

# **Brief Summary of the Proceedings of the High-Level Conference on Towards a Better Global Economy Project<sup>1</sup>**

*July 11–13, 2013, Geneva, Switzerland*

The Global Citizen Foundation (GCF) commissioned the research reported in this Project, which identifies national and global policy measures that address the issues faced by citizens around the globe in the hope of enhancing their welfare and promoting global economic growth. The studies prepared for this Project are intended to stimulate public interest and facilitate the exchange of ideas and policy dialogue. It is hoped that they will help lay the foundation for developments that allow citizens across the world to exchange ideas and reveal their preferences for the formulation and implementation of policies that improve their economic and social welfare.

Fluctuations in international trade, financial markets, and commodity prices, as well as the tendency of institutions at both the national and international level to favor the interests of the better-off and more powerful, pose substantial risks for citizens of all countries. The papers commissioned for this Project examine the factors—including scarce resources, policies, and institutions—that are most likely to facilitate the process of beneficial economic growth in low-, middle-, and high-income economies.

The ultimate goals of the Project are to (a) identify the key global trends and their potential distributional implications, (b) help craft a set of policies that could lead to improvements in the economic well-being of all citizens of the world, and (c) disseminate the results broadly. The main purpose of the effort is to inform the debate about how the global economy best moves forward.

Toward these ends, a small core group of leading economists with varied expertise in the academic, policy, and private sector worlds was established to guide the Project through several stages. Members of this group, along with a group of leading experts who reviewed and commented on their research, prepared the following papers:

- The Past, Present, and Future of Economic Growth (Professor Dani Rodrik, Institute of Advanced Studies, Princeton)
- Population Quantity, Quality, and Mobility (Professors Jere R. Behrman and Hans-Peter Kohler, University of Pennsylvania)
- The Hyperglobalization of Trade and Its Future (Dr. Arvind Subramanian and Mr. Martin Kessler, Peterson Institute for International Economics)
- Does Finance Accelerate or Retard Growth? Theory and Evidence (Professors Franklin Allen, Wharton School, University of Pennsylvania; Elena Carletti, European University Institute, Florence; Jun “QJ” Qian, Boston College; and Patricio Valenzuela, University of Chile)
- Resource Depletion, Climate Change, and Economic Growth (Dr. Andrew Steer, World Resources Institute)

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<sup>1</sup> This summary was prepared by Shahrokh Fardoust, Project Coordinator, Towards a Better Global Economy Project.

- Global Markets, Global Citizens, and Global Governance in the 21st Century (Dr. Nancy Birdsall, with Mr. Christian Meyer and Ms. Alexis Sowa, Center for Global Development)
- Towards a Better Global Economy Project: Overview and Policy Options (Professor Jere Behrman, University of Pennsylvania, and Dr. Shahrokh Fardoust, GCF).

All of the studies consider a horizon that extends well into the 21st century. All of them address economic growth, equity, and the welfare of average citizens as well as ethical aspects of the current mode of globalization based primarily on market forces and determined to a large extent by national interests rather than a multilateral framework and approach.

Together with their policy implications and the commentaries by the Project’s peer reviewers, the Project papers provided a framework for discussion and exchange of views at the High-Level Conference on Towards a Better Global Economy, held in Geneva July 11–13, 2013. The objective of the conference was to highlight longer-term implications, and related policy options, for citizens around the world of major recent and projected future developments in the global economy. Participants also examined ways in which global citizens can deliberate on policy options and reveal their preferences for policies that would enhance their welfare. A brief summary of the proceedings of the conference follows. The working papers, commentaries and presentations at the conference are available in the following website:

[http://www.gcf.ch/?page\\_id=1272](http://www.gcf.ch/?page_id=1272)

## **The Past, Present, and Future of Economic Growth**

Moderator: Kemal Derviş

Author: Dani Rodrik

Reviewers/commentators: Kemal Derviş (peer reviewer), Chang-Tai Hsieh (peer reviewer), Branko Milanovic, and Zia Qureshi

**Presentation.** Is the rapid convergence between incomes in developing and developed countries observed over the last couple of decades sustainable? Rodrik argued that convergence is likely to continue, albeit at a much slower rate. In the future, the traditional, rapid-industrialization mode of economic growth is unlikely to operate with as great a force as it did for the Asian countries. Instead, growth will have to rely on the steady accumulation of capabilities—human resources and institutional capacity—which requires time and produces moderate growth. Developing countries need policy space, and they need to rely less on external demand and global finance in development models.

