

A Conversation with Moises Naim On His Book “The End of Power”

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Welcome:

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JESSICA MATHEWS: Good evening. Welcome, all. I'm Jessica Mathews, president of the endowment. It's a great pleasure to welcome you here this evening.

I am frequently asked by young men and women for career advice, which I hate giving because I never feel like I have that much to offer. So I only offer two pieces of advice. One is obvious: Do what you love best because you'll do it best. That's pretty straightforward. And the other one, which I've been saying for about 25 years when it wasn't quite so obvious, was that try to work in as many different sectors as you conceivably can, because in this world it will no longer be as it was in the 1980s – '70s, '80s – unlikely that you'll have a career that stays in one channel, and the more of them that you get to know, the better, more effective you're likely to be.

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Well, Moisés Naím has been a distinguished academic, dean of the largest business school in Latin America at age 36. He has been high official in government; minister of trade and industry in the administration that privatized the Venezuelan economy; executive director of the World Bank and senior adviser at the Bank; an extraordinarily successful editor, journal editor, and columnist. He's followed my advice without knowing it in spades. (Laughter.)

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And I think it is because of that breadth of experience – and I should add that he's dabbled in the private sector as well pretty actively. I think it's because of that breadth of experience, together with a mind that is constantly probing, asking questions, curious, that is profoundly a prepared mind, that he's been able to kind of look underneath the trappings of very different activities and sectors and undertakings from national security to religion and everything in between, and see underneath the common skeleton that I think former President Clinton, in his blurb for the book, got precisely right, which is that after you read this book you will see the world differently. I have. And so I think it's a profoundly important and interesting book.

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So we're really honored to have this event here tonight to find out a little about it and to honor the book's publication. We're so pleased to have Tom Friedman, an old friend, to join us in this conversation. There would be nobody better. So we're going to start hearing from Moisés, and then we'll have a short conversation up here, and then we will open the conversation to all of you. And after that we'll drink. (Laughter.) But right now please join me in welcoming our distinguished author. (Applause.)

MOISES NAIM: Thank you, Jessica. I will be doing talks like this now for a while around the world, but I am sure that no one is as significant to me as this one. And the reason for that is that Jessica is right that I have done a bunch of things, but this is an institution where I have been working for the longest in my life. I have never worked so long in a place like I have worked at Carnegie.

I started here in 1992. Mort Abramowitz – which I assume is somewhere here – hired me. And then I continued, except for two years when I went to The Washington Post. And then I came

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back. But this has been my home. So giving a talk at one's home with friends, I know exactly each one of you and I can give you the names of everyone here.

So this is a very warm feeling of being amongst friends in my home, a home that has been good to me, and it has been good to me because of the people that have led it. And I am immensely grateful to Jessica, the board and others that have given me this wonderful space in which I could develop my ideas and explore and make mistakes and everything else.

So here I am with another book. And I want to turn to Tom. He doesn't lack – like Jessica and Tom, they don't lack for an invitations to do things, and so their list – I know how selective they are on what they pick in terms of participating, so I take their presence here more as a sign of affection than anything else. (Laughter.) They are also two people that I have plagiarized over the years. I have tried to imitate and copy them, but it's very hard.

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I will just be very brief, both in the spirit of trying to get a conversation going with all of you and also in the hope that the less I say, the more probable it is that you're going to buy the book. (Laughter.)

And the book is about a big idea, I think, and the central idea is that some fundamental mutation is taking place with power. Power is changing in ways that are very profound, not well identified yet, and not well understood and not well talked about. But we know that power is shifting, and Jessica, in 1998, I think, wrote an article in Foreign Affairs titled "Power Shift." I think it was the first time that something like that was mentioned. And she started to identify what at the time was still a very incipient trend which now has become very obvious and clear to all of us. Power is shifting from West to East, from North to South, from very large companies and very old established names to new commerce, very agile, small startups that no one knows where they come from and they're able to dislodge established behemoths.

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And we know that the power is also shifting from presidential palaces to town squares around the world. We all know all of that. It's very important. But something more is going on, and that's the theme of the book, and that power is not just shifting; power is the (game?). What you can do with power is less than what could be done with power in the past. Power is now easier to get, harder to use and easier to lose.

And I claim that this is a global trend. This is happening everywhere. And I also claim that this is happening in all realms of organized human activity. This is happening to armies and it's happening to churches. It's happening to charities and philanthropies and foundations, but it's also happening to political parties and to governments. It's happening to nations and it's happening, as I said, everywhere. And that is what I tried to write in the book to persuade the reader that this is going on.

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Writing the book was a very hard thing. I started writing it about six years ago. And I was very aware and self-conscious and very insecure, as I knew two things. I knew that I was writing about a subject that had been discussed from time immemorial by the biggest minds, and it's a very well-discussed topic, and it was, you know, very ambitious on my part to think that I could, you know, write about that.

And the second is that I was also very aware that we are stating these things at a time in which the mood is one in which there is heightened awareness about the concentration of power; about inequality and the 99 percent and the 1 percent; and the number of tycoons and billionaires that is growing and the superpowers that are emerging; and China becoming very, very powerful, and others; and the United States retaining its huge capabilities. And so I was aware of these things and I was aware that – (inaudible) – the conversation was running against the kind of assertions I was making. And yet I was responsible enough to decide that I wanted to try to deal with this issue, and I am persuaded that that's the case.

And so the way I defended myself and the way I felt more comfortable was on letting the numbers speak – let the statistics and the analyses and the research do the talking. And that's why the book is heavy on evidence. And, you know, there is a chapter on the military and there's a chapter on national politics and a chapter on charities and the labor unions. Wherever I looked, I looked for evidence that the decay of power was taking place.

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I don't want to bore you with a lot of those data. They're there but, you know, just to drop some numbers and some factoids: If you think about national politics, well, just think sequester and think fiscal cliff, or think Italy. Italy has always been an example of this. But in the recent election, instead of solving the problem of power it created a power – an even deeper power vacuum. And you know, the landslides and strong mandates in local and national politics are becoming endangered species. They're not that frequent even, and the numbers are there to show that the margins of victory – or of electoral victory around the world are shrinking. And it's very rare – they still happen, but it's very rare that the government is elected with a very strong mandate, with a very large electoral victory.

Thirty out of 34 countries in the OECD, the club of rich countries – in 30 of those, the government, the executive has to deal with a parliament that is in control by the opposition. So divided government is the case in 30 out of 34 countries of these very large, industrialized democracies. And this is in democracy; we also know what's happening in the world of authoritarian regimes. They are still there, but their number has been dwindling. And they feel far more insecure.

