FOREIGN POLICY ASSOCIATION

New World Disorder: Challenges for the UN in the 21st Century with H.E. Kofi Annan

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MR. MICHAEL B. WALLERSTEIN: Baruch College has approximately 18,000 students and we are the leading senior college of the City University of New York. It is especially appropriate that we serve as a venue for a discourse on international affairs given that we are, in a sense, a mini United Nations of our own where with students from 164 different countries who speak more than 120 languages. The college is named in honor of Bernard M. Baruch, a legendary financier and statesman who was an advisor to six U.S. presidents. Mr. Baruch was concerned with international affairs and supported President Wilson's view that the world needed a body dedicated to peace and new forms of cooperation. He supported the creation of the League of Nations, the precursor of course to today's United Nations. Baruch himself also took a leadership role in the UN after the Second World War by proposing a plan to multilateralize the control of nuclear energy under the control of the United Nations. Sadly the so-called Baruch plan was defeated by the emergence of the Cold War. Mindful of our historic mission Baruch educates both undergraduate and graduate students for local, national, and international leadership in business, government, not-for-profit organizations through our three acclaimed schools; the Zicklin School of Business, the Weissman School of Arts and Sciences, and the School of Public Affairs.

Baruch has a 160 year history of making a world-class education accessible to a highly motivated and diverse student body. In fact, the building we are gathered in this evening sits on the site of the Free Academy which was established by the City of New York in 1847 and from which CUNY traces its roots. It was the nation's first institution to provide the children of immigrants and lower income people with access to higher education based entirely on academic merit. We have some of our students in the audience tonight and how fortunate for them to be able to hear directly from the distinguished seventh Secretary General of the United Nations.
Nations. We also extend a warm welcome to the members of the United Nations staff and to the ambassadors of UN member countries who are also in attendance.

It is now my pleasure to introduce the current President and CEO of the Foreign Policy Association, Noel Lateef, who will initiate this evening's program. Thank you very much.

MR. NOEL V. LATEEF: President Wallerstein, Dean Huss, members of the Baruch community thank you for hosting the Foreign Policy Association this evening as we present our annual Andrew Carnegie Lecture on conflict prevention in honor of David Hamburg.

My dear friend Jan Eliasson, Deputy Secretary General of the United Nations, Dame Jillian Sackler, Chairman of the Foreign Policy Association, directors and members of the Foreign Policy Association, members of the diplomatic community, I am delighted that notwithstanding the elements we have such a great turnout this evening. We are fortunate to have his Excellency Kofi Annan, the seventh Secretary General of the United Nations as our speaker tonight and how wonderful it is that David Hamburg, in whose honor this lecture series is given every year, is with us this evening.

As Chair of the Kofi Annan Foundation, Mr. Annan campaigns for a more just world by advancing peace and security, sustainable development, and human rights. This agenda is on all fours with the great body of scholarship produced by Dr. Hamburg and the remarkable career he has pursued in academia and in the foundation world. Both men are visionaries and I commend to you their most recent books Mr. Annan's *We the Peoples: A United Nations for the 21st Century*, and Dr. Hamburg's *Give Peace a Chance*.

In the words of a former United Nations Commissioner of Human Rights elected by states "Mr. Annan stood for people and in dealing with both he changed for the better how we view international relations." end of quote. Indeed if we are to resist a growing undertow of instability we will need to renew the international system and who better to point the way than Mr. Annan. To formally introduce Mr. Annan I am pleased to turn to Joseph Rizzo, a Senior Partner with PWC who has been responsible for that firm's relationship with the United Nations. Joe?
MR. JOSEPH RIZZO: Thank you. I'm honored to introduce our guest of honor. He was the first Secretary General to be appointed from within the United Nations after serving over 30 years as an international civil servant starting his career with the World Health Organization as a budget officer and that really impressed me. He was the first head of the UN Department of Peacekeeping Operations. He convened the historic Millennium Summit which led to the establishment of the Millennium Development Goals. In addition, he created one of the largest initiatives to address HIV/AIDS the Global Fund and under his watch Ted Turner committed $1 billion for UN causes and of course, he is a recipient of the Nobel Peace Prize along with the United Nations. Please join me in welcoming Kofi Annan.