**Discussion.** Discussants generally agreed with the points Rodrik made. There was, in particular, much support for his analytical framework of growth, which distinguishes between “structural change” and “fundamental capabilities” as drivers. But a range of views was expressed on his conclusions. Some participants believed that rapid growth in the developing world could continue. Others questioned whether policy space remained possible, in light of the extent of economic globalization. Yet others pushed for more extensive global governance than what Rodrik felt was feasible or desirable. Many participants attached nonnegligible probabilities to the occurrence of a significant “game-changer”—such as a major financial crisis, the implosion of China, even a regional nuclear war—in the years ahead.

## Population Quantity, Quality, and Mobility

Moderator: Santiago Levy

Authors: Jere Behrman and Hans-Peter Kohler (presented by Jere Behrman)

Reviewers/commentators: Homi Kharas, Ronald Lee (peer reviewer), Santiago Levy, Wolfgang Lutz

**Presentation.** Recent unprecedented changes in the quantity, quality, and mobility of the population will continue to affect the world throughout the 21st century, with important differences across countries, depending on each country's stage of the demographic transition. The developed world will experience stable or declining populations, population aging, and rising age-dependency ratios. Many middle-income and (later) low-income countries will experience declining dependency ratios and the accompanying opportunities and challenges of "demographic bonuses," with their "youth bulges," followed later by population aging and rising dependency. The world population will grow at much lower rates than in the last half century, albeit with still significant population increases as a result of population momentum that reflects the large numbers of women of child-bearing age. It will continue to be increasingly concentrated in Asia and particularly Africa. Population mobility is likely to lead to substantial additional urbanization, particularly in Africa and Asia. The decline in the population growth rate and the substantial increase in the quality of the population, as reflected in health and education, lay the foundation for ongoing improvement in population quality throughout the century. Ensuring that changes benefit average citizens requires enhancing the freedom to move, internally and internationally; strengthening the early foundation for life; supporting aging with dignity and equity; and improving incentives for social service delivery.

**Discussion.** The peer reviewers, discussants, and audience responded positively to the presentation. Suggestions were made for consideration of several nuances, along the following lines: What is the political economy that leads to improved quality as well as quantity of education? For example, given the changing age distribution, how can countries ensure that they allocate sufficient resources to improved early childhood development, with respect to, say, noncontributory pensions for the elderly, who vote more and have stronger voice? To what extent will the reduction in the relative share of children in the population permit more resources to be devoted to the development of each child?

How can educational systems be modified to ensure more responsibility and empowerment of students and their families? What processes need to be adopted to permit better use of and fewer risks from youth bulges? How can the supply of relevant health, education, family planning, and other services be increased?

How can gender equity be promoted as part of policies aimed at improving the quality of the population? Can gender differences in schooling or health that result from gender preferences or gender discrimination be reduced? Does reliance on private investment in education replicate socioeconomic status across generations, so a greater role for public educational subsidies is desirable?

# The Hyperglobalization of Trade and Its Future

Moderator: Arancha Gonzalez Laya

Authors: Arvind Subramanian and Martin Kessler (presented by Arvind Subramanian)

Reviewers/commentators: Uri Dadush, Bernard Hoekman (peer reviewer), Arancha Gonzalez Laya, and Allan Winters

**Presentation.** The open, rules-based trading system has delivered immense benefits—for the world, for individual countries, and for average citizens in these countries. It can continue to do so, helping today’s low-income countries make the transition to middle-income status. Three challenges must be met to preserve this system. Rich countries must sustain the social consensus in favor of open markets and globalization at a time of considerable economic uncertainty and weakness; China and other middle-income countries must remain open; and mega-regionalism must be prevented from leading to discrimination and trade conflicts. Collective action should help strengthen the institutional underpinnings of globalization. The world should recognize that the Doha Round is dead and move beyond it, pursuing more meaningful multilateral negotiations to address emerging challenges, including possible threats from new mega-regional agreements. The rising powers, especially China, will have a key role to play in resuscitating multilateralism.