And you know, in 1990, we had 69 electoral democracies – that's what – the category used by Freedom House. Today, we have 117. And of course, you have the ups and down, and you have reversals – and my own country, Venezuela, was a vibrant democracy and now is not. But at the same time you have Burma, that used to be – still is a very strong, authoritarian regime, but it's beginning to open. So you have the ebbs and flows of that. But the trend is I think quite evident. We can see turnover rates in Cabinets and the tenure times in which ministers – Cabinet members stay in power, that they're – and there is a wealth, a richness of data that shows that that's the case.

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And high turnover rates are not just present in governments. It's also in the world of business. I cite a study that shows that in the 1980s, a company in the United States that was in the top 20 percent of its business would be there five years hence – you know, it had only 20 percent of probability of falling out of that tier. Five years hence, it probably – 80 percent of them would be still there. Two decades later, that number doubled – so the probability of not retaining a status, not being able to stay at the top of the league doubled. The same with the turnover rates of CEOs, the very well-paid, very powerful individuals that are just capturing huge amounts of money in their – in their salaries – also living now in a very slippery world, in a world that is far more slippery. In 1992, a U.S. Fortune 500 CEO had a 36 percent chance of retaining his job in the next five year. In 1998, that was down to 25 percent. And after that, the tenure in – the turnover rate amongst CEOs in the United States doubled. And the same happened, oddly enough, in Japan, that country in which you have lifetime employment and high stability – even in Japan, CEOs started living in a more insecure world.

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Brand disasters – there is a study that I quote, that in the 1990s the probability that a company would suffer an accident that would damage its brand was about 20 percent. Now, it's about 82 percent. So the probability that a company with a huge brand would be affected by some kind of accident is very, very high. When the Exxon Valdez accident took place in 1989, and the big oil spill took place, the sheer value of the shares of Exxon went down in the next two weeks 4 percent. When that happened with Deepwater Horizon just in 2010, shares of BP went down 13 percent in seven trading sessions. So the same accident created an economic consequence that was much faster and much deeper and far more consequential.

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Same is happening in war. There is another very interesting study that shows that the weaker side in wars, in asymmetric wars, tend to, now, to win more often. This is a scholar called Ivan Arreguín-Toft, at Harvard; did this study. And he looked at asymmetric wars – you know, the clash between armies that one was clearly superior in terms of weapons and capabilities and number of – and the size of the troops and everything else. And he discovered that between – I'm sorry, 1800 to 1949, 12 percent of the time the weaker side lost the war. But between 1950 and 1998, 55 percent of the time, the weak side won. That means that after – in recent times, it is more probable that the weaker side wins the war than the stronger one. And we can see a lot of evidence about that in which – even if there's no winning now in war, it's very often the trick is not to win but to deny victory to others.

The Talibans are denying victory to the mightiest army ever assembled. The pirates that ply the seas in the Gulf of Aden are also denying the biggest, most modern fleet the ability to impose their will. You know, they with rickety boats and Kalashnikovs and very primitive weapons, they are still able to hijack some of the largest ships in the world.

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And the same – and I can go on with more details and more evidence – and churches. In Brazil, in – according to the census, in 1970, 90 percent of Brazilians called themselves Catholics. In

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the most recent poll, 65 percent of them only call themselves Catholics. And that is a trend that is present in Asia, throughout Latin America and elsewhere, in which competition and – again, power is no longer what it used to be and it's more contestable, it's more perishable; it's easier to lose.

Why? Why is all this happening? The immediate reaction that people have when folks have question is the Internet, of course, and more specifically social media. And Tom Friedman, in his books, have – has made a very eloquent, very persuasive case that technology is surely changing the way we live, the way we date, the way we marry, the way we eat, the way we seek medical advice. And all of that is true, and it would be foolish to try to deny that. And I say that that is very important, but that is happening on top of other things that are taking place in the world. And I discuss a variety of factors that I lump – I put in three categories that I call the three revolutions: The more revolution, the mobility revolution and the mentality revolution.

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The more revolution is what you already know: We are living in an age of profusion. There's just simply more of everything. There are more countries. There are more political parties. There are – certainly, there are more people. There are 2 billion – 2 billion more people now than just 20 years ago. They are younger. There's people now younger than ever before in human history; the number of people 10 to 20 years old is larger than ever. We have now people under 30 years old – they are three times those that were less than 30 years old in 1950s.

There are no longer more – and they're not just more and younger, they're also more urban. Today, for the first time in history, more people live in cities than in – than in the rural environments. Sixty-five million people per year move to cities. That is seven times the size of Chicago. So every year, you have seven Chicagos taking – moving around the world. And then also they're younger, they are more, they're more urban – and they are wealthier, they are more – they are more affluent. Still, some – most of them seem poor by our standards, but richer by comparing to what they were before. Their numbers are staggering in terms of the growth – GDP growth around the world.

And global GDP is now five times larger than it used to be in 1950. GDP per capita is three and a half times larger than it used to be. According to the ILO, in the last decade 38,000 poor workers were lifted out of poverty per day. Each day 38,000 people that used to be very poor were lifted out of poverty. Twenty-eight countries that the World Bank categorized as low-income now were lifted to the category of middle income since 2006. So there's more affluence. Take any indicator and you will see that that number has exploded: education, life expectancy. Any indicator is there now is much larger than it used to be at a very, very fast pace.

And that is what I call the more revolution and the mobility revolution – that these not just are more by they move more. And there is a huge movement of goods and services and ideas and money, and of course people and, there, the numbers are also quite significant. Air travel has doubled in the last 20 years. Container cargo today is 10 times larger than it used to be in 1990. The number of containers that are traded on a yearly basis is 10 times larger. Trade that used to be 5 percent of GDP in 1936 is now 32 percent. One-third of the global GDP is related to trade, despite the crisis that it goes down and up, but mostly it is quite significantly up.

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And mobility of course includes the information revolution and cell phones and the fact that now in some geographies cell phones have a saturation rate that is higher than toothbrushes. There are places in the world where there are people – where the number of cell phones exceeds the number of toothbrushes. And so the mobility, and then all of that inevitably has consequences for mentality and the mindsets, the expectations and the aspirations and the respect for rules, and just do things because that's the way they have always been done, that also has been deeply eroded.