MR. KOFI ANNAN: Thank you. Thank you very much.

President Wallerstein, Mr. Noel Lateef and Joe Rizzo, dear friends it's wonderful to be with you this evening and I am really delighted to be here and to give this lecture in honor of David Hamburg.

At the outset of my first term as Secretary General of the United Nations the Carnegie Commission on the Davis Leadership published his farsighted and far-reaching report on preventing deadly conflict. For me as I sought out new ideas and ways for the United Nations to better prevent and end conflict the report proved to be both inspirational and instructive. Thank you, David, for that work and indeed for your great personal support and encouragement during my tenure as the Secretary General.

I am conscious that many statesmen have taken time to come to speak here, Noel at your association. They did so I'm sure because they realize what a spirited role the association plays in shaping American Foreign Policy debates and therefore American Foreign Policy.

As we all recognize, the United States took up the mantle of world leadership from Europe after the Second World War and was a driving force in creating the system that is with us today. Quite remarkably in light of world history at a time when the United States enjoyed unprecedented power, unequaled power, its leaders used it to fashion a multilateral order based on treaties and global institutions. Today that multilateral order is increasingly contested or left unused.
and impotent to deal with the imagined threats to the world peace and stability. The threreize [phonetic] of the current world order will be the focus of my speech this evening. I will outline some of the symptoms of the crisis we are in, the crisis we face, explore the drivers, and finally make a case for renewal without which I fear that our common efforts would prevent us from resolving these conflicts and we will continue to flounder.

During the Cold War there was a strict limit on what could be agreed by way of the United Nations, by action of the council in the field of conflict, prevention, and resolution. There was an understanding, an understanding with clearly agreed rules of the road. Those limitations seem to fall away with the ending of the Cold War. Shortly after President Gorbachev and Bush expressed great hopes for the new era in international relations that was dawning. President Bush captured the moment well in his famous 1990 speech before the congress where he stated that, and I quote, "A new world order can emerge, a new era freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. An era in which the nations of the world east and west, north and south can prosper and live in harmony, a world quite different from the one we have known, a world where the rule of law supplants the rule of the jungle, a world in which nations recognize the shared responsibility for freedom and justice, a world where the strong respect the rights of the weak.", end of quote. To recall those words is to measure the distance between the hopes we held then and the grim realities we face today.

Instead of a new world order we have a growing disorder. The international architecture set up after World War Two, which received a new lease on life in 1990, is proven unable to cope with the challenges of our time; we are groping with new uncertainty. Whether it is in peace and security, climate change, international justice, global trade there has been little progress. The Security Council is unable to ensure peaceful outcomes to crises in places like Libya, Syria, Ukraine, not to mention what is going on in West Africa, and of course, the IRS, or the group that is called Daesh in the Middle East, it is an the Islamic group. On the contrary, we even hear talk of a new Cold War. National borders are being called into question posing serious threats to international
peace and security. On the economic front the Doha trade negotiations have stalled due to bickering among states even though it is widely acknowledged that international trade has helped lift hundreds of millions of people out of poverty over the last few decades.

Although the statements we had at the UN this year are encouraging, the fact remains that the international community has so far proven unable to reach binding consensus on how to deal with climate change. The objectivity and effectiveness of the International Criminal Court, the creation of which was seen as major milestone in the struggle to end impunity is being questioned. More fundamentally following the end of the Cold War the norms of the liberal world order are being challenged. Even as elections have become almost universal since 1990 the failure of elections to result deep-seated political and social divisions from Kenya and Egypt to Afghanistan and Thailand has created doubts about the value of democracy as expressed through the ballot box. But let me put out a warning. We should be careful not to create the impression that the street is an alternative to elections, which is accepted as a method of peaceful and democratic rotation of leadership. Of course, democracy never was and cannot be a panacea. Democratic discontent is real but the alternative is surely better democracy, not a retreat into autocracy.

Today the virtues of an open world of democracy and the universality of human rights and personal liberties enshrined in the UN Charter and the Universal Declaration of Human Rights are under threat even in countries that have embraced democratic ideas.