**Discussion.** Discussion of the paper was lively. Panel members agreed that sustained trade integration and the lack of serious protectionist pressures were among the bright spots of an otherwise grim international economic landscape. A broadly shared consensus has emerged—which the recent global financial crises did not undermine—that trade integration, unlike financial globalization, is unambiguously desirable. Technological change, notably the declining costs of transport and information and communication technology, has also been crucial in fostering trade integration.

Participants agreed that sustaining trade integration requires a number of supporting actions at home. For low-income countries to exploit the transformational power of global value-added chains, domestic institutional reform is imperative. For advanced countries, sustaining the social consensus in favor of globalization, including through adequate funding for social insurance mechanisms to cushion globalization’s shocks, is imperative.

Participants also agreed that the emerging trend toward mega-regionalism—in the form of agreements between the United States and Asia (the Trans-Pacific Partnership [TPP]) and the United States and Europe (the Transatlantic Trade and Investment Partnership [TTIP])—needs to be watched carefully to ensure that it does not undermine the multilateral trading system and the World Trade Organization (WTO). To some extent, the impact of these regional initiatives will depend on their substantive content—in particular how convergent or divergent their treatment of nontariff measures is—and how China responds to them.

There was some disagreement over how to ensure the continued relevance of the WTO. Not all panelists endorsed Subramanian’s call to de-democratize the WTO in order to make it more effective as a negotiating forum. The peer reviewer argued that the impasse in the Doha Round was not caused by smaller countries impeding of the WTO process but by lack of agreement among the larger trading countries. Although there is a clear need to move beyond the Doha Round to revive the WTO , formally burying it does not seem politically feasible, as many of the

issues on the agenda are important to many countries and unlikely to be addressed in regional agreements.

One panelist argued against a narrative in which China is portrayed as protectionist and unwilling to assume greater international responsibility to sustain an open trading system. He also opposed bringing new issues, such as exchange rates, into the framework of the WTO or even changing WTO rules to allow countries greater freedom to subsidize green technologies.

There was some difference in emphasis on the relative roles of international versus domestic actions in helping low-income countries maximize the gains from being part of global supply chains. Minimizing trade costs is crucial to leveraging the potential of value chains, for example, but there was disagreement over whether international trade agreements and cooperation have much of a role to play in supporting the needed policy reforms.

## **Does Finance Accelerate or Retard Growth? Theory and Evidence**

Moderator: Ignazio Visco

Authors: Franklin Allen, Elena Carletti, Jun “QJ” Qian, and Patricio Valenzuela (presented by Franklin Allen)

Reviewers/commentators: Thorsten Beck, Stijn Claessens (peer reviewer), Torten Temp, and Ignazio Visco

**Presentation.** Many Asian economies have grown very rapidly; China, the Republic of Korea, and Taiwan, China are notable examples. Taiwan went from African levels of per capita purchasing power parity (PPP) gross domestic product (GDP) in 1950 to overtake the United Kingdom and France by 2011. The Republic of Korea went from lower levels than Taiwan in 1950 to overtake Italy and Spain by 2011. China’s economy, which was less than 10 percent the size of the U.S. economy in 1980, became the second-largest economy in the world in 2011, at two-thirds the size of the U.S. economy (in PPP terms).

Other poor countries that were similar in 1950 have not done nearly as well. Understanding the achievements of these success stories is crucial for helping improve the position of the global citizen.

Alternative finance plays an important role in emerging countries such as China. According to the World Bank’s Enterprise Surveys, alternative finance accounts for 52 percent of the financing of the operations of Chinese firms; retained earnings (15 percent of all finance), bank finance (15 percent), and market finance (12 percent) all account for much smaller shares. In contrast to the conventional view that strong institutions and legal systems are important for growth, the paper suggests that alternative systems—based on trust, reputation, and other mechanisms—play a crucial role.

Finance can be positive for growth, but financial crises can be very harmful. When a crisis follows the bursting of a bubble in asset prices, it can have very negative impacts on growth. For sustained growth, policy should be devoted to avoiding bubbles, contagion, and financial fragility and promoting financial stability. Macroprudential policies have been suggested as a way to achieve these goals. The first type of policy is designed to eliminate real estate bubbles by targeted intervention in property markets—through, for example, reductions in loan-to-value

ratios in hot real estate markets, increases in taxes on real estate transfers, increases in annual real estate taxes, and direct restrictions on real estate lending. Evidence suggests that these mechanisms work in the short run but are less effective in the long run. The second type of macroprudential policy is designed to increase the resilience of the banking sector through countercyclical policies. Examples include capital requirements and reserve ratios, particularly on real estate–related loans, which are raised during booms so they can be relaxed in busts.