Fascinating anecdote, I think, that is very revealing is the number of divorces among senior couples in India has soaring. People are getting divorced. And these are mostly initiated by the women. So what we're seeing here is that women that were forced into arranged marriages 30, 40 years ago are not taking it any more and getting a divorce. Why? Because of the three revolutions and because the change of expectancy, because of empowerment of many kinds, because of the opportunity to do so in ways that were not there before. And that is not just an anecdote. We have the world values survey that tracks attitudes and expectations and opinions around the world for decades clearly shows a trend towards less tolerance for authority, more propensity for wanting more freedom and choice and everything else.

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So all of these, I claim, all of these changes have consequences for power and are undermining the barriers that protected the powerful. The powerful had shields that made it very hard for challengers to contest them and displace them, and those shields have become less protective, the more revolution is helping challengers overwhelm the barriers. The mobility revolution is helping them circumvent the barriers, and the mentality revolution is helping them undermine the barriers. And these three things together, you put them in a cocktail, you shake them and you get the decay of power.

So there are two very important questions that derive from this. One is, so what? And the other is, what to do with this? And that's why we have Tom Friedman and Jessica Mathews who's going to answer those questions. (Laughter. Applause.)

MS. MATHEWS: OK, Tom.

TOM FRIEDMAN: Well, my sense is it's a good place to start. First of all, that was a really compelling presentation. Thank you, because we just had a wonderful example of it.

President Obama came into the pressroom two Fridays ago, late in the day, and the first question was from the AP reporter, who basically challenged him that you're not doing more. And he basically – it was a wonderful exchange. What more can I do? She said, well, I'm just asking, I'm just trying to clarify. He's, well, I'm trying to clarify. What more should I do? Do you think I can do some, like, Jedi mind-meld?

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I'm sure, you know, even writing the book still it would have been a sort of front page example. Does this apply to the president, how does it apply to the president, and what does it mean for our country?

MR. NAIM: Not just for this country but in general I think there is – one of the – in the conclusion, in my so-what chapter of the book I make a big deal of the importance of restoring power on those who govern. Power that has been increasingly constrained by lack of trust and by a variety of forces that have created – have exacerbated the checks and balances that are indispensable in a democracy.

A democracy comes with checks and balances and constraints on executive power and that's very desirable. I think, however, that in some countries we have overdosed on checks and balances. And the example, you know, what we have been seeing now with the debates about how this country should tax and spend is a very good, very eloquent example. And the list is long and I think it applies in a lot of countries.

I think we need to give some more power to those who govern. And without meaning writing a blank check and let them do whatever they want. I just think that we need to be far better at defining what are the constraints on executive power. And there in the book I give a lot of attention and I am obsessed with the notion of restoring strength and competitiveness and attractiveness to political parties.

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In the last decades NGOs – the last couple of decades have been great for NGOs and terrible for political parties. An exercise that I do quite often when I speak on college campuses is I ask them, there is a butterfly in Indonesia that is an endangered species. I'm setting up an NGO that is going to go and work to save the butterfly in Indonesia. How many of you would join me in doing this? Inevitably, you get a group of people who say yes, let's do that.

Then I ask, how many – I want you to now start participating in politics. How many of you would join me – let's join a political party, either the Democrats or the Republicans or whatever, and immediately you see them running to the door. They don't want to hear about that, and that's terrible. And I think political parties need to become more alluring, more competitive, more attractive to young professionals, to young people, and try to channel some of the political energy that we now see channeled in other ways. NGOs are particular example.

In the book, I even mention that there is a law that the political parties ought to learn from al-Qaida and from Occupy Wall Street. I'm not suggesting that political parties ought to try to become cults, or much less that they have to nurture suicidal assassins, but I do believe that al-Qaida in its ability to energize and recruit and motivate young people, there's something there that political parties ought to learn.

The same with Occupy Wall Street. It is a very strange movement that, you know, appeared around the world; 2,600 cities around the world had their squares with people camping and had a very similar structure and they communicated in the same way. They were leaderless. In most of them, nothing happened. It was just a cathartic exercise.

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But what did they have? How could political parties tap into that energy and bring it to try to get better governance? I believe we are at the verge of a wave of political innovation in the world, that the same kinds of innovation we have seen in the last 10 years that helped us form everything and that you write so well in your book.

Just think, we have been – innovation has touched everything we do, every day. From when we wake up to when we go to bed, everything has changed by innovations and technologies of all kinds. Everything except the way we govern ourselves. There is huge stagnation and lack of ideas and lack of innovation and I believe that that is not sustainable. And that's why I believe – perhaps it's my hope, but the fact is I do believe that we are about to enter an era in which there is going to be an explosion of political experimentation and political innovation.

MR. FRIEDMAN: Let me just quickly do a follow-up. Now see, one of the things I – I've always argued about globalization is that it's everything and it's opposite. It's incredibly empowering – huge global companies, you know, have more power than ever. And then incredibly –

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MR. NAIM: You talked about the superpower – (inaudible).

MR. FRIEDMAN: Superpower, you've got that. It's incredibly particularizing, incredibly homogenizing. It's incredibly authoritarian and incredibly democratizing.

So I'm wondering – let me push you a little bit here. I inherited James Reston's office when I became a columnist, January 1995. What a thrill to have the office of this great icon, editor and columnist at The New York Times in the '60s and '70s. I suspect Mr. Reston used to come to the office every morning in the '60s and '70s and say to himself every morning, I wonder what my seven competitors are going to write today? And he personally knew all seven. I can name them – Walter Lippmann, Mary McGrory, Stewart Alsop, Joseph Kraft, Tony Lewis. I do the same thing. I come to the office every morning and I say, I wonder what my 70 million competitors are going to write today?

(Laughter.)

So – I mean, I have 70 million competitors. So in that sense, I feel much less powerful, compared to Mr. Reston.

At the same time, writing on Newyorktimes.com, I can reach 50 million people a month, which he never dreamed of, writing on dead trees. So my – am I less powerful, or more powerful? Have I lost power?

MR. NAIM: No, I don't think there are lots of Tom Friedmans around. And you are probably in a category of a few people. And in that sense, it is true.

I don't know. I know that Reston was called very often into the White House and he had a

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MR. FRIEDMAN: OK, let me – let me just stop you. Let's take a different example. Andrew Sullivan had a very successful blog. He started out of nowhere. And Andrew just went to a pay model, I saw, and I think raised \$600,000 overnight. That's pretty powerful.

