

CHINADALY A B & M

#### Small bud of reform

IN A STATEMENT RELEASED ON MONDAY, THE IMF said it would consider two candidates for the position of managing director: front-runner Christine Lagarde, the French finance minister, and Agustin Carstens, Mexico's central bank chief.

By making the list of candidates as short as possible — surely merely a symbolic effort to break the 65-year European lock on its top post — the International Monetary Fund (IMF) has offered little cause for optimism about itself and the fragile global recovery.

It is a pity the fund is failing to make use of the current crisis to instill a much-needed spirit of bold reform.

The absence of the third candidate, Israel's 67-year-old Stanley Fisher, from the shortlist reveals the IMF's reluctance to embrace change. It is hard to interpret the fund's rigidity over its age limit of 65 for an incoming managing director as a matter of principle.

Instead, the fact that the IMF would rather not take the trouble to overcome the procedural difficulty to allow another non-European hopeful a run at its top job speaks volumes about the agency's increasing irrelevance in the world today.

Had it been fully aware of the urgency to adapt itself to the sea change in the world economy, the fund would have thought twice about its decision to disqualify an important nominee on the grounds of age.

Unfortunately, as it is, the competition between the odds-on favorite Lagarde and the only candidate of change, Carstens, offers little chance of expediting necessary reforms with the IMF.

With the determined backing of crisis-mired Europe, it is generally believed that the French finance minister will more than likely be elected to succeed her countryman Dominique Strauss-Kahn as the IMF head. That result will be a victory for the status quo, largely because European countries are still over represented in this international financial institution.

However, the Mexican central bank chief has made himself a strong competitor, aside from his individual credentials, by personifying the rising call of developing countries to abandon the obsolete unwritten convention that the head of the IMF has to come from Europe.

A final decision will be made on or before June 30.

If it is to swiftly adapt itself to the new realities of the world economy and restore its legitimacy and effectiveness, the fund must make sure that the new managing director will be the one who can best push forward reform of the organization.

Mounting uncertainties about the global recovery also demand the international firefighter against financial and economic crises assume a bigger role.

While the initial steps to seek an exceptionally capable candidate to head the IMF have not been satisfactory, the fact that at least one non-European is in the running for the top position is

### Subversion in a suitcase

THE EXPLOITATION OF ONLINE TECHNOLOGY by the United States for an invisible battle against target governments could challenge international relations as country borders are cast into shadow. The US is sponsoring projects, such as the creation of secretive cell phone networks inside foreign countries and an "Internet in a suitcase" program, which will allow users to connect to independent wireless networks.

# More than just a talk show

## G20 cannot avoid the representation issue if it is to become an effective and sustainable steering mechanism

he G20 has been widely hailed as "historic progress" in the restructuring of global governance. As long as the power-shifting process does not reverse, the urgent demands on the G20 will continue to exist. However, meeting those demands is proving increasingly difficult.

Misgivings and criticism of the G20 emerged after the 2010 Toronto Summit. There is concern that it could be just another talk show like APEC. Whether it will be able to successfully transform from a crisis management approach to a longterm steering committee is uncertain and means overcoming great challenges.

The G20 needs to balance a number of conflicts. The first is to balance the immediate needs of countering inflation, unemployment and weak momentum, with the medium to long-term task of ensuring a balanced, strong and sustainable world economy. The second is to balance combating urgent crises with the comprehensive reori-

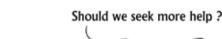
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entation of the world economy. The third, and most important, is to strike a balance between and among divergent interests during the transformation.

The two-speed global recovery has resulted in conflicting macroeconomic policies, namely, the tightening of monetary policies to fight inflation in emerging economies is countered by the quantitative easing of advanced economies.

However, more fundamentally, the traditional dichotomy of developed and developing countries is not applicable any more. While national interests are increasingly globalized and intertwined, they are also becoming more diversified, rendering global cooperation harder and harder.

