Third Way

CIVIL SOCIETY/
DEMOCRACY BUILDING

PHOTOCOPY
PRESERVATION

file
3rd way
conference
NYU

NYU

NYU / Strengthening Democracy...:
An Opening Dialogue

****D R A F T****

PANEL PARTICIPANTS:

(as of 9/8)

Panel One -- Civil Society Is Survive ~~position~~ in global economy

Norman Dorsen -- Moderator
Hillary Rodham Clinton (overview of imperatives for civil society) - **confirmed**
Ronald Dworkin (rule of law) [NYU] - **confirmed**
James Chase (internationalism) [WPI] - **confirmed**
Gracia Michel (civic participation) [African NGO] - **invited**
Anthony Giddens (why civil society is vital in these times) [LSE] - **confirmed**
TBD (capitalism with a human face) Felix?
Gro Harlem Brundtland - **invited**

HRC to Hormats

("Categories": an academic, affiliate, NGO rep, unionist, sociologist)

A **Panel Two -- the New Economy and the Future for Opportunity** What is new economy not true trade but on capital or technology

Martin Lipton -- Moderator
10-11 Dick Stewart (environment) [NYU] - **confirmed**
Al From (expanding the circle of opportunity) [PPI] - **confirmed**
John Sweeney (considerations of the worker) [AFL-CIO] - **confirmed**
Lou Gerstner (education technology, and globalization) [IBM] - **invited**
Laura Tyson (economic perspective)[UC, Berkeley] - **invited**
Rosabeth Moss Kantor (economic perspectives) [Harvard] - **invited**
Michel Rocard (practical experience) [Former PM, France] - **invited**

Hormats
Roger

("Categories": an academic, affiliate, business leader, economist, past official, a technology rep)

Panel Three -- Strengthening Democracy in the Global Economy $\boxed{4:30 - 6:30}$

John Sexton -- Moderator
President William Jefferson Clinton, USA - **confirmed**
Prime Minister Tony Blair, United Kingdom - **confirmed**
Prime Minister Wim Kok, The Netherlands - **confirmed**
Prime Minister Goran Persson, Sweden - **confirmed**
President Romano Prodi, Italy - **confirmed**
President Fernando Cardoso, Brazil - **invited**
President Peter Stoyanov, Bulgaria - **invited**
Prime Minister Jean Chretien, Canada - **regrets**

Mandela

NYU / Strengthening Democracy. . .:
An Opening Dialogue

**** D R A F T ****

EVENT SCHEDULE:
(as of 9/8/98)

8:30 AM Registration begins

9:30 AM Norman Dorsen, Chair, NYU Global Law Program, will open the forum on behalf of NYU and offer an overview of the day's events. Prior to moderating the first panel, he will also outline important event procedures and information.

10:00 AM - 11:30 AM **Panel One: Civil Society and the Future of Democracy**

Format:

First Lady Hillary Rodham Clinton will speak for 10 minutes about the challenges facing globalization: the issues of family and work, community and commerce; the rule of law and human rights; civic participation and public purpose; and the role of social investment.

Each of the panelists will then have two - three minutes to speak in response to the First Lady's remarks.

Norman Dorsen will then moderate questions from the audience for approximately one hour.

The First Lady will have the option of making closing remarks.

12:00 PM - 1:30 PM **Working Lunch**

Format: TBD

2:00 PM - 3:30 PM **Panel Two: The New Economy and the Future of Opportunity**

Format:

Marty Lipton will moderate the discussion of five questions addressing the problems of technology and education; poverty and the fate of the stake-holding middle class; the environment and economic development; worker equity and opportunity; and the roles of the nation-state and the modern corporation.

Panel Two continued -

The audience will have an opportunity to ask questions of the panelists during the last half hour of the session.

4:30 PM - 6:00 PM **Panel Three: Strengthening Democracy in the Global Economy**

Format:

President Clinton will speak for 10 minutes about his experience and vision with regard to the themes discussed in the preceding panels.

After asking for the personal reflections from each of the heads of state/panelists, President Clinton will lead a discussion on the general conference theme, based on each leader's pratical experiences.

6:00 PM - 7:00 PM **Reception/Receiving Line**

NYU / Strengthening Democracy...:
An Opening Dialogue

**** D R A F T ****

Panel Two: The New Economy and the Future of Opportunity
Five Questions
(as of 8/31)

1. Are poor countries doomed to permanently low levels of technology and education? If not, how can the vicious circle be broken?

2. Does the expenditure of national resources do reduce poverty inevitably harm or threaten the tenuous economic position of the middle class?

3. To the extent that national policies advancement opportunity for workers are inconsistent [in tension?] with the goal of assuring equity to the vast majority of employees, how can this tension be reduced or eliminated?

4. How can policies of both large and small countries to protect their natural environment be implemented without sacrificing desirable economic growth?

5. Do large multinational corporations compromise the ability of small and medium sized countries to regulate their economics in the best interest of their people?

213* *tech empowerment*

Schweizerhof "Dining Room"

Empowerment through technology: scenarios for the 21st century

Today's workers can exploit electronic instead of geographical proximity, access unlimited information over intranets and public global networks and automate functions they used to perform manually. What are the implications of this empowerment for both workers and managers? What new technologies and markets will help CEOs get the most out of an empowered workforce?

- **John Seely Brown**, Corporate Vice-President, Chief Scientist and Director, Palo Alto Research Center, Xerox Corporation, USA
- **Esther Dyson**, Chairman, EDventure Holdings, USA
- **Hugo de Garis**, Head, Brain Builder Group, Evolutionary Systems Department, ATR Human Information Processing Laboratories, Japan
- **Derrick de Kerckhove**, Director, The McLuhan Program in Culture and Technology, University of Toronto, Canada
- **Jaron Lanier**, Visiting Scholar, Columbia University and Lead Scientist, National Tele-Immersion Initiative, USA
- **Nathan Myhrvold**, Chief Technology Officer, Microsoft Corporation, USA; Global Leader for Tomorrow
- **Joël de Rosnay**, Director of Strategy, Cité des Sciences et de l'Industrie, France
- **Paul L. Saffo**, Director, Institute for the

08.20-09.30 *no sign-up needed*

227 *21st century strategies*

Congress Hall

Strategies for the 21st century

CEOs know that the 21st century will be increasingly competitive, complex and uncertain. Are today's strategies suitable for tomorrow's environment? Do radically new or innovative concepts exist to help companies face 21st century strategic challenges?

- **Kim Bryce Clark**, Dean, Harvard Graduate School of Business, Harvard University, USA
- **Bertrand Collomb**, Chairman and Chief Executive Officer, Lafarge, France
- **William H. Gates III**, Chairman and Chief Executive Officer, Microsoft Corporation, USA
- **Rajat Gupta**, Managing Director, Worldwide, McKinsey & Company, USA

Chaired by:

- **Klaus Schwab**, President, World Economic Forum, Switzerland

in all languages

This session will be followed up over WELCOM. Please see the WELCOM Information Package you received at registration for details.