MR. NAIM: Yeah, but at the same time it's happening, as you said, there are a lot of columnists, there are a lot of bloggers around the world and there are – you know, and then the attention span and the space, the mind space that – of your readers, you have more competitors. And we are all the victims of having too much thrown at us. We have to cope with how to select and sift through a lot of information that is thrown in our sight.

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But, you know, you're talking about an individual case. That's you. But think about your employer. Who would have said that your employer's business model will be undermined by something called Craigslist? And who would have said that there will be all sorts of business models undermining, and how the three revolutions in fact are undermining The New York Times?

So I don't know about Tom Friedman. I can tell you that The New York Times today is less powerful than it – the managing editor of The New York Times today is less powerful than the managing editors 20 years ago.

MR. FRIEDMAN: Sure. So let me ask you, just to relate to that, because I think you're right about political innovation. And I think there's a very interesting point, because when does innovation happen? It's when things become scarce. And power's becoming scarce.

MR. NAIM: You have crisis. And I think more it's the crisis. Yeah.

MR. FRIEDMAN: Yeah – (inaudible). So I wrote about Americans Elect. Here we had a – there's a real innovation. Somebody said, let's have an online – start a third party. Let's have an online convention. It flamed out; it didn't work, but I think it was the tip of an iceberg.

Now, I've written a lot about MOOCs lately, because what's really interesting to me is I think what happened to media is now happening to universities. If you have – if you had oil, you could resist this for a while, OK? So universities that had oil, they were called endowments or state budgets, you know? Political parties have oil. They're called, you know, political contribution. So they've been able to kind of keep their walls up.

But I think, the universities, it's over now. So they're going to lose power in the way you've talked about.

What kind of political innovation, as – when you put that out there, it's very tantalizing to me – (inaudible) – what – where do you think this could go?

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MR. NAIM: I don't know. That's the most –

MR. FRIEDMAN: That's a fair answer. I think we'll –

(Cross talk.)

MR. NAIM: That's the most sincere answer I can give you. I can give you elements that I hope – first, I really hope that it centers on political parties. I don't believe you can have a strong, vibrant democracy based on NGOs or movements. Because the –

MR. FRIEDMAN: That's a good point –

MR. NAIM: – the United States is an example of a two strong political parties where the barriers to entry, the barriers that protect them, like the barriers I mentioned, are still very strong and insurmountable. And Americans Elect is an example of that.

But at the same time, in other countries, what you are seeing is the dwindling, the declining of the traditional political parties, and they're being replaced by opportunistic movements that are electoral machines that are – Beppe Grillo in Italy is a good example. And around the world you can see examples of machines that appear and just have a very concrete electoral goal, and then they disappear. That's not what I want. I don't want the Beppe Grillo –

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MR. FRIEDMAN: That's a perfect example.

(Cross talk.)

MR. NAIM: (Inaudible) – too many parties. You have Israel, you have Italy, you have European countries, you have – look at what happened in Thailand, for example.

So the United States may be unique in terms of very strong two political parties that are still able to keep everybody else away from challenging and competing –

MR. FRIEDMAN: But then isn't –

MR. NAIM: But I do believe that some form of what these movements bring, together with political parties and democracy, are going to be – plus the technology.

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MS.MATHEWS : Can I ask a version of your question? And that is, is the phenomena getting – moving away from politics, but the broader thing you're talking about – are you convinced that it is a trend that stretches sort of unidirectionally into the future, or is it possible we're looking at an arc that is shaped by a couple of things. One, as you mentioned, just sheer numbers of people on the planet. It's hard to remember it took all of human history to get to 2 billion in 1950, I think, and now were at 7 (billion). You know, it's not been remotely linear.

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Aggregate economic activity, aggregate consumption of resources, da, da, da, da, da, has been – this half-century has been totally off the charts. And then you combine that with this transformational technology of the Internet. You could imagine that we are in a period of upheaval and transition to learn how to sort of assimilate all this activity and people into a – into a new system, and we will sort of settle back into things that are more familiar.

I mean, I'm not saying – you look at human history; I'm a little skeptical on the power of innovation in government. There are very few examples. Very few. But I was trying to make a larger point, which is I can't tell, and having read the book twice at different stages, whether – this is a moment here, and we're about to come back down to something more settled. I mean, this is clearly a moment where there are things different.

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MR. NAIM: In the book I talk about the inverted U curve, which is what – akin – similar to what you're describing, in which there are all these benefits that we are deriving from the decay of power. You know, it's – there's a law to celebrate, a law to welcome, by the fact that tyrants are less secure and there's more competition and the voters and elections and consumers and – we all have more choices, more freedom. So there's plenty to celebrate, and then – but then the curve at some point starts sloping down, where there's too much of that creates paralysis, gridlock, and even disorder that is counter – it's not in the interest of society.

But your point is that that curve not only operates in that way, but also operates in the fact that we can get to a new stability, a new equilibrium after now in which there is more of the same, but settled at a different level.

I don't know, Jessica, because for example, I believe – I think – think China, and in terms of size, it is very hard to conceive that China is not subject to the – to the three revolutions, and that they're not very powerful forces operating in China to move to – well, you know, think about the current leadership of China. Do you imagine that they would be able to do – take the kind of liberalization of their economy that took place in the '90s under Wen Jiabao? It's unimaginable.

MS. MATHEWS: But – but my –

MR NAIM: They are far more constrained and they're – so – but at – and at the same time, I do believe that China is – it's going to be very hard to sustain China in the same plane. And we're talking about, you know, one of the countries that are going to define humanity in the future. And there you will see trends that are in the direction of not settling in an equilibrium, but moving in the direction of more power dispersion.

MS. MATHEWS: But on the other hand, it's also true – I mean, a few years ago, we had three global – we had three labor markets on the planet, right? We had the Western labor market, we had the countries that were outside labor market, India was – and then we had the Communist labor market, OK? So now we've got one labor market, one global labor market, and it's a pretty difficult thing to get all of that assimilated in this thing. So you could see an awful lot of what's happening, again, always multiplied by the connectivity of technology as an adjustment, rather than a – rather –

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MR. NAIM: But the – you know, in order to say adjustment, you need to specify what's the time period. This can be –

MS. MATHEWS: Yes, it's been really fast, right – it's fair – (inaudible) –

MR. NAIM: – this can – you know exactly where it's needed.

MS. MATHEWS: Let me – can we ask one other question about something that hasn't decayed, and quite the reverse, which is the power of money in politics, which has clearly just – don't like that.

