human beings to think more deeply about their religion, or about their conception of human nature and human destiny – the role of humans together on this planet.

We were asked in our programme and in the advanced questions to respond to the question: Is democracy a suitable biosphere for religion? Implicitly, is democracy sometimes hostile to religion? Well, a certain kind of democracy – that of France at the time of the French Revolution – was hostile to religion. That does happen, but it is not the common run of democracies. I prefer to turn the question around and ask: Is secularism a suitable biosphere for democracy? Can democracy be maintained for generations on the grounds of secularism – that is – on a denial of God and religion? Well, not necessarily of God – but of religious institutions, religious traditions and religious practices. Pierre Manent, the great French social thinker of today, writes that in the last two hundred years, religion has adapted better to democracy and to secularism than secularism – democracy understood that way – has adapted to religion. Religion is a bigger problem for secularism than secularism and democracy are for religion. It’s a little difficult to speak of atheists and agnostics in this respect: there is an atheist and agnostic interpretation of freedom and of rights, by which they establish, to their own satisfaction, the foundation of our rights and of individual conscience. At least it’s my own observation – and I may be wildly wrong, but it seems to me the case in America, at least, that more than half of our atheists and agnostics – of about 8% who are self-declared – believe that there is a single intelligence and a thrust – a power in all things. They do not believe in the Jewish or Christian God – in that sense they’re atheists, but they do believe in something like a God that would be

recognizable to the Greeks or the Romans, or the pre-Christian peoples. Consequently, many are able to avoid the problems of relativism: they do believe that there is a light of truth, in which we can make greater approximations by argument, by consideration of evidence – we can make greater approximation as to the truth about things – and implicitly, there is a truth about things. They are able to distinguish decadence – moral decadence – from moral progress; in fact, this is a common usage of secular speech.

One place where modern secularism is weakest is in establishing a sense of meaning, for people who are ill, for people who are lowly, who have lowly occupations. There creeps into secular speech a sense of which life is worth living, as if we could tell that some lives are not, and some lives are. But the most important thing is that if people do not feel there is a point in their moral striving, in their daily work – they lose heart very easily, and with the silent artillery of time, it becomes more difficult to pass on the virtues from one generation to the next. The second generation forgets some of the reasons which the first generation understood, and the third generation is even more confused about important moral issues.

Nietzsche made a very powerful argument which I want to call to your attention, because it sometimes comes to the surface in fourteen-year-olds, at least, in California, as we like to say. Nietzsche's observation was that if God is dead – don't forget the vitality that is even more pervasive, in a way – it means REASON is also dead, then all is chance and all is confusion. From that perspective, it becomes very hard to resist relativism, to resist decadence – it becomes very hard in public to say “this is right and this is wrong!”: everything becomes reduced to a matter of preference – that's what you think, that's what I think. And it becomes difficult to speak of good or evil. But, as I say, most atheists and agnostics avoid that pitfall because, implicitly, they do believe in a truth to be discovered by search for evidence and by argument, and they do believe that there is such a thing as moral progress. You can see it in the role of women in the world, in the removal of the abuses of slavery etc. There is a kind of moral progress, which is measurable.

Now, the next to last point I want to make is that the continental argument stemming from the French Revolution about the separation of church and state is rather inoperative for many of the world religions, which have no church – not in the sense of Christianity or even of Judaism. There is a religion, but it's structured very differently; and in which the state, the development of politics, has been very different

over the centuries. I add that because it's too facile to say: separation of church and state. It's important to recognize what's at the heart of that, namely, neither the state nor any other political force has the right to coerce individual consciences, nor has any church the right to coerce individual consciences: it can lead and persuade and present arguments, it can try to teach and instruct, but it can't coerce. And I think that's what's at the heart of the conception of separation of church and state, which is a little too superficial for getting at the reality.

The main thesis I'm trying to develop is that with so many peoples of the world who have suffered so much under tyranny and under a system of changing governments, which is mostly by assassination – where there is no regular sequence under law of passing from one political regime to another except assassination or coup – with the immense amount of suffering in the world that still goes on after World War II that weighs on our conscience, it is time for all the world's religions together to try to meet this hunger for liberty and for the regular form of law, regular form of politics, which we call democracy, by finding its grounds, each in its own way. We need to go deeper into the meaning of conscience, the meaning of purity before God in each faith, because that is where the basis of rights is: before each have duties to our creator, then nobody can interfere in those duties – it's between us and our creator – neither church nor state, even family. You are sometimes called to make decisions before God alone. And if you have such a duty, then you must have a right, which no one else can infringe on – at least that's how the Virginians in America came to their thinking about human rights. There are other ways, I'm certain.

The last point I want to make is simply in the form of a question: is it a greater God who creates human beings to be free, or is it a greater God who creates human beings to be slaves or puppets? I think we rank novelists and playwrights by how free their characters are, how they go beyond the devices of their authors even, come alive in determining their own destiny. And I think if we think up here – in a poor analogy – if we think of God as an artist, it seems to me that it's a greater God who made human beings to be free, and a lesser image of God, to imagine a God who made human beings to be puppets.

I therefore go back to where I began: that the spirit of religion and the spirit of liberty go together; and it is time in the world for all the world religions to find their own way to articulate the spirit of freedom in the political histories which they have experienced and which they know.

**William Cook:** Thank you, Michael. Each of our speakers will speak for a few minutes and hopefully we'll have time for some dialogue among those of us who are privileged to be on this panel. First of all, let me introduce to you David Rosen: David is Chairman of the International Jewish Committee for Interreligious Consultations.

**David Rosen:** Thank you, Mr. Chairman – just a correction: I am the past Chairman – I've got lots of past titles, these are part of the little Yarmulkas, skullcaps that I'm accumulating for the Day of Judgment. I'm delighted to be on this panel, and I must confess that I wasn't absolutely sure whether I was going to be given the first response or the last response. And out of fear that it might have been the latter, I tried to think of something that would be as unlikely as possible for the other respondents to cover so that I wouldn't be repeating unnecessarily. I have two points to offer on the subject. The first, actually, does follow up on Michael Novak's important presentation. I would just like to highlight part of the paradox of that insight.

I think it is fair to talk of all religions as affirming the dignity of the human being; and, certainly, within our Abrahamic traditions, the sanctity of the human being. As the biblical phrase has it: "created in the image of God." As Michael has highlighted, the foundation of that dignity is the principle of the freedom of choice, and that the individual is responsible for her or his actions. Otherwise consequences, in any moral sense, completely crumble and do not have any validity. The concept of a just God can only be understood if human beings have freedom of action. And democracy seeks, therefore, to offer the framework for maximizing individual dignity. So, on the one hand, it's obvious that democracy is in keeping with most sublime affirmation of human nature and identity. The paradox here is that as individual dignity develops and is greater in its expression, the concept of human autonomy emerges in which the individual then seeks to question authority by definition; and, thus, human dignity, human autonomy often becomes a threat to institutional structures and to traditional authoritarian positions. And thus the power of the individual human spirit can be a threat to religious structures and religious authority precisely through its own greater actualization. This paradox, therefore, posits democracy both as the expression of fundamental religious values, but very often leads it to find itself in certain tension, if not conflict, with religious institutions.

The second comment I'd like to make is less direct apropos my introductory comment: it is a narrower point, perhaps a little more laboured and is far less – maybe coming from a rabbi, this sounds

strange – far less theological than Michael's observations and much more sociological. I would like to pick up not so much on the very important issue that Michael has highlighted of the relationship between faith and secularism, but more along the lines of John O'Sullivan's brilliant presentation yesterday – on the challenges posed to democracy by religious communities and systems that have not necessarily been part of its own historic development. This is particularly evident in terms of immigrant groups into Western society and, to a very large degree, highlighted by the violent challenges that Western society finds today through various elements outside its own cultural confines that seek to bring it down through violent means. In understanding this tension between religion and democracy, I think there are various different components, but one area I would like to highlight is the relationship between religion and identity.

Identity is, of course, the expression of the building blocks of the factors that make us who we are: we are members of families, of communities, of nations, of peoples, of humanity, indeed, of the cosmos. These are essential building blocks of our psychospiritual stability without which we are, more often than not, not only easy prey for external manipulation, but often lack stimulation and substance to our own existence. Because religion seeks to give meaning to our understanding of who we are, by definition religion is bound up with human identity. These different circles of human identity, from the smallest to the largest, can function in two different ways.

If the smaller circle of identity feels comfortable within the broader circle of identity – which is the healthy condition – it will open out and contribute to it. So we have here – if I may use an image of a spiral – healthy human identities built up of circles, which spiral out into wider circles: from family to congregation, to community, to people, to peoples, maybe to continental identities, to global identities. The degree to which the smaller circles will open up into the wider circles is dependent upon the degree of security that the smaller circle feels within the wider circle: when a smaller circle feels insecure in a wider circle, it will not open out into it, it will close itself off. So you'll have, if you like, a circle isolated within a wider circle – that I would call an unhealthy situation. Because religion is bound up with these circles of human identity, it's bound up with this process. Those circles of human identity will not open up if they do not feel secure: if a particular community does not feel secure within a wider context, it will not open up and contribute to it; if it feels threatened by the wider context, it will close in on itself in a more insular, isolated mentality.

Because religion is bound up with those identities, it is bound up with those processes, and therefore we see that when religious or ethnic communities do not feel comfortable in a broader context, religion serves to bolster up their own internal needs – it provides, if you like, security rather than opening up into the wider context. If we look at the classic Hebrew prophets, you can see two different trends. On the one hand, you have the prophets who say to the people: “Stop being so self-satisfied: what about the orphan? What about the widow? What about the stranger? Where is your sense of social justice and responsibility? You should be concerned for the dignity of all human beings.” Then, there are the prophets who say: “Don’t worry, God is with you, have faith, maintain your fidelity, be loyal to your tradition.” If you look at the Hebrew Bible, the former only appear when the people are living securely in their land; the latter is the message when the people are in exile, when they are vulnerable, when they need succour, when they need stability, and when they need reassurance. Thus, when communities feel threatened by the outside context, by definition, religion provides that succour – that support, that need for their own self-worth and value, that internal justification. In those contexts, it tends to become insular and isolated, very often to a degree as seeing itself as self-righteous, and those outside as essentially sinners – maybe even polluted by other influences, and even the danger of demonizing the people outside it.

Democracy is not just government by and for the people; it should be, ideally, the creative interplay between the individual and the collective: the essential responsibility of the individual for the collective, the sense of the collective responsibility for the individual. It should be a framework in which the majority has a sense of responsibility for minorities, and minorities have responsibility for majorities. But that will only be expressed if the minorities or the individuals feel a sense of identification with the broader context, feel that they are welcome within the broader context. When they do not feel they are part of the broader context, that they have a stake in it, we then have the danger that their own insularity, their own isolationism, their own self-righteousness and their own self-justification – and we all know the proximity of an insecurity complex to a superiority complex – which will pose a threat to the democratic structure of the whole. I don’t want to sound too simplistic – but, in my opinion, the challenges that we are talking about under this rubric are far more sociological, or as was pointed out to me, perhaps socio-psychological, rather than theological. Sociology, I believe, profoundly influences theology, maybe even more than

the other way round. If we don’t want there to be a tension and a conflict between democracy and religion, then we have to enable those religious communities to feel that they are part of the whole – that they have a stake in the whole, and that democracy is ultimately the means by which they can fulfil their own identities within the wider context.

**William Cook:** Thank you, David. Our next speaker is Prince Norodom Sirivudh. He is the founder of the Cambodian Institute for Cooperation and Peace. Some of you had the opportunity to hear His Excellency yesterday, and so you are privileged to have a second opportunity to hear him today.

**Prince Norodom Sirivudh:** I did yesterday, but I will again today, bring a message from His Majesty the King. My King has a Czech background, he grew up here, he was educated here, and he’s asked me to send his friendship and affection to all Czech friends here. I myself am very impressed by Prague – thanks to Forum 2000; it’s a beautiful city. I think you have one of the most important, one of the oldest universities in Europe – not Sorbonne, but Charles University.

I am not an expert on religions, but I will offer you the perspective of a former politician, a practitioner, on how democracy and religion have been linked. It reminds me of the situation in Cambodia – and I’m sure you will know about the Khmer Rouge genocide – we lost two million people between 1975 and 1979. The first thing that the Khmer Rouge did was remove all the monks: no more monks, and no more religions. When people asked: “Why do you not destroy the temples and the pagodas?” they said arrogantly: “You are Buddhist? You will die in the pagoda.” So, the pagodas and the temples were used as execution grounds. “You are Muslim? You will die in a mosque!” Why didn’t they destroy the temples? Because they were used to kill people. This is what happened to the Cambodian people.

When the United Nations came to Cambodia and we had elections, the first thing that we did was to rehabilitate religions. I know that your Prime Minister, His Excellency Jan Fischer, likes statistics, so I will give you some statistics: 90% of our population are Buddhists, as I am; 5-6% Muslims; 3% Christians and 1% others. We are a liberal society, and we talk about democracy, we must talk about our political system. That is also why, when I go somewhere, I ask people: “Show me your constitution, and I can tell who you are.”

There are two tendencies: one is for state religions, as in Cambodia. It is stipulated in our constitution that Buddhism is the state

religion, but at the same time, it clearly states that other religions are welcome and we have the freedom to believe – we have freedom of religion. I'm not sure it is a good thing to have a state religion stipulated in the constitution. Some constitutions mention nothing about religions: there are no state religions, but neither is there necessarily freedom. This is the second choice of constitutions. I'm not here to make judgements, but sometimes it is important to look into the constitution of each country. I appreciated it when over dinner, Michael Novak, you said that we are trying to get new eyes to look at an old problem. And you are right: religion is an old problem – if you look into the past, it did not always create unity, and could lead to worse divisions, it was sometimes anti-democratic. Therefore, the notion of separating state and religion is quite new, because religion represented power too. In French history, many statesmen were cardinals – Richelieu, Montesquieu, etc. Today, we are dealing with democracies and the separation of church and state.

Allow me to come back to the Czech situation. You had a courageous revolution that brought democracy to this great nation and people – it was a success for the Czech Republic, also in the context of democratization of the former Soviet bloc. But if we look at this process of democratization and the religious situation, it is not the same as Cambodia – 26.8% of Czechs are Roman Catholic, 2.1% Protestants, 3.3% other religions, 8.8% unspecified and 60% are non-affiliated. So how do you explain this gap between the democratization of the Czech Republic and the percentage of those non-affiliated? Last year, when I was in France, I was witness to a debate on the future of Christianity in Europe. Answer me, frankly: We are parents, we have children – who would like to see their child become a Christian priest? How many percent? To have more churches in Europe, or to close the churches? I think to close churches – and many have been closed, so now churches can be used as concert halls and for exhibitions. But in terms of the democratic process, I cannot say that democratization has promoted spirituality. Turning to South America, Venezuela, Bolivia, and others – these are deeply religious people. But it doesn't mean that some political systems are not sometimes very totalitarian. So I agree that we must think seriously about how we assess this relationship between democracy and religion. I think that religion must contribute to democratization in two ways. Firstly, religion must extend its reach when totalitarianism and dictators try to take power – the church, the pagoda, or the mosque, have a role to play. Otherwise, I'm very pessimistic, and I talked with Muhammad Said al-Touraihi just this morn-

ing about when I was a child in Cambodia, we heard about this problem between the Palestinians and Israel. You can always say: It's not about religion, it's just geopolitical. But there are many interfaith meetings, interfaith reunions, trying to bring Muslims, Jews, Christians and Buddhists together – they are trying to promote more understanding, and, perhaps, to influence politics. In this process, yes, religion could help to promote mutual understanding. This is the reason why I think we should stick to this process. If politics cannot move forward, we must use religions, and bring people together, because with Jesus, Allah, Buddha and others – I think that all religions are based on peace and love of one another.