- **Jose Miguel Insulza**, Minister of Foreign Relations of Chile
- **Moisés Naim**, Editor, Foreign Policy, USA
- **Ernesto Perez Balladares**, President of Panama
- **Jorge F. Quiroga Ramirez**, Vice-President of Bolivia; Global Leader for Tomorrow

Moderated by:

- **Luiz Fernando Furlan**, Chairman of the Board, Sadia Group, Brazil

in Spanish and English

52* *usa priorities*

Aspen 1

US foreign and domestic policy priorities for the 21st century

The United States is today the key player on a host of the world's most pressing issues. Because of its unrivalled position and the importance of its economy, domestic policies can also have a significant international impact. What are the USA's top priorities and how will these evolve into the 21st century?

- **Howard L. Berman**, Congressman from California (Democrat), USA
- **Thomas J. Donohue**, President and Chief Executive Officer, Chamber of Commerce of the USA
- **Stuart E. Eizenstat**, US Undersecretary of State for Economic, Business and Agricultural Affairs
- **Richard Haass**, Director, Foreign Policy Studies, Brookings Institution, USA
- **Orrin G. Hatch**, Senator from Utah (Republican), USA
- **John F. Kerry**, Senator from Massachusetts (Democrat), USA

Moderated by:

- **David Gergen**, Editor-at-Large, US News & World Report, USA

Relations of Chile

- **Luiz Felipe Lampreia**, Minister of External Relations of Brazil
- **Guillermo Ortiz Martinez**, Governor of the Central Bank of Mexico
- **Alberto Pandolfi Arbulu**, Prime Minister of Peru
- **Ernesto Perez Balladares**, President of Panama
- **Jordi Pujol i Solei**, President of the Autonomous Government of Catalonia, Spain
- **Jorge F. Quiroga Ramirez**, Vice-President of Bolivia; Global Leader for Tomorrow
- **Rodrigo de Rato y Figaredo**, Deputy Prime Minister and Minister of Economy and Finance of Spain
- **Jaime Ravinet de la Fuente**, Mayor of Santiago, Chile
- **Fernando de la Rua**, Governor of the City of Buenos Aires, Argentina
- **Paulo Renato de Souza**, Minister of Education and Sports of Brazil
- **Guido José M. di Tella**, Minister of Foreign Affairs, International Trade and Worship of Argentina
- **Juan Villarzu**, Minister and Secretary-General to the Presidency of Chile

191* *global institutions*

Waldhuus
"Grill"

Global institutions

- **Kofi Annan**, Secretary-General of the United Nations, New York
- **Gro Harlem Brundtland**, Rapporteur of the 1998 Annual Meeting
- **Andrew D. Crockett**, General Manager, Bank for International Settlements (BIS), Basel
- **Stanley Fischer**, First Deputy Managing Director, International Monetary Fund (IMF), Washington DC

147* *globalization/inclusive*

Aspen 1

Making globalization inclusive: managing the social impact of the economic revolution
With globalization here to stay the challenge is to seize its opportunities and ensure the benefits are widely spread. How can globalization be made inclusive, both within and across borders? How can its negative consequences be mitigated? What are the imperatives for policy-makers?

- **Viviane Forrester**, Writer, France
- **Robert L. Kuttner**, Editor, The American Prospect, USA
- **John Monks**, General Secretary, Trade Union Congress, United Kingdom
- **Moisés Naim**, Editor, Foreign Policy, USA
- **David de Pury**, Chairman, de Pury Pictet Turrettini & Co., Switzerland

Moderated by:

- **Thomas L. Friedman**, Foreign Affairs Columnist, The New York Times, USA; Global Leader for Tomorrow

in French and English

148 *briefing/turkey*

Strela

Briefing — The outlook for Turkey
1997 was a tumultuous year for Turkey. What will 1998 hold? Can the economy prosper in spite of political uncertainty? What will be the long-term fallout from the dispute over Turkey's eligibility for EU membership? What are the prospects for improved relations with Greece?

- **Nilüfer Göle**, Professor of Sociology, Bogazici University, Turkey

- **Jeff Bezos**, Founder and Chief Executive Officer, Amazon. com, USA; Global Leader for Tomorrow
- **Hubert Burda**, Publisher, Burda Media, Germany
- **Christos M. Cotsakos**, President and Chief Executive Officer, E*Trade Group, USA
- **Michael S. Dell**, Chairman of the Board and Chief Executive Officer, Dell Computer Corporation, USA; Global Leader for Tomorrow

Moderated by:

- **Martin Sorrell**, Group Chief Executive, WPP Group, United Kingdom

48* *technofrustration*

Parsenn

Technofrustration: when will technology truly simplify our lives?
If technology is supposed to make our lives so much easier, why is it so difficult? From hard-to-programme VCRs to daily battles with computers, many new technologies remain awkward and time-consuming. What can we hope for in the future? When will technology become truly "friendly"?

- **Harald Einsmann**, President, Europe; Member of the Board and the Executive Committee, Procter & Gamble Company, Belgium
- **Derrick de Kerckhove**, Director, The McLuhan Program in Culture and Technology, University of Toronto, Canada
- **Eric Schmidt**, Chairman and Chief Executive Officer, Novell, USA; Global Leader for Tomorrow
- **Mark Weiser**, Chief Technologist, Xerox Palo Alto Research Center, Xerox Corporation, USA

141 *success/reform*

Aspen 2

Getting it right: responding successfully to globalization
Globalization has presented formidable challenges to all countries and regions. Why have some countries been able to respond to the new global economic reality more successfully than others? What is the secret to "getting it right"?

- **Michael Burda**, Professor of Economics, Institut für Wirtschaftstheorie, Humboldt Universität zu Berlin, Germany
- **Willem Kok**, Prime Minister of the Netherlands
- **Teo Chee Hean**, Minister of Education of Singapore
- **Christine Todd Whitman**, Governor of New Jersey, USA

Moderated by:
- **John H. Bryan**, Chairman and Chief Executive Officer, Sara Lee Corporation, USA

142 *rule breakers*

Salève

Rule breakers: innovating for success
Many global market leaders are facing tough competition from new entrants and younger, high-growth firms. How have these "rule breakers" taken incumbents by surprise? How have their technological and strategic innovations changed traditional business boundaries and sources of profits? How have they shown new ways to create shareholder wealth?

- **Rahul Bajaj**, Chairman and Managing Director, Bajaj Auto Limited, India

- **Robert T. Watson**, Chairman, Intergovernmental Panel on Climate Change (IPCC); Director, Environment Department, World Bank, Washington DC

Moderated by:
- **Kenneth L. Lay**, Chairman and Chief Executive Officer, Enron, USA

This session will be followed up over WELCOM. Please see the WELCOM Information Package you received at registration for details.

155* *digital kids*

National "Salon Mignon"

Digital kids: how the Internet generation is transforming the world
The largest generation ever — children of the baby boomers — is the first to grow up in the digital age. How is it already transforming every institution in society, including business, education, government and family? What can business leaders and policy-makers learn from it?

- **Donald Tapscott**, Chairman, Alliance for Converging Technologies, Canada

156* *internet telephony*

National "Dining Room"

The big shake-up: the impact of the Internet on the telecommunications industry
What opportunities and challenges will traditional telecom providers face with the growth of the Internet as a mass means of communication? What will be the impact on consumers?

- **William T. Esrey**, Chairman and Chief Executive Officer, Sprint Corporation, USA economy be complemented? Is it possible to strike a balance between the requirements of globalization and the need for just and caring societies?

