

9 The Global Mindset

If the world's decision makers are to handle the seven interconnected megacrises and prevent them from spinning out of control in the coming year, a new global leadership must be developed. To do this will require saying goodbye to the notion that individual nation states are equipped to defend themselves against the consequences of the crises. A new global mindset is needed. Nation states must engage in closer and more binding international cooperation and acceptance. Narrow, shortsighted national interests must be set aside: an engagement in global solutions is the essential starting point for containing the global megacrises. NGOs and businesses have a great deal of valuable experience and ideas which could give inspiration to national leaders. Therefore, a new global alliance, and partnerships between governments, businesses and NGOs, must be established to solve the largest global challenges.

No nation, no matter how strong, is capable of solving the seven interconnected crises on its own. Even the largest and most powerful super power will need to develop cross-border partnerships to solve the financial crisis, climate crisis and the other connected crises. The sooner this is acknowledged by the world's leaders, the quicker they can find effective solutions to break the chain reaction of dire side effects which the crises have set loose. And the more that nations work together and build up strong global institutions and new regulations to tackle the crises, the better the conditions will be for innovative companies and new businesses.

The 21st century's greatest challenges are global by nature. Today, the greatest and most complex crises go beyond national borders. There is talk of an entirely new risk landscape, which states and the political and economic leadership must navigate their way through. The national economies have shown themselves to be vulnerable as never before. In 2007 and 2008, the global financial system has experienced a rapid meltdown that has pitched the world economy into recession. Nations will also be forced to work together now that bird flu and new epidemics can travel across international borders within a few hours, or when contaminated food is distributed into the global food chain. In the coming year global climate challenges will accelerate, confronting national leaders with massive new challenges, which can only be solved via effective global cooperation, climate agreements and new, sustainable business ideas.

Monday Morning's risk analysis shows that there is a need for

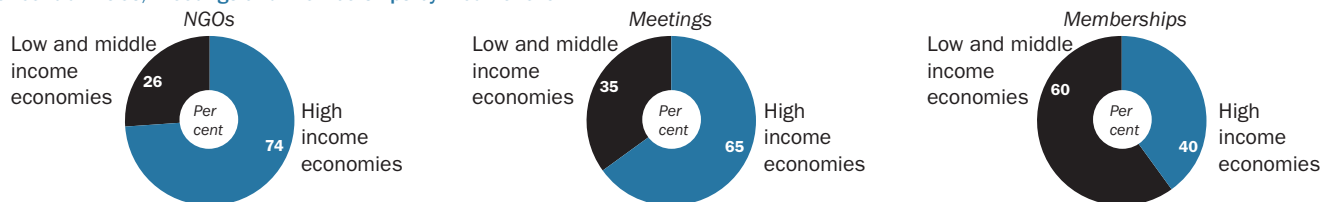
a new generation of leaders who have the courage and ability to think anew and ahead. One can no longer hide behind an illusion that a political leader's job is to, first and foremost, protect the interests of voters in their own country. In a global world, something that might resemble a smart move or a reasonable solution for one country, could well result in insurmountable problems for another. And with the boomerang effect of globalization, those countries which appear winners the first time round, will encounter problems further down the line.

If we are to overcome the crises, over the next five years a new global leadership must be formed via cross-border initiatives on many fronts:

- **INCREASED COOPERATION.** Individual nation states must engage themselves in a closer and more binding international cooperation, partly in regional unions, partly in new, bilateral and global partnerships.
- **REFORM.** The global institutions must be reformed. The reforms must, in the short term, secure better geographic and population-related representation and, in the longer term, work towards establishing democratic decision making processes.
- **NEW ALLIANCES.** NGOs and businesses have some valuable experiences and ideas which could inspire state leaders. Therefore, new global alliances and partnerships must be

MM | The activists' map

Per cent of NGOs, meetings and memberships by income level



Source: Global Civil Society, 2004/5.

CHAPTER 9

established between governments, businesses and NGOs to solve the largest global challenges. Global climate alliances, health alliances and food alliances could be examples.