[00:42:03]

MR. NAIM: Well, no, I actually think that proved my point. There is more of it. There is more competition. In the past, it was enough for a couple of wealthy tycoons to buy this and that politician. Now they have to compete with other tycoons that are trying to purchase power. And that is happening everywhere. Yes, power and money in politics is very important, except that now the monopoly that some of them had is contested by others. You know, you have the Koch Brothers but you also have George Soros on the other side and in each one of them, you have more. So the more evolution also applies to the people that are trying to buy power with the money.

MS. MATHEWS: Although my point was the sheer power of money to define politics. I was –

[00:42:57]

MR. NAIM: I think that has always been there, but now, just is more contested. You could argue that there is more contestation, that there is more competition for that.

MR. FRIEDMAN: So this is scary, Moises, because power seems to be dissipating right when we need to aggregate it to, on the national level, make some very important decisions about our future, and on the global level, to deal with some huge global problems that require global governance when there's no global government. Are we cooked? Should we just party? (Laughter.)

MR. NAIM: In the book, I say that – the part that where – you know, after saying that there is so much celebrate and welcome, there is one area that is a lot of concern to me. And that is what's exactly what you are pointing out to, Tom, which is what's happening at the global level. Globalization, as both of you have documented in your respective works, has created a whole list of new challenges and new crises that cannot be solved by any country acting alone. The – you know, global coordination, collective action at the international level is booming, the need for that is booming. At the same time, the capacity of countries to act together is either stagnant or dwindling. That deficit is the most dangerous deficit in the world today.

[00:44:25]

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And I would argue that that deficit will not be – problems at the global level will not be solved until at the national level get more powerful. You need to empower governments, national governments, in order to enable them to sit down at a table and make the commitments, the agreements, the compromises and the sacrifices that are needed to solve some of the global problems. They are not empowered to do that. They don't have the mandate to do that. So unless we start at the local, national level to change that, the global problems are going to be far – much, much more difficult to solve. And I think that's a conversation that needs to start, not in the corridors of power, but in the dinner tables of voters.

MR. FRIEDMAN: Yeah, it's interesting if you think about Hillary Clinton and Henry Kissinger. So Henry Kissinger became famous negotiating, among other things, the 1973-74 Middle East disengagement agreements. Who did he have to deal with? He had to negotiate with one Egyptian pharaoh named Anwar Sadat, one all-powerful Syrian dictator named Hafez el-Assad and an Israeli prime minister, Golda Meir, who had such a majority in the Knesset, no one had ever heard of the Likud Party in '73.

[00:45:43]

Flash-forward to today: Hillary – well, now John Kerry: You get to negotiate with the Muslim Brotherhood in Egypt, which hardly knows where the closets and the files and the men's room is yet, and they've basically lost their police; power is literally collapsing around them. Two cities on the Suez Canal have almost declared independence.

[00:46:08]

Then you go over to Syria and negotiate with basically nobody. Then you get up over to Israel and they have their government, I guess, that they're going to put together, which includes two parties that never existed before, and one that's a made-up party, you know, a rump of the Likud.

And so it's why I've been arguing for a long time now – you know, I thought the paradigmatic moment of Hillary Clinton's tenure was when she went to Doha, Qatar, and she actually tried to organize the Syrian opposition for the Syrian opposition. So in other words, before she could even have the interlocutor, she had organized that interlocutor. You know what I mean? And it's why I've argued for a long time, the secretary of state is the worst job in the world now, because you either get to deal with Russia or China – they answer the phone, at least – but you know, one, Putin – they have so much oil and gas, he was born on third base and thinks he hit a triple, and you can – you know. And China, we owe a gazillion dollars. And they're the ones who answer the phone, OK? Everybody else, the phone comes off the wall, you know.

So what do we do? What would be your advice, Moises, to Secretary of State – (laughter) – Secretary of State Kerry?

[00:47:35]

MR. NAIM: I have very precise recommendations in detail – (laughter) – they are in the book. (Laughter.)

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MS. MATHEWS: But you know, it's – it's interesting that – I mean, I was – I was so struck by Kerry's first speech. It was – there wasn't a word about geopolitics or a strategy or allies or enemies. It was a plea that diplomacy matters.

Mr. FRIEDMAN: Interesting.

MS. MATHEWS: And it was delivered at the University of Virginia. I mean, it's a – it's a strange place we're in. But that's probably a snapshot and not a – not a fundamental – I don't know, maybe it was a fundamental trend, but it is probably not the world's best time to be the secretary of state.

[00:48:23]

Should we open the conversation and do we have microphones? And – yeah, so we'll start right here, and right to your left is the microphone.

Q: Thank you.

Good evening, I'm Fabrice Pothier, I had the privilege to work with Jessica and Moises some few years ago. I'm saying that to allow myself to be a bit provocative.

I think there's one more person missing on this panel, which is Machiavelli. And I think that that was a question that was asked of Moises is, so what? What do we do with this change of the power picture? And I think Machiavelli would probably agree with Moises that the scale has changed, the number of players, the number of playing fields, but the fundamentals of power, I'm not sure whether they have really changed. It's still about being able to provide public goods to the people, and it's about providing the monopoly over violence.

[00:49:22]

And I would take two examples: One is this notion of the public authority. I think people are still expecting the public government or public authority to deliver those public goods. And Beppe Grillo, which you mentioned, is a very interesting example. He has 1 million subscribers on his Facebook page while a traditional Italian politician has a few thousands, unless he has enough money to generate enough subscribers. And yet, the voters for Beppe Grillo are not voting against democracy; they're voting against an establishment.

So people are not putting into question the vague notion of public power. They're just saying the people who were using that public power are no longer relevant and should be out of that system. The second example is more at the state-to-state level, at the global level. I think I will challenge you a bit on if we look at the emerging powers, I think they are not postmodern powers. They believe in sovereignty. They are very skeptical about alliances. And they use asymmetric means like cyber or economic or trade weight to actually exert their influence. And I think China is a very good example.

And another example of a small but emerging power: Singapore. Singapore has more German submarines than Germany itself. That means those new powers believe in the traditional

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power, whereas I think the West, especially Europe, has moved away from a more traditional definition. So my point here is in the end, even though the picture has changed, I think there is still the – kind of two fundamentals that define power, so I would like to hear your thoughts on that. Thank you.

[00:51:03]

MS. MATHEWS: And I have to just point out that Fabrice has spent the last four years as senior adviser to the secretary-general of NATO, and to hear somebody in that position – (chuckles) – talking that power has not declined, it's noteworthy.