How did we get here in just short 25 years after the seminal speech by President Bush? To my mind, there are three factors, these three factors stand out. First the scale and speed of economic and demographic and technological changes are upending the political status quo. Everywhere globalization has eroded the capacity of states to control their citizens, their territories, and the forces determining their future. Tax avoidance, illicit financial flows, organized crime, cyber crime, terrorism, climate change, and migration are disparate phenomena that have in common the fact that they are proven increasingly difficult to manage through the traditional instruments of state sovereignty.
The globalization of markets creates untold opportunities for savvy entrepreneurs and successful companies creating overnight billionaires and helped lift millions out of poverty, but it is also generating disquiet among people who fear that their livelihoods are determined or even destroyed by forces beyond their control and that of their elected leaders. I have the impression that many states, the bedrock of the international order, are experiencing extraordinary strains generated by political, economic, and social pressures that they cannot wholly channel or control.

Even long established states are under stress. I need not remind you that the unity of the United Kingdom was called into question just this past September. There are secessionist movements vying for statehood on the march not only in Europe but all over the world. But what is statehood if the state has no control over the dynamics that are shaping the country and its future. Sovereignty is not just a legal norm it is also a test of whether a state can hold and exercise monopoly on the lawful use of force, maintain the control of its territory, and the loyalty of its citizens and I would add the ability to craft and implement international agreements. Many states today fail that test.

The second factor is the experience of Afghanistan and Iraq which has highlighted the limits of what military power can accomplish. The failure of military solutions has discredited belief in and the legitimacy of international action in many western countries. Some of the wrong lessons of military engagement have been learned. It is not the use of force per se that does not work but rather when it is used in the absence of a coherent political strategy adapted to the realities of deeply fractured societies. In my view, such strategy is still to be developed to deal with religious extremism that preaches hatred and practices terror. Air power alone will not suffice. While the extremists may be contained they will remain a potent force. Such groups cannot be dismantled in the absence of a concerted effort by regional and international powers to develop the inclusive political settlement and government structures that will neutralize their appeal.

A third element which is threatening the established order is the failure to modernize the institutional architecture of world order to reflect the changing balance of power. Many
developing countries have experienced unprecedented growth over the last decade and a half which we should welcome. At the same time, because of demographic trends, the countries that dominate the world's institutions represent an increasingly small minority of the world's population but the United Nations and the -- institutions, the IMF, the World Bank, still have the governance mechanisms created after World War Two. As the result of this failure to accommodate change the emerging powers do not feel sufficiently represented. As they gain in wealth and influence they are increasingly contesting the international system. When the whole world is changing you cannot have static institutions. Perhaps Antonio Gramsci, an Italian politician and political thinker, was right when he described the dilemma this way; the way he put it was; the crisis consists precisely in the fact that the old world is dying and the new world cannot be born whilst the failures of the current world order are evident I do not see convincing alternatives -- . On the contrary, what I see trying to take its place is a dangerous retreat into nationalism or unilateralism, ultranationalism, and politics of identity. The trend to larger and more integrated entities such as the EU seems to have stimulated a corresponding dynamic to smaller and local entities; bigger also means smaller perhaps illustrating Newton's point that every action has an equal and opposite reaction.

When will we learn that identity is not monolithic or exclusive but multiple and overlapping? We must reject those siren calls that would reduce us to only one identity whether national, religious, or ethnic and use that identify to exclude others or worse, to unleash violence against them. The politics of identify are undermining both states and the interstate system through popularism, sectarianism, separatism, and offering nothing but bitter fragmented, parochial, and dangerous world. Many things are not going well nevertheless we should not give in to despondency.

Whatever the shortcomings of the international state system as we know it, never before in human history have proportionally so few people died from armed conflict. Today cancer, heart disease, and traffic accidents are far bigger threats to humanity than war and that is because the international system, composed of rules and institutions, does not allow most states to settle their disputes.
peacefully most of the time. At the heart of the rules-based system stands the United Nations. I know it is not the most popular institution in this country but let me just say that with all these defects, with all the failures that we can check up against it, the UN still represents man's best organized hope to substitute the conference table for the battlefield. Those are not the words of a former secretary general but those of a great American who knew a thing or two about the battlefield, President Dwight D. Eisenhower, and they remind us that we should not lose sight of the United Nations core responsibilities for international peace and security. We often talk about the UN's shortcomings in that area and not enough is said about the achievements and successes of which there have been many. We need to recall that the world states, despite their many differences, do gather to try to address the world's challenges peacefully, which is a huge achievement for human beings and human history.