- **INDEPENDENT EXPERTS.** International committees of experts, charged with the task of collating the world's best knowledge about the global megacrises, will have a key role in giving political and economic leaders accurate grounds for decisions. These should be established independently of existing state structures so that their credibility and authority is strengthened and beyond the influence of classic national interests.
- **BINDING AGREEMENTS.** New international agreements are required to solve the global crises. The agreements must include the possibility of sanctions, so that breaches of agreements and tardy implementation can be clamped down upon.

Together, these initiatives could develop a new political world order that could solve the crises of the 21st century. But, to get to this point will require a whole new global mindset in which leaders think beyond borders; build international partnerships; and develop new, innovative solutions. If, however, national leaders continue to entrench themselves within their own borders, there is a considerable risk that, ultimately, the global crises will become uncontrollable.

A Global Village Hall

Never before have the conditions been better for cooperation across international borders. The intense, 24-hour communication via the Internet and continuous news on TV, and in other media, has transformed the world into a compact, interwoven society in which global news and events can quickly become local stories, and vice-versa.

The world has developed into a gigantic village hall with an endless number of meetings. Local environmental groups can get ideas from global climate NGOs in a split second, and citizens can search for solutions and help for new illnesses and sources of infection from websites on the other side of the planet. People meet across borders more than ever before and learn about the problems of other societies. One hundred and fifty years ago there

was little more than a couple of international conferences each year; now more than 10,000 international summits and conferences are held each year – over half of them in Europe.

According to the Union of International Associations, there are more than 5,000 multilateral organizations and unions – so-called IGOs – with representatives for governments. Today, a major and closely interwoven network of overlapping global institutions now concern themselves with economics, human rights, the environment and security. Moreover, the global civil society has formed more than 27,700 international NGOs.

This forest of organizations could, over time, pave the way for a new global political world order in which political institutions and civil society supplement, support and create a stable framework for the liberalized global market and the world's approximately 80,000 trans-national companies operating across international borders.

But before that happens, a number of hurdles must be overcome. First of all, not everyone has access to the global village hall. The populations of the world's poorest regions, which are often hit hardest by global crises, do not have the same opportunities to participate in the global opinion-forming process as the resource-rich populations in the west. This, in part, means that the legitimacy of the decisions and solutions is weakened and, also, that the world misses out on valuable knowledge which can contribute to the creation of new crisis solutions.

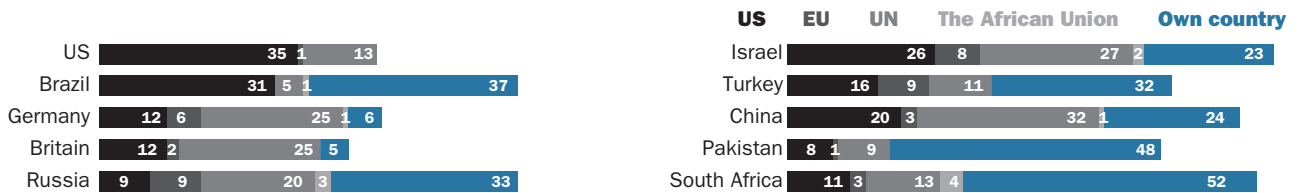
Furthermore, it is worth noting that, in spite of all the international meetings, there is still a lack of effective crisis solutions and, on the occasions when agreement is finally reached, rarely is there any action behind the words. The disappointing outcome of the Kyoto agreement is just one example of how fine words can not, in themselves, prevent a downward spiral into crisis.

We aren't lacking in institutions, organizations, international conferences, treaties and complexity, but clear decision structures, rules and frameworks to enable quick and effective solutions to shared, global crises. Institutions need clearer competence distribution and greater powers and, at the same time, the global decision network needs to be simplified.

Ideally, this must take place in a reformed United Nations because the UN is the only permanent global forum in which the entire world meets and discusses shared challenges. In the meantime, to a great extent the problem is that the UN system is constructed on an obsolete nation state logic, which makes it difficult

MM | Leadership

Which country or organisation should take responsibility for dealing with the biggest global challenges? Per cent of voters in selected countries



Source: Pew Global Attitudes Project, 2008.

THE GLOBAL MINDSET

for it to deal and think globally. The system’s slow diplomacy, which is characterized by many national vested interests, is not capable of handling the continuing global crises. The UN arrived too late when famine struck Darfur, or ethnic cleansing escalated in the Balkans or Rwanda. The permanent members of the UN’s Security Council are often mired in stalemates or riding their own hobbyhorses to the detriment of the global community.