**Discussion.** The discussants and audience emphasized different aspects of the relationship between finance, growth, and crises and raised a number of interesting and important additional points. The first was that finance is largely good, in that it leads, through various channels, to more economic growth and less volatility. Finance is not just pro-growth, it can also reduce inequality and poverty, as various channels may be used to provide finance for the poor. But finance can also be fragile, and at times it can have adverse side effects. Too “concentrated” or “too much” finance can be inefficient, exacerbate inequality, and increase the risk of costly financial crises.

A related issue is the nonlinearity of the relationship between finance and growth, which can arise for different reasons. The use of the financial frontier concept to understand the bright and dark sides of finance is helpful. Solutions are better policy design and sequencing of reforms and improved governance and oversight. Areas for policy change are national and international governance and oversight, financial sector regulation and supervision, crisis prevention, crisis management, and making finance work for more.

## **Resource Depletion, Climate Change, and Economic Growth**

Moderator: Nancy Birdsall

Author: Andrew Steer

Reviewers/commentators: Sebastian Jean, Jeremy Oppenheim (peer reviewer), and Kevin Watkins

**Presentation.** The current patterns of energy and natural resource use, agricultural practices, and urbanization appear to be largely unsustainable and require urgent remediation. Left unchecked, these patterns will lead to dangerous climate change and reduced economic growth, as a result of increased economic, social, and environmental costs and decreased productivity. Current economic models fail to incorporate the effects of high-carbon growth on climate change and environmental degradation. A new generation of economic models is needed that account for the risk of catastrophic impacts, do not overestimate the costs of climate change action, and use a discount rate that does not treat future generations as less important than the current one. Models of how economies adjust to tighter environmental policies need to incorporate new evidence that actions such as increasing energy and resource efficiency can lead to larger win-win gains than were earlier thought possible; that smart policies combining carbon pricing and directed investment in research can lead to increased investment, growth, and competitiveness; and that investment can be increased by providing long-term policy confidence about the price of carbon and associated risks of stranded assets. A variety of policies—including removing subsidies on fossil fuels, pricing carbon, addressing other market failures, improving international

cooperation, and facilitating citizen voice through the marketplace—will play an important role in putting economic processes on a more sustainable footing.

**Discussion.** The peer reviewer indicated that the paper lays out the core case for incorporating a set of variables, such as climate risk, potential for endogenous technological progress, and potential to drive resource efficiency, in models of economic growth that are insufficiently accounted for in more conventional models. The reviewer agreed that there may be a huge opportunity to increase resource use efficiency worldwide. Economic growth and productivity would enhance efficiency regardless of policy on climate change. Emerging and developing economies should not follow China's growth path. Ethical considerations regarding the growth model are becoming increasingly important; growth model needs to be inclusive and environmentally sustainable. Another commentator added that despite progress, countries are not good at pricing catastrophic risks. They should take climate change into account when discussing growth and trade and need to think about ecological capital.

Another commentator indicated that there is a problem in the formulation, particularly concerning pricing issues, as it underplays distributional issues and impact on the poor and marginalized; a 50 percent drop in yields in Africa is catastrophic and could create poverty traps. As a result of climate change, the traditional cost-benefit matrix is no longer helpful to investors.

Another commentator noted the current misalignment of politics and markets and resulting global governance issues and indicated that narrative matters. Leaders should explain to the public how climate change is affecting future of jobs and economic justice.

Another commentator added that the impact of climate change on the agriculture sector has been very uncertain. Models have often overestimated increases in temperature; also forests have shown more resilience to climate change than predicted. Overall, uncertainty about the future is huge; a major risk is to underreact to this threat. Many key countries are failing to implement the right policies for dealing with climate change. There is an urgent need to promote international cooperation.

In this context, one commentator argued that at the heart of the narrative in the paper is the proposition that the right combination of technology, markets, and policy can accelerate the transition to a low-carbon economy with no or little impact on aggregate growth. This proposition requires considerable institutional sophistication to work in practice, given the risk of gaming, asymmetric information, and poorly designed policies (captured by specific interests).