[Off topic comments]

MR. ANNAN: Instead of trying to start all over again dismantling institutions and laws painstakingly crafted over the decades we have to see the current global context as an opportunity to improve their system of order. Regrettably established powers have not always lived up to President H.W. Bush's hope that they create a world where the strong respect the rights of the weak. They have ridden roughshod over international law and refused to share the privileges and the responsibilities of global governance with rising powers but at times states have risen to meet their responsibilities too.

At the 2005 World Summit of the United Nations members recognized responsibility to protect declaring that all states must protect their own populations from war crimes, crimes against humanity, ethnic cleansing, and genocide. If they fail to do so the Security Council has the residual responsibility to step in to provide that protection. R2P was the defining moment for the United Nations and the international community it represents but we are not living up to that responsibility. The responsibility inspired the intervention in Libya to rescue the Libyan people but the authorization to intervene failed to establish an effective government or sustainable peace. The international community
has failed to provide consistent and effective pressure to bring the parties of the Syrian conflict to a negotiated outcome and it is the Syrian people who are paying a terrible price.

We now need to strengthen the tools of prevention to make R2P effective. This is a message of David Hamburg's life's work in the course of prevention. Unfortunately, too often early warnings do not translate into early action. States that are threatened by strife should know that or should be a family encouraged to call on the United Nations for mediation and timely assistance before it is too late. When coupled with timely mediation prevention can head off escalating social violence. To cite just two examples, prevention worked in Kenya in 2008 and in Guinea in 2009 and again in 2013 without which those crises could have deteriorated into a full-scale ethnic cleansing and civil war. For all this to happen the world needs brave leaders, leaders who put their next generation ahead of the next elections.

Addressing climate change for example might not be a vote winner but it is absolutely essential for the future of humanity. Fueling the flames of identity politics for electoral gain might be a good career move for ambitious politicians but it is disastrous policy in a world of increasingly mixed identities and unprecedented human mobility.

Another of the contributory factors to the lack of international coherence is the vastly increased velocity of events to which leaders feel they have to respond immediately. Indeed they are expected to respond immediately to the 24-hour news cycle. Who could imagine international statesmen today spending months in San Francisco as in 1945? The pressure for quick results and for successful outcomes of summits that too often means that deep differences are papered over only to reappear in the relatively short period or at the time of implementation. We don't give ourselves the time to get to root causes of the crises we deal with.

The leaders of established powers have to take the long view and recognize that they too have to follow the rules and not just set them. They also have to share power with rising states. As I have often argued, this implies enlarging the Security Council and giving more voting rights to developing
countries and the -- institutions but leaders of rising powers have to be willing to take a greater share of the responsibility for global order of one which their success depends too, so the emerging powers also have responsibility and have to acknowledge that. They cannot stand on the sidelines just criticizing the injustices of the past. To lead means to take responsibility, to set the example, and to step up to the plate. All states have to recognize that since power ebbs and flows it is in everyone's interest to shore up a fair rules-based system that respects not only national sovereignty but also the rights of individuals.

In conclusion, let me iterate my conviction acquired over the decades that no society can enjoy enduring success without peace and security, sustainable development, and respect for human rights and rule of law. In those principles lie the essence of conflict prevention and the assurance of a more secure and fairer world and an aspiration to which David has devoted so much of his life. Before I stop let me say how wonderful it is to see so many young people here. I understand SIPA, for example, sent a group of 90 students and really it's wonderful you are taking interest in such issues. You are the leaders of the 21st Century and you have to take responsibility, you have to engage. It's your world now. My generation --.

MR. WALLERSTEIN: Mr. Annan has graciously agreed to take some questions. There are two microphones up at the front of the room. If you would limit your remarks to a question we will call upon you. Let me begin, as you come up with your questions, by asking Mr. Annan whether he might share his thoughts with us on this topic of Security Council reform.