Let me conclude by saying that the process of bringing democracies and religion together must be based on common understanding, and we must, from now on, promote this thinking, because religion can be a means of common understanding, but it can also be a source of division. Thank you.

**William Cook:** Our next panellist to speak is Tomáš Halík. He is Professor of Philosophy and Sociology at Charles University, and also the President of the Czech Christian Academy.

**Tomáš Halík:** Mr. Chairman, ladies and gentlemen, I think that for the relationship between politics – in our case, the democratic state – and religion – in our Western world, primarily the Jewish and Christian tradition – it would be possible to use a phrase that old Christian theology used to define the relationship between humanity and divinity in Christ: “without confusion and without separation”. Attempts to uncritically integrate and mix religion and politics – much like attempts to strictly separate them – are highly precarious. Two equally unhappy phenomena can result, in the first case, a religion that discredits itself through association with power and violence, or even a fundamentalist, triumphalist and intolerant religion as a kind of counter-culture that forms a counter-productive ghetto, an island in the midst of modern Western civilization. In the other case, a no less fanatical secularism, which, with its animosity towards religion, itself becomes an intolerant pseudo-religion, and could, likewise, turn our culture into an isolated island that will find it difficult to communicate with the rest of the world, for example, with the world of Islam.

The slogan “separation of church and state” cannot serve as a global paradigm for the relationship between religion and politics. Michael Novak pointed out in his speech on Sunday evening that even in the

West, there are two very different types of separation of church and state. I was told by German participant at our conference that there are, in fact, three types of separation, or differentiation between church and state. Not only is there the French one, based on the old counter-position of religion and state, and an Anglo-American one, but also a German model, which allows for the cooperation of church and state, and which could serve as a great inspiration for the Czech situation.

Of course, we must add that there are two other reasons why the model of separation of church and state cannot be applied on a global level. Michael Novak mentioned one this morning: the church, as an organized community of believers that exists inside various societies, distinguishable by the whole of society from the nation and from the state, is a unique phenomenon of Christianity; it's nothing like church in Judaism, in Islam, Buddhism and other religions. And not even in the West can the relationship between religion and politics be understood merely as the relationship between church and state: national states no longer have a monopoly on politics and churches and church institutions have lost their monopoly on religion. In the process of globalization, the role of the state is changing, as is the social and political role of religion.

I'm convinced that the main cause of the fall of the Soviet-style political regimes in Europe twenty years ago was this very process of globalization – regimes built on state-planned economies and censorship of culture could not stand up to a free market of goods and ideas. It was generally assumed that this liberated space would be filled with those things that communism suppressed: democracy and religion. If today, twenty years later, you talked with a citizen of the Czech Republic, you would hear many sceptical remarks about democratic and religious culture in our country. There are democratic institutions, free elections take place, there are numerous religious institutions and they operate freely, however, those questions regarding the relations between the church and state remain unresolved. The trust of citizens in politicians and the church is extremely low – the language of politicians and the language of the church are quite distinct, but they both need “language games” to truly address the majority of society – to gain their trust, and solidify an atmosphere of trust in society.

In the Czech language: faith and trust = “víra a důvěra” are similar, related words. People of faith need to be worth your faith, they need to have credibility in order to bring trust and hope to society. If they are able to show that faith is not ideology, trust is not naivety, and hope is not an illusion, then they can do truly good and important work for

a free society and democratic state. A dialogue between the world of religion and the world of politics, and attempts to reach those who are not professionals in either of these two worlds, can help in the task that I consider to be the most important in our world today: turning the process of globalization into a process of communication. Thank you.

**William Cook:** You may have noted on your programme that the original moderator is not here, and so I have replaced her, and I as panelist have been replaced by Dr. Muhammad Said Al-Touraihi, who is a native of Iraq and the Director of the Kufa Academy of Oriental Studies at Rotterdam University in the Netherlands.

**Muhammad Said Al-Touraihi:** Thank you Mr. Chairman. Ladies and gentlemen, good morning. In the Preamble to the UN Charter, addressing all nations, we read that we shall “practice tolerance and live together in peace with one another as good neighbours.” We should promote this vision of one world where we are all neighbours. I myself believe that religion supports this vision, and that there is no contradiction between democracy and religion. The problem perhaps lies in the interpretation of religious texts. This is made evident by the fact that in each and every religion, we can find texts that are incompatible with democracy or even exclude democracy.

In Islam this is a topic which has been widely discussed. At first, there was a lot of resistance, and even denial. However, it seems that today, most Muslims understand the situation better and call for democracy. We could say that there is nothing in Islam that excludes democracy, if we see democracy as a political system that – and this is most important – represents the only solution to our contemporary problems. By this, I mean political plurality, the freedom of citizens to choose their political system, alternation of political power and equality before the law. Executive power is limited by the Constitution, which also guarantees the rights of citizens and other elements of democracy.

In the Quran, democratic values can be traced to the institute of the Shurah, or consultative meetings. The Quran reads: “Tell them to sit together and discuss these matters together.” The principle of plurality is also mentioned in the Quran – everyone is free to choose their religious conviction, because in faith, there is no coercion. Islamic religious texts, in general, contain evidence of the promotion of democratic principles.

Some conservative Muslims are reluctant to use the term ‘democracy’, because it comes from the West – it is imported – and instead they employ the Arabic term ‘al Hakimiya’, which contains similar principles as the Western term ‘democracy’. It was first employed by Al Mawdudi, and further developed by Said Qutb, who brought non-Islamic ideas into the concept. They started promoting equivocal goals, which could not be applied in reality, but were easy to grasp by ordinary people who saw them as their only source of salvation. The ideology often served as a basis for despotism and terror; it was used by some governments in the Islamic world to consolidate their power through oppression, removing members of political opposition, intolerance of religious minorities (labelled as ‘kafir’, meaning ‘infidel’), and denying citizens the rights of free expression and reasoning. At the same time, the Western concept of the secular form of government, which excludes religion, supports an argument which contributes to the spread of extremist ideology among the disenfranchised, illiterate and underdeveloped population.

It is now time for us to recognize the important role of religion in the pursuit of democracy in the world, in particular because it is clear that the principles which democracy promotes have their roots in all religions, including Islam. If we accept this fact, then there is no reason why we should not re-evaluate religion’s role, meaning and importance in society. Of course, we cannot pursue the Western model of democracy in the same way as the West has done because different communities have their own peculiarities and structures, but what is absolutely critical is that they remain democratic in substance. If we could achieve a positive result here, we would succeed in the peaceful transformation from dictatorships to democracy and civil society. There is no doubt that religious leaders are watching the experiences of transition to democracy very closely; they should be trusted more. If we manage to remove the weaknesses of democratic regimes, I’m sure we would be able to overcome the obstacles to realising our visions. All religions are currently grappling with the problem of theological disputes between religious scholars who are trying to promote their own teachings and lines of reasoning. Those scholars need to reach a form of understanding, of tolerance and cooperation. What we need is more respect between and among religions because this is the only way of achieving a democratic culture – for democracy cannot exist without an environment suitable for its development.

The biggest threat to democracy lies with the governments of the Islamic world who provide safe havens, funding, and overall tol-

erance for those extremist groups who perceive ‘democracy’ as I have described. These movements spread false claims that democracy is not an appropriate form of government for the Muslim world. The Muslim population has suffered greatly under these extremist groups, which are also the main obstacle between democracy and Muslim society. Their fanaticism is translated into violence, and this is happening before the eyes of those very states which sponsor them. Violence and terrorism impact the lives of minority groups who suffer from oppression, racism and exclusion.

All of this is happening because there is an absence of democracy – and in particular, of alternating power among political groups, of respect for human life, for freedom, justice and mutual respect. Without these democratic and religious values, we cannot develop our countries any further, or transform neighbourly relations from being based as they are on trade exchange and communication into a community of countries which respect moral values. In such a community, people would be bound together by greater values than simple interests and pragmatism – and those values stem, one way or another, from the principles of democracy and religion. The best proof of this harmony between the ruler and the ruled in Islam is contained in the message of Imam Ali to the Egyptian Malik Al Ashtar: “Your heart is full of mercy, love and good treatment of your subjects. Don’t treat them as a predator, trying to steal their food. There are only two types of people: either they are your brothers in faith, or your brothers in creation.”

In conclusion, I would like to mention one extremely important thing. At present, there are millions of Muslims living in Europe, in the United States and in Australia, and I believe that these people will soon represent the democratic force in their countries of origin, because they have direct experience of democracy – they accept its principles, defend them, and call for greater cooperation with Islamic organizations. The exceptions are extremist, Salafi groups which encourage animosity towards the West – and are comparable to European radical groups. European governments, as well as the European Parliament, are mistaken in not paying enough attention to the moderates who defend democracy. It is these people who can be used to ‘bridge’ democracy into the Islamic world.

**William Cook:** Thank you. Since my original task here was to be a commentator on this panel, I’m going to claim that privilege with the briefest of personal introductions: I am a Professor of Religion and History at universities in New York and in the state of Indiana.

I want to come back to something that Michael talked about – I think we share a favourite author, Alexis de Tocqueville, the great commentator on American democracy in the 19<sup>th</sup> century. One of the things he wrote is this: “Habits of private life are continued into public life.” And, therefore, in a democracy, how citizens think and act and behave as individuals is more or less how they will behave, think and act collectively as citizens in a democracy. Tocqueville is not naïve about democracy – he recognizes that there are weaknesses and failures and problems, and by talking about those, he believes it is possible at least to mitigate the worst possible consequences of some of the weaknesses of democracy. One of the things he talks about as being dangerous to democracy – again, we are talking about individual behaviour here – is that people very often seek their immediate self-interest, very often that is economic in nature, and it is very short-sighted. I think Tocqueville would call this “misguided self-interest”, because it is so short-sighted and it is so one-dimensional. A second problem that Tocqueville talks about is the fact that in a majoritarian government, everything is unstable – not just laws, but also values; we have all seen enough public opinion polls in our life, something that Tocqueville was not subjected to, that we understand that point perhaps better than he was originally able to make it.

If these are problems of individual behaviour, and therefore problems for a democratic society, what are the counters to those weaknesses? What is most likely to mitigate, if not eradicate, those problems? As we know from what Michael has said, and what should be implied in so many things that have been said, the answer is RELIGION. By religion, as Michael points out, he meant Christianity, primarily, and perhaps the Judaeo-Christian tradition together; but as we listen to some of what Tocqueville has to say of religion as a mitigator, it will make sense to assume that he’s speaking – even if he does not know it – about the great religions of the world, and not simply about the Judaeo-Christian tradition. First of all, he said that people of religious faith have a long-term vision of things, they recognize they need to look beyond today, and they need to look at their lives as a whole and perhaps even beyond their earthly time, and that therefore religion instils in people that long-term vision that is necessary in a democracy. Secondly, Tocqueville says that religious values mitigate greed. He puts it this way: religion may not stop people from wanting to become wealthy, or even excessively wealthy, but it will limit the means they would use to attain that wealth – and that is a very important mitigation, it seems to me.

Furthermore, Tocqueville recognizes that religion develops and encourages community – for people to be together and think about the common good. That’s extraordinarily important because Tocqueville says that one of the paradoxes of democracy is that, on the one hand, people need to be in the public sphere and, on the other hand, the very principle of equality drives them away from the public sphere into areas of private privilege, where they have no privilege in the public sphere. And therefore the communitarian nature of religion is also vital to the success of democracy.

In response to the notion that a majoritarian government is morally as well as politically somewhat unstable, Tocqueville points out what I suppose is the obvious, which is that religions provide enduring, sustainable values. People in synagogues, mosques, churches and temples are not afraid to talk about what is right and wrong, and to suggest that right and wrong do not depend on what the majority believes in at a particular moment in time. Therefore, he suggests several ways in which we need to understand the importance, indeed, the fundamental importance of religion in a successful democracy.

Let me just change and come back to where I’m going. The Catholic theologian, Hans Küng has said over and over again in recent years, both in his books and to his audiences, that there’ll be no peace in the world until there is peace among religions; there will be no peace among religions until there is dialogue among religions; there will be no dialogue among religions until there is some ethical common ground among religions. And, even though we are still in an early stage of serious inter-religious dialogue, I think we all appreciate that inter-religious dialogue is necessary for peace in the world. I would argue it is also necessary for the success of democracy in the world because it’s certainly clear from what we’ve heard from four different religious traditions in this panel, that there is a good deal of common ground despite obvious differences – theological and otherwise. It’s very important for the leaders of peoples of faith to come together, to talk about what that common ground is. It’s also important for local communities – in home towns, in cities that have increasingly mixed populations – for peoples of faith, to come together – for they’re on the ground, and this needs to be both top-down and bottom-up if it is to work. But we know there is so much common ground, and we need to talk about, perhaps, what is greater common ground than we realized.

I will not argue that the great philosophers of the 20<sup>th</sup> century were people engaged in making T-shirts, but nevertheless, a few years ago, I found a T-shirt in a market in Italy called the “Universality of

the Golden Rule” – and it takes the golden rule as Jesus spoke: “Do unto others as you would have others do unto you!”, and finds similar texts in the tradition of eight great religions of the world. I don’t want the faith of humanity to rest on the cleverness of T-shirt marketers, but I think it is important to recognize that that sort of statement is a start. Perhaps, when I go through that T-shirt market in a few years, and find there’s not one universality T-shirt, but a dozen, we will not only have made progress towards peace in the world – we will also have made progress in the development of democracy throughout the world.

**William Cook:** Let me ask first if Michael, as our keynote speaker, has any responses, and then, we’ll perhaps have a more general and open discussion among the members of the panel.

**Michael Novak:** I recommend that Forum 2000 get enough T-shirts for everybody – this is really quite remarkable, I wish I could wear one.

**William Cook:** Let me ask if any of you would like to respond to any of the things that have been said.

**Prince Norodom Sirivudh:** I would just like to confess to you: when I was in charge of National Security in the government of Cambodia a few years ago, there was a Buddhist summit in Cambodia. The problem was that the Dalai Lama wanted to join the summit but was not allowed attend. And how not to respect and love the Dalai Lama as a Buddhist? I think all Buddhists respect and love him. This illustrates how relations between the state and religions are sometimes not easy. When the Royal Government of Cambodia – I came to see the Prime Minister and asked him what we should do, he answered that personally, there is nothing wrong with it – it’s a Buddhist summit and the Dalai Lama should come to Cambodia. But the result – for state reasons vis-à-vis mainland China due to our special relations in the areas of trade, the military and economics – I was given clear instructions not to grant a visa to the Dalai Lama. When we talk about democracy from the practitioner’s angle, we face these kinds of problems.