A participant indicated that the case of the United States is particularly complicated, because many politicians there are skeptical about climate change and the potential damages it could inflict. What arguments— carbon pricing, additional financing? — could be put forward to change views and come up with the correct policy response?

One participant asked whether it is really too late to keep the rise in temperature within 2°C? Is a zero net carbon emissions target realistic? Another noted that the United States' position regarding “free riding” by developing countries is hugely counterproductive but that developing countries can also change the narrative by recognizing their responsibilities as well as risks to their growth and development. Another commented that most private clients/CEOs would find this discussion confusing, as no one in the private sector thinks that reaching a global deal on

climate change would be easy. The world has just 30 years to decarbonize the global economy, and the capital costs associated with the change are huge.

## **Global Markets, Global Citizens, and Global Governance in the 21st Century**

Moderator: Ed Luce

Authors: Nancy Birdsall (with Christian Meyer and Alexis Sowa) (presented by Nancy Birdsall)

Reviewers/commentators: Amar Bhattacharya, Kemal Derviş, Wonhyuk Lim, Pratap Mehta (peer reviewer), Celestin Monga, Mustapha Nabli, and Miranda Xafa

**Presentation.** The politics, rules, and institutions of cooperation among nations have not kept up with the demands from global citizens for changes in the global political order. Two examples—global income inequality and unabated climate change—reveal the difficult global challenges in the increasingly interconnected and interdependent global system.

Evidence from global opinion polls indicates that citizens everywhere are well aware of these challenges. In addition, international citizen activism in support of a better world has risen dramatically in the last decade. At the same time, the official “supply” of global governance, in the form of clubs, rules, and global institutions, is weak, undemocratic, and hence falling behind this increasing “demand.”

Existing global institutions help countries lock in domestic policies (on trade, for example) that are in the global interest but hard to manage at home. Global institutions can be a vehicle for channeling citizens’ demands for more globally sensible domestic and international policies, particularly when they are more open and “democratic” than some of their members. In this sense, global institutions provide ballast for global citizens to make the global system and the global economy fairer—in processes if not outcomes—and less environmentally harmful.

**Discussion.** The peer reviewer offered a thought-provoking antithesis to Birdsall’s argument. First, he proposed, the rise of global citizen activism could actually diminish the effectiveness of nation-states in negotiating new global complexities such as inequality and climate change. Second, better global institutions per se are not a sufficient condition to break global deadlocks. Instead, there needs to be a substantive debate about institutionalized norms, particularly at the national level—that is, to develop and apply global consciousness of citizens in domestic politics. Third, the conceptual framework of “aligned incentives” in the discourse around global citizenship could be misleading. Global citizens should not be viewed as potential bargaining agents but as (global and national) actors with a commitment to a norm and an understanding of reciprocity. Finally, there is a disjuncture between the requirements of global governance (better coordination among countries or more global homogeneity) and the requirements of specific and legitimate policymaking in single countries (greater policy space or more global heterogeneity).

One discussant voiced skepticism by noting the lack of legitimacy and representation of global civil society. He offered an example from his work at the World Bank to illustrate how global citizen activism is still biased toward interests, perceptions, and norms from Europe and North America.

Another panelist offered a much more optimistic interpretation of Birdsall’s argument. According to him, the supply side is not as weak as she describes; the G20 member states have



made progress in setting norms on international tax evasion, for example. Other panelists agreed that when looking beyond big challenges such as climate change, one can find many examples of successful international cooperation. They also agreed with Birdsall that legitimacy and the effectiveness of international cooperation are not orthogonal but reinforcing and that international organizations like the International Monetary Fund (IMF) can play an important role if they help create international arrangements that act as checks and balances on member states.