MR. ANNAN: I see the Deputy Secretary General is leaving us. I think as a diplomat and it's an issue he doesn't want to put himself in that [laughter] but it's wonderful that you came.

No, I have believed for a long time that the Security Council has to be reformed. As we all know the council was established after World War Two and really it reflects the geopolitical realities of 1945. The world has changed and the UN has to change with it. You cannot have the static institutions in a rapidly changing world. I'm not promoting any countries I'm making my arguments. How do you explain to Latin America that they cannot have one permanent seat in the
area with about a fifth of the world's population doesn't have a seat. Africa with 54 countries doesn't have a seat and Europe has three with shrinking population. When one talks of democratic deficit this is a council that can be reformed to make it more democratic, more representative and therefore even gaining greater legitimacy and I think it will have to come. There has been resistance, but in fairness all the blame doesn't lie with the big powers. Sometimes the smaller countries have been divided. When you talk of Asia, I mentioned India, I'm sure there are some Pakistanis in the room; they would say India over our dead bodies. Brazil sees herself as a natural for Latin America. A former Latin American president during the thick of the discussions called on me and said Secretary General, things are going very well in our region, we get on well with Argentina, Uruguay, and it's never been this good before. Now tell me, Mr. Secretary General, why do you want to give us something to fight over, the Security Council business. And the Chinese also have the -- with Japan. They would tell you, except for a permanent seat, we have all the flexibility, and then you go to Africa and you say two permanent seats for Africa and several countries want it, Nigeria, South Africa, and Egypt. And Gaddafi in Libya had a candidate. With two seats immediately Egypt said lets split Africa, one seat for north of the Sahara and a second one for south of the Sahara. Nigerians and the South Africans cried foul. Africa is Africa you can't divide but Egypt was protecting its interest. Gaddafi then says let's take the smallest country in Africa with no ambitions. Why don't we appoint Gambia? It's a complex issue but it has to be resolved. You cannot -- because if the reform doesn't take place the -- and the big powers who feel they need a place at the table will begin to challenge. If you want cooperation we need to reform the council and those with power have to decide how much power they have to give up to make it meaningful for the others, because if this situation continues my fear is that we'll see destructive competition instead of cooperation.

MR. WALLERSTEIN: I see my good friend Jeffrey Milton [phonetic] up there. We're going to ask Jeffrey to ask a question from the balcony. Jeffrey?

MR. ANNAN: I can't see him but [laughter] can hear him -- .

MR. JEFFREY MILTON: -- my question -- Security Council --
discussion before -- permanent seat for --.

MR. ANNAN: --.

MR. MILTON: -- issue so that if you take two -- transition to what we all want to achieve in the end -- there are three seats -- Europe -. -- some way you can --.

MR. ANNAN: There have been lots of discussions and suggestions. Some have suggested, for example, that the council members agree, the permanent members agreed to restrain themselves and not to use a veto and if they do they need to explain to everybody in detail they do explain but very superficially. Particularly if you are there not to represent your country but to represent the interest of a larger group of countries you have to be required to come up with an explanation that makes sense for the group.

Obviously if it’s a question of a national issue where a nation is being attacked they can take steps to defend themselves but if it's an issue of broader peace and security to protect other countries and you vote against it you must be able to explain to the broader -- why you are doing this. And there have been also suggestions for them to agree willingly to withhold the use of veto except in certain defined and critical areas but all those discussions haven't gone very far and I don't think they would accept that sort of a restriction.

MR. WALLERSTEIN: We have some questions here.

FEMALE VOICE 1: I just wanted your perspective on where change could come from to reform the UN system. Can it come from within the UN? Does it have to be from member states, it is citizens?

MR. ANNAN: I think it has to be a combination. The member states ultimately are the ones who vote and take the decisions. They're also the ones who would have to ratify any changes to the charter so they have an important role to play. But the secretary general can also play a role; he can put proposals forward. I put what I considered a serious and solid proposal forward for council reform which was debated very seriously by the council but it didn't get through. I think we are going to get to a situation where the public also have a say. People often do not realize the influence and the
power they have whether on reforms of this kind or the environment. You can exercise your power by the choices you make in your purchases. You can exercise your power by putting pressure on your elected representatives and others to get the agendas or issues of consent higher up the political agenda. I recall talking to President Clinton when he was in office once and I said poll after poll indicates that the American people support the UN but this is not reflected in congress or the senate. How do you explain the disconnect? He looked at me calmly and said well, it's because they don't pay a price if they vote against the UN, when they go back to their constituents nobody asks them about the UN. You can ask them about the UN, you have the power to let them know you care about international issues, you care about international obligations, you care about countries honoring their commitments, and ask them the questions when they come to us for ask for your vote. Don't wait until the election time. Whenever you run into them ask them because if you vote for them often you don't see them for another four years or two years when they need your votes then they come back.