I hope that today, in Prague, Forum 2000 will bring more comprehension between leaders – that even in state-to-state relations, we must allow for flexibilities based on a democratic process, to allow such a visit to take place. I’m personally very happy that a visa was issued to the Dalai Lama and that he came to Prague.

**William Cook:** Rabbi Rosen.

**David Rosen:** I’d just like to respond to some of the comments we’ve heard here, which have gone a little bit beyond the title, to a suggestion that religion must play a role, and is a critical player in conflict resolution. I very much agree with the conclusion, but I wish, if you like, to disagree with some of the implicit assumptions as to why that is the case. I think there are those who believe that religion by definition is a “clean player”, and therefore comes with an integrity that politics doesn’t have. What I sought to present in my more sociological approach, was that I don’t believe that to be the case at all. I believe that very often religion is the problem – not because its values are inherently the problem, but simply because it is so sociologically or politically caught up in a process that it often compounds the situation and actually makes the situation worse. And that’s the case where I live in Jerusalem, in Israel and in the Middle East, where religion is not actually the source of the problem. The problem is essentially a territorial conflict, nevertheless, religion is manipulated in the context of that territorial conflict. That’s very dangerous, because as long as it is a territorial problem, it can be resolved through territorial compromise; but if it’s perceived as the conflict between the goodly and the godly against the evil and the godless, then we are condemned to unending bloodshed.

That, however, leads diplomats and politicians to conclude that the intelligent thing is to keep religion out of the equation. Now, that’s the fallacy, and that is a terribly profound fallacy, because – like all aspects of nature abhorring a vacuum – if you try to keep religion off the table in a process of conflict resolution, you are inviting the extremists to occupy centre stage. If you don’t want religious abuse to take over in a particular context, you’ve got to make sure that a constructive voice of moderate religion and support for conflict resolution is there. That’s what – in our part of the world – has completely failed: the politicians and diplomats simply do not understand that, and until they understand that, I don’t think there will be any resolution of our conflict, and that applies to many other parts of the world.

**William Cook:** Others who would like to respond to anything that’s been said?

Let me say one thing – my academic research is on the life of Francis of Assisi, a 13<sup>th</sup> century saint from Italy, an extraordinarily interesting person for a couple of reasons. First of all, in the

age of the Crusades, he went to Egypt and he met with the Sultan Al-Malik Al-Kamil. Why he went there, we don't know. What happened, we don't have a transcript. The result we do know: they liked each other; they learnt from one another – there is evidence in the historical record that the sultan learnt from that little poor man from Assisi. There is evidence in what Francis wrote following his return from Egypt that he learnt and found ways to find new practices for Christianity rooted in the experiences he had in the Islamic world. Francis of Assisi, himself, had a kind of conversion to serious Christianity by, he said, being able to say freely the Lord's Prayer, the Great Prayer of Jesus. And Francis came to a remarkable conclusion: he came to believe that, since God is his Father, and God is the Father of his friends, and God is the Father of the Emperor and of the Pope, and the leper, and the sultan, and a tree, and an animal, and a rock, therefore, all of creation really was a series of brothers and sisters. The logic is very simple: they have the same parent – they are called brothers and sisters. And Francis could embrace the Pope, a leper, the sultan, a rock, a lamb, a wolf – all in the same way because of that radical egalitarianism he experienced in his understanding of Christianity. To go back to Alexis de Tocqueville: in a book almost seven hundred pages long he says, in the very first sentence, that the essence of democracy is equality, and liberty follows from equality. It is that radical egalitarianism that Francis of Assisi experienced, in this case in the Christian tradition, which I believe is also the experience of so many religious traditions. If we indeed heed that notion, we can talk about our environment, but we can also talk about our relations with one another in different terms – terms that we don't usually use, but terms that are the essence of democracy: that radical egalitarianism.

Any final words from any of the gentlemen on the panel?

**Tomáš Halík:** I think that it is very dangerous that secular politicians and secular intellectuals in the West underestimate the power of religion – the power of religious language and religious symbols. Sometimes, when tensions between social groups, between nations, between ethnic groups, are so powerful, secular language is too weak to express such emotions. The politicians, then, in their political rhetoric spontaneously switch to the religious language: this language is very dangerous – in it, there is a treasure of great energy, of many emotions. When we talk about our political opponents as the Great Satan, there is no way for a rational political solution.

I think it's a great task for religion – for the “moderate religion” of today – to remove this demonization, to secularize the language of politicians, and to be aware that the rhetoric, the symbols, and the sacred words are treasures of an energy, which could be misused. We must “heal” this language – and try to develop the healing energy and peace potential of world religions.



Helena Houdová (left), Sigrid Rausing (right)



## The Role of Private Philanthropists in Addressing Global Challenges

### Conference Roundtable

12<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Michael Green**, Co-author, "Philanthrocapitalism: How the Rich Can Save the World", United Kingdom

Participants:

**Sigrid Rausing**, Founder, Sigrid Rausing Trust, United Kingdom

**Yohei Sasakawa**, Chairman, The Nippon Foundation, Japan

**Bob Geldof**, Musician and Political Activist, Ireland/United Kingdom

**Helena Houdová**, Founder, Sunflower Children Foundation,  
USA/Czech Republic

**Catherine Zennström**, Co-founder and Chair, Zennström Philanthropies,  
United Kingdom

**Michael Green:** Good afternoon Ladies and Gentlemen, welcome to the session on philanthropy. My name is Michael Green and I'm going to be moderating this session. We've got a fantastic panel here, and we will be looking at the role of private philanthropists in addressing global challenges. A year ago, Lehman Brothers collapsed; at the same time I also released my book about philanthropy called "Philanthrocapitalism", which was very good timing. We received lots of critical comments at the time – that writing a book that says nice things about the rich and nice things about capitalism was a bad idea. People said that giving was just a temporary fad during the boom era, and that it was going to die out with the recession. People also said that winners in capitalism had nothing to teach and nothing to contribute. Some were more sympathetic. A friend of mine said: "Well, at least it's a nice gift to give to your rich friends for Christmas to say: I think you're still rich."

One year on, we're seeing the deeper implications of the economic crisis, especially on government budgets: for the next 20 years, governments' resources are going to be extremely squeezed as they try to deal with the fiscal fallout of the economic crisis. This is going to have a real impact on our ability to finance social innovation, to finance issues that are not perhaps so popular with voters, such as international aid and development. For that reason I think we're going to see philanthropy having to play a much bigger role – not replacing the government or the state – but perhaps taking on more of the role of innovation, taking on some of the risky things the governments can't afford to do.

Certainly, philanthropy has been resurgent in the last year: the poster boy of 'philanthrocapitalism' is Bill Gates and he responded to the economic crisis not by cutting his giving, but by increasing his giving to 4 billion USD a year, and we're seeing ever more philanthropists coming through. We are also starting to see philanthropy going global – and don't get me wrong on this – but it's a real pleasure to have a panel that doesn't have any Americans on it, because philanthropy is too often seen as being an American habit. I congratulate the organizers for putting together such a great panel, which shows the diversity and spread of philanthropy around the world. I also want to compliment the organizers on organizing a panel with a majority of women speakers, which is fantastic!

We're going to go in order with our panelists, and we will start with Mr. Sasakawa, who is one of the co-founders of the Forum 2000 Foundation and who also works in his Nippon Foundation, which is

one of the largest grant-makers in Asia and is an example of Japanese philanthropy, which I'm very keen on hearing more about. Mr. Sasakawa, please.

**Yohei Sasakawa:** Thank you very much, Chairman. Ladies and Gentlemen, let me tell about the experience of a seven-year-old boy. One day his city was hit by an air raid and countless bombs were dropped. Amidst the explosions and flames, the boy and his mother fled for their lives. The whole city was devastated – bodies piled up and many of his neighbours and friends were among the dead. On a single night, more than 100 000 people. After the air raid, the boy was haunted by fear and sorrow and endured severe hunger. This is something I experienced in Tokyo during World War II. It remained in my memory throughout my whole life; it has pushed me to engage in philanthropy. I can say it was the starting point of my desire to remove fear and sorrow and alleviate poverty from the world. More than sixty years have passed since then; my country has long since recovered from the war. The problems of hunger and poverty of the early post-war period is all but gone from Japan. However, there are still many people in the world who suffer from hunger and who live in fear of war, just as I did as a seven-year-old boy.

In addressing poverty, disease and conflict, governments of industrialized countries and international organizations play a major role. But they are often hampered by a bureaucratic mindset that affects what they do. As a result, they are not always able to provide the support truly needed for local people, whose culture and circumstances differ from region to region. This is where private individuals and organizations have a role to play. They are bound by fewer constraints and can deal with problems more swiftly and flexibly. In the early 1980's a serious famine hit Sub-Saharan Africa. Many governments and private organizations offered assistance; our foundation airlifted emergency food aid to Ethiopia – this was essential aid for people who were starving. But all of this assistance raised a serious question: What happens to the people when the aid stops? Of course, the aid did eventually stop. When we give bread to hungry children, or drugs to the sick, we feel that we have done some good. But once we leave, they will start suffering again, and naturally seek more help. This has made me wonder: is aid provided out of genuine consideration for those in need? Is it really designed to solve the problems, even if aid continues their problems? When I visited a certain country and saw the large list of things they wanted from

us, I began to wonder whether we had made them dependent on aid. I wondered whether we were not deluding ourselves that we were helping them; seeing abandoned medical equipment that had been provided by other countries, or aid supplies being re-sold on markets, has also made me question the purpose of our own giving.

As aid providers, we are sometimes too self-satisfied; we congratulate ourselves on the good we are doing and fail to look deep enough into the circumstances of the aid recipients. We can become overconfident and assume that our way is the best. This can prevent us from providing the kind of aid truly needed by local people. We need to be humble and to listen to the people in need of aid. We need to improve what we do by being critical of our own work. We also need to have a long-term vision, patience and enthusiasm. As philanthropists, we need to do more than just give away money, supplies and technologies. We must also help the recipient to be self-sufficient by understanding their true needs and encouraging them to take action themselves.

After many countries and organizations withdrew aid from Africa, our foundation decided to focus on agricultural development. This seemed to be the key to solving the problem of poverty in Africa, so that not a single child would go to sleep hungry. Sasakawa Global 2000, our global project in Africa, was a collaboration between our foundation and the late doctor Norman E. Borlaug, the Nobel Peace Prize laureate who started the 'green revolution'. The objective was to teach local farmers systematic farming methods suited to their circumstances. The farmers were initially skeptical, but when they saw the large harvests that resulted, their attitude gradually changed. Soon, many began joining our project. After some time, some farmers said that they wanted to have technical advisers with advanced knowledge in order to help their fellow farmers. That led us to set up local agricultural extension departments within African universities.

In over twenty years of our activity, it is true that some countries have become dependent on our aid. But despite various difficulties, we continue to plough the land of Africa to this day. There is an Asian proverb that says: "Crops take one year to grow. Trees take ten years to grow. Man takes a hundred years to grow." It is not possible to create a green revolution in Africa overnight; it involves trial and error. But I think we can expect gradual success, as local farmers are educated to become instructors and start to think and act for themselves.

In philanthropy, the scale of the programme or the amount of aid given is not important. What matters is to keep on ploughing with humility and willingness to listen to others, to work with passion to build the future, and to maintain the conviction that we can make a difference. These, I believe, are the ingredients that eventually bring forth success.

Let me close by wishing you all success in your endeavours. Thank you.

**Michael Green:** Thank you Mr. Sasakawa, particularly for sharing the personal inspiration for your philanthropy. You have also set a very important agenda for this conversation, which is the importance of not being self-satisfied, the need to learn from trial and error, the need to be humble. And I hope that our panellists can talk a bit about the trial and error processes they've been through as well.

The next panellist, representing the Czech Republic, is Helena Houdová. You've been in philanthropy for eight or nine years now, so you're in the trial and error process. Tell us how that developed and what you have been learning along the way.

**Helena Houdová:** Thank you Michael. First of all, I want to thank President Václav Havel and Forum 2000 for having me here. It's a great honour to share the panel with such inspiring people as all of you are. In fact, Sir Bob, my husband's business partner, Philip Berber, thanks to you being his direct motivation, recently donated 100 million USD to causes in Ethiopia, and I have to say thank you.

I'm often asked why I do this, what is my motivation to work in this field, why do I care? What was the moment that changed my life? Looking back, as Mr. Sasakawa did, I couldn't find any particular moment. I just always knew that I had a choice: I had a choice to give or take, a choice to act or to remain silent. And it was a passion to act that created Sunflower Children. Our mission is to inspire people to move from indifference to compassion; we are trying to connect donors with children, with concrete projects around the world.

Let me share with you how I came to philanthropy. Growing up under the communist regime, there wasn't really any philanthropy – we didn't know the word. I think that the closest term we came to was 'social exchange', as some of you may recall. Then I moved to New York where my view on philanthropy was formed, but frankly, it was always represented by a man with grey hair, holding a cheque

at a fancy dinner. I believe that the world is changing and so should our understanding of philanthropy. To redefine philanthropy we have to redefine who the philanthropists are. We have an amazing choice today; I believe we are the first generation to be capable of mobilizing masses, a generation where every single of us can become, as Ghandi called it, “the change in the world that you want to see”. I do believe that every one of us has the power in our hands to make a difference. For me, philanthropy has always been a kind of journey.

To give a specific example of what we are able to do nowadays: you could be sitting in Prague, and by using Kiva [micro-loans], you could be supporting a particular person in Bangladesh with his own project on how to make a living. You can even follow this investment, you can manage it and probably thanks to Skype, you can even talk to the person receiving it. This is what’s happening right now, in real time. From where we are, we can watch all of this – the reality of one billion people living on less than one USD a day; and we don’t just have to watch it, we can also change it – we have the power. David Rockefeller said that philanthropy should not be an obligation – it should be a privilege. I don’t believe it should be the privilege for just a few élites, it should be a privilege for all of us.

The first time I said to myself: I am a philanthropist; it was a big moment for me. I come from a small city in the Czech Republic, I grew up in the countryside with my grandparents and I didn’t have millions of dollars, but I had this dream: I wanted to change somebody’s reality. The fact that you are in this room now probably means that you share this vision. As a fashion model, I met many people who used to say: “One day, when I’m rich, I’m going to make a difference. One day, when I have a house, I’m going to focus on doing charity. One day when I’m famous, I’m going to change the world.” And then during my due diligence trips to slums, orphanages and hospitals around the world, I met a lot of children who were also saying: “One day, I hope I will have food every day. One day, I hope I will have my family back. One day, I hope I won’t be starving and I will be healthy”. I and a few poor children believe that ‘one day’ is a journey, which starts today. I hope that all of us can start calling ourselves philanthropists, because we can make the change. We can make a difference and we have the tools in our hands. Thank you.

**Michael Green:** Thank you, Helena. I’m so glad you mentioned the way new technologies are already changing ‘giving’, the way we can connect with people on other sides of the world. You mentioned the story of Kiva. It started four years ago when they put up a website to raise a few dollars to lend to entrepreneurs in Uganda. They’re now distributing a million USD a week and they’re on track to lend up to a billion USD a year within nine years of founding. The power of new technologies is amazing. So it’s great that we’ve got Catherine Zennström here, who’s from this new technology background. We would also call you a ‘new philanthropist’ – you started just two years ago. So, what have you learned so far?