## **Managing Globalization and the Role of Global Citizens' Preferences and Voice in the 21st Century**

Moderator: Ed Luce

Panel: Sebastien Fanti, James Fishkin, Jean-Pierre Hubaux, Santiago Levy, Adnan Mazarei, Mustapha Nabli, and Hans Timmer

### ***Presentations:***

- a. Robert Fishkin, “Enabling the Global Citizens in the 21st Century” (paper by Robert Fishkin, Lawrence MacDonald, and David Witzel)
- b. Dani Rodrik, “Global Governance, Individual Preferences”
- c. Karl Aberer, “The Impact of the Internet Revolution on Global Citizen Decision Making”

**a. Robert Fishkin's** presentation focused on various mechanisms for “listening to” citizens' preferences on vital matters of concern to the entire globe. What are the advantages and disadvantages of each? To what extent are these preferences fluid? How do they change when people have the opportunities and incentives to be better informed?

The Deliberative Society methodology combines two “deliberative polls” to gather the informed and representative opinion of populations along with a phase for online digital annotation in which the population beyond the random sample can participate by offering creative suggestions to what should be considered in the second deliberative poll. A number of recent global initiatives, including efforts by think tanks and foundations concerned primarily with how global policies affect average global citizens, hope to address complex global issues that involve difficult trade-offs. Fishkin's paper considers two necessary criteria for the expression of legitimate, informed public opinion—representativeness and deliberation—and uses them to briefly consider a range of techniques commonly used to understand people's preferences. The paper also reviews existing mechanisms that effectively elicit, securely measure, and persuasively express the preferences of the world's citizens.

The paper introduces the idea of deliberative polling, drawing on the work of Professor James Fishkin (Stanford). It describes how deliberative polling meets these two criteria and then summarizes experience with it to ascertain public preferences and change policies and outcomes in a wide variety of settings. The paper concludes with an overview of the challenges of applying deliberative polling globally and suggestions for possible activities for the Foundation and other organizations that may wish to take these ideas further.

Robert Fishkin's presentation then focused on what mechanisms exist for "listening to" citizens' preferences on vital matters of concern to the entire globe. What are their relative advantages and disadvantages? To what extent are these preferences fluid and to what extent are they fixed? How do they change when people have the opportunities and incentives to be better informed?

**b. Dani Rodrik** explained that the world economy is entering a new phase, in which achieving global cooperation will become increasingly difficult. Burdened by high debt and low growth—and therefore preoccupied with domestic concerns—the United States and the European Union are no longer able to set global rules and expect others to fall into line. Compounding this trend, rising powers such as China and India, place great value on national sovereignty and noninterference in domestic affairs. This preference makes them unwilling to submit to international rules (or to demand that others comply with such rules)—and thus unlikely to invest in multilateral institutions, as the United States did in the aftermath of World War II. Global leadership and cooperation will remain in limited supply, requiring a carefully calibrated response in the world economy's governance—specifically, a thinner set of rules that recognizes the diversity of national circumstances and demands for policy autonomy. When markets transcend national regulation, as today's global finance market does, market failure, instability, and crisis result. But pushing rule-making onto supranational bureaucracies can result in a democratic deficit and a loss of legitimacy.

The trouble with existing global institutions is not just that they remain weak. It is also that they are intergovernmental bodies—collections of member-states rather than agents of global citizens. Because their accountability to national electorates is indirect and uncertain, they do not generate the political allegiance—and hence legitimacy—that truly representative institutions require. Ultimately, the buck stops with national parliaments and executives.

Rodrik thinks there may be another path, one that accepts the authority of national governments but aims to reorient national interests in a more global direction. Progress along such a path requires "national" citizens to begin viewing themselves increasingly as "global" citizens, with interests that extend beyond their state's borders. National governments are accountable to their citizens, at least in principle. The more global these citizens' sense of their interests becomes, the more globally responsible national policy will be.

Global polls indicate that much ground still needs to be covered: self-expressed global citizenship tends to run 15–20 percentage points behind national citizenship. But the gap is smaller for young people, the better educated, and the professional classes.

**c. Karl Aberer** identified some of the challenges of using big data, arguing that big data tend to be managed by big institutions to understand details about many citizens. Crowdsourcing is a way for many citizens to collaboratively suggest what they think is important. He then indicated that the Internet revolution is fundamentally changing the ways in which information is produced and consumed and how communication and social interactions are taking place. These changes affect both business and the economy, as well as individuals and citizens. Information resources that have been reserved for elites become available to everyone; information-based services that once required specialized skills and significant resources are now within the reach of ordinary citizens. Examples can be found in such diverse areas as publishing, media, education, science, and finance.