MR. WALLERSTEIN: Let's alternate to that microphone.

MALE VOICE 1: We always see political figures and economic figures call for a new world order and push the UN to make that happen. My question is; how can we trust the UN when they're enwrapped in so many scandals whether it's the child sex abuse that happened in Cambodia, Mozambique, Bosnia, Kosovo, whether it's the food for oil program that your son made money off, whether it's the fact that 300,000 indigenous women in Peru were forcefully sterilized under a UN program and when the UN knew it was abusive and women were forced to be sterilized in Peru you continued the program. Why did you continue the program and how can we trust the UN to bring upon a new world order?

MR. ANNAN: -- I didn't know the Peru issue you are talking about, but let me tell you—

MALE VOICE 1: [Interposing] It was the UN population fund—

MR. ANNAN: --UN is member states. When you raise all these issues that the UN hasn't stopped, the UN hasn't been able to resolve, we have to put things in context. The UN is the member states; your government and my government and the UN
can do a lot when the member states work with it and give it the means to do it. We have to be careful how we talk about the UN. You talk about the UN as if it is some satellite out there completely divorced from the member states. You have two United Nations, the United Nations that is made up of member states who control the Security Council, who control the General Assembly, issue the mandates, and the Secretariat that tries to implement it. Often they don't have the resources to get the work done.

We have had very serious humanitarian crisis, the Secretary General goes out on appeal and he's lucky if he gets 13% of the resources he needs to do that. Where does the blame lie? By referring to the UN as some sort of a satellite you are giving the member states an alibi; it's not us, it's that organization, and I don't think it is fair to the victims you are trying to speak for, nor is it fair to the United Nations or does it make the member states responsible. I think for the UN to be effective the member states should issue good resolutions, good mandates because bad mandates gets people killed, and work with the Secretariat to make it happen. That is the way to strengthen the UN.

MALE VOICE 1: But didn't your son profit from the food for oil program—

[Crosstalk]

MR. ANNAN: Thank you very much.

FEMALE VOICE 2: Thank you. In the view of the past violence secessionist conflicts, Kosovo, Georgia, Azerbaijan, and current Ukraine situation do you think that the time has come to come up with some clear—, a morally defensible international standards for states to allow to peacefully secede and do you think it would be possible to come up with such standards that everybody would agree on?

MR. ANNAN: I'm not sure I quite got the question.

MR. WALLERSTEIN: You're concerned about the Ukraine?

FEMALE VOICE 2: My question was in the view of what's going on with these violent conflicts when states want to separate and declare independence do you think it's possible for international community to come up with some clear standards that everybody could agree on to allow for states to
peacefully secede and do you think it would be possible to agree on something like that?

MR. ANNAN: You have me here.

MR. WALLERSTEIN: The question is is there a way for the United Nations and the international community to come up with standards to allow states or groups that want to create their own entities to do so under the current regime?

MR. ANNAN: Countries have come together and formed groups whether are they regional or sub-regional level and the UN has never prevented that. Not only that, the UN believes that regional organizations have an important role to play and there are times in fact where they are more effective resolving problems at the regional level and closer to the issue and the UN doing it, and it is something that we don't object or resist.

MR. WALLERSTEIN: Sir?

MALE VOICE 2: Mr. Secretary General I have a similar question about international borders. A lot of international organizations and government treat those borders as something sacred and yet very often those borders cause conflicts that become very violent. How do you see the calculus of short-term costs of possibly redrawing those borders versus the long-term benefits?