**Catherine Zennström:** Thank you, good afternoon. Thank you also to Forum 2000 for enabling me to be here; it is actually as you say, Michael, I am quite new to all of this. So I’ll just share with you a few thoughts.

One of the first questions, as Helena mentioned, that I’m regularly being asked is: “What are the motivations behind starting a philanthropic project and going ahead with trying to make a difference?” After all, there are many other jobs that are easier to do. My husband and I started our philanthropic organization – the Zennström Philanthropies – in 2007. About a year after selling his company, he became quite successful; some of you may know the company he co-founded, Skype; at that time, you could have said that promoting free communication with free software could actually pass for a philanthropic project. After that we thought we really wanted to go into having this privilege of doing something more than just retiring. I had to learn about how to manage wealth – being in this new position, you have to learn the skills of a philanthropist. You have many business schools around the world, which teach you about how to earn money, how to become successful, but there are not many to teach you about how to become a philanthropist, how to use those skills and how to invest in social injustice and make things better. It’s very different to invest in a company as a new shareholder than to invest in humanity and society in general. So I went to some of the few classes there are, such as the Institute for Philanthropy and the Global Philanthropy Forum, where I found a lot of inspiration for me to get started. This is how we started two years ago.

At first, you want to believe that you have a magic wand; you want to make this world a better place and you just want to go ahead with it. Sadly, you realize that nobody else has found that magic

wand and you have to start quite small, and you have to focus. If there is anybody here who wants to start – start small, start by focusing, because there is a lot to do and you will want to do a lot of things to help out.

So we've settled our work on two areas – human rights and climate change. Our mission is to support and engage with organizations that fight for human rights and that work to stop climate change, and also to encourage social entrepreneurs in the climate change arena. On the human rights side, we fight to defend human rights defenders, activists, journalists and lawyers who are fighting for the protection of our universal rights. We're also looking into what I call the 'invisible victims': the undocumented migrants in Europe. We are also looking into transitional justice. How do you make sure that you don't go back to an authoritarian regime and how do you keep up democracy, which is quite fragile in many parts of the world?

We established Zennström Philanthropies because we believe that the world of today is facing a lot of significant challenges and we feel that those who are in a position to do something, exactly as Helena was saying, should help to find solutions. We see it as a real investment, as a real stake in changing the world to be a better place. And it's not just an expression of concern. As a teenager, I was sending letters to prisoners who were imprisoned without a fair trial. I could not understand how that could be allowed; and I was driven not only by concern of what would happen to the prisoner, but also by a sense of justice – of wanting to fight this impunity of putting somebody in prison without a proper trial. That's how I came to and continued fighting for human rights. Today I lead the human rights portfolio and my husband, as a lover of the environment, is in charge of the climate change portfolio – he's Scandinavian and there, the environment is quite important. So that's how we decided to be more proactive and to have an engaged style of philanthropy.

The second question is: How do you go about it? How can this giving make a difference? How do we make a real impact on the systemic level, and not just show our sympathy and concern? Those are difficult questions. The easy alternative could be that you decide at the beginning of the year to distribute your funds to a number of NGOs which will do the work on the ground, you take the rest of the year off, you come back at the end of the year and wait for the evaluation time with the NGOs you have distributed your funds to, and

hopefully you get some good results. As you will have understood by now, this is not the approach we have chosen.

We believe that philanthropy is about more than just giving. It's also putting in time to understand the issues; it's also about using the social capital we have around us; it's recruiting experts in the field or getting people around you – consultants and experts – who have the knowledge that you don't have. I'm not a lawyer, and human rights is law. You also have to try to develop partnerships with the people who actually do the work; they know so much and we've got so much to learn. In other words, it's about being a catalyst for change; it's trying to get to know those who know the right solution to eradicate the problems and to work together: round tables, think-tanks, promoting social entrepreneurs and public appearances are just a few examples of how this can be done with the people who are doing the work on the ground.

This is how we have decided to work: to become 'public ambassadors' of the cause we support is something we believe is important. I've grown more confident of using my influence to persuade others of the need to protect human rights and the environment. We believe in the collaborative approach – we have chosen the approach of trying to get people together, to have NGOs working and talking to governments, institutions and other individuals and working in partnership. The idea of working with a long-term vision is also something we have chosen as part of our strategy. It's a question of choice, and it's not the easiest choice, especially in human rights where evaluating and making a difference is quite difficult to pinpoint – you don't build schools, you don't count your schools, or the books in them. Human rights are about the promotion and protection of human rights.

The proactive approach that we have chosen is to identify complementary organizations around which we can create a grant portfolio that is more than the sum of its parts and which has strong leverage. In other words, when you invest in an NGO, you know that this organization cannot do everything to deal with an issue. So, you try bringing together a number of NGOs and institutions who will complement each other in their work. I cannot do it alone and neither can they. Catalysing this change is one way we think we can really push the agenda from A to B.

A good example is how we work within the human rights portfolio, in particular, with undocumented migrants in Europe. We began by building a holistic picture of who is working on this issue

in Europe, by looking at not only the non-profit organizations, but also at other foundations, government bodies and European institutions. Then you try to paint the whole picture, with all its complexities, and you identify where investment would have the greatest impact. We also try to see things from the victims' perspective: I went to a detention centre, for example, to meet the migrants; you wear discreet clothes, you go in anonymously as a volunteer for example, and you get the real picture. By spending a whole day there and meeting those detainees – I think I met forty or forty-five migrants –, you start to understand more not only about the issue itself, but also about the personal history of those people. You see that they come from very different backgrounds, from different parts of the world; and you see them as victims of the system which locks them up like prisoners. I'm not going to go deeper into the issue, because we could spend the whole afternoon here. The point is that if you surround yourself with people who know a lot about the issue, if you put yourself into a situation where you actually meet the people you want to help and to represent, you have already made a big gesture of getting to know what is happening on the ground. One challenge is also to make sure that the NGO has access to, and is able to speak out about, their difficulties in moving forward.

That, I think, is the role of a private philanthropist – of being that catalyst for change and helping others to move forward. I think private philanthropists have the privilege of contributing by finding solutions to global challenges – whether you pick human rights, environment, or children. You can do this most effectively if you use both financial and non-financial resources, but most importantly, you can do this by reaching out to partners and by doing it together – and I can tell you that doing it together is much easier than doing it alone, behind your desk in the office, that's for sure.

That's how I see philanthropy: it's really about being an agent of change – and this echoes a little what Mr. Sasakawa was saying, in that you have to be willing to do it, but you have to be extremely humble about it, because there's a lot to learn and only by working together can you achieve a lot. Thank you.

**Michael Green:** I love the way you use the word 'solutions' in the sense of looking for answers, outcomes, impact, but also combined with humility; and it's that combination you're looking for. You have certainly picked some big targets.

Sigrid Rausing, you're an award-winning philanthropist. All of the panellists so far started young; their inspiration came to them when they were still young. Did you start when you were young, or is this something that came to you later in life?

**Sigrid Rausing:** Like Catherine, I was also obsessed with human rights as a teenager and I was a member of Amnesty International; that's really how it started. I set up my first trust in 1993 when I was living on a collective farm in Estonia, doing research for my Ph.D. in social anthropology. It was the first time that I had experienced poverty in Europe and, living in a society which had been under Soviet occupation, I started to think more about the issues I'd long been interested in: history and memory, human rights, oppressive regimes, which led me to set up a charitable foundation. Since then, we've given away some £140 million, mainly, but not exclusively, through the trust. We concentrate on four areas: civil and political rights, women's rights, social and environmental justice and minority rights; each category has a number of sub-programmes, for instance, conflicts and the arms trade, freedom of expression, torture and the death penalty, transitional justice, and so on.

We've developed a number of principles of giving: Firstly, we focus on core grants and long-term support, which enables organizations to set up a longer-term strategy and a sensible allocation of funds in-house. Our second principle is that we value clarity and brevity – this applies both internally and to our grantees. The relationship between funding bodies and grantees can easily spiral into excessively long applications, reports and meetings, which ultimately serve neither the funding body, nor the grantee. We do, however, read and assess critically; our view is that funding the wrong organization can sometimes do more harm than good. Thirdly, we mostly limit our grants to organizations with up to \$20 million U.S. or so in annual budgets; larger than that, organizations usually have a good fundraising strategy and will survive without our funds. Fourthly, this is all about people: if you're not impressed with the people you're working with – by the leadership – there will be problems further down the line. Finally, we try to be flexible and responsive. Even established organizations can find it difficult to find money for sudden needs or opportunities; and private foundations shouldn't create overly rigid rules for the process.

Human rights philanthropy can feel abstract in comparison with poverty relief or humanitarian aid. But imagine a world with-

out Amnesty International, Human Rights Watch, or the Committee to Protect Journalists, the American Civil Liberties Union (ACLU), and without the many other human rights organizations which advocate the rights of women, asylum seekers, LGBT [Lesbian, Gay, Bisexual, Transgender] people or the Roma, facing discrimination in Europe. The established human rights NGOs have, in some ways, taken over the role of the free press in democracies. It wasn't the media in the U.S. which first brought to public attention the news of the Bush programme of treatment of detainees in Iraq and Afghanistan and in Guantánamo Bay. It was the human rights organizations; Human Rights Watch and others did the research and published reports that were then picked up by the media. It was the ACLU which successfully litigated to get the so-called "torture memos" released to the public.

The last few years have shown us how easily, in the name of national security, democracies can backslide on fundamental principles and conventions. By the simple device of inventing the category of "unlawful combatant", the Bush administration determined that detainees in the war on terror were not covered by the Geneva Convention ban on torture. We all know the results of that, but let me remind you, nevertheless: indeterminate detention, stress positions, extreme temperatures, unbearably loud music, sleep deprivation, systematic humiliation, water-boarding and beating. Investigative journalists' budgets have been slashed in the mainstream media – it's not the kind of journalism that pays for itself. David Swenson, who runs the Yale Endowment Fund, has suggested recently that The New York Times be converted into a public service media organization, supported by a philanthropic endowment. But even that is not a guarantee of investigative and serious journalism, as the BBC and The Guardian in Britain, which are funded by public and charitable money respectively, have shown. NGOs, therefore, are essential to the long and painstaking work of researching and documenting abuse, pursuing legal challenges and advocating human rights implementation on the ground.

I now want to talk about some of the successes of our grantees. The Corner House in Britain, together with Campaigns Against Arms Trade (CAAT) mounted a legal challenge against the Special Fraud Office, following its decision to stop, on national security grounds, the corruption investigation into the defence company BAE Systems' contract with Saudi Arabia. They won the case in 2008, then the House of Lords overturned the ruling – there was

a great deal of publicity –, and the Special Fraud Office announced recently that they will initiate criminal proceedings against BAE Systems. Bail for Immigration Detainees (BID), again in Britain, which lobbies for asylum seekers' rights, were able to show that asylum seekers are at risk of destitution because they don't know how to apply for Section 4 (the Subsistence Level Support), or are wrongfully being denied this support. Upon release from detention, every single asylum seeker now automatically qualifies for support. One of our long-term grantees, Interights, was involved in a landmark case in the European Court of Human Rights, where in June, Turkey was found in violation of its obligation to protect women from domestic violence; the Court determined that gender-based violence is a form of discrimination under the European Convention. B'Tselem, an Israeli human rights organization, used the core funding we gave them to hand out DVD cameras to Palestinian communities, so that they could record human rights abuses; some of that material has already been used as evidence in court. Tostan, which tries with local communities to end female genital mutilation (FGM), has led many villages in Senegal and Gambia to declare that they are abandoning the practice of FGM. The programme, which is based on the pre-revolutionary Chinese model of eradicating foot-binding village by village, also includes workshops on problem solving, health, hygiene, literacy and the rights of women and girls. Each example may seem like a small victory; but these victories multiply and the language of human rights and implementation of rights on the ground is an international movement which is gathering pace.

I will leave you with one thought about the process of grant making: There is no reason why foundations can't trade or share research, thus avoiding the duplication of work both for funders and for grantees. The Open Society Institute (OSI), Atlantic, Well-spring, Catherine Zennström and others in this panel, fund what we do, why should progressive funders not found an alliance and create what would essentially be an actively managed fund of approved grantees? Our website gives details of all our grants and we often use recommendations from other grant-giving bodies. Sharing our intelligence in more systematic ways would significantly reduce our costs and thus increase the funds available for grant-making or free up staff for research and strategy. The duplication of work wastes resources for our foundations, but for our grantees, maintaining ten or more granting relationships, each with different deadlines, application formats, assessments and reporting require-

ments, is a serious strain on energy and resources. Thank you very much.

**Michael Green:** So do we have the launch there of a Forum 2000 initiative on donor coordination, perhaps? People sometimes tend to think that philanthropy is a kind of sentimental charity. From your comments and also from what you, Catherine, have been saying, you're tackling serious issues around migration, asylum seekers, the whole issue of fraud in the defence industry. This is a part of the new wave in philanthropy – taking on controversial issues, almost political issues, because that's where the really big wins are.

Talking about controversy, next to me is a man who drew the world to change what was going on in Ethiopia. It's been twenty-five years since the Band Aid single – and he has been inspiring and challenging in equal measure ever since. Bob Geldof, how are you going to reflect on twenty-five years of troublemaking?

**Bob Geldof:** Thank you very much. Well, I love money and this explosion of private philanthropy is a reflection of the exuberant growth in private wealth and, concomitantly, of political failure. Money is a sort of useless commodity at two extreme ends of its polarity: you either have nothing and you scrape by, or you have so much that it's absolutely useless to you – the thirty-fifth Picasso, the sixth house, the fourth jet. What do you do with these things? The more thoughtful use it to become, as Michael called them in his book, “hyper agents of change”, to do what they can do better than governments can. In fact, where they direct their aid is specifically in the areas where politics have failed.

To tell you what it is we do, I must say that I don't see myself as a philanthropist at all, mainly because I don't have the “wedge” that the other panellists have. I don't know what it is that I do specifically, but I'm not sure that I am a philanthropist. The word comes from Aeschylus, the Greek playwright, who talked about “philanthropia” as “loving what it is to be human” – nothing to do with humanitarianism, but loving what it is to be human. This is supposed to be the Greeks' view of the key to civilization – i.e. the state of being productive to humanity, and that's essentially what I think the people here do. I just moan a lot and kick up a fuss because I get to be on TV and radio. It's a completely different kind of wealth, but wealth it is. I have a thing called access – wealth gives you access. The problem and the difference between charity and philanthropy is

that, without question, you're involved in politics once you get into philanthropy. Money is politics, and giving large amounts of money is political. Numbers in general are political – if you create a lobby for change, dependent on your numbers, you create change. These individuals work in small tight-knit groups to be agents of change. In my case, I felt, over this twenty-five-year journey, that to actively change things, you had to engage, despite your personal feelings, or where your personal political priorities were, with the agents of change, and they are politicians. In that way I distinguish what you do Sigrid, and what the others do. Jeanne Marine and I were talking last night about Alexis de Tocqueville because Michael Novak quoted him, and she said that he was hardly ever quoted in France. But of course, de Tocqueville was a genius, he talked about voluntary associations, that is philanthropy, as being characteristically democratic. This morning, again, at the opening panel, Michael Novak said that we had forgotten about the third pillar upon which democracy stands, that is, the moral pillar, alongside the pillars of politics and economics.