Go. (Laughter.)

MR. NAIM: Wow. (Laughter.) I don't disagree with a lot of what you said. I don't disagree that the fundamentals of power in terms of the definition, the traditional definition that, you know, power is the ability to make others do what you want or stop them from doing what you don't want – that hasn't changed, and so I agree with that. But – and in terms of the emerging players, you know, still wanting and playing the power game that we all knew, I also agree with that.

[00:51:51]

All I'm saying is that they are going to be more constrained than before, that's all. And the Chinas and the Brazils and the Indias of the world today, the governments, are going to face far more limits on what they can do than others.

MS. MATHEWS: All right, we'll take two right here. Maybe we'll just take two at a time, OK, and then we'll – so we can get through.

MR. NAIM: That allows me not to answer any of the two (perfectly?). (Laughter.)

Q: Thank you very much. I'm Kevin Casas-Zamora from the OAS. Moises, I mean, I'm a little bit intrigued by the notion that – did you say that there's a wave coming of governance innovation?

[00:52:42]

Quite to the contrary, I see governance changing before our very eyes. I mean, we don't have – I mean, the future is here, in a way. And I find your – you know, all your discussion about political parties very telling, because actually what's happening with political parties is that many more outlets for political representation have emerged that have replaced political parties in many different ways. And one of them – one of the more visible ones is the media, which, by the way, is more powerful than ever before, not any particular media outlet, not The New York Times, but media as a whole. And politicians live in panic of the media all the time.

And, you know – and if you're in a community in my country, in Costa Rica, and you have a grievance that you want to take to the government, where do you go? You go to your local party branch, or you go to the – you – you know, you look for a TV crew. So my impression is that the

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change in governance is happening before our very eyes and that rather than a decay in power, what we're witnessing is a diffusion in power.

[00:54:09]

MS. MATHEWS: OK. Before you answer, let's – two rows back.

Q: Moises, Nelson Cunningham of McLarty Associates. Actually, my question really follows directly on that point. In high school – you've talked about the decay of power. In high school, we learned about the conservation of energy. When something is going fast and it slows down, the energy doesn't disappear; it goes someplace else.

So in these organs of power that you've described, is the power – do we have less power in the world today, or is it just that it's distributed differently? Husbands in India may no longer control who gets to be married to them, but that's because the women now have the power to decide. (Laughter.) And I heard a lot of female voices in the room going, right on, when you gave that example. (Laughter.) Tom Friedman's predecessor had seven competitors; now there are 70 million people who have a voice that didn't used to have a voice.

[00:55:02]

So are you making an argument for a reconcentration of power, which necessarily takes power away – if I'm right that there's sort of a constant volume of power in the world, you're saying we have to take power away from some of the people who've gotten power and give it back to others. And is that really just?

MR. NAIM: So if you look at the literature on power, you see that one of the most fiendishly difficult issues with power is the measurement of power. Power is almost impossible to measure. And then your question addresses the relative versus absolute power and how the – you know, is power – the amount of power available, the reservoir of power the same and more distributed or is more concentrated? I don't think we – anyone can answer that in any rigorous way, because we don't have good ways of measuring power.

What we can measure who has power today, and I think it's very obvious, as you two have said, the media in Costa Rica or the 70,000 competitors that Tom Friedman has now have a little bit of power. And there's no doubt that there is more of those, and the women in India and the startups and all of the examples. So we don't know if power in the absolute has increased or decreased. We know that it's far more dispersed. And we know – I think I am persuaded that those who have power today can do less with it than those that had power in the past.

[00:56:40]

MS. MATHEWS: But I – can I just – I mean, I think the distinction isn't real, because – at least, my definition of power is the capacity to shape outcomes. And James Reston had a lot more capacity to shape outcomes than Tom's 70 million colleagues. And we could all multiply those answers. So dissipation can be loss of power. It can be the exact same thing. It probably is generally the exact same thing if all that dispersion doesn't give anybody the capacity to shape outcomes.

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OK. Does this side of the room not have something to say? What – (laughter) – we’ll take two back there. Right here and right there. Go ahead.

Q: Martin Walker, GBPC.

MS. NAIM: Stand up, because people –

Q: Oh, sorry. Martin Walker. Moises, do you see the nation-state remaining as a major source if not of power then of legitimacy? Because that’s a word I haven’t heard much of in this discussion so far.

[00:57:43]

MS. MATHEWS: OK, wait. We’re going to take one more. Yeah.

Q: Stephan Richter with The Globalist. The question, following on the left corner there – dissipation or democratization? So don’t we pay a price for what even Beppe Grillo wants?

The real question I want to ask is something else, and I’ve been confused since you – and I haven’t yet gotten the book. Amazon is slow, but I ordered it, and we have it here. The Washington Post article – you had a remark that you repeated today. Thirty out of 34 major countries have the opposition lead the government. Now, outside of the United States, pretty much everything is a parliamentary democracy, so I must be missing something, because are you talking about coalition governments, because –

MR. NAIM: Yeah.

Q: – you know, and that’s still a buy-in, so that’s the first question.

[00:58:28]

The second question – I think the debate about power is also very focused on the United States or the distortion of power, because this country more than any other Western country is focused on debating power. It is the only one that still wants to have Machiavelli in the room, as Fabrice said. But the issue is that we can’t organize democracy on the basis of something very simple, which is called the majority principle. The Founding Fathers and so on had this eternal horror of clear-cut majorities. If we just had a majority principle, we would be better able to organize political power. It doesn’t mean that we’d exercise it in a perfect manner, and there would still be legitimacy questions, but I think the U.S. has a particular distortion problem on that front.

Thank you.

MR. NAIM: Yes, two great questions. Let me start with Martin Walker concerning the nation-state and the – I do hope and I – and I believe that the nation-state will continue to be a very fundamental player and an organizing system. But I take your point that now identities and loyalties are not about a nationality but about ethnicity or even cities or regions, and evolution is a very powerful dispersing force too, and we have seen it around the world, you know, from Wales to

Catalonia to the northern – north Italy. So there is a very powerful centrifugal force associated with devolution.

But there, there are two forces in tension, and that has to be what – a very interesting question: That is, what is the optimal size of a country nowadays? In an ideal country, what size should it be? Should it be China or should it be Luxembourg?

[01:00:20]

And the answer is that there is a tension from the – between the politically optimal size and the economically optimal size. In economies of scale in this globalized world, a larger size in the economies of scale give you advantages, and very significant ones. But at the same time, from a political perspective, the optimal size is much smaller than what the economic imperatives would lead you to, and that tension, I think, is going to be with us.