It will require years of international negotiations to reach agreement on a reform of the existing global institutions, but if the system is to provide the necessary drive, there is no other way. The UN’s decision process must be democratized over time so that the organization can create legitimacy for itself as a kind of world government – a form of cosmopolitan democracy. This can only come about if nation states let go of narrow, shortsighted special interests and allow global institutions greater influence in the future.

A legitimate decision about a shared set of rules is the starting point for a just world order in which great and small nation states are bound together in a mutual, multilateral framework which can contribute to solving the interconnected crises. In Europe, the European Union has shown that it is possible to create a supranational institution that unites an entire continent and contribute to strengthening every member’s influence and ability to shape the global agenda. If the model can be globalized and widened out to the rest of the world’s continents, it will be easier to find shared answers to the interlinked global crises.

In the meantime, there is no clear indication that the world’s states are ready to make a break from the notion of the classic nation state vested interest.

Therefore, the first phase should aim to make the existing framework more up-to-date. The UN Security Council must be reformed so that more major regional powers, such as India, Brazil and South Africa, are given seats on the council in line with the older major powers such as the USA, Russia and China. Eventually, the permanent seats of France and the UK will inevitably be called in question, as they limit Europe’s ability to speak with one voice internationally.

Even though such a reform perpetuates the classic nation state, vested interest model, this is an important first step towards ensuring a more effective and legitimate UN which can play a leading role in solving the seven interlinked crises.

Alternative Clubs

The UN’s slowness has given impetus to a number of alternative international solution forums. Major powers, lead by the USA, meet at the highest levels in flexible clubs such as the G8, which is made up of the world’s richest and most powerful countries. The advantage of this small circle is that it can take quick decisions, but often those decisions are reactive rather than proactive; the agreements are voluntary; and there is no possibility of sanctions to ensure they are adhered to. At the same time, the question is whether the G8 has the necessary economic weight and breadth to find answers to the seven interconnected megacrises, which in scope and complexity surpass all other global challenges.

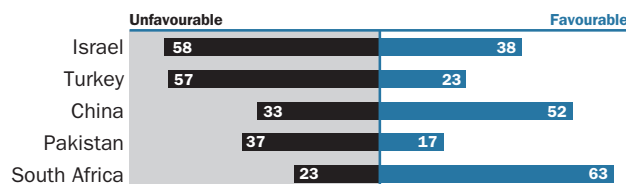
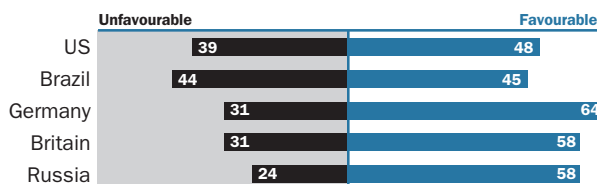
In November 2008, the G8 countries were forced to concede that they had to invite a broader circle of countries – including the new major powers such as China, India and Brazil – in order to reach mutual solutions to the global financial crisis. The rich countries could not do the job themselves and were drawing nearer to a recession. They had to acknowledge that they were dependent on goodwill and cooperation with the new economic major powers on the periphery of the western world. Growth nations such as China, India and Brazil constitute a growing part of the world’s economy. The Chinese alone account for more than 800 billion dollars worth of US debt. Without them, there is no solution.

The G20 summit in Washington in November is an example of new forums emerging as alternatives to the UN. The summit illustrates that a major power shift is underway in the global economy, in which new players are joining the leading group. Much still needs to be done. The November meeting was heavy on symbolism, but marked by lack of real action. A new G20 meeting has been called in the first half of 2009. Without a coordinated G20 agreement, the financial crisis will probably worsen, but if the G20 leaders can agree upon a Global New Deal, it could be easier to contain the crisis.

The question in the meantime is whether the G20 is a viable alternative to the UN. On one hand, the G20 countries represent around 2/3 of the world’s population and around 90 per cent of the global economy, so if the group can reach agreement about a combined plan of action – and stick to it – it could lead to fast results. On the other hand, the decision making process lacks legitimacy, as no effective steering process has been established within the group.

MM | World community

Favourability of the UN, per cent of voters in selected countries



Source: Pew Global Attitudes Project, 2008.