Democracy imposes upon you the need for additional moral skills: those of responsibility and self-determination. That works very well in our part of the world where individualism is a sort of active independent thinking. Paradoxically, it only works when we act in concert for the common good. So, when I was exposed to something Mr. Sasakawa talked about earlier – the great crime that happened in 1984 when thirty million human beings were supposed to die because of a lack of ‘want’ –, I felt, having been informed about the beginning of the new phenomena of the global media, that were you not to do something, you would be complicit. I refused to be complicit and what I said then I still think today, because right now, while we are sitting in this beautiful palace, something close to thirty million other human beings on a continent eight miles from ours are dying. The governments don't want to call it that, the NGOs don't want to call it that, but they are dying. And I repeat what I said in 1984: that to die for want in this world of surplus is not only intellectually absurd, it is economically illiterate and it is morally repulsive. So, if you want me to sum up the past twenty-five years, futility would be the word I would reach for. But the difference is that I can write a tune and get my friends in rock'n'roll to bring this to the world's attention. I can be involved in this active individualism, this working together for the common good, and subsequently realize that the problem was greater, that we need to raise this to a political

agenda. I did Live Aid to talk to the world, because the lingua franca of this planet, despite this Forum, is not English, it's pop music. We were able to 'talk' to, I think, 1.8 billion people in 1985, not Czechoslovakia, incidentally – Russia yes, but not Czechoslovakia in 1985.

The new forum, the G7, placed poverty on the top of its agenda and it's never been off it. But we could only deal with the symptoms of this singular condition of poverty. I suggest that all the people on this panel, and other people involved in NGOs, aid organizations, charity and philanthropy, you're dealing with the same issue, and that is the singular condition of poverty. You talk about the symptoms of that condition; in my case, it's the lack of education, lack of health and hunger, in your case it's discrimination, lack of human rights. But when people get to a certain level of wealth, they can acquire these things, and, in fact, amend them. Other people, this morning, were talking about reaching a level of wealth in China where the one-party state would be instantly redundant – you seek choice; you seek to determine your own future.

Africa will get there, but it needed an event – in Prague, twenty years ago – to usher in a completely new dynamic, a new political fluidity into the situation, and that was the demise of the Iron Curtain, which happened, despite what people said, on the turn of a coin – it happened completely unexpectedly. I was touring Europe in 1989, writing about it in songs, I went back home for a break, and the next minute Europe was free. It was an extraordinary event, but from my point of view, in what I do politically, it opened up a whole new possibility. Before that, we were trapped in only dealing with the symptoms of poverty while there could be no political fluidity; we were locked into this ideological stasis – this political deadlock of the Cold War, and my generation just took that as a given, that it would never change. We could not afford to fight the Cold War in the West because we'd literally lose everything. The Soviets couldn't afford to fight it because they literally had no money. We exported the hot war to Latin America and Africa where we paid for our 'pet-brute' and they had their 'timid tyrant' standing by.

After 1989, a new political fluidity entered the situation; it was now time to define once and for all why this continent, Africa, eleven kilometres from the richest continent on the planet – why was it locked into this immeasurable poverty? I asked Tony Blair, this young boy who watched the Live Aid concert, and Bill Clinton, Gerhard Schroeder who also watched it, to set up the Commission for Africa to empirically analyze this economic condition of poverty – it

is economic. So when you talk about being deluded, and when you ask whether aid works – aid ABSOLUTELY works. I will not be lectured by Goldman Sachs' managers and economists who have been wrecking the economy for the last five years, about what's right and what's wrong. You must look at it in several stages: Charity is the individual act of one human being looking at the pain of another, and simply saying: "You know what, let me give you a hand here." And the most that they can do is put their hand in their pocket and put some of what they've earned into a charity box, where, if enough crowns or pounds or euros or dollars, go into the box, it becomes intensely political. If ten people support it, yes; if a million, the agenda starts changing. That's charity. If we do not do it, then something inside us weird creatures – something definitively human – withers and dies.

Philanthropy is at whole other levels of individual action and usually as an adjunct to a professional gain. Then you get NGOs operating somewhere in the middle of this; but NGOs can only, like the individual agent, sustain another individual or a community. Structural aid, bilateral aid, multilateral aid, is tiny to the poorest of the world. Europe, the richest continent on Earth, gets 140% more aid than the poorest continent in the world. We live in deep asymmetry. Asymmetry is the polite word for injustice, unfairness, not right, things will go wrong. When a man with a bomb can stop cities, stop armies, when a country like Angola can stop China producing, and China in turn puts us into poverty, you have asymmetry. When you have two kind, wealthy people viewing the world through the prism of rights, and trying to do something, you have a failure of politics. Of course, it is up to the human agents to involve themselves – that is the essence, as we heard this morning, of democracy; it is a moral act. But the point is that to cohere a state, you must have basic health, you must have basic education, you must have primary agriculture. Only then can the state possibly grow an economy that businesses will invest in. That is essentially what happens; it's very straightforward and I will not hear that aid does not work.

When I became involved, there were three democracies in Africa; now, there are twenty-three. When I became involved, there were more wars in Africa than anywhere in the world; today, there are less than in Asia. In 2002, fifty thousand people had to pay for their anti-retroviral drugs in a continent of nine hundred million – the epicentre of this vicious pandemic. Today, 3.8 million get them for free, but it's not enough. After Make Poverty History, the Live Aid move-

ments and the Gleneagles G8, we cancelled the debt and thirty-seven million children were in school within six months. Thirty-seven million sentient, intellectual, human spirits – all that potential, all that dynamism, all that creativity, all that productivity – released. That is to our benefit. It is a great failure of politics that it required some pop singers to do a concert. It is a great failure of politics that it requires those who benefit most from our society to engage in politics. Because that's what it is.

And it will ever be thus until we begin trading, because we know that this works, we know that what pulled four hundred million people out of extreme poverty in China, was trade. China is rich, but the Chinese are poor. There are more extremely poor people in China than there are in Africa. So why do we doubt the efforts of these individuals? Next year is the twenty-fifth anniversary of Live Aid, and it's the World Cup in Africa – and Africa will put its best foot forward. But it is preposterous that you have to have forums where we talk about individual acts. Despite the wealth behind it, the Gates Foundation is game changing. But of the top six foundations in the world, four of those go to cultural events in their own countries. That's probably OK, they probably need them; we need education in our part of the world. But we need to question the relationship between philanthropy, democracy, individual agents of change: how they impact upon politics, how politics are compromised and how they as organizations and as individuals are compromised, and whether the game is worth the candle, as we say in England. I would suggest it is worth the candle. I get no sense of self-fulfilment – none, zero, nothing. Give me a number one record in the Czech Republic and I'll be happy, that works for me.

But what we heard first was the delusion of the man who has spent his life trying to help others and then saying: well, you have to build a hospital, then you have to train the doctors. Yes, that's right, and it doesn't mean that you're in it for the long haul. It means that that government in that country is failing. And part of the gig is to say: "You're useless. You're rubbish. Get out! And if you don't get out, you're a thug, you're a creep, you exist for the benefit of your people." It's not easy for institutions and philanthropists to necessarily say that; it's part of my job, and I can get away with it because I'm charming and Irish and talented and gorgeous, whatever. But do it anyway – you don't need the millions represented here, you can just do any odd job. In the middle of Band Aid, people called me up, secretaries called me saying: "I want to do something." And I said:

"Great, do Secretary Aid." They asked what that is, and I replied: "I don't know, I'm not a secretary." [part of the recording missing] I sort of hold on in the face of that derision and futility. Whatever you can do, or dream you can, do it. Boldness has genius, magic, empowered in it. Now, that's true.

**Michael Green:** Thank you, Robert, inspirational as ever. A hundred years ago the American satirical writer, Ambrose Bierce, described a philanthropist as "an elderly gentleman, probably bald, who has learned to smile while his conscience picks his pocket". That may not have been accurate then, it certainly isn't accurate now, please give the panel a round of applause.



Oksana Chelysheva



## Closing of the Conference – Václav Havel

13<sup>th</sup> October, 2009, Žofín Palace

**Václav Havel**, Former President, Czech Republic

Ladies and gentlemen, distinguished friends, after all these excellent speakers, it is rather difficult for me to address you. Therefore, I will not attempt to sum up the results of this year's Forum 2000; I will only make a few comments.

We have had approximately sixty-five delegates from abroad – among them philosophers, politicians, philanthropists, and public figures – in other words, precisely the kind of people who have always tried to make Forum 2000 a space for debate about the problems facing the world today. We have had people from all continents, and I should underline that we have also had participants from Burma, Cuba, Belarus, Zimbabwe, Botswana and other countries, open-minded participants from different countries and continents.

The Conference was divided into eight main panels, which took place here in the large hall at Žofín but, apart from that, there were a number of smaller, accompanying events and panel discussions that were held at different venues in Prague.

It would have been impossible for us to attend all of these events, but we will not miss out on anything because the proceedings will be published; this publication will then be available for everyone. It seems to me that this year's thirteenth Forum 2000, just like the previous ones, has once again met the objectives of such a gathering by creating a calm, open environment for debate among

all sorts of people, for a debate that reflects on the various aspects of today's world – its problems, its perspectives, and all the dangers looming outside.

Apart from these panel discussions, the personal encounters in the corridors, over breakfast, lunch, or dinner, and during our parties, have also been very important. People have had the opportunity to discuss issues in twos, in threes, and by doing so, meeting the very basic human need for dialogue, conversation and for learning about one another. We don't share opinions on everything, so it is therefore very important that we are capable of explaining our views to each other, to try to persuade the other party, or at least encourage the other party to consider criticisms which they had not previously thought about.

As you know, this was our 13<sup>th</sup> Forum 2000, and there is hope that one year from now, we will have a 14<sup>th</sup> Forum 2000. I want to thank the Forum 2000 Foundation for organising this event, and I also thank Mr. Sasakawa, who has been a major sponsor of this Conference since its inception.

The next, 14<sup>th</sup>, Forum will be looking at some of the topics pertaining to human settlement. The way current civilization is acting in this respect – behaving as it pleases is very dangerous. In many places, the countryside is disappearing; millions of people are moving into cities, which are cities no longer, and are instead becoming gigantic agglomerations where crime thrives and environmental problems arise as a result. We would like to invite international urban planners, architects and other experts to think collectively about this particular phenomenon. This will be a part of the major theme of the next Forum 2000.

Once again, I would like to thank you for having attended the conference, thank you for your cooperation, for coming to Prague. Let me express my belief that we shall meet here again next year, and, in particular, I hope that these meetings will enter your memories in a positive way and that they will contribute to our human self-reflection. Thank you for your attention.



## Gala Dinner with Remarks by Jan Fischer

12<sup>th</sup> October, 2009, Mlýnec

**Jan Fischer**, Prime Minister, Czech Republic

Dear President Havel, Your Excellencies, distinguished guests and dear participants of this Forum 2000. It's a great pleasure and honour for me to be here with you and to share my impressions and some comments on the past twenty years. Don't worry, I won't shower you with statistics but the tradition continues: my oldest son is also a statistician, and that will be all I'll say about statistics.

Twenty years is a period that spans a whole generation and I have about ten minutes to summarize those twenty years of our struggle for democracy. This is not much time for a sophisticated historical study, but time enough for a few basic comments. I would like to focus on three aspects of this period, of this striving for democracy. I will talk a little about civil society, the economy and politics, and of course about the relationship between them and their relationship with the current situation.

Perhaps you will agree with me that the greatest progress has been made in civil society. Young people who have grown up in the past twenty years do not differ in the slightest from their Western counterparts. The lifestyle of our whole society has undergone a dramatic change. In this regard, we have become a normal European country. After years of forced involvement, networks of voluntary organizations have developed, ranging from churches to charity

institutions, common interest associations, including organizations dealing with administration, lobbying and public affairs, by which I do not only mean political parties. How does the economic and political sphere make use of the civic base? That's a very complicated question.

Let me begin with the economy. As far as businessmen are concerned, they do not lag behind their Western colleagues, except perhaps in having worse starting conditions, not only as far as capital and access to information are concerned, but especially in the quality of the business environment and the efficiency of public administration and the social system. Statistics show that small entrepreneurs and Czech companies have demonstrated the ability to seize the opportunities made available to them and have been able to make use of the period of prosperity and of our access to the European Union. However, the data also show how vulnerable business is to the quality of the institutional environment: excessive bureaucracy, high and confusing taxes and the still considerable level of corruption in the Czech Republic. Similarly, postponing reforms has a high impact on business, especially during the crisis, and this long-standing problem rebounds on us like a boomerang. Thus, I come smoothly, if not entirely optimistically, to the area I wish to speak about, and that is politics.

Without doubt, it is politics, which is the worst functioning and least efficient of the elements I mentioned earlier. In this country, we have had two great opportunities, two great chances to implement radical reforms, and in particular of the social, healthcare and pension systems. The first of these was in the first half of the 1990s. At that time, people were still willing to make sacrifices, were ready to bear the necessary costs of transformation, but in practice, that willingness ended after two years. Then followed the maintenance and conservation of the practice of the welfare state and the policy of massive state intervention, achieved mainly through banks owned in part by the state.

Our second opportunity came ten years later. The years immediately before our EU accession, and just after were the best we could have had. The global boom and the opening up of the common market presented an enormous opportunity. As I have already mentioned, businessmen made full use of it. Unfortunately, the politicians didn't. In spite of the fact that hundreds of billions of crowns flowed into the state coffers, the state continued to incur debts at an increasing rate. In fact, no substantial reform has been made to this time.

Now we are reaping the consequences of these failures: reforms are much more difficult to push through and they meet with much stronger resistance than would have been the case in 1994 or in 2004. We must learn our lesson from the crisis and the lesson is: what you can do today should not be delayed till tomorrow; reforms are not something that can wait until things have reached their worst because the worst can be upon you very, very quickly.

The consumer model of society is unsustainable in the long run. We cannot just think about instant consumption and continue to spend more than we earn. We must think about our children's future and not just what will secure power for us for the next four years. This was true before the crisis, but now we should take even greater note of it. Of course, you might say: "It is alright for him to say this when he is not a career politician, he will be done with it soon enough." There is something in that, but then again, a year and a quarter in government is long enough to do a lot of damage or, indeed, to do some good. For my part, I definitely do not intend to buy myself a comfortable survival until the end of my term in office by agreeing with irresponsible policies.

The crisis has tested the cohesion and maturity of society in all three of the aspects I mentioned earlier. It is the political sphere which has come off worst. Unfortunately, its failure and its inability to reach agreement have an impact both on the economy and on civic society. Poor policies suffocate business, economic activities send out wrong signals to companies, and high debt is a threat to the future. Uncertainty in political life will itself generate frustration and mistrust in democracy among the population, the growth of extremist tendencies and disillusionment amongst the public. We are not alone in this: in other places in Europe, there is a breakdown of political responsibility, an expansion of populism and extremism, and the delaying of painful reforms. Trust in the democratic system is generally in decline.