- **Sir Leon Brittan**, Vice-President of the European Commission, Brussels
- **Fernando Henrique Cardoso**, President of Brazil
- **George Soros**, Chairman, Soros Fund Management, USA
- **John J. Sweeney**, President, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), USA

Chaired by:
- **Joseph T. Gorman**, Co-Chairman of the 1998 Annual Meeting; Chairman and Chief Executive Officer, TRW, USA

in all languages

136 *divide/europe*

Sanada

Is Europe being redivided?
What do NATO expansion and EU enlargement really mean for Europe? What will be the effects on those left out? How will the addition of new members affect the two organizations internally and their disposition towards new admissions in the future?

- **Hans van den Broek**, Member of the European Commission, Brussels
- **Ismail Cem**, Minister of Foreign Affairs of Turkey
- **Jean-Luc Dehaene**, Prime Minister of Belgium
- **Aleksander Kwasniewski**, President of Poland
- **Javier Solana Madariaga**, Secretary-General, North Atlantic Treaty Organization (NATO), Brussels

- **Donald J. Johnston**, Secretary-General, Organisation for Economic Cooperation and Development (OECD), Paris
- **Renato Ruggiero**, Director General, World Trade Organization (WTO), Geneva
- **Sven Sandstrom**, Managing Director, World Bank, Washington, DC

Moderated by:
- **Maurice F. Strong**, Executive Coordinator for UN Reform, United Nations

This session will be followed up over WELCOM. Please see the WELCOM Information Package you received at registration for details.

139 *euro/$*

Sanada 1

What will the euro mean for the supremacy of the dollar and world capital markets?
What will be the impact of the euro on the global financial system? How will the euro affect capital flows, exchange rates, trade policy and overall relations between Europe and the United States? Will this be the end of the dollar's monopoly on world currency markets?

- **Otmar Issing**, Member of the Executive Board, Deutsche Bundesbank, Germany
- **Yoh Kurosawa**, Co-Chairman of the 1998 Annual Meeting; Chairman of the Board of Directors, The Industrial Bank of Japan, Japan
- **Howard Lutnick**, President and Chief Executive Officer, Cantor Fitzgerald, USA; Global Leader for Tomorrow
- **Philippe Maystadt**, Deputy Prime Minister, Minister of Finance and External Trade of Belgium
- **Jean-Claude Trichet**, Governor of the Bank of France

10.00-10.25 Break

09.30-10.25

134 *russian investment*

Forum

Russia in the first year of economic growth: will investment follow?

Despite the unexpected return to growth this year, domestic and foreign investment remains at worryingly low levels. What are the government's plans to encourage longer term investment and to attract a wider range of foreign investors? Will the regions manage to obtain their share? How will the Asia crisis affect the attractiveness of Russia for foreign investors?

- **Mikhail Prussak**, Governor of the Novgorod Region, Russia; Global Leader for Tomorrow
- **Yakov M. Urinson**, Deputy Prime Minister and Minister of Economy of Russia
- **Vladimir V. Vinogradov**, President, Inkombank, Russia

Moderated by:

- **Eberhard von Koerber**, President, Asea Brown Boveri Europe, Belgium

10.25-11.35

no sign-up needed

135 *market economy*

Congress Hall

Complementing the market economy

The global prosperity of recent years is widely attributed to the near universal acceptance of free market principles. Yet markets, left to themselves, are unlikely to produce the kind of world in which many of us would like to live. How can the shortfalls of the market

- **Josef Tosovsky**, Prime Minister of the Czech Republic

Chaired by:

- **H. Onno Ruding**, Vice-Chairman, Citicorp/ Citibank, USA

in all languages

10:30-11.15

no sign-up needed

137 *meet the artists/li*

Meet the artists - Li Yong Cun

Participants will have an opportunity to learn more about the work featured in the Congress Centre by having the displaying artists lead brief tours of their expositions.

- **Li Yongcun**, Professor, Central Academy of Arts and Design, People's Republic of China

Meeting point: Coffee bar in Pischa area

11.45-12.55

pre-registration required at any of the Sign-Up Desks

138* *global institutions*

Congress Hall 2

Governing globalization

The Asia crisis has thrown into thrown into stark relief the difficulties of governing a global world. Are our international institutions up to the global challenge? In the face of rapid economic and political change, how will they remain relevant into the 21st century?

- **Kofi Annan**, Secretary-General of the United Nations, New York
- **Stanley Fischer**, First Deputy Managing Director, International Monetary Fund (IMF), Washington DC

Moderated by:
- **Richard S. Fuld Jr**, Chairman and Chief Executive Officer, Lehman Brothers Holdings, USA

86* *franchising/entrepreneurism*

Salève

Franchising and entrepreneurism: spurring global economic growth
Almost 50% of total consumer spending today in the United States is through franchises. These franchises tend to be small businesses, meaning a source of entrepreneurism and innovation for the economy as a whole. Is greater use of franchising appropriate to other parts of the world, and if so, what might be the larger economic benefits?

- **Marilyn Carlson Nelson**, Vice-Chair and Chief Operating Officer, Carlson Companies, USA
- **Merle Aiko Okawara**, President, JC Foods Co., Japan
- **Sir Ian Prosser**, Chairman and Chief Executive, Bass, United Kingdom

Moderated by:
- **Donald R. Harkleroad**, President, The Bristol Company, USA

87* *strategy/philanthropy*

Forum

Strategy, philanthropy and corporate citizenship
What is meant by being a good "corporate citizen"? Is this the same as traditional corporate philanthropy, or does it go beyond? What happens when citizenship and philanthropy become central parts of corporate strategy?

- **David C. Bell**, Chairman, The Financial Times, United Kingdom

131* *wild west*

Studio

Taming the new "Wild West": does government have a role in cyberspace?
While rudimentary rules of the road exist, the vast realm of cyberspace is largely unregulated; almost anyone can do almost anything they choose. How long will cyberspace remain so completely free? What would be the advantages and drawbacks of regulation? Would regulation enhance or limit the commercial possibilities of the Internet?

- **Stephen Case**, Chairman and Chief Executive Officer, America Online, USA; Global Leader for Tomorrow
- **Ira Magaziner**, Senior Advisor for Policy Development to the President of the USA
- **Katsuhiro Nakagawa**, Vice-Minister for International Affairs, Ministry of International Trade and Industry of Japan
- **Eli Michael Noam**, Professor of Finance and Economics, Columbia University Graduate School of Business and Director, Columbia Institute for Tele-Information, USA
- **Rita Süssmuth**, President of the German Parliament

Moderated by:
- **Dikgang E. Moseneke**, Chairman, Telkom, South Africa

132* *cross-cultural*

Parsenn

Cross-cultural moral judgements
Should we assume that each society has its own values — Asian, Western, Muslim — and that we should not apply judgements across borders? Or are we all better off for it if we

Moderated by:
- **Jeffrey E. Garten**, Dean, Yale School of Management, Yale University, USA

This session will be followed up over WELCOM. Please see the WELCOM Information Package you received at registration for details.

11.45-12.30 *no sign-up needed*

247* *meet the artists/koch*

Meet the artists - Claudia Koch
Participants will have an opportunity to learn more about the work featured in the Congress Centre by having the displaying artists lead brief tours of their expositions.