And you have seen it clearly in the Basques, in the conversation in Spain with Catalonia. You know, there is very strong impulses to make Catalonia, you know, the Catalan country an independent – and you know, just join the European Union and be part of that. And then they do the numbers and the economic – you know, the economics don't help them. And that is keeping them together.

[01:01:19]

So that's part of the answer, I think. That is going – that tension is going to be with us for a while.

And then Stefan's (sp) question is a good one. First, yes, you are right; 30 – my 30, 34 include coalitions. And it's just an indicator, an additional indicator, Stefan (sp), of the fact that, you know, why is the number not larger? Why is not the – why the number is four and not 10? Why, out of the 30 largest democracies in the world, the largest majority of voters have decided to have a split government, including coalitions and everything else?

So that, I think, is a very telling example of that.

[01:02:02]

And concerning the notion that power is only discussed in the United States, well, I don't know about that. I am sure that in China, India, Brazil and elsewhere, there are a lot of people scratching their heads and thinking how they will deploy the new power they have gained in the new realities and then, you know, and Russia is – may also be another example.

But also remember that what I argue in the book is not just about countries. I argue that this is happening in other realms that include the corporate and many others.

MR. FRIEDMAN: You know, Martin (sp), just to pick up in your question just one thing, which is that, again, go back to Secretary Kerry – this will be – he'll be going to the Middle East. President Obama's going to the Middle East next week. And this will be the first time an American

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president goes to the Middle East to talk about a Palestinian state when the big issue is whether there will be a Syrian state, an Egyptian state or Libyan state.

[01:02:57]

MR. NAIM: Or Jordan

MR. FRIEDMAN: Or maybe a – you know, so these are now in real – we're in a Sykes-Picot moment now in the Middle East, only I call it Sykes-Picot: 'The Do-It-Yourself Version, OK?' (Laughter.) So it's going to be from the bottom up, not from the top down. So power will be exerted, but it'll be, I think, in a very dissipated way.

MS. MATHEWS: OK. Yeah, we'll go here and on the aisle. There you go.

Q: Thank you very much.

MS. MATHEWS: Sure.

Q: Matthias Matthijs. I'm a faculty member. I teach political economy at SAIS, across the street.

Congratulations on the book, first of all – a very thought-provoking discussion. But in some of the comments also from Tom Friedman and Jessica Mathews, I was thinking – MOOCs, for example, right – yes, sure, it empowers – lots of people can take these classes, but surely MIT, Harvard, Berkeley are the campuses that will take most advantage of this, right?

[01:03:53]

So won't it concentrate the power of those players even more? Because if you can take a lecture of physics from anyone, why not take it from the best one? Where are the best ones? At the universities that have the biggest endowment.

I'm thinking everybody can sell stuff online now, but we all have to go through Amazon. And so in a sense, Amazon has kind of a tremendous power there. Think of the social networking, what Facebook has done. Google tried to do this a year ago, and a friend of mine said, well, you see, in a year or so, they will overtake Facebook. Google Plus is really going nowhere, compared to Face(book), so in a way, haven't we seen in the Internet, in some of these – everybody who looks for something goes Google, right? Haven't they concentrated their power in a way that it's very hard for others to break in?

[01:04:37]

And then the second point – and you hinted at this when you started your lecture, so I'm not going to push you too hard on this, but the top 1 percent, I mean, The Economist had a very good piece a couple of weeks ago on the kind of paradox of meritocracy and that we can do whatever we want to kind of lift – have social mobility and so on, but in the end, you can't stop from – people that go to Princeton and Harvard from marrying each other and, you know, shielding

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their kids even further and sending them to the best schools and having even better salaries and so on.

[01:05:03]

So it's true there is a tremendous amount of opportunity in the United States, but it's – it happens to be the case that the top 1 percent are so well-enabled to take advantage of these opportunities. So and that – being in education myself, it's frustrating, because the more and more you look at this, a bad teacher in a good school – in like, a rich kid's school, will have much better results than the greatest teacher on Earth in a kind of, very low-income school.

So The Economist was saying, there's only that much we can do about this. But isn't that another example where power is just ever more concentrating, that we now realize we – there's not really that much we can do about this? Sorry I went on for so long.

(Cross talk.)

MS. MATTHEWS: Let's just –

MR. NAIM: I have a line – I have a line to a friend, so – (laughter) –

MR. FRIEDMAN: (Inaudible.)

MS. MATTHEWS: Go ahead. You might just – I don't know if everybody knows what MOOCS are, but – massive online –

[01:06:07]

MR. FRIEDMAN: Massive open – massive online open courses. So I think that's dead wrong, OK? I think you're 180 degrees wrong – (laughter) – because – for two reasons. One – well, let's look at a factoid I had in my column. Harvard Business School doesn't teach accounting anymore. Now, they have all the money in the world. They don't teach accounting anymore, because there's a guy at BYU who teaches it better. So Harvard Business School has a guy at BYU – all their students go and take his course online.

So actually, what this is doing is – sitting here – well, you alluded to it. You're a well-endowed school, OK? But it may be that a lot of professors who couldn't lecture their way out of a wet paper bag, but they're a well-endowed school. They are now very vulnerable to the professor at BYU, who's really dynamic, smart, knows how to both master the material and deliver the material. And he can't just say, hey, I'm at Harvard; I'm safe, you know. It's –

Q: But couldn't Harvard buy that professor from BYU?

MR. FRIEDMAN: They don't need it – they don't need to. And you're always – you know, you can't just keep going out, also, and doing it – maybe they will, but maybe BYU will develop another professor. So suddenly, now – yes, Michael Sandel is a freak; he happens to be at Harvard and a superstar, OK? And when you get the two together, that's a very powerful synergy.

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But what is, I think, tremendously exciting is that you at Johns Hopkins – you're at an elite school, but if – you're a junior faculty – I don't know – you look kind of young. (Laughter.) So if you suddenly come up with a really compelling way to teach American foreign policy, you put it on a MOOC – wow, suddenly, from Johns Hopkins, you can appeal and reach an audience all over the world. So I think this is – the exciting thing about it is, it actually rewards merit and not just status and not just wealth.

MS. MATTHEWS: We'll see.

Right here.

Q: Hi there.

MS. MATTHEWS: All right. And then we'll take the other side.

Go ahead.