CHAPTER 9

At the same time, it is doubtful that this group is the right forum in which to tackle the rest of the linked crises. In terms of the climate, food, resource and security crises it is important that a far wider circle of countries is invited to become involved in the decision making process. The largest and richest countries' governments must show global leadership by stepping forward and being pioneers in the renewal, but they must ally themselves with some of the world's poorest countries in confronting the new global risks that follow in the wake of the health crisis, decline of natural resources, and the ongoing population explosion.

New Players

Speed is of the essence if the urgent global problems are to be solved. Therefore, flexible and quick working units must be developed to turn ideas into action.

There are only a few years before the major global problems, such as the climate crisis, reach a tipping point, by which time they will have escalated to an uncontrollable degree. Central stakeholders and decision makers must, therefore, together seek a new global partnership which, one way or another, comes up with solutions to shared and urgent challenges.

In connection with this, businesses, experts and the global civil societies' NGOs can have a key role in the efforts to ensure a better and more forward-looking answer to the global crises. So-called Global Issues Networks (GIN) can, on an ad hoc basis, gather representatives from governments, international NGOs, expert bodies and governments; carry out risk analysis of the shared challenges; come up with constructive solutions; and make sure that they are distributed and implemented quickly.

It is easier for global issues networks to find the answers to these questions than it is for the old nation states and international institutions, because they draw on a greater knowledge and experience network, and are not tied by narrow vested state interests.

At the same time, these case-specific partnerships can put pressure on international institutions and states, so that they act more quickly than they might otherwise have done. One example of this kind of GIN-model is the Copenhagen Climate Council, which was founded by Monday Morning. The network gathers some of the world's leading climate experts, climate-related businesses and politicians to create international awareness of the meaning of the UN's climate summit in Copenhagen in 2009. It inspires businesses to tackle climate change and puts pressure on

participants in the UN's coming climate summit to achieve an ambitious agreement.

Another effective method of changing the global negotiation game is to form international scientific panels and committees. Knowledge is essential when politicians and economic leaders have to take decisions about how they should tackle the major global challenges. The international expert panel for climate change, IPCC, is a good example of how scientific advice and analysis can have a key role in efforts to create a shared understanding of the scale of the challenges. In the same way, one could establish panels of experts and advisory institutes in relation to the food crisis, health crisis, poverty crisis, resource crisis, security crisis and financial crisis, to offer suggestions to politicians about what needs to be done.

In relation to the finance market, since the Asian financial crisis in 1997/98, there have been efforts from the IMF, The World Bank, the UN and the central banks' international body, BIS, to offer suggestions for financial reform. So far this has amounted to small adjustments which have not been sufficient to contain the dangerous financial crisis, which has struck the world ten years later.

An independent, international finance panel of the world's leading economists and finance experts could perhaps have given a much better answer to these shared challenges. Area by area, crises by crisis, there is need for rethinking the ways to find solutions.

Action Behind the Words

Global decisions and treaties are worth nothing if they are not followed up by target-orientated action and punishment for states and individuals who break the international rules. Just as you have an international trade tribunal within the WTO, and an international war tribunal in the Haag, tribunals should be established in other areas as well.

For example, one could establish a climate tribunal, equipped with the power to apply sanctions and with the job of solving bilateral disputes about adherence to agreed climate targets and CO₂ reductions. A water tribunal could also be established, which could ensure that every person has access to water. Every treaty could include well defined targets, which the participating governments are obliged to observe, and there must be independent bodies to ensure that this occurs. There is a risk that the major powers will renege on implementing the international tribunals' decisions. This has, for instance, been the case when the WTO's