- **Claudia Koch**, Sculptor and Painter

Meeting point : Bar of the Executive Lounge

13.15-14.45 Sessions over lunch

pre-registration required at any of the Sign-Up Desks where your meal voucher will be issued.

248* *labour*

Seehof
"Stübli"

How will labour adjust to the new realities of the global economy?

- **Marc Blondel**, General Secretary, Confédération Générale du Travail - Force Ouvrière (CGT-FO), France
- **Ursula Engelen-Kefer**, Deputy Chairman of the Board of Management, Deutscher Gewerkschaftsbund DGB, Germany

- **Philip J. Jennings**, General Secretary, International Federation of Commercial, Clerical, Professional and Technical Employees (FIET), Geneva
- **William B. Jordan**, General Secretary, International Confederation of Free Trade Unions (ICFTU), Brussels
- **James Thokoana Motlatsi**, President, National Union of Mineworkers, South Africa
- **Jayendra Naidoo**, Executive Director, National Economic Development and Labour Council (NEDLAC), South Africa; Global Leader for Tomorrow
- **John J. Sweeney**, President, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), USA

249* *global economy*

Central
"Vetschstube"

Outlook for the global economy
Where are the major strengths and weaknesses of the current global economy? What will be the long-term effect of the Asian crisis? Is overcapacity really a problem? A brainstorming with:

- **Victor L.L. Chu**, Chairman, First Eastern Investment Group, Hong Kong; Global Leader for Tomorrow
- **Charles H. Dallara**, Managing Director, Institute of International Finance, USA
- **David D. Hale**, Global Chief Economist, Zurich Insurance Group, USA
- **Rakesh Mohan**, Director General, National Council of Applied Economic Research, India
- **Mari Pangestu**, Executive Director, Centre for Strategic and Int'l Studies, Indonesia
- **Luis Rubio**, President, Center of Research for Development (CIDAC), Mexico
- **Haruo Shimada**, Professor of Economics, Keio University, Japan

17.30-19.00

no sign-up needed. Tickets will be available on a first-come, first served basis as of 14.00 at the Promenade and Middle Entry levels to the Congress Centre (white-badged participants only).

95 *web*

World Economic Brainstorming

17.30-17.45 Introduction
17.45-18.25 First discussion period
18.25-19.00 Second discussion period

One of the highlights of the Annual Meeting, the World Economic Brainstorming, manifests the World Economic Forums commitment to building bridges between business and political leaders. This is a unique opportunity for business leaders to contribute to setting global "priorities" for the next few years and for political leaders to take the pulse of the international business community.

During each of the two discussion periods, a different political leader (head of state or government, minister, head of international organization) will join your table for informal and spontaneous conversation.

Discussions will take place in English.

Table hosts:

- **Jaime Alatorre**, President, Mexican Investment Board, Mexico
- **Khalid A. Alireza**, Chairman, Saudi Cable Company, Saudi Arabia
- **Christoph Bertram**, Senior Editor, Die Zeit, Germany
- **David C. Brink**, Executive Chairman, Murray & Roberts Holdings, South Africa

- **Martin Faulkner** Broughton, Group Chief Executive, BAT Industries, United Kingdom
- **John H. Bryan**, Chairman and Chief Executive Officer, Sara Lee Corporation, USA
- **Carlos A. Bulgheroni**, Chairman, Bridas Corporation, Argentina
- **Victor L.L.** Chu, Chairman, First Eastern Investment Group, Hong Kong; Global Leader for Tomorrow
- **Henri Cukierman**, Chief Executive Officer, CPR, France
- **Tarun Das**, Director General, Confederation of Indian Industry (CII), India
- **Guillermo de la Dehesa**, Director, Banco Pastor, Spain
- **Harald Einsmann**, President, Europe; Member of the Board and the Executive Committee, Procter & Gamble Company, Belgium
- **Vernon Ellis**, Managing Partner, Europe, Andersen Consulting, United Kingdom
- **Ahmed A. Ezz**, Chairman, Ezz Group, Egypt
- **Luiz Fernando Furlan**, Chairman of the Board, Sadia Group, Brazil
- **Richard N. Gardner**, Professor of Law and International Organization, Columbia University, USA
- **David R. Gergen**, Editor-at-Large, US News & World Report, USA
- **Dan Gillerman**, Chairman, Federation of Israeli Chambers of Commerce, Israel
- **Ian A. Goldin**, Chief Executive and Managing Director, Development Bank of Southern Africa, South Africa; Global Leader for Tomorrow
- **James F. Hoge**, Editor, Foreign Affairs Magazine, Council on Foreign Relations, USA
- **Charles O. Holliday Jr**, Chief Executive Officer, Dupont de Nemours and Co., USA

- **Michael G. Kailis**, Governing Director, M.G. Kailis Group of Companies, Australia
- **Marvin Kalb**, Director, The Shorenstein Center on the Press, Politics and Public Policy, John F. Kennedy School of Government, Harvard University, USA
- **Kenneth L. Lay**, Chairman and Chief Executive Officer, Enron, USA
- **Ernst-Moritz Lipp**, Member of the Board of Managing Directors, Dresdner Bank, Germany; Global Leader for Tomorrow
- **Marshall Loeb**, Editor, Columbia Journalism Review, USA
- **Patrick Odier**, Managing Partner, Lombard, Odier et Cie, Switzerland; Global Leader for Tomorrow
- **Bruce A. Pasternack**, Senior Vice-President and Managing Officer, Strategic Leadership Practice, Booz, Allen & Hamilton, USA
- **Lester Pollack**, Managing Director, Lazard Freres & Co., USA
- **Richard Pratt**, Chairman and Owner, Pratt Industries, Australia
- **David de Pury**, Chairman, de Pury Pictet Turrettini & Co., Switzerland
- **William R. Rhodes**, Vice-Chairman, Citicorp/Citibank, USA
- **Michael J. Roux**, Chairman, Roux International Pty, Australia
- **George Russell**, Regional Editor, Americas, Time Magazine, USA
- **Frank Savage**, Chairman, Alliance Capital Management International, USA
- **Dhruv M. Sawhney**, Chairman and Managing Director, Triveni Engineering & Industries, India
- **Ulrich Schumacher**, President and Chief Executive Officer, Semiconductor Group, Siemens, Germany; Global Leader for Tomorrow

- **Xie Shengming**, President and Chairman of the Board, Rhk Group Co., People's Republic of China
- **Richard C.L. Yan**, Chairman and Chief Executive Officer, Richina Group Limited, People's Republic of China; Global Leader for Tomorrow
- **Yuan Ming**, Director, Institute of International Relations, Peking University, People's Republic of China
- **Edward Q. Zeng**, Chief Executive Officer, Sparkice I-COM, People's Republic of China

Introduced by:

- **Colette Mathur**, Director and Member of the Board, World Economic Forum, Switzerland

72* *canada*

Seehof
"Ferdmann"

Canada's global competitiveness: a CEO perspective

The United Nations has ranked Canada first among nations in terms of quality of life for four consecutive years. Last year the World Economic Forum ranked Canada fourth in global competitiveness. What are the opportunities for investors? What steps are needed to stay on top?