But this is no reason to give up hope. On the contrary, it is a call to join forces to attempt to promote responsibility and rationality in the European Union and in other corners of the planet. We have full responsibility for the future, not just for the future of the Czech Republic, but that of Europe and the world. And responsibility rests with politicians, but also with civil servants, intellectuals and the media. The latter cannot be left out of this appeal. Personally, I fear that journalists are increasingly giving up on the idea of any notion of some higher mission. Their work doesn't always

contribute to greater public awareness, to greater social cohesion, greater respect for moral values. Too often they scratch the surface of cheap sensation, failing to differentiate between good and evil, but not failing when it comes to what sells, and what doesn't. Media must be independent, absolutely, but they cannot be independent of the truth, as someone very wise mentioned some years ago in this country. I am convinced that journalists are as responsible for our present and our future as our politicians. Just like them, they have the ability and power to influence public events and public opinion. In short, we are in this together.

Over these past twenty years, we have had enough time to notice what is missing most. I have tried to show that, in my opinion, this is stronger social consensus, stronger commitment to reform and the promotion of long-term visions at the expense of momentary political advantage. Each of us who in some way influences public debate should start with him or herself, and state how far he or she contributes to such goals or hinders them. Thank you for your attention.



Izzeldin Abuelaish (left), Ehud Barak (right)



## Other Conference Events Overview

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### Breakfast with Remarks by Izzeldin Abuelaish

12<sup>th</sup> October, 2009, Žofín Palace

Introduction:

**Tomáš Vrba**, Chairman of the Board of Directors, Forum 2000 Foundation, Czech Republic

Remarks:

**Izzeldin Abuelaish**, Doctor and Peace Activist, Canada/Palestine

Video available at: <http://www.forum2000.cz/en/projects/forum-2000-conferences/2009/video-recordings/>



## Peace Process and the Importance of Water Issue

### Public Presentation

Organized in cooperation with Coca-Cola.

13<sup>th</sup> October, 2009, Žofín Palace

Moderator:

**Jakub Landovský**, Forum 2000 Foundation, Czech Republic

Guests:

**Hillel Shuval**, Water Expert, The Hebrew University of Jerusalem, Israel

**Abdulrahman Tamimi**, Water Expert, Palestine

Video available at: <http://www.forum2000.cz/en/projects/forum-2000-conferences/2009/video-recordings/>



Toshimitsu Shigemura (left), Harsha Kumara Navaratne (center), Yohei Sasakawa (right)



## Associated Events Overview

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### Economic Crisis: European vs. American Solution

#### Debate

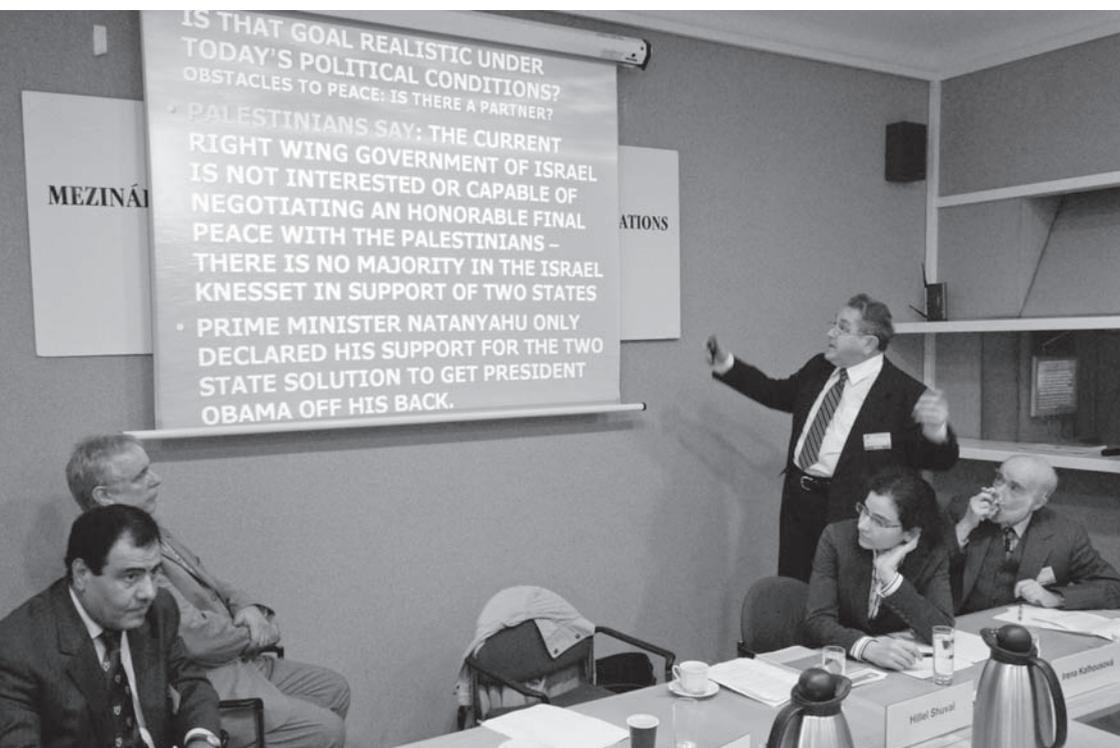
Organized by the Forum 2000 Foundation in cooperation with Babel Czech Republic.

12<sup>th</sup> October, 2009, Café Therapy

Participants:

**Luděk Niedermayer**, Former Vice-Governor, Czech National Bank, Czech Republic

**Jan Švejnar**, Professor of Business, Economics and Public Policy, University of Michigan, Chairman, CERGE-EI, USA/Czech Republic



## The Future of Palestinian-Israeli Relations

### Roundtable

Organized by the Forum 2000 Foundation in cooperation with the Institute for International Relations and the Anna Lindh Foundation.

12<sup>th</sup> October, 2009, Institute of International Relations

Moderator:

**Jan Bureš**, Institute for International Relations, Czech Republic

Participants:

**Izzeldin Abuelaish**, Doctor and Peace Activist, Palestine

**Hillel Shuval**, Water Expert, The Hebrew University of Jerusalem, Israel

**Irena Kalhousová**, Near East Programme, Association for International Affairs, Czech Republic

**Luboš Kropáček**, Professor, Charles University, Faculty of Arts, Czech Republic

**Jana Hunterová**, Photographer, Member of the ALF network, Czech Republic



## The State of Civil Society in Today's Russia

### Panel Discussion

Organized by the Forum 2000 Foundation in cooperation with DEMAS.

12<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Libor Dvořák**, Journalist, Czech Republic

Participants:

**Yegor Gaidar**, Former Prime Minister, Russia

**Ella Lazarovna Kesaeva**, Co-Chair, The Voice of Beslan, Russia

**Pavel Chikov**, Chair, Interregional Human Rights Association "AGORA", Russia

**Anna Sevortian**, Deputy Director, Center for the Development of Democracy and Human Rights, Russia

**Sergey Lukashovsky**, Director, Museum and Social Center of Andrey Sakharov, Russia



## Universal Rights For Women? The State of Women's Human Rights in Muslim Countries

### Panel Discussion

Organized by the Forum 2000 Foundation in cooperation with the ProEquality Centre.

12<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Tereza Wennerholm Čáslavská**, ProEquality Centre at the Open Society, Czech Republic

Participants:

**Izzeldin Abuelaish**, Doctor and Peace Activist, Palestine

**Freshta Jalalzai**, Journalist, RFE/RL - Afghanistan Section, Czech Republic/Afghanistan

**Jana Hybášková**, Leader of the EDS, Expert on the Middle East, Czech Republic

**Jana Hradílková**, Programmes for Chechnya and Afghanistan, Berkat, Czech Republic



## Eternal Vigilance

### Panel Discussion

Organized by the Forum 2000 Foundation in cooperation with Respekt Institut.

13<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**John Suárez**, Human Rights Director, Cuban Democratic Directorate, USA/Cuba

Participants:

**Alyaksandar Milinkevich**, Opposition Leader, Belarus

**Trudy Stevenson**, Opposition Politician, Zimbabwe

**Tamara Sujú Roa**, Attorney, Human Rights Activist, Venezuela

**José Gabriel Ramón Castillo**, Sociologist, Human Rights Activist, Cuba

**Sabe Amthor Soe**, Director, Burma Center Prague, Czech Republic/Burma



## Security and Arms Race in Latin America

### Panel Discussion

Organized by the Forum 2000 Foundation in cooperation with Respekt Institut.

13<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Carlos González**, Political Analyst and Journalist, Respekt Institut, Czech Republic

Participants:

**Jorge Quiroga**, Former President, Bolivia

**Francisco Bermúdez**, Former Minister of National Defense, Guatemala

**Javier Loaiza**, Consultant and Political Analyst, Colombia



## Constitutional Reforms and Democracy in Latin America

### Panel Discussion

Organized by the Forum 2000 Foundation in cooperation with Association for International Affairs.

13<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Vladimíra Dvořáková**, University of Economics, Czech Republic

Participants:

**Javier Loaiza**, Consultant and Political Analyst, Colombia

**Tamara Sujú Roa**, Attorney, Human Rights Activist, Venezuela

**John Suárez**, Human Rights Director, Cuban Democratic Directorate, USA/Cuba

**Luz Araceli González Uresti**, Investigating Professor, Technological Institute and Superior Studies in Monterrey, Mexico



## Who is Responsible for Crimes in Chechnya?

### Presentation

13<sup>th</sup> October, 2009, Goethe Institut

Introduction:

**Ondřej Soukup**, Journalist, Czech Republic

Presenter:

**Oksana Chelysheva**, PEN Center Writer, Finland/Russia



## Gaza And Israel, The Human Rights View

### Presentation

Organized by the Forum 2000 Foundation in cooperation with Amnesty International.

13<sup>th</sup> October, 2009, Goethe Institut

Moderator:

**Tomáš Lindner**, Journalist, Respekt Magazine, Czech Republic

Participants:

**Izzeldin Abuelaish**, Doctor and Peace Activist, Palestine

**Marek Čejka**, Lawyer and Political Scientist, Institute of International Relations, Czech Republic

**Dáša van der Horst**, Director, Amnesty International, Czech Republic



## Fields, Forms, Difficulties and Risks of The Interfaith Dialogue in Different Parts of The World

### Debate

Organized by the Forum 2000 Foundation in cooperation with the Academic Parish of Prague.

13<sup>th</sup> October, 2009, Academic Parish of St. Salvator

Moderator:

**Tomáš Halík**, Member of the Program Committee, Forum 2000 Foundation, Czech Republic

Participants:

**David Rosen**, Former Chairman, International Jewish Committee for Interreligious Consultations, International Director of Interreligious Affairs, American Jewish Committee, Israel

**Prince Norodom Sirivudh**, Cambodian Institute for Cooperation and Peace, Kingdom of Cambodia



## Supporting Human Dignity in a Globalized World: How Social Entrepreneurs Are Honouring and Aiding Individuals

### Workshop

12<sup>th</sup> October, 2009, Goethe Institut

Led and facilitated by:

**Lydia Kan**, Executive Coach and Advisor to One World Youth Project, The Converging World, The Climate Project and Virgin Unite, United Kingdom

## **Africa's Emerging Importance**

### **Public Policy Dinner and Reception**

Organized in cooperation with Prague Society for International Cooperation.

## **L.A.F. Project: Laughter and Forgetting**

### **International Photography Exhibition at Žofín Palace**

Organized by the Forum 2000 Foundation in cooperation with L.A.F. Project.

## **Nepal 2009 Expedition**

### **Photography Exhibition at Laterna Magika**

Organized by the Forum 2000 Foundation in cooperation with Atma Do.



Jiri Musil (left), Bob Geldof (right)

# Forum 2000 Delegates 1997–2009

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Information about participants refers to the time of their stay in Prague.

**TAHIR ABBAS**, Director of Birmingham University's Centre for the Study of Ethnicity and Culture, United Kingdom

**SHARIF M. ABDULLAH**, Director of the Commonway Institute, USA

**IZZELDINE ABUELAISH**, Doctor and Peace Activist, Palestine

**NASR HAMID ABU-ZAYD**, Scholar of Islamic Studies, Egypt

**PATRICIA ADAMS**, Economist and Executive Director of Probe International, Canada

**AKYAABA ADDAI-SEBO**, Consultant on Preventive Diplomacy and Conflict Transformation, United Kingdom

**MOHAMMAD AFZAL KHAN**, Former Lord Mayor of Manchester, United Kingdom

**FARISH AHMAD-NOOR**, Historian and Political Scientist, Malaysia

**YILMAZ AKYÜZ**, Economist and Scholar, Turkey

**TARIQ JAWAID ALAM**, Students' Forum 2000 Delegate, Pakistan

**MADELEINE ALBRIGHT**, Chair of the National Democratic Institute for International Affairs and President of the Truman Scholarship Foundation, Former Secretary of State, USA

**MOHAMMED MOHAMMED ALI**, Islamic Researcher and Politician, human rights activist, Iraq

**JITZSCHAK ALSTER**, Partner at Shimoni, Alster & Rasiel, Israel, Founder of the Venezuelan of the People's Alliance (political party), Venezuela

**CHRISTIANE AMANPOUR**, CNN's Chief International Correspondent, USA

**ROBERT R. AMSTERDAM**, Attorney, Canada

**EDUARDO ANINAT**, Economist, scholar and former Minister of Finance, Chile

**MURIEL ANTON**, CEO, Vodafone Czech Republic, Czech Republic/Canada  
**MOHAMMAD BASHAR ARAFAT**, President of Civilizations Exchange and Cooperation Foundation, Syria/USA

**MAEN RASHID AREIKAT**, Coordinator General, Negotiation Affairs Department of the PLO, Palestine

**JOSE MARIA ARGUETA**, Former (and first civilian) National Security Advisor of Guatemala, Guatemala

**OSCAR ARIAS SÁNCHEZ**, Former President, Nobel Peace Prize Laureate (1987), Costa Rica

**TIMOTHY GARTON ASH**, Political Scientist and Writer, United Kingdom

**KEN ASH**, Deputy Director for Food, Agriculture and Fisheries at the OECD, Canada

**HANAN ASHRAWI**, Former Minister of Education, Palestine

**SHLOMO AVINERI**, Professor Emeritus of Political Science at the Hebrew University of Jerusalem, Israel

**EDITH AWINO**, Students' Forum 2000 Delegate, Kenya

**MEHMET AYDIN**, Dean of the Faculty of Theology at the University of Dokuy Eylül in Izmir, Turkey

**PATRICIO AYLWIN AZOCAR**, Former President, Chile

**MARK AZZOPARDI**, Students' Forum 2000 Delegate, Malta

**HUSEYIN BAGCI**, Professor of International Relations at Middle East Technical University, Turkey

**MIRIAM BALABAN**, Secretary General of the European Desalination Society, USA

**LESZEK BALCEROWICZ**, Former Deputy Prime Minister and Minister of Finance, Poland

**EHUD BARAK**, Deputy Prime Minister and Minister of Defense, Israel

**CATHERINE BARBER**, Economic Policy Adviser for Oxfam, United Kingdom

**ANDRIS BARBLAN**, Historian and political scientist, Secretary General of the Association of European Universities, Switzerland