MR. ANNAN: That's a very good question but the U.N is an organization of member states and they tend to be respectful of the borders, and I think the question you raise is very much in the news today, the news today in the sense that you recall when we couldn't get assistance into Syria and people say why are you not doing this, we said we don't have permission from the Syrian government and therefore the UN agencies could not go in. Eventually the Security Council passed a resolution saying they can go across border say from Turkey or from Jordan to go without necessarily waiting for the approval of the government because of this essential and special nature of the crisis; otherwise, they would not have allowed it, they would respect the borders of the country whether Syria or somebody else. Obviously there are attempts to redraw some borders around the world but it is a very, very difficult thing to do and often if you redraw the borders you need the other countries to recognize you. If
they don't recognize you, you don't have a new border or a new modified territory for the state and as frustrating as it can be, it's almost the bedrock of international system built on states and it's not very easy to get governments and people to want to fool around with the borders.

FEMALE VOICE 3: Thank you for coming to talk with us. How can we promote development without exhausting our resources? At this point I'm the most concerned about water. I'm from California where a lot of our agriculture comes from there. I just saw this week Sao Paolo is having a major problem. How can we promote development in the world in developing countries if so much of our industry relies on water?

MR. ANNAN: I think water is really one of the big issues for us and it's going to become even more critical with the challenges we have with the climate change and we've had a very bad drought but we've also had very bad floods in other parts of the world, but I think water especially in the sense that most people will tell you water is life, but we also have to learn how to use water more effectively and efficiently. Actually that goes not just for water but for energy and all the things that we consume on this, because we sometimes consume resources as if there's no tomorrow, and water is an area where we really have to see how we manage it and obviously you may move water from one region or one state to the other but it has to be done in a way that is sustainable, and in fact, there is concern that if we don't manage a resource like water effectively some of the future wars will be over water.

FEMALE VOICE 3: Thank you.

MR. ANNAN: Thank you.

MALE VOICE 3: Mr. Secretary General I'm a graduate student at Columbia University's School of International and Public Affairs and I would like to especially thank you for the emphasis you placed on the responsibilities and the promise of our generation for the future of the United Nations and of the world. I would like to ask a question about how to change not only the practices but also the discourses over the UN among the member states, among the media, in the academia there is a perilous tendency that persists about dismissing the organization, demeaning it's works, scapegoating the secretary general, you've given us a bold
vision of how the practices could be changed. I would appreciate your comments on how the discourses over the UN could be changed as well. Thank you.

MR. ANNAN: You have to start with that. That also is a very important question of changing discourse but I think when it comes to changing the discourse the way you framed your question you -- is a -- in the UN which should change the discourse. You and all of us can help change the discourse. You can help by asking questions, by becoming engaged, by really telling the diplomats and our governments that we want something different, that we want to discuss the real issues, we want you to focus on issues of consent to us, and we want you to do it in a simple straightforward way in a language that we understand and it does. For example the Millennium Development was in a language that everybody understood. Why can't we approach other issues the same way, not just the substance but the language we use? We have our own sort of language; we call it UN-ese. It's so complicated that sometimes the persons who built it have to try and interpret it and we don't communicate effectively as we should, but on the substance and what the organization should be focusing on and what is of consent to society, you assess it is in civil society as individuals have the power to influence it if you can organize yourself and put pressure on the government. I have always said where leaders fail to lead the people can make them follow and there are lots of examples around the world.

[Crosstalk]

MR. ANNAN: Oh, you couldn't hear? Okay. We'll do better.

MALE VOICE 4: Hi, Mr. Annan. I am a student here at Baruch and former UN Club president and national -- United Nations delegate. I would like to know do you see microfinancing such as Grameen Bank as being a potential vehicle that can help alleviate in a mass scale global poverty. Thank you very much.

MR. ANNAN: Microcredit has made a contribution but I don't think that alone is enough. In fact I was with -- this morning, the Grameen Bank and the microcredit has helped particularly women giving them decency and giving them the means of livelihood, and it has made a contribution but we need more than that. We need government policies that are enlightened;
we need government policies that would help society. For example, you take subsidies, you go to countries and they say we have subsidies for fuel, for gas, and that subsidy goes to everybody. A subsidy for gas is really subsidy for the middle class. The poor have no cars. You have to really target it and structure it in such a way that the poor actually either get payouts or get some specific benefit from this government largess but often it's extremely difficult to change it. Subsidy is one of those things once you grant it its extremely difficult to take back but it has to be fair. One government says we subsidize everybody's petrol. First of all, it's not good for the environment and besides it's not fair for the poor. I'm using it as an example where governments can do more. That money that is putting money into the pockets of the middle class and the rich can be reordered in such a way that it helps with education and health of the poorer people and they get benefits.