- **Lloyd Axworthy**, Minister of Foreign Affairs of Canada
- **Thomas J. Bata**, Chairman, Bata Shoe Foundation, Canada
- **Thomas W. Cryer**, Chairman, Deloitte Touche Tohmatsu, Canada
- **Ronald G. Gage**, Chairman and Chief Executive Officer, Ernst & Young Canada, Canada
- **Peter C. Godsoe**, Chairman of the Board and Chief Executive Officer, Scotiabank, Canada
- **C. Kent Jespersen**, President, Nova Gas International, Canada

13.15-14.45 Sessions over lunch

Pre-registration required at any of the Sign-Up Desks

58* *crisis proof/prone*

Seehof
"Palais Mitte"

The global financial system: crisis proof or crisis prone?

Is the current international financial system able to sustain the pressures and "multiplier effect" of global financial markets? Does the current system encourage crises?

- **Eisuke Sakakibara**, Vice-Minister of Finance for International Affairs of Japan
- **George Soros**, Chairman, Soros Fund Management, USA

Moderated by:

- **Rudi Dornbusch**, Professor of Economics, Massachusetts Institute of Technology, USA

312* *south korea*

Central
"Bundnerstubli"

The outlook for South Korea

In view of the severe economic crisis that the country is undergoing, what is the new government's response in terms of economic, financial and political readjustment, and what timetable is envisaged? How will the large industrial conglomerates restructure and refocus their activities to restore profitability, and at what pace?

- **Han Duk Soo**, Deputy Minister for Trade and Industry of the Republic of Korea
- **Kim Ki Hwan**, Ambassador-at-Large for Economic Affairs of the Republic of Korea
- **Milton Kim Seok Dong**, President and Chief Executive Officer, Ssangyong Securities & Investment Co., Republic of Korea
- **Young Soogil**, President, Korea Institute for International Economic Policy

Updated Suggested Seat Allocation

8/26/98

Group	Panel 1	Lunch	Panel 2	Panel 3	Reception
	maximum 200	maximum 130*	maximum 200	maximum 200	max 150 + security
Print journalists	20	0	20	36	0
Panelists, while not on stage	8	16	8	15	15
Honored guests/Quasi participants	67	67	67	67	67
Law School list	25	15	24	20	20
University list	5	5	5	5	5
Elected officials/Diplomats/Dig's	3	3	3	6	0
White House list	15	0	15	10	10
VP/ First Lady, while not on stage	0	2	1	1	1
World Policy Inst list	5	5	5	3	3
Progressive Policy Inst. list	5	5	5	3	3
Intl Cmmnty list from heads of govt	16	16	16	16	16
Security	0	0	0	0	15
Student lottery	25	0	25	20	0
Forum advisory group	6	2	6	6	6
Heads of Govt traveling list	0	0	0	16	16
Total	200	136	200	224	161

* includes 50 people in foyer and Lipton hall

[redacted]

Communication Rollout Plan

Pre-Forum Tasks

- Develop local, national, international and legal community press list
- Write and distribute opening press release and media advisory. Advisory should ask for press to sign-up to help determine work space needed in filing center.
- Develop comprehensive list of Q + A for press inquiries
- Develop media message strategy--what is the purpose of this dialogue?, what does it seek to accomplish?, what will be done to continue this dialogue in the future? For the law school--how to project and position the law school as a seminal force in the development of global law?
- Identify writers for Op-Ed pieces to appear in several newspapers one week prior to event.
- Arrange for NYU photographer to cover events so that pictures can be placed on website and law school publications
- Set-up schedule for radio interviews 1-2 days prior to event and on day of event
- Invite editorial writers and columnists for the lunch on event day
- Send out specific press invitations--for event and possibly also for press pre-briefs. (Send out "Save the Day Card" one week prior to event.
- Create web site that includes public and press information about event. People should be able to send e-mail to website so that questions about event, particularly for those unable to attend, can be answered.
- Produce press kit including press releases, program agenda, bios of participants, law school and university information and press logistics guide (sat truck parking, filing center etc)
- Set-up command center for all inquiries regarding event. (Command center should have some carry-over after event to do follow-up)
- Set up filing center that includes video D.A., mults, phone lines, work space, press desk and in-house t.v. so press can watch proceedings. Include quiet place for one-on-one interviews

- Identify strong panelists that can head to press filing center after discussion to talk with reporters about event and answer questions
- Determine press still photo pools to be escorted into auditorium during proceedings
- Arrange "day-of" media interviews with John Sexton as spokesperson. Target both local and national media i.e. NY1, GMA, CNN etc. Consider accommodating international media as well, if they are in attendance.
- Consider doing satellite uplink to other universities, particularly in those countries from which leaders are attending i.e London School of Economics. Press from these countries would also be invited to attend satellite uplink broadcast.
- Talk w/ C-Span about full coverage of event

Post-Forum Tasks

- Identify follow-up Op-Ed writers who can place articles regarding the success of the event, including op-ed summarizing the event and putting it into context with the law school's mission
- Update web site to include texts of leaders' remarks, summary of discussion and pictures from the event.
- Consider having John Sexton speak to the Council on Foreign Relations to discuss the outcome of the event and its impact on future discussions and the importance of the global law program
- Consider doing follow-up interviews for t.v., radio and print
- Consider having a law school reception or event where John Sexton makes remarks about the success of the event to "constituents" of the law school i.e. donors, trustees, students, alumni and those with ties to the global law community
- Write pieces or give interviews for legal community publications
- Track domestic and foreign news articles regarding event

(Draft #1)

*Asterisked items should be answered specifically by NYU law school officials

Talking Points for Press Inquiries Regarding the "Strengthening Democracies in a Global Economy: An Opening Dialogue"

1. What is the purpose of this event?

2. What can this dialogue accomplish?

3. How will progress be measured?

4. Will a new political ideology be defined?

5. Why aren't political leaders from Japan, Germany or France attending?

6. What is Mrs. Clinton's role?

7. Why was the first day of Rosh Hashanah chosen for the event?

8. This has been known as the politics of the "Third Way". Why is it not being called that here? If its not being called "Third Way", what is it being called?

9. How do you define the tenets of this new progressive politics?

10. Will the new progressive politics, by embracing free market forces, alienate the traditional Democratic party base of President Clinton? Of Labor w/ PM Blair?

11. How will ideas that spring from this discussion be implemented?

12. Will there be additional forums in the future?

13. Is this an attempt to create a new transnational political party like the Christian Democrats?

14. How long will each of the panels last?

15. How were panelists selected?

16. How was the agenda for the panels determined?

17. Will there be any type of announcement or agreement at the end of the day?

*18. What is the role of the law school in this event?

*19. Why should an educational institute initiate an event of such international magnitude?

*20. What is the process leading up to the law school being chosen for this event.

*21. Whose idea was it?

*22. How does this event mesh with the educational goals of the law school and the University?

23. Will there be written material post-event?

*24. What is the role of institutions of higher learning in strengthening democracies? What is the role of a law school in helping to strengthen democracies?

25. Is this an event a continuation of the earlier event in England? If answer is no, how will it be different? If answer is yes, what is the connection?