Therefore, the world is getting tougher to govern. The G20 members need to think and act more strategically and ambitiously to narrow the differences and find and realize the "contract surplus". Major powers should not only take advantage of their structural leadership but also exhibit more intellectual and entrepreneurial leadership in this process.





At the same time, emerging economies need to be more proactive in setting the G20's agenda and play a more constructive role within the mechanism to bridge the developed and developing worlds. BRICS is a positive start, but it is still short of substantial coordination. Asymmetric interests and different positions are limiting its ability to present a united position and collective influence on global governance.

For example, Russia does not see much relevance or gain in the G20 agenda and is refocusing its attention on regional affairs. Emerging economies are also often defensive rather than offensive. On the issue of choosing a new IMF managing director, BRICS issued a common statement expressing concern about European efforts to hold onto the position, but did not effectively nominate its own candidate. More strategic and efficient coordination among BRICS members is needed.

It is true that international institutions like the G20 usually plays a marginal role in facilitating global cooperation; but this role is never negligible. It provides a platform for members to exchange information, promote understanding, foster consensus and monitor compliance. Therefore, more institution building is needed to improve its relevance and sustainability.

Three points are worth mentioning:

First and foremost, the G20 as a leaders' summit should be more active beyond economic governance. A more profound scope for the G20 in the future could foster strategic consensus across issues, leaving the details to be worked out by bureaucrats. As the Chinese scholar Liu Youfa said, the G20 should fulfill the roles of crisis management, economic growth and global governance analogously to the UN's goals of "peace, development and cooperation".

The G20 members are somewhat like elephants in the global zoo of

strengthen designing and planning. Small members tend to favor a more institutionalized structure while major powers would prefer more flexibility to enjoy the manipulation of their power. It is not desirable to transform the G20 to a formal organization like the Bretton Woods System; but a more credible G20 needs more principles, rules and mandates for its agendasetting, proceedings and policy implementation.

If a standing secretariat is not easy to establish, a revolving troika composed of previous, present and future host states based on the majority principle could be institutionalized. The G20 needs to strike a balance between tangible benefits and intangible norms.

Last but not least, the representation and legitimacy issue needs to be taken seriously and dealt with properly. The demand for representation has been increasing in recent years due to the rise of global governance. Although the G20 is already a more inclusive architecture compared to the G8 in terms of GDP, it still leaves 85 percent of states outside the door and therefore faces more and more criticism.

The formation of the G20 actually stimulated more demands for participation and the developing world argues that the expansion of the G20's coverage into issues that are in the domain of the UN could increasingly undermine the legitimacy of the G20.

Therefore, the G20 cannot avoid the representation issue in order to be effective and sustainable. Regional organizations, non-members, especially those from Africa, and civil society should be more involved in this mechanism. The Seoul Summit offered an invitation to up to five non-members to the G20 meeting with a range of international organizations, regional bodies, academics, and civil society, among others, but without workable rules.

The G20 needs to make a formal mandate about this issue.

These new networks will allow opposition forces to circumvent government control of electronic communications in countries such as Iran and Libya.

The suitcase project relies on a version of "mesh network" technology, which can use devices like cell phones or personal computers to create an invisible wireless web without a centralized hub.

In other words, a voice, picture or e-mail can hop directly between the modified wireless devices — each one acting as a mini cell "tower" and phone — and bypass the official network.

The US is widely understood to already use cell phone networks in Afghanistan, Iraq and other countries for intelligence gathering.

In addition to the Obama administration's initiatives, there are almost a dozen independent ventures that also aim to make it possible for unskilled users to employ existing devices like laptops or smart phones to build a wireless network.

As usual, freedom of speech and democracy are the highsounding rhetoric the US uses when selling its suitcase project or "shadow Internet".

The US State Department has carefully framed its support of such projects as promoting free speech and human rights, but it is clear that the policy is aimed at destabilizing national governments. This approach is, to say the least, controversial. It could plant the seeds of instability in countries that have governments that are not to the US' liking.

However, the technology the US is providing opposition forces in their bid to overthrow their legitimate governments is contrary to the stated aims of US foreign policy.