MR. WALLERSTEIN: We'll take just a couple more questions.

FEMALE VOICE 4: Mr. Secretary General do you think it's the United Nations and established powers responsibility to bring democracy to countries where it might be undermined or is it up to the people of these countries to actualize this reform and go through their own national revolution? Thank you, sir.

MR. ANNAN: Can I get that question again? I'm sorry.

FEMALE VOICE 4: I'm going to go slow.

MR. ANNAN: And a bit louder.

FEMALE VOICE 4: Do you think it's the United Nations and established powers responsibility to bring democracy to countries where it might be undermined or is it up to the people of these countries to actualize this reform and go through their own national evolution?

MR. ANNAN: I think that the national level role is extremely important. Democracy is not something one can impose from the outside. We have yardsticks and standards which are helpful. Today almost every country claims to rule by accepted democratic principles. They accept the Universal Declaration of Human Rights, they accept the UN Charter and it's reflected in quite a few constitutions, but then they
have to give it meaning and reality on the ground and where the government is not doing it voluntarily or willingly I believe if the people organize themselves effectively and sustain the pressure they can change the direction of the government.

MALE VOICE 5: Hi, I'm a senior at Baruch College and thank you for coming and speaking to us. My question is you spoke about the need for international institutions to change in a world that is no longer static. I'm curious by what mechanism should these institutions change and how will we know if they're better or worse?

MR. ANNAN: They can't hear you either.

MALE VOICE 5: My question is you spoke about the need for international institutions to change in a world that is no longer static. By what mechanism will these institutions change and how will we know whether they've changed for the better or for the worse.

MR. ANNAN: That's a good question. By what mechanisms institutions change and how can we know that they have effectively changed? I think when institutions go through changes it's not just cosmetics changing the boxes but changing the way they act, the way they respond to the needs of the constituents, the way they deliver what they have to. People get to know it, they understand it very - - -.

Let me give you an example of some of the changes we went through. When I started and decided to bring some reforms to the UN a couple of things I decided to do I had to go through some questions myself, questions like what can the UN do, what should the UN do alone? What should the UN leave others to do and how can the UN expand its own capacity with these limited resources? We were not going to be able to go to the governments and ask them to give us more and more and more money. It wasn't going to happen. We had to recreate it and build networks and expand our capacity by working and networking with others. I decided we should reach out and work with civil society, bring them into the organization, work with the private sector who had innovation and money and organizational skills and with universities and foundations. Some were hesitant at the beginning but when they joined and we got, for example, companies to join what we call the Global Compact with the nine principles covering human
rights, environment, and core -- and beginning to cooperate with us and recently worked over the past 15 years with us on the Millennium Development goals. They worked with us on HIV/AIDS and about 10, 12 years ago I sat down in Amsterdam with -- and Peter -- and 7 chairman CEOs of the largest pharmaceutical companies basically to tell them we need you to help us make AIDS medication affordable to the poor. When you visited hospitals, my wife was there with me when we went around, she went to hospitals, I went to hospitals, and sometimes they look you in the eye saying can you help. One time she had to try and get medication to a 9-year old and when -- came and told me the story we did, but nine months later or six months she was dead because it was quite expensive. Anyway what the pharmaceutical industry did after lots of discussion they agreed to help reduce the cost of the medication. Although the meetings were difficult the first chairman to speak was I don't know why I'm here. I can be accused of price fixing. I told him price fixing is when you collude with others to maximize your profits. Here I'm asking you to lose money. I'm asking you to cut --. In the end it worked. It got to a stage where they were given nevirapine, medication that prevents mother to child transmission of HIV, which is a -- and when that happens the people in the community know there is change, they know there is reform taking place, they know things are happening. You don't have to tell them. People are smarter than we think.

Thank you.

[END RECORDING]