27. Can you describe some of the concrete points that will be the central theme?

Leaders to be Invited

BLAIR - UNITED KINGDOM
The Right Honorable
Tony Blair, M.P.
Prime Minister,
London
Fax: 9-011-44-171-839-9044

CARDOSO - BRAZIL
His Excellency
Fernando Henrique Cardoso
President of the Federative
Republic of Brazil,
Brasilia
Fax: 9-011-55-61-226-7566

CHRETIEN - CANADA
The Right Honorable
Jean Chretien, P.C., M.P.,
Prime Minister of Canada
Ottawa
Fax: 9-1-613-957-5499/5608

KOK - NETHERLANDS
His Excellency
Wim Kok
Prime Minister of the
Kingdom of the Netherlands
The Hague
Fax: 9-111-31-70-3-564-683

PERSSON - SWEDEN
His Excellency
Goran Persson
Prime Minister of Sweden
Stockholm
9-011-46-8-723-1171

PRODI - ITALY
His Excellency
Romano Prodi
President of the Council of Ministers
of the Italian Republic
Rome
Fax: 9-011-39-6-678-3998

STROYANOV - BULGARIA
His Excellency
Peter Stroyanov
President of the
Republic of Bulgaria
Sofia

Fax: 9-011-359-2-736069

France - TBD

Luxembourg - disposition in ...

Guitterez - panel

Uruguay

Frei

Mbeki / Botswana

Post-it® Fax Note 7671	Date 8/24	# of pages ▶ 1
To Melanne Verveer	From Don Baer / ...	
Co./Dept. FOR NYU	Co. NSC	
Phone #	Phone #	
Fax #	Fax #	

NEW YORK UNIVERSITY
A private university in the public service

Interdepartmental Communication

School of Law
Office of the Dean

DRAFT (8/26PM) August 25, 1998

To: The Law School Community

Fr: John Sexton

I am happy to share with you the news that the Law School will host an extraordinary event on Monday, September 21. On that day, several heads of state or government (including, among others, the Presidents of the United States and Brazil, and the Prime Ministers of Italy and the United Kingdom) will participate in a conversation on the implications for democracy of the new global economy.

Obviously, important work being done by faculty here (manifested in part in our Global Law School Program) focuses on these issues. And, in discussions with several colleagues here and friends in academia, government, business, and labor, I learned that an increasing number of important leaders were examining how we should think about democracy in the context of the global economy. When we were informed that the President and other world leaders would be in New York on September 21 for the opening of the General Assembly, we seized the opportunity to have them participate with our faculty, students, and other invited guests in a dialogue designed to connect those who are exploring the phenomena of democracy and globalization from various vantage points. We are delighted so many have agreed to come.

The overall theme of the conversation is "Strengthening Democracy in the Global Economy." There will be two successive panels, one on "Civil Society and the Future of Democracy" and one on "The New Economy and the Future of Opportunity." In addition to members of our community, leading experts and thinkers from around the world, including the First Lady of the United States, will take part in these panels. The two opening panels will be followed by a third panel, that will consist of reflections on the overall theme of the day by President Clinton and other heads of state and government.

It is unfortunate that the only date on which key participants were available for this event was September 21 (the opening day of the United Nations General Assembly), the first day of the Jewish New Year, Rosh Hashanah. I hope that those members of our community who are unable to attend the events will understand that the choice of date was not within our control. We are making special arrangements for videotapes and absentee questioning, so that those who cannot attend can share in this historic event. In addition, on the Thursday following the event, we will hold a reception and discussion of the topic from the previous Monday's event for those who could not be there.

Of course, an event of this magnitude will present security issues unprecedented in any academic community. For two or three days (including the weekend before the event), our normal patterns will be disrupted. This may mean limited or no access to various parts of our physical plant – including faculty and administrative offices. If this happens, I ask you to be patient with the inconveniences. To minimize the possible impact, if you anticipate that, on either Sunday (September 20) or Monday (September 21), you will need access to your office or any part of the Law School (except, of course, the residential rooms in our dorms), please inform Ken Kidd (Office of Special Events, 998-6116) no later than September 11, so that we can accommodate you or (if security requires it) arrange alternatives.

The program for the day is still very much a work in progress, and I will be writing to everyone with more information as it is available. For the moment, I am circulating to you a current version of the mission statement for the day. In the meantime, I hope you will agree that this extraordinary event, which will be sponsored by the Global Law School Program, will be a great occasion for the Law School as well as an important stimulant to serious, creative thinking on some crucial issues of our time. We are making every effort, as we did with the Justices' Conference last year, to maximize participation by our community.

Suggested Participants for NYU Panels

Panel I -- Civil Society

Norman Dorsen -- Moderator

Hillary Rodham Clinton (Overview of Imperatives for Civil Society)
Ronald Dworkin (Rule of Law)
James Chase (Internationalism)
Gracia Michel (Civic Participation)
Anthony Giddens (Why Civil Society is Vital in These Times) 171 404 5510 Fax
George Soros (Capitalism with a Human Face)

Invite Havel

Panel II -- The New Economy and the Future for Opportunity

Martin Lipton -- Moderator

Dick Stewart (Environment)
Al From (Expanding the Circle of Opportunity)
John Sweeney (Considerations of the Worker)
Lou Gerstner (Education Technology and Globalization) - Andy Grove - Intel
Michael Rocard - European Parliament/Former French Prime Minister (International Development) ?
Laura Tyson or Rosabeth Kantor (Economic Perspectives) — both ?
~~Hispanic Participant TBD~~

THE WHITE HOUSE

WASHINGTON

Meeting:

TOPIC: Strengthening Democracy in the Global Economy: An Opening Dialog
Monday, September 21, 1998
New York University School of Law, New York City

WHEN: Tuesday, August 25, 1998
2:00 p.m.
Ward Room

HOST: Sidney Blumenthal

INVITED: Melanne Verveer
Kelly Craighead
Tony Blinken
David Leavey
Don Bandler
Joe Lockhart
John Podesta
Marsha Berry
Patti Solis Doyle
Jen Palmieri
Don Bandler
Larry Butler

MISSION STATEMENT:

Strengthening Democracy in the Global Economy: An Opening Dialog
Monday, September 21, 1998
New York University School of Law
New York City

At the turn of the millennium, new methods of governance are required to confront new realities. With the emergence of the new global economy, based in the ever accelerating pace of technology and its ever widening international scope, new pressures for constant adjustment are being placed on nations, communities and individuals. In the face of globalization, the universal challenges are to maintain the highest level of prosperity, expand opportunity, protect liberty, and deepen democracy.

Governments around the world are using free markets to empower individuals, while at the same time acting to enhance civil society and to foster a renewed confidence from citizens. Forward-thinking political leaders, intellectuals and business and labor figures are defining the elements of the new social contract. As a result, there is a pressing need for a discussion among those who have most vitally engaged these innovative approaches.

The dialog on "Strengthening Democracy in the Global Economy," sponsored by New York University School of Law in affiliation with the Progressive Policy Institute and the World Policy Institute, is intended to provide a forum for the international discussion that is driving reform-minded governments and future-oriented thinking around the world.

The first panel, on "Civil Society and the Future of Democracy," will address the challenges facing civil society by globalization and how it can flourish under the new conditions. The questions involve family and work, community and commerce, the rule of law and human rights, civic participation and public purpose, and the role of social investment.

The second panel, on "The New Economy and the Future of Opportunity," will address the problems of worker equity and opportunity, technology and education, poverty and the fate of the stake-holding middle class, the environment and economic development, and the roles of the nation-state and the modern corporation.