**DEBI BARKER**, Executive Director of the International Forum on Globalization, USA

**ALEXANDRE CHAMBRIER BARRO**, Economist, Gabon

**HIS ALL HOLINESS BARTHOLOMEW**, Head of the Orthodox Church, Greece

**WADYSŁAW BARTOSZEWSKI**, Historian, Author and Diplomat, Poland

**THOMAS BATA**, Czech-born Businessman, Canada

**ZYGMUNT BAUMAN**, Sociologist and Philosopher, Poland

**WALDEN BELLO**, Professor of Sociology and Public Administration, Philippines

**CARLOS FELIPE XIMENES BELO**, Nobel Peace Prize Laureate (1996), East Timor

**PAVEL BÉM**, Lord Mayor of the City of Prague, Czech Republic  
**FRANCISCO BERMÚDEZ**, Former Minister of National Defense, Guatemala  
**ROBERT L. BERNSTEIN**, President of Human Rights Watch, USA  
**KURT BIEDENKOPF**, Prime Minister of Saxony, Germany  
**MURAD J. BINO**, Executive Director of the Inter-Islamic Network on Water Resources Development and Management, Jordan  
**AKIN BIRDAL**, Former President of the Human Rights Association, Turkey  
**LAJOS BOKROS**, Former Minister of Finance, Hungary  
**SYLVIA BORREN**, Director of Non-governmental organization Novib, Netherlands  
**LYDIA BOSIRE**, Students' Forum 2000 Delegate, Kenya  
**WILLIAM BOURDON**, Attorney and former Secretary General of the International Federation of Human Rights Leagues, France  
**JEAN-LOUIS BOURLANGES**, Chairman of the European Movement, France  
**JOSEP BRICALL**, Former President of the Association of European Universities, France  
**HANS VAN DEN BROEK**, Member of the European Commission, The Netherlands  
**DAVID B. BROOKS**, Senior Advisor of Fresh Water, Friends of the Earth, Canada  
**JAN BUBENÍK**, Founder of Bubeník Partners and Chairman of the Corporate Council of the Forum 2000 Foundation, Czech Republic  
**IGNATZ BUBIS**, Chairman of the Central Council of Jewish Organizations, Germany  
**MARTIN BURSÍK**, Deputy Prime Minister and the Minister of Environment, Czech Republic  
**MARTIN BÚTORA**, Sociologist, Writer and President of the Institute for Public Affairs in Bratislava, Slovakia  
**MARIO CAFIERO**, Politician, Argentina  
**KIM CAMPBELL**, Former Prime Minister, Canada  
**FRITJOF CAPRA**, Physicist and Systems Theorist, USA  
**JORGE G. CASTAÑEDA**, Former Minister of Foreign Affairs, Mexico  
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**VLADISLAV ČERYCH**, Educational Expert, Czech Republic  
**CHI STEVE CHAN**, Politician, Taiwan  
**JOSEPH CHAN**, Sociology Professor at the University of Hong Kong, China  
**CLEMENT C. P. CHANG**, Founder of Tamkang University, Taiwan  
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**PAVEL CHIKOV**, Chair, Interregional Human Rights Association „AGORA“, Russia  
**ROBIN CHRISTOPHER**, Former British Ambassador to Argentina, Indonesia, Ethiopia and Eritrea, United Kingdom  
**MAMADOU CISSOKHO**, Honorary President of the Conseil National de Concertation et de Coopération Rurales, Senegal  
**WILLIAM J. CLINTON**, 42<sup>nd</sup> President, USA  
**HILLARY CLINTON**, First Lady, USA  
**WILLIAM COOK**, Professor, State University of New York, USA  
**ROBERT COOPER**, Director-general Politico-Military Affairs, Council of the EU, United Kingdom  
**ANASTASIA CRICKLEY**, Chairperson, Management Board of the European Union Agency for Fundamental Rights, Ireland  
**PÁL CSÁKY**, Member of the National Council, Slovak Republic  
**YAVUZ ÇUBUKCU**, Water Adviser for the Ministry of Foreign Affairs, Turkey  
**RALF GUSTAV DAHRENDORF**, Political Scientist and Sociologist, Germany  
**HIS HOLINESS THE DALAI LAMA**, Supreme Spiritual Representative, Tibet  
**JOYCE DAVIS**, Director of Broadcasting of the Radio Free Europe/Radio Liberty, Czech Republic/USA  
**STEPHEN M. DAVIS**, Specialist on International Corporate Governance, USA  
**THOMAS C. DAWSON**, Director of the External Relations Department of the International Monetary Fund, USA  
**PEPPER DE CALLIER**, Chairman, Bubenik Partners, Czech Republic/USA  
**FREDERIK WILLEM DE KLERK**, Former President, Nobel Peace Prize Laureate (1993), South Africa  
**GUIDO DE MARCO**, Former President, Malta  
**JAMES DEANE**, Executive Director of Panos Institute, United Kingdom  
**GÁBOR DEMSZKY**, Politician, Lawyer and Sociologist, Hungary  
**LORD DESAI OF ST CLEMENT DANES**, Professor of Economics at the London School of Economics, United Kingdom  
**JAYANTHA DHANAPALA**, Chairman of the UN University Council, Sri Lanka  
**JIRÍ DIENSTBIER**, Former Minister of Foreign Affairs of Czechoslovakia, Czech Republic  
**PHILIP DIMITROV**, Former Prime Minister, Bulgaria  
**THOMAS A. DINE**, President of Radio Free Europe/Radio Liberty, Czech Republic/USA  
**WARIS DIRIE**, Human Rights Activist and Fashion Supermodel, Somalia

**VLADIMÍR DLOUHÝ**, Economist, International Advisor of Goldman Sachs, Czech Republic  
**DEBORAH DOANE**, Chair of the CORE (coalition of over 40 NGOs), Canada  
**DITTA DOLEJŠIOVÁ**, Students' Forum 2000 Delegate, Slovakia  
**DORIS DONNELLY**, Professor of theology at John Carroll University in Cleveland, USA  
**SHIRIN EBADI**, Nobel Peace Prize Laureate (2003), Iran  
**GABRIEL EICHLER**, Founder of Benson Oak, USA  
**RIANE EISLER**, Cultural Historian, USA  
**KAKUHAN ENAMI**, Representative of the Tendai School of Buddhism, Japan  
**AMITAI ETZIONI**, Sociologist and Social Psychologist, Germany/USA  
**TOMÁŠ ETZLER**, Journalist, Reporter, Editor, and Producer, Czech Republic  
**GARETH EVANS**, Former Minister of Foreign Affairs, Australia  
**FAWZY FADEL EL ZEFZAF**, President of Al Azhar Permanent Committee of Dialogue among Heavenly Religions, Egypt  
**PRINCE TURKI AL-FAISAL**, Chairman of King Faisal Center for Research and Islamic Studies, Saudi Arabia  
**MARIA CELINA DEL FELICE**, Students' Forum 2000 delegate, Argentina  
**JÁN FIGEL**, European Commissioner for Education, Training, Culture and Youth, Slovak Republic  
**JAN FISCHER**, Prime Minister, Czech Republic  
**FRANZ FISCHLER**, European Commissioner and Former Federal Minister of Agriculture and Forestry, Austria  
**RIAN FOKKER**, Spokesperson of NOVIB Oxfam, The Netherlands  
**JOERG FORBRIG**, Students' Forum 2000 Delegate, Germany  
**ROSENDO FRAGA**, Journalist, Political Analyst and Historian, Argentine  
**ALBERT FRIEDLANDER**, Rabbi of the Westminster Synagogue in London, United Kingdom  
**FRANCIS FUKUYAMA**, Writer and Political Scientist, USA  
**JOSTEIN GAARDER**, Writer, Norway  
**IVAN GABAL**, Sociologist, Czech Republic  
**PETER GABRIEL**, Singer and Composer, United Kingdom  
**YEGOR GAIDAR**, Former Prime Minister, Russia  
**JOSEPH GANDA**, Archbishop of Freetown and Bo, Sierra Leone  
**PETR GANDALOVIČ**, Minister of Agriculture, Czech Republic  
**HENRY LOUIS GATES**, Director of Harvard's W.E.B. Du Bois Institute for Afro-American Research, USA  
**JOACHIM GAUCK**, Former Federal Commissioner for the Stasi Files, Germany  
**MOHAMMAD GAWDAT**, Managing Director for Emerging Markets, Google, Egypt

**FARA GAYE**, Sufi Sheikh, involved in the Sulha Peace Project and others, promoting Islamic-Jewish Dialogue, Senegal  
**JEFFREY GEDMIN**, President of Radio Free Europe/Radio Liberty, Czech Republic/USA  
**BOB GELDOLF**, Musician and Political Activist, Ireland/United Kingdom  
**SUSAN GEORGE**, Political Scientist, USA/France  
**HUMBERTO CELLI GERBASI**, First Vice-Chairman of the Consultative Council of the Latin-American Parliament, Venezuela  
**BRONISLAW GEREMEK**, Historian and Member of the European Parliament, Poland  
**RONALD E. GEREVAS**, Former US Presidential Appointee in the Ford Administration, USA  
**WOLFGANG GERHARDT**, Chair of the Friedrich Naumann Stiftung, Germany  
**ANTHONY GIDDENS**, Sociologist, Director of the London School of Economics, United Kingdom  
**ANTHONY C. GIFFARD**, Scholar, Member of the Board of the Inter Press Service, USA  
**HANS VAN GINKEL**, Rector of the United Nations University in Tokyo, Japan  
**MARRY ANNE GLENDON**, The U.S. Ambassador to the Holy See, USA  
**ANDRÉ GLUCKSMANN**, Philosopher and Writer, France  
**EDWARD GOLDSMITH**, Scientist, Ecologist and Scholar, Founder of The Ecologist Magazine, United Kingdom  
**ÁRPÁD GÖNCZ**, Former President, Hungary  
**CARLOS GONZÁLES**, Political Analyst and Journalist, Czech Republic  
**RICHARD GRABER**, U.S. Ambassador to the Czech Republic, USA  
**RIPRAND GRAF VON UND ZU ARCO-ZINNEBERG**, Founder and Chairman, American Asset Corporation, USA  
**MICHAEL GREEN**, Co-author, "Philanthrocapitalism: How the Rich Can Save the World", United Kingdom  
**VARTAN GREGORIAN**, President of Carnegie Corporation of New York, USA  
**NORBERT GREINACHER**, Professor of Theology, University of Tübingen, Germany  
**EDUARDO MARCAL GRILO**, Director of Gulbenkian Foundation and former Minister of Education, Portugal  
**DAGMAR GROSSMAN**, CEO of Grossman Jet Service, Austria/Czech Republic  
**TEOFISTO T. GUINGONA**, Vice President and Minister of Foreign Affairs, Philippines  
**AMMAR AL-HAKIM**, Vice President of the Supreme Islamic Iraqi Council, Iraq  
**TOMÁŠ HALÍK**, President of the Christian Academy, Czech Republic and Member of the Program Committee, Forum 2000 Foundation, Czech Republic

**JOHN HALL**, Sociologist and Professor at McGill University in Montreal, Canada  
**FAOUZIA HARICHE**, Communal Politician, Algeria/Belgium  
**LEE HARRIS**, Essayist and Contributing Editor to Tech Central Station, USA  
**BAMBANG HARYMURTI**, Editor in Chief of the news magazine Tempo Weekly and the newspaper Tempo Daily, India  
**EL HASSAN BIN TALAL**, Prince of the Jordanian Hashemite Royal Dynasty, Jordan  
**VÁCLAV HAVEL**, Former President, Czech Republic  
**HAZEL HENDERSON**, Futurologist, USA  
**PHILLIP HENDERSON**, Vice President of the German Marshall Fund, USA  
**EVELINE HERFKENS**, UN Secretary General's Executive Coordinator for the Millennium Development Goals Campaign, Netherlands  
**THOR HEYERDAHL**, Ocean Traveler and Author, Norway  
**COLIN HINES**, Author of "Localization: A Global Manifesto", United Kingdom  
**MAE-WAN HO**, Professor of Biology at the Open University, United Kingdom  
**JEREMY HOBBS**, Executive Director of Oxfam, USA  
**THE RT. H. LORD HOLME OF CHELTENHAM**, Chairman of the Steering Committee of the International Chamber of Commerce Environment Commission, United Kingdom  
**TAKEAKI HORI**, Anthropologist and Advisor to the President of the Nippon Foundation, Japan  
**HELENA HOUDOVÁ**, Founder and President, Sunflower Children Foundation, USA/Czech Republic  
**HSIN-HUANG MICHAEL HSIAO**, Director of the Center for Asia-Pacific Area Studies, Taiwan  
**THEODORE M. H. HUANG**, Chairman of the Teco Group, Japan  
**ELLEN HUME**, Former White House Correspondent for The Wall Street Journal, USA  
**JACQUES HUNTZINGER**, Former French Ambassador to Israel, France  
**AZHAR HUSSAIN**, Vice President for Preventive Diplomacy and Director, Pakistan  
**ANWAR IBRAHIM**, Former Deputy Prime Minister, Malaysia  
**MICHAEL INACKER**, Deputy Editor in Chief of the WirtschaftsWoche paper, Germany  
**VICTORIA PEREYRA IRAOLA**, Students' Forum 2000 Delegate, Argentina  
**AKIRA IRIYAMA**, Vice President of the Sasakawa Africa Association, Japan  
**HIROYUKI ISHI**, Professor of Hokkaido University, Japan  
**MIHOKO ITO**, Students' Forum 2000 Delegate, Japan  
**VJAČESLAV IVANOV**, Professor of Linguistics at the University of California, USA

**MAREK JACINA**, Students' Forum 2000 Delegate, Canada  
**BRUCE P. JACKSON**, Founder and President of the Project on Transitional Democracies, USA  
**ASMA JAHANGIR**, Lawyer, Chair of the Human Rights Commission, Pakistan  
**MARTIN JAHN**, Member of the Board of Management of Škoda Auto a.s., Czech Republic  
**JOSEF JAŘAB**, Rector of Central European University in Budapest, Czech Republic  
**CLAUDE JASMIN**, Professor of Oncology, France  
**MICHAELLE JEAN**, Governor General, Canada  
**WEI JINGSHENG**, Dissident and Father of the Chinese Movement for Modern Pro-Western Democracy, China  
**ERIK JONNAERT**, Chairman of the European Center for Public Affairs, Belgium  
**JONAS JONSON**, Bishop of Strängnäs and Member of the World Council of Churches, Sweden  
**MARK JUERGENSMEYER**, Director of the Orfalea Center for Global and International Studies, USA  
**WAHU KAARA**, Activist and Member of the Women's Environment and Development Organization, Kenya  
**JÜRGEN KAISER**, Former Coordinator of the Jubilee 2000 campaign, Germany  
**MARY KALDOR**, Professor of Economics at the London School of Economics, United Kingdom  
**NOERINE KALEEBA**, Activist fighting HIV/AIDS, Uganda  
**SANDRA KALNIETE**, Member of European Parliament, Former EU Commissioner, Latvia  
**AHMAD KAMEL**, Bureau Chief of Al-Jazeera's North and Central Europe, Belgium  
**KÓEI KANI**, Representative of the Tendai Buddhist School, Japan  
**DANI KARAVAN**, Sculptor, Israel  
**JOSHUA KARLINER**, Senior Fellow of Corp Watch, USA  
**MATS KARLSSON**, Economist and Vice President of the World Bank, Sweden  
**JAN KASL**, Architect and former Lord Mayor of Prague, Czech Republic  
**GARRY KASPAROV**, Opposition Leader, Russia  
**MIKHAIL KASYANOV**, Former Russian Prime Minister, Russia  
**INGE KAUL**, Director of the Office of Development Studies at the United Nations Development Program, Germany  
**ELLA LAZAROVNA KESAEVA**, Co-Chair, The Voice of Beslan, Russia  
**NADER SALEEM AL-KHATEEB**, Director of the Water and Environmental Development Organization, Palestine  
**YOUSIF KHOEI**, Director of the Al Khoei Foundation, Iraq/United Kingdom