The Internet has already profoundly changed traditional business models. Unavoidably, these changes will also affect politics and governance. They have the potential to empower citizens by providing relevant information and new mechanisms of participation, but they also carry risks—of misinformation, information monopolies, and privacy invasion, for example.

Revealing the preferences of consumers is at the core of today's business model of Web-based companies. Several key elements make a participatory approach to identifying and expressing preferences on key issues workable and credible. Aberer proposes to create an open platform where citizens can raise, deliberate on, and vote on issues of global importance in close interaction with experts. The platform would draw from the rich set of technical possibilities the Internet offers for building community platforms, some of which are described in his paper. As automated methods for content analysis are still in an early stage, the platform would strongly rely on social mechanisms for content filtering and moderation; automated methods would support specific aspects by (credibility evaluation, topic detection). Access to the platform should be free. Inevitable problems such as malicious behavior and population bias are dealt with through reputation mechanisms and the use of data on population statistics. To quickly bootstrap the platform, he suggested relying on the integration of existing tools and systems that are readily available.

**Discussion.** Responses to some of the ideas presented on global citizens' preferences and deliberative polling were positive. Several panelists suggested that one could introduce international and regional financial institutions (the IMF, the World Bank, the World Trade Organization, the Inter-American Bank) to some of the ideas regarding deliberative democracy and polling. A number of questions involved issues related to creating a valid sample and the costs of the methodology. One panelist described the factors that influence the cost of a project, such as whether a random sample is convened online or in person. These areas could be better explained in more detailed, follow-up work, as necessary.

Another panelist indicated that one take-away from this conference was that it would be useful to inform international financial institutions to undertake deliberative polling to overcome a democratic deficit when they conduct business with clients and make decisions internally on major policy issues. Another agreed that deliberative pooling is a highly actionable take-away of the conference.

The challenge of representation came up in the question and answer session. One panelist asked whether representative government fulfills the goals of global citizenship. An audience member asked how populations that were difficult to represent or access could be accommodated in a deliberative process of facilitating global citizenship. A panelist indicated that in some countries, parliaments are among the most disliked institutions, thanks to corruption that squanders most social spending. In such an environment, deliberative polling may lead to more democratic outcomes. Other participants pointed to differences between national and international deliberative polling, arguing that such polling may be more effective at the national level. A panelist noted that nearly all of the major global initiatives have been proposed by advanced economies. A participant questioned the value added of such polling on huge and complex issues such as climate change.

## **Deliberative Poll Workshop, July 13, 2013**

A two-hour workshop was held Saturday morning to consider possible topics for deliberation by global citizens. Before the workshop, all conference participants were asked to submit suggested topics. The topics were supposed to define key challenges for global policy and to pose difficult trade-offs with identifiable and understandable consequences, both positive and negative, depending on how institutions, nation-states, and/or the international system dealt with those challenges.

The workshop was divided into two halves. In the first half, the 25 suggestions submitted provided an initial basis for discussion in three small groups (randomly assigned), moderated by James Fishkin, Robert Fishkin, and Henri Monceau. Participants were tasked with refining a small number of agreed upon topics that could be presented to a plenary session of all the groups in the second half of the workshop. Each group was supposed to propose at least two.

In the second half, the groups proposed their topics (14 in all). Each presenter provided a written statement of the topic, which became the basis for a questionnaire.

The questionnaire was sent to all participants in the GCF conference, who submit the questionnaires confidentially on line. The results will be analyzed to inform the GCF of potential topics for research and policy deliberation in the future. The topics were carefully composed statements of key challenges facing global citizens. Some of the areas covered by the topics included the following:

- a bill of rights for global citizens
- the global gap between rich and poor citizens in access to knowledge, education, and communications technology
- migration and the movement of people across borders
- intellectual property as a barrier to technology transfers between rich and poor countries
- principles for burden sharing in the provision of global public goods applied to problems such as climate change, poverty reduction, and the management of macroeconomic interdependence
- the legitimacy of outside intervention in states where there are disasters or human rights violations
- the disproportionate impact of global warming on the poor
- whether (and in what ways) the views of global citizens can be empowered
- fair access to knowledge and information on a global basis
- differences in product market regulation as a barrier to trade
- the schooling/education gap between advanced and developing countries
- a globally administered tax to fund underfunded global public goods.

**August 7, 2013**