The third panel will feature reflections by heads of state and other world leaders. They will draw on their practical experience and vision in discussing the general conference theme, "Strengthening Democracy in the Global Economy."

NEW YORK UNIVERSITY
A private university in the public service

School of Law
40 WASHINGTON SQUARE SOUTH, NEW YORK, N.Y. 10012-1099
TELEPHONE: (212) 998-6000
FACSIMILE: (212) 995-3156

John Sexton
Dean

DRAFT (8/21) August 21, 1998

To: The Law School Community

Fr: John Sexton

I am happy to share with you the news that the Law School will host an extraordinary event on Monday, September 21. On that day, several heads of state or government (including, among others, the Presidents of Brazil and the United States and the Prime Ministers of Italy and the United Kingdom) will participate in a conversation on the implications for democracy of the new global economy.

Obviously, important work being done by faculty here (manifested in part in our Global Law School Program) focuses on these issues. And, in discussions with several colleagues here and friends in academia, government, business, and labor, I learned that an increasing number of important leaders were examining how we should think about democracy in the context of the global economy. When we were informed that the President and other world leaders would be in New York on September 21 for the opening of the General Assembly, we seized the opportunity to have them participate with our faculty, students, and other invited guests in a dialogue designed to connect those who are exploring the phenomena of democracy and globalization from various vantage points. We are delighted so many have agreed to come.

The overall theme of the conversation is "Strengthening Democracy in the Global Economy." There will be two successive panels, one on "Civil Society and the Future of Democracy" and one on "The New Economy and the Future of Opportunity." In addition to members of our community, leading experts and thinkers from around the world, including the First Lady of the United States, will take part in these panels. The two opening panels will be followed by a third panel, that will consist of reflections on the overall theme of the day by President Clinton and other heads of state and governments.

It is unfortunate that the only date on which key participants were available for this event was September 21 (the opening day of the General Assembly), the first day of the Jewish New Year, Rosh Hashanah. I am sure that those members of our community who are unable to attend the events will understand that the choice of date was out of our control. We are making special arrangements for videotapes and absentee questioning so that those who cannot attend can share in this historic event.

Of course, an event of this magnitude will present security issues unprecedented in any academic community. For two or three days (including the weekend before the event), our normal patterns will be disrupted. This may mean limited or no access to various parts of our physical plant – including faculty and administrative offices. If this happens, I ask you to be patient with these inconveniences. To minimize the possible impact, if you anticipate that, on either Sunday (September 20) or Monday (September 21), you will need access to your office or any part of the Law School (except, of course, the residential rooms in our dorms), please inform Ken Kidd (Office of Special Events) no later than September 11, so that we can either accommodate you or (if security requires it) arrange alternatives.

The program for the day is still very much a work in progress, and I will be writing to everyone with more information as it is available. For the moment, I am circulating to you a current version of the mission statement for the day. In the meantime, I hope you will agree that this extraordinary event, which will be sponsored by the Global Law School Program, will be a great occasion for the Law School as well as an important stimulant to serious, creative thinking on some crucial issues of our time. We are making every effort, as we did with the Justices' Conference last year, to maximize participation by our community.

August 25, 1998

Dear __________:

On behalf of New York University School of Law it gives us great pleasure to invite you to join President William Jefferson Clinton and other world leaders at a major event that will take place at the Law School on Monday, September 21, the date of the opening session of the United Nations in New York.

The overall theme of the event on September 21 is Strengthening Democracy in the Global Economy: An Opening Dialogue. As the enclosed statement describing the dialogue notes, there will be three panels on different aspects of the subject, which we regard as of critical importance to the nations and peoples of the world as we move to the new millennium.

We would be honored if you would join the third panel, which will be the culminating discussion and will be limited to heads of state and heads of government. It is expected that President Clinton will open the discussion on this panel followed by reactions from the other panel members, who will draw on their practical experience and vision in discussing the general conference theme.

The third panel will start at approximately 4 p.m. on September 21. All three panels will take place in Vanderbilt Hall of New York University School of Law, 40 Washington Square South, and you are of course welcome to attend the other panels and the lunch that day. If you agree to participate in this dialogue, we will be in touch with your staff promptly about logistics, security and related matters.

We look forward to your participation in the dialogue, and to greeting you at the Law School on September 21.

Sincerely,

John E. Sexton
Dean

Norman Dorsen
Faculty Chair
Global Law School Program

Enc.

N. Dorsen
Aug. 26, 1998

(DRAFT #3 PRESS RELEASE)

Contact Name
Contact Number

President Clinton to Attend NYU Law Forum on "Strengthening Democracy in the Global Economy: An Opening Dialogue"

New York -- On September 21, 1998, New York University School of Law will sponsor a daylong forum entitled "Strengthening Democracy in the Global Economy: An Opening Dialogue."

Joined by leaders from business, labor and academia, U.S. President Bill Clinton, Italian President Romano Prodi, British Prime Minister Tony Blair, and other world leaders, will participate in a conversation on how governments can cope with the challenges globalization presents while finding innovative ways to maintain the highest level of prosperity, expand opportunity, protect liberty and deepen democracy.

The day will consist of three panels. The first panel, on "Civil Society and the Future of Democracy", will address the issues civil society faces in the new global economy and how it can adapt and flourish under ever-changing conditions. The discussion will focus on family and work, community and commerce, the rule of law and human rights, civic participation and public purpose, and the role of social investment. [First Lady Hillary Clinton will introduce this panel.?] No

The second panel, on "The New Economy and the Future of Opportunity," will address the problems of worker equity and opportunity, technology and education, poverty and the fate of the stake-holding middle class, and the roles of the nation-state and the modern corporation.

The third panel will feature reflections by heads of state and heads of government, including President Clinton, drawing on their practical experience and vision, on the general conference theme "Strengthening Democracy in the Global Economy."

New York University School of Law organized this event after Dean John Sexton learned that many leaders in academia, government, business and labor were examining how to think about democracy in the context of the global economy. Dean Sexton said, "when we were informed that President Clinton and other world leaders would be in New York for the opening of the U.N. General Assembly, we decided to bring them together to explore the phenomena of democracy and globalization from various vantage points."

The Law School's Global Law School Program, which is sponsoring the event, is a dramatic new initiative premised on the fact that the social, political and economic systems of different nations are becoming ever more interconnected and interdependent. Professor Norman Dorsen, faculty chair and founding director of the Program, said, "the September 21 dialogue will deepen understanding of the problems facing the world community as it grapples with the impact on political systems, including economic growth and justice, of the new global forces."

New York University School of Law is sponsoring this event in affiliation with the World Policy Institute of the New School University and the Progressive Policy Institute.

Information about press sign-up

Hillary Rodham Clinton
First Lady of the United States

at the Annual Meeting of the World Economic Forum
Davos, Switzerland
February 2, 1998

(Begin transcript)

PROFESSOR KLAUS SCHWAB: Dear Madam First Lady, dear Mrs. Hillary Clinton, it is with purpose that I address you in those two forms, because we welcome you here not only as the representative of a country which is the greatest power in the world, but we welcome you as a personality who in her own right has won high recognition for the causes you stand for as a relentless advocate for those who are disadvantaged and who need to be integrated into our efforts to improve the state of the world.