In his inaugural address on January 20, 2009, US President Barack Obama said the US will cooperate and pursue understanding with other nations.

The shadow Internet clearly contradicts this and will stir up more subversive activities in countries with governments the US doesn't like. It could also be used as a tool to collect secrets from other countries.

The US has also supported the development of software that preserves the anonymity of users who want to pass information along the government-owned Internet without getting caught.

Secretly developed by the US government, this new technology is a weapon in a covert cyber war intended to maintain the US' global dominance.



nations, so whether their relations are harmonious or not will set the tone of peace or conflicts for the whole world. So the G20 needs to move forward from the annual presidency to system building and

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### Academic excellence spawns innovative ideas

n Tuesday, I had a chance to go through several ongoing science and technology research projects at the American Association for the Advancement of Science in Washington.

Although I couldn't make head nor tail out of the algorithms or charts, or even the English introductions, there were young men and young women standing by ready to help. They seemed to understand the projects perfectly ... not a surprise, since they had initiated them.

Mina Mikhaeel, who is from Egypt and a PhD candidate in Mechanical Engineering at the University of Illinois at Champaign-Urbana, told me he was studying micro-grooves and hoped the results of his analyses would help produce smaller and more energyefficient refrigerators, air conditioners, batteries and other devices.

Naveen Sundar Govindarajulu, an Indian student who is pursuing a PhD in computer science at Rensselaer Polytechnic Institute, is seeking ways to translate human thoughts and ideas into computer language. He told me he hoped his research would enable future machines to handle more difficult tasks and "help humans solve more complicated problems".

Mikhaeel and Sundar are not just

PhD candidates, they are members of a group of Fulbright science and technology fellows, from 32 countries, who are coming up with ideas to improve our lives and deal with challenges facing human society through scientific and technological innovation.

Similarly, some 29 Chinese students studying in the greater Washington DC area have received scholarships from the Chinese embassy for research projects ranging from organic solar batteries to molecules controlling our sense of touch, and from a genetic treatment for diabetes to the use of biochemistry in oil exploration.

In all of these students, I sensed a passion for their research and a confidence in their future careers. Sadly, this confidence seems to be lacking among some college students, especially undergraduates, at home in China.

Riding the subway in Beijing last week, I overheard two undergraduates complain that their courses were dull. This is a common complaint on the Internet: a list of the "top 10 majors of hardship" contains nine related to science and engineering: electrical engineering, environmental science, construction, mechanical engineering, material science, thermal dynamics, chemical engineering, civil engineering and construction equipment.

Mechanical engineering is considered difficult because students have to spend their time drawing blueprints during summer vacation. Students of environmental science complain that they "have to deal with dirty water and exhaust fumes day in and day out" and worry that the work may harm their health.

In an article carried by the Hubei-based Changjiang News website on Wednesday, a reporter interviewed several undergraduate students whose majors included biology, environmental science, traditional Chinese medicine, law, human resources, and journalism.

In the article, an animal science major grumbles about spending whole nights watching a guinea pig and a student of traditional Chinese medicine and forensic science wonders whether she'll be able to find a job.

Of course, it is often difficult for undergraduates to see their future. But according to a study of some 227,000 graduates last year, 69 percent found jobs that made use of their studies.

The complaints do point to problems in the national college education system, however.

On the one hand, many students

follow their parents' or teachers' advice rather than their own interests. Once they enter university, it is almost impossible to change their majors, even when they discover they don't like the subjects.

Meanwhile, students say they receive little guidance, and complain that many teachers are not particularly concerned with their job prospects. Many of them say their course materials are outdated and boring.

On the other hand, teachers complain that students born since 1990 are too involved with online games and the Internet to devote the necessary time to their studies.

Undoubtedly, there is truth in both positions. But as the projects of the Fulbright science and technology fellows and the Chinese students in Washington show, innovative ideas not only solve problems but also propel students forward in their careers.

It is up to the teachers to inspire these ideas in students, while it is up to the students to improve their attitudes and learn to think creatively about both their work and their careers.

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