Q: My name is Steve Linnes (ph), and I'm going to use what I believe in, which is the power of brevity. (Laughs.) So basically, I was curious – with respect to the dispersion of power that you referred to – I'm really interested in the question you asked, which is how to consolidate and how to, like, make collective action when power is being dispersed; I think that's a really interesting thing. There are a lot of models – especially in certain communities now here in the United States – with this concept of collective impact and cross-sector partnerships.

And I'm curious if you could talk about institutions or apparatuses which could be used to basically empower those, because it seems like we're really concentrated on a sort of top-down approach to getting things down, and if power is being dispersed for more people, what institutions, what apparatuses, what methods can we convene to basically consolidate that power and to cause action? So I was kind of curious about that.

MS. MATTHEWS: OK. But can you – thank you.

Q: Oh, hi thank you. I'm – (name inaudible) – with the Moisés Naim international club fan. (Laughter.)

Moisés, just referring to the last Tom Friedman answer about the MOOC – the speed of innovation is what, to me, in reading your book, is really the decisive power now. Of course power doesn't disappear. Of course power is still there.

The speed of innovation – it takes 10,000 years to move from agriculture to industrial. Well, when we were born, still a lot of people were – most people in the world were farmers. Then, in 200 years, digital comes and the web, 3D productions – (inaudible) – productions. Education, pretty much since middle ages is a professor and students. Now, you can be here and your students can be in China. Or GM, biotech, the family – patriarchal family forever; now you tell us about – (inaudible). So, it's is not that the power is changing, but is very difficult to that – our – (job ?) – printing since Guttenberg, and now the Internet, we are more – (inaudible.)

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The cardinals will meet tomorrow in Rome. There are – no one is running very strong. The American cardinal – and he hasn't stopped tweeting. He keeps tweeting. (Laughter.) The Italian, Scola, stopped tweeting. He decided it was the best choice. So they are entering the conclave hoping to win. One is tweeting; the other one is not tweeting. (Laughter.) (Cross talk.) No, no, no – (inaudible) – yesterday the meeting – (cross talk) – and if you – if you're working not as a cardinal, but if you're working the conclave and you tweet, you're going to be excommunicated. (Laughter.) The penalty is being excommunicated. Somebody will tweet, and we'll see if he's going to be excommunicated. (Inaudible.)

[01:11:05]

MR. FRIEDMAN (?): But no more white smoke. It's now – (laughter) –

MR. NAIM: So the speed of innovation.

Very quickly, about different modes of organizing at the local level, one of the things that I learned by writing the book and asking – is how much is happening everywhere, and not just in the United States, ways of finding, you know, the (impulse ?), the efforts, finding new ways of organizing and dealing with problems are staggering. It's quite amazing. And it's worldwide. And that is why I believe that some of that is going to generate a level – a wave of innovation in the way we govern ourselves that is going to be quite significant.

[01:11:50]

The – (inaudible) – comments about the conclave – I believe that it's fascinating to see and compare who are the electors of the next pope now and who were in the past, and what are the issues that are being discussed, and apply the three revolutions to that. The More, Mobility and Mentality Revolutions are present in the conclave in very significant ways. And the types of cardinals that you have, their background, what are the issues what they are concerned about, what – these would have been unimaginable the last time that the conclave was gathered. And so that's yet another example, and of course the speed of innovation is self-evident, and as – you gave wonderful examples.

MS. MATHEWS: All right, we'll take two more. There's one way in the back, and then we'll take one way up front.

Q: Yeah, Lin Wells, National Defense University. You talked about making democracies more authoritarian or getting things done. Which checks and balances in the United States would you want to see loosened right now in order to get things done better?

MR. NAIM: There are – there are several. Certainly the filibuster – and that is a good example of a situation that we would – the notion that – a lot of the way in which Congress is organized and works – I think it's very important that needs to be revised. I would also see – would like to see changes in the structure of incentives that leads people to run for Congress and what kind of people do we get as a result of the current structure of incentives. And then after they get motivated to run for office, what does it take to win and to stay in office? You know, those are self-evident – they're highly flawed structures that we now have that I think will need to change.

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MS. MATHEWS: OK, I – all right, go – right there in the back, right.

Q: Hi, Nancy Birdsall, Center for Global Development. Did you answer the collective action question, Moises? I was thinking about it in the context of climate change, where we need something that is intergovernmental, and the diffusion of power seems to be really a problem.

[01:14:17]

MR. NAIM: In the book, I make a big deal out of a thing that I call minilateralism, which is highly problematic, but it's my way of going ahead with trying to solve the collective – the need for collective action at the global level. If you look at the problems that are global in nature, you will find that a big chunk of the problem will be solved by a small number of countries. You don't need 192 countries to agree to solve, you know, the pandemics or climate change or all of the list that we know that are the global challenges we face.

So look at who are the countries that are either a big cause of the problem or can be a very important part of the solution. Most – in most cases they're under 20. So bring those 20 countries to the table and empower them to make the decisions. That is a highly problematic and – way of doing it because, you know, those that are not invited to the table are going to say, well, who gives you the right to decide what's going to happen? But I'd rather have that problem than the problem we now have in which we are very inclusive and a 192 countries meet and nothing happens while these problems are festering and becoming critical.

So I, for example – Jessica Matthews keeps talking about climate change and global warming, how that is, in effect, a problem of two, that if – and I don't want to put words in your – in your mouth, but essentially, if you get the United States and China to agree on some rules about CO2 emissions and other, you know, activities and how to regulate them differently, you will not solve global warming, but you will make a huge dent on the trajectory on which we are now. And the same can be applied – I actually – in the book there are examples of the different problems and what are the countries that you need to bring to the table to deal with – and I call that minilateralism.

[01:16:25]

MS. MATTHEWS: I think it's odd, there are two fundamentally different kinds of global issues. One is climate change, which really isn't – I mean, it's global in effect, but it's 15 countries that matter. And the other is nuclear proliferation, where it really is 200 countries that matter because you can get a sorry little country like North Korea and the whole system, you know – so there really are different things that we call global issues that I think when you start to study them, they lead you in a completely different direction.

MR. NAIM: (Inaudible.)

MS. MATTHEWS: OK. Moises can – you can line them up against the wall and ask any question that you want, but we – but first let's thank him, congratulate him.

MR. NAIM: Thank you.

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MS. MATTHEWS: (Inaudible.) (Applause.)

So we're downstairs.

MR. : Yes.

[01:17:28]

MS. MATTHEWS: Downstairs is for (partying/parting?).

(END)