THE GLOBAL MINDSET

MM | Organisational map

Some of the largest organisations and programmes in- and outside the UN

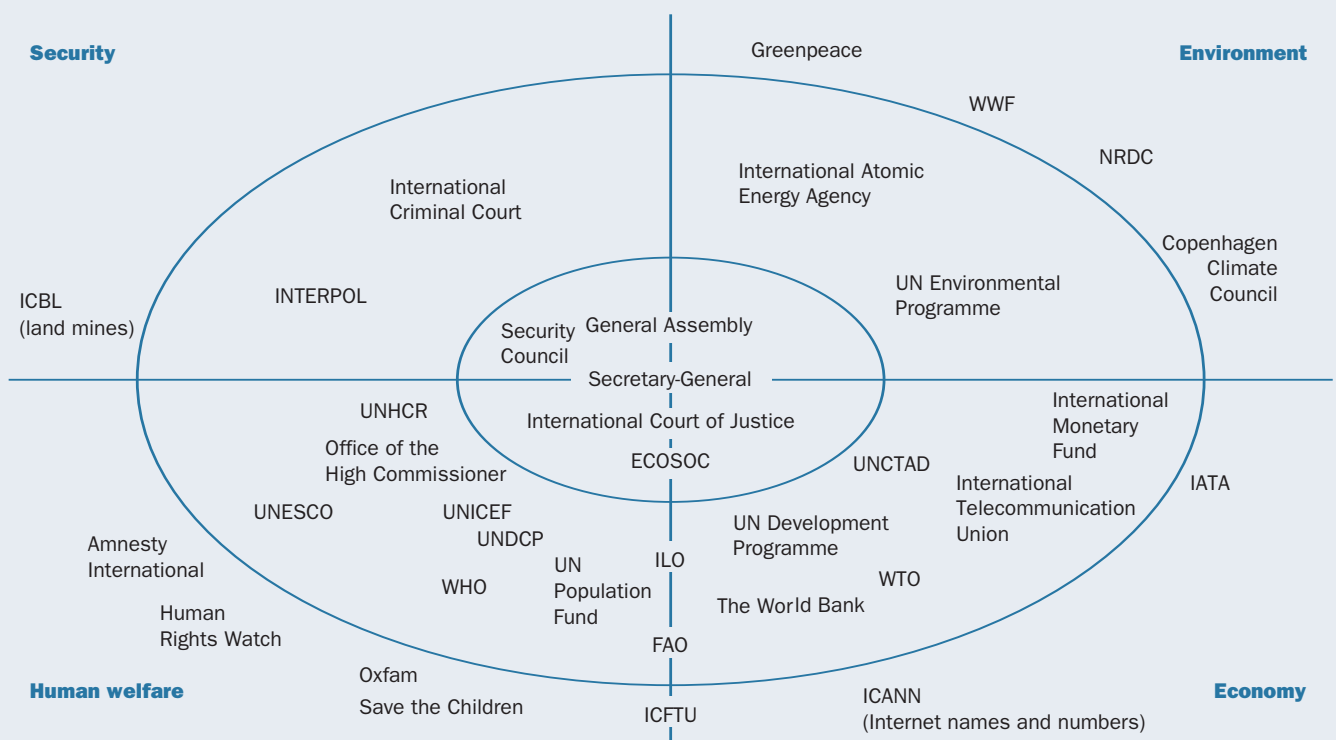


Figure 1: The world is full of international organisations, associations and NGOs, which are all trying to solve different global problems.

Source: Koenig-Archiburi, 2002 and Monday Morning Weekly.

tribunal has delivered verdicts. But while the international rights community is increased, the advantages of yielding sovereignty are greater than the disadvantages.

The most effective way of achieving goals is, however, through price signals and the market. All prior experience shows that economic inducements are the most effective way to get all the players, states, businesses and citizens to change behavior. Therefore it is crucial that, together with the new global institutions and agreements, mechanisms are established to give those involved incentive to change behavior. The buying and selling of CO2 quotas can – if the pressure is high enough – bring about the necessary climate adjustment in businesses and households. The new political world order must not be developed in opposition to the market, but as an important participant and starting point for securing a well functioning world market. Ideally, one could de-

velop a more ethical and sustainable form of capitalism, that promotes innovation and is not dependent on short sighted financial speculation.

Monday Morning’s “Risk and Opportunity Report” shows that there are many possible solutions in relation to the individual crises, and these crises could lead to new megamarkets. But it will require leadership to exploit these opportunities. Everything depends on a new generation of visionary and ambitious leaders prevailing in developing modern institutions on a global scale, which can deliver long lasting solutions to the seven interconnected megacrises.

The financial crisis of 2008 is a crucial wake-up call to the world’s political leaders. Now it is all about putting a concerted effort into building up new, cross-border partnerships and institutions to effectively solve the interlinked global crises.