**HILDE KIEBOOM**, President of the European Federation of the Communities of S. Edigo, Belgium  
**KENZO KIIKUNI**, Professor at Tokyo Women's Medical University, Japan  
**HENRY A. KISSINGER**, Politician and Diplomat, Nobel Peace Prize Laureate (1973), USA  
**MICHAEL U. KLEIN**, Vice President of the World Bank Group's Private Sector Advisory Services, Germany  
**IVAN KLÍMA**, Writer, Czech Republic  
**LESZEK KOLAKOWSKI**, Philosopher, Poland/United Kingdom  
**PETR KOLÁŘ**, Deputy Minister of Foreign Affairs, Czech Republic  
**TED KOPPEL**, Anchor and Managing Editor of ABC News' "Nightline", USA  
**DAVID C. KORTEN**, Economist, President of The People Centered Development Forum, USA  
**SERGEI KOVALYOV**, Deputy of State Duma and Human Rights Activist, Russia  
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**MARTIN KRYL**, Students' Forum 2000 Delegate, Czech Republic  
**JÁN KUBIŠ**, Executive Secretary, United Nations Economic Commission for Europe, Former Minister of Foreign Affairs of Slovakia, Switzerland/Slovakia  
**KRISHAN KUMAR**, Professor of Social Political Science, USA  
**HANS KÜNG**, President of the Foundation for Global Ethics, Germany  
**RICARDO LAGOS**, Former President, Chile  
**FRANK LAMPL**, President of Bovis Lend Lease, United Kingdom  
**JACK LANG**, Former Minister of Culture, France  
**MEIR LAU**, Chief Rabbi, Israel  
**ANWEI LAW**, Founder of Hansen's Disease Association, USA  
**PETR LEBEDA**, Students' Forum 2000 Delegate, Czech Republic  
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**MARGUERITE S. LEDERBERG**, Professor of Psychiatry at Cornell University, USA  
**LEE TENG HUI**, Former President, Taiwan  
**FRANCIS LEMOINE**, Senior Policy Analyst with European Network on Debt and Development, France  
**CHARLES LEVESQUE**, Chief Operating Officer of the Interfaith Youth Core, USA  
**BERYL LEVINGER**, Education Development Center, USA  
**FLORA LEWIS**, Correspondent of The New York Times, USA  
**CHAN LIEN**, Politician, Former Vice President, Taiwan  
**ONDŘEJ LIŠKA**, Students' Forum 2000 Delegate, Czech Republic  
**CHAO-SHUIAN LIU**, Former Prime Minister, Taiwan  
**JAVIER LOAIZA**, Consultant and Political Analyst, Colombia

**MIKULÁŠ LOBKOWICZ**, Philosopher and Former Rector of Munich University, Germany  
**BJÖRN LOMBORG**, Director of Environmental Assessment Institute, Denmark  
**LEOPOLDO LOPEZ**, Mayor of the Municipality of Chacao of Caracas, Venezuela  
**JAMES LOVELOCK**, Scientist and Writer, United Kingdom  
**SERGEY LUKASHEVSKY**, Director, Museum and Social Center of Andrey Sakharov, Russia  
**JEAN MARIE CARDINAL LUSTIGER**, Archbishop of Paris, France  
**GRAHAM MACKAY**, CEO of South African Breweries, USA  
**KISHORE MAHBUBANI**, Dean and Professor in the Practice of Public Policy at the Lee Kuan Yew School of Public Policy at the National University, Singapore  
**KHOTSO MAKHULU**, South African-born Archbishop of Central Africa  
**JAMES MANCHAM**, Founding President, Republic of Seychelles  
**IRSHAD MANJI**, Senior Fellow, European Foundation for Democracy, Brussels, Canada  
**MICHAEL MANN**, Historian, USA  
**DAVID MARTIN**, Professor of Sociology at the London School of Economics and Political Science, United Kingdom  
**JANA MATESOVÁ**, Economist and Senior Advisor to Executive Director of the World Bank, Czech Republic  
**DON MCKINNON**, Former Secretary General of Commonwealth, New Zealand  
**VLADIMIR PETIT MEDINA**, Political Analyst, Venezuela  
**MICHAEL MELCHIOR**, Deputy Prime Minister, Israel  
**ROBERT MÉNARD**, Journalist and Secretary, General of Reporters Without Borders, France  
**RAJA MIAH**, Director of Peacemaker, United Kingdom  
**ADAM MICHNIK**, Former Dissident, Editor in Chief of the Gazeta Wyborcza daily, Poland  
**ALYAKSANDAR MILINKIEVICH**, Leading Opposition Politician, Belarus  
**ANURADHA MITTAL**, Journalist, Co-Director of the First Institute for Food and Development Policy, India  
**FESTUS MOGAE**, Former President, Botswana  
**ABBAS MOHAJERANI**, Professor and a Leading Iranian-born Islamic Scholar  
**DOMINIQUE MOÏSI**, Deputy Director of the Institute of International Affairs, France  
**BEDŘICH MOLDAN**, Former Czechoslovak Minister of the Environment, Czech Republic  
**CARLOS ALBERTO MONTANER**, Political Analyst, Cuba/Spain

**MIKE MOORE**, Director-General of the WTO, Former Prime Minister, New Zealand  
**FREDERIC MOUSSEAU**, Independent Expert, Focusing on Humanitarian Aid, France  
**JAN MÜHLFEIT**, Vice President for Europe, Middle East and Africa at the Microsoft Corporation, Czech Republic  
**DAVISON MULELA**, Deputy Minister of Foreign Affairs, Zambia  
**JIRÍ MUSIL**, Sociologist, Czech Republic  
**SHINICHI NAKAZAWA**, Professor of Religion and Anthropology at the Chuo University, Japan  
**ASHIS NANDY**, Director of the Center for the Study of Developing Societies, India  
**SIMONETTA NARDIN**, Senior External Relations Officer of IMF, Italy  
**HARSHA KUMARA NAVARATNE**, Chairman, Sewalanka Foundation, Sri Lanka  
**RICARDO NAVARRO**, Chairman of Friends of the Earth International, Salvador  
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**JACOB NELL**, TNK-BP, Moscow, United Kingdom  
**BORIS NEMTSOV**, Politician and Advisor to the President of Ukraine, Russia  
**LUDEK NIEDERMAYER**, Former Vice-Governor of the Czech National Bank, Czech Republic  
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**NJOKI NJOROGE NJEHU**, Activist and Director of 50 Years Is Enough Network, Kenya  
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Václav Havel (center), James Mancham (right)

# Conference Venues

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## Žofín Palace

The Žofín Palace is situated in the very heart of Prague on Slovanský Island. Constructed in honor of Archduchess Sophie - the Princess of Bavaria and the mother of Emperor Franz Josef I of Austria - the original classical building was redesigned by Jindřich Fialka and rebuilt in the neo-Renaissance style between 1885 and 1887. In the 1930's, a garden, restaurant and a music pavilion were added to the palace. The island's shores offer beautiful views of Prague and Prague Castle.

## Laterna Magika

The history of the Laterna Magika Theatre dates back to 1958 when the director Alfréd Radok and stage-designer Josef Svoboda introduced their peculiar theatrical form at the 1958 Brussels World's Fair (EXPO 58) in the Czechoslovak pavilion named Laterna Magika. After its worldwide success at EXPO 58, the theatre moved to Prague in 1959 and took up residence in a futuristic building with glass facades, where it is still located. In the mid-1970's, it became part of the National Theatre.

## Prague Crossroads

Located in Prague's Old Town, the former Gothic Church of St. Anne was built as a Dominican Convent between 1319 and 1330 on the site of an old rotunda and a church. Closed during the reign of Joseph II, the church was deconsecrated in 1782, and its complex of buildings was turned into flats and a printing house that were in use until 1795. Established under the initiative of Václav Havel, the church today serves as a unique international spiritual and cultural centre, the result of a joint venture of prominent architects and designers Adriana Šimotová, Bořek Šípek, Kurt Gebauer and Eva Jiřičná.

## Goethe Institut

Located in Prague's New Town, the institute is situated in the beautiful Art Nouveau building of the former First Czech General Insurance Bank. Inspired by the architectural design of Jiří Stibral, the building was built in 1905 and decorated with bronze sculptures by Ladislav Šaloun. Used by the Embassy of the German Democratic Republic until 1989, the building today hosts the Czech office of the Goethe Institut (since 1990).

# About Forum 2000 Foundation

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“Confronting the major contradictions of today’s civilization—that is what we deal with at the Forum 2000 conferences.”

**Václav Havel**

## Mission

The Forum 2000 Foundation was established in 1996 as a joint initiative of Czech President Václav Havel, the Japanese philanthropist Yohei Sasakawa, and the Nobel Peace Prize Laureate Elie Wiesel.

Forum 2000 Foundation aims are:

- to identify the key issues facing civilization and to explore ways in which to prevent the escalation of conflicts that have religion, culture or ethnicity as their primary components
- to provide a platform to discuss these important topics openly and to enhance global dialogue
- to promote democracy in non-democratic countries and to support civil society, respect for human rights and religious, cultural and ethnic tolerance in young democracies

## Projects

### Annual Forum 2000 Conferences

The annual Forum 2000 Conference is the most significant project of the Foundation. In twelve years it evolved into a successful and widely recognized conference series, which provides global leaders with a platform for open discussion about crucial global issues.

Dozens of prominent personalities from all over the world take part in the conference every year. Past participants include: Bill Clinton, Frederik Willem de Klerk, the Dalai Lama, Wole Soyinka, El Hassan bin Talal, Madeleine Albright, Nicolas Winton, Shimon Peres, and a number of other political, intellectual, spiritual, and business leaders.

### Shared Concern Initiative

This project brings together recognized personalities who issue joint statements addressing the most important problems and challenges of today’s world. The members of this Initiative are: El Hassan bin Talal, the Dalai Lama, Frederik Willem de Klerk, André Glucksmann, Vartan Gregorian, Václav Havel, Hans Küng, Mike Moore, Michael Novak, Shimon Peres, Yohei Sasakawa, Karel Schwarzenberg, George Soros, Desmond Mpilo Tutu, Richard von Weizsäcker, Grigory Yavlinsky.

Excerpt from the Initiative’s statements:

“We believe that progress in the peace process and in finding solutions for water issues between Israel and Palestine can also help to unblock progress in the broader region, between the parties on the Jordan, the Orontes, the Tigris, and the Euphrates rivers. Water can be a catalyst for regional cooperation, opening the way to a future comprehensive “Community of Water and Energy” to enhance the human environment. In such a forum, water and solar energy in tandem could help to move the Middle East from conflict to collaboration.”

*Václav Havel, André Glucksmann, Frederik Willem de Klerk, Mike Moore, Mary Robinson, Yohei Sasakawa, Karel Schwarzenberg, George Soros, El Hassan bin Talal, Desmond Mpilo Tutu, Richard von Weizsäcker, Grigory Yavlinsky*

### **NGO Market**

The main goal of this project is to strengthen civic society by providing a communication platform for non-governmental organizations (NGOs). Since 2000 NGO Market has been one-day event organized by Forum 2000 where NGOs active in education, volunteering, human rights, environmental and other areas are given an opportunity to present their activities to the broader public, establish new partnerships, address potential sponsors and volunteers, and gain valuable know-how needed for successful NGO-management from other participants. It is the largest event of its kind in the Czech Republic and Central Europe, bringing together around 100 NGOs each year from Visegrad countries, Eastern Europe and the Caucasus, the United States, or Taiwan.

### **Interfaith Dialogue**

The aim of the Forum 2000's Interfaith Project is to promote dialogue between the world's faiths and secular society. The tradition of the Forum 2000, together with Czech history and the history of Prague in particular, represents a unique platform for the dialogue of secular humanism with the world's great spiritual traditions.

### **Exploring Water Patterns in the Middle East**

This year marks the fifth year that the Forum 2000 Foundation has addressed the issue of water scarcity in the Middle East through its initiative, Exploring Water Patterns in the Middle East (EWaP), a project that receives joint support from Václav Havel and H. R. H. El Hassan bin Talal from Jordan.

The aim of EWaP is to comprehensively address the issue through a series of events which stay abreast of political, economic, and technological developments, and ultimately, help facilitate a peaceful, equitable, and stable resolution that is shared by all stakeholders.

### **Holocaust Era Assets Conference**

On 26–30 June 2009, in cooperation with Ministry of Foreign Affairs, Czech Government Office and other nongovernmental and educational institutions. The goal of the conference was to support

Holocaust remembrance and education and to fight against racial hatred in today's societies. It continued in efforts indicated by Washington Conference Principles on Nazi-Confiscated Art (1998) and Vilnius Forum Declaration 2000 in areas of property restitution and financial compensation or Stockholm Declaration of 2000 on education. One of the results of the conference was conclusion of Terezín Declaration, which continues in the progress in concerned areas.

### **Peace, Democracy and Human Rights in Asia Conference**

Conference organized by Forum 2000 on September 10–11, 2009 focused on implementation of the Universal Declaration of Human Rights with emphasis on freedom of thought; on protection of cultural rights of minorities; on right to education; and also on environmental rights and their linkage with human rights protection. The invitees included Nobel Peace Prize Laureates such as His Holiness the Dalai Lama, Frederik Willem de Klerk, Jody Williams and Paula Dobriansky.

More information about our activities is available on our website [www.forum2000.cz](http://www.forum2000.cz)

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Organizing the 13<sup>th</sup> Annual Forum 2000 Conference would not have been possible without the enthusiasm and effort of our volunteers, who undertook many of the administrative tasks prior to the event, accompanied the conference delegates as personal assistants, worked as rapporteurs, photographers, and performed a myriad of other crucial tasks. Their contribution should not go unnoticed and it is also thanks to them that Forum 2000 conferences have been successful.

We are especially thankful to Eleanor Hammond for dedicating so much of her time and effort to the preparation of this conference report, among other projects of the Forum 2000 Foundation.

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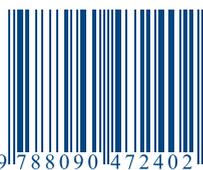
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*"With the prioritisation of economic, material and energy interests, it is as if human rights and civic freedoms were simply a "cherry on the cake", an embellishment of what really matters, while material growth and development are considered the most important. As a result, some things are simply not talked about. This is very dangerous, not only because solidarity with those pursuing freedom in different parts of the world is fading, but also for the Euro-Atlantic area itself, whose original and most innate identity is being lost."*

**Václav Havel, Former President of the Czech Republic**



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