We have launched here, in Davos, a comprehensive initiative Prestige 21, to take on the challenges in the transition of human kind into the 21st Century. We are eager to hear from you. How you see the individual and collective priorities for our common future. Ladies and Gentlemen, let's welcome again Mrs. Clinton, a most remarkable, a most courageous woman of our times.

FIRST LADY HILLARY RODHAM CLINTON: Good evening, thank you very much Professor Schwab, and thank all of you for the invitation to address this forum. I appreciated greatly the opportunity to come and be part of these sessions, and to speak with you about the priorities for the 21st Century, as seen perhaps from a slightly different perspective from the one that brings many of you here to this conference.

After having looked at the program, and seen some of the sessions, I think it is probably more appropriate to refer to this gathering as the World Economic, Political and Social Forum, because certainly in the discussions that I have been privileged to hear about and to hear directly, it has struck me that there is a very strong awareness of how interdependent the economic, political and social spheres of life happen to be. It is something that I think we need to pay even closer attention to. Certainly when one thinks about the economy, whether it is the economy of a business, of a nation state, or of our entire globe, one talks a great deal about the importance of and the significance of the free market. And I believe that as we end this century, any doubt about the effectiveness of organizing our economy along the lines of a free market, have finally been put to rest. That is one of the major accomplishments, perhaps, of this past century. That we now understand that the greatest capacity to create employment, income, wealth and investment is derived from a free market.

At the same time, I hope we have also recognized as we end this century, that we need effective, functioning, competent governments. Governments that are neither oppressive, nor too strong and authoritarian, nor on the other hand, so weak that they can neither deliver goods and services for the public good to their citizenry or play the kind of partnership role that they should in connection with a vital free market.

But if that's all we were to speak about, the economy on the one hand, and government on the other, we would be leaving out one of the most important aspects of what we should turn our attention to as we move into this new century, that is society, civil society, because between the marketplace and the government, is what exists that makes life worth living. It is the stuff of life. It is the family, it is the religious belief and spirituality that guide us. It is the voluntary association of which we are a member. It is the art and culture that makes our spirits soar.

I think as we look at the end of this century and the beginning of the next, it behooves all of us, no matter what our perspective or experience, to think hard about how we create conditions in which the economy, governments and the civil society all flourish. Think of it, if you will, as a three-legged stool. We are not stable if we are only on one leg, no matter how strong the economy might be, no matter how strong a government might be. We are also not stable if we rest merely on two legs of the stool. Rather we need to see the independence and connection among the economy, the government and the civil society. And more than that, I think we need to recognize the ways in which each of those spheres of influence are affected by the other. I know there has been a great deal of useful conversation here about what needs to be done to help manage crises such as the Asian crisis, how to better provide technical assistance for banking supervision and the regulation of markets in many countries around the world, even suggestions as to what could be done to create more of a global regulator atmosphere along the lines perhaps of a new Bretton Woods.

These are all very important conversations. And I hope that the economic and political leaders gathered here will certainly follow up on them through the various entities that exist, and perhaps some that are yet to be born, so that we can address these very important problems that are posed by the state of the economy today. We have also heard how important it is for governments to work with the economies of their countries and regions and globally, and how significant it is to find the right balance between regulation that permits real competition to flourish and that which stifles entrepreneurship. So there is much for governments also to ponder coming out of this conference. How can they do a better job to unleash the energies of their people to provide environments in which businesses can flourish? How do they become more transparent? How do they stand against corruption? How do they create the instruments that are needed for governments today to provide the kind of support for the economy at the same time that they provide the sort of capacity for their people to be able to thrive in this new economic environment? I will leave it to others, many of whom have addressed you, to speak about how we can do more to make sure that our markets do what they should do, and to make sure that our governments do likewise.

But what I want to address is this third leg of the stool. A leg of the stool that I think is too often given short shrift in such conversations as those that take place here, or perhaps marginalized as being something less than important to the significant business of governing and creating economic opportunity.

Our founders in the American republic at the end of the eighteenth century left us with some very good advice that they enshrined in our founding documents and which we have over our centuries of development attempted to adapt to modern conditions. They warned us about unaccountable power, they warned us about creating checks and balances, and they set up a system that they thought would create a balance of power. I think that is what we have to see in creating such a balance among our economic interests, our governmental and political activities and the civil society. One without the other will create an imbalance.

I have been privileged to travel over the past several years to many of the new democracies around the world, particularly in the former Soviet Union. I have seen what has happened to people whose spirits have been crushed, whose economies have been driven into the ground, whose governments were authoritarian, as they attempt to rebuild a sense of potential and opportunity for themselves. It is very clear if one visits these countries that economic opportunity will certainly provide jobs and income but not necessarily long-term stability or governments that understand their duties to their citizens. It is also clear that stable governments, as important as they are, may not bring about those conditions that are essential to creating long-term social stability.

So in my travels I have focused on this third leg of the stool, the civil society, and I have seen many changes within the last several years, as governments and economic interests understand that there must be created within society, the work ethic for capitalism to thrive and continue, a sense of citizenship for governments to be stable and succeed one another peacefully. And so how do we nurture this civil society? Why is it in the interest of business leaders, such as many of you, to worry about whether in the countries in which you do business there is an effort being made to create these civil society functions and institutions? Why should you care whether women are given the opportunity to go to school, or have health care, or vote? Why should you worry whether or not children are being taught basic lessons about democracy or not? Well, I would argue again that it is in your long term interests to do so: to have conditions in the countries in which you do business supportive over the medium and long term of what we mean by a free market, and to have governments that understand their appropriate roles.

So I would urge that as we look towards the end of this century, as many of you work on the important issues of helping to perfect the imperfect mechanism of a free market, worrying about the many inherent problems that have been pointed out, that lead often to instability, particularly in financial markets today. Those of you who are directly involved in helping governments in Asia and elsewhere understand why it is imperative that they reform themselves, that you also think about what we can do to strengthen civil society. How do we create conditions for families to be strong in an age where family values and where the kinds of ideas one would wish to pass on to one's children face very stiff competition from the consumer culture, from propaganda, and from a media that stresses short term gratification. How do we support religious freedom, making it clear that we will honor the spiritual beliefs and journeys of people different from ourselves? How do we work together to create conditions in which tribal and ethnic and racial and other differences among people can be controlled and kept in check. And how can we create opportunities for common enterprises that go beyond the differences that too often divide us? How do we nurture non-governmental organizations in societies have no history of voluntary or charitable activity? How do we create associations that stand between the marketplace and the government, but give people an opportunity to excersize their own skills to become good citizens?

All of these are questions that are being addressed in various ways by many organizations around the world. I have stood in barrios in Latin America and in villages in Asia and Africa where I have seen the effects of micro-enterprise on the capacity of women to make an income for themselves, and not only to make an income, but to feel empowered so that they can become citizens of their village and of their country, so that they can begin to understand not only how a market works, but how a society and a political democracy work as well. I have watched creative projects all over the world that have taken the very poorest of the poor, and empowered them to learn about what it means to live in a democracy. And I have talked with students on every continent about their hopes and aspirations that they will be able to navigate what to them seems like a very difficult journey into the next century. And they have asked for help and guidance, whether it is mentoring or internships or opportunities to work with businesses and government, so they can learn from adults about what works and what they can follow in their own lives and careers.

There are many large problems that confront us as a world. It is impossible to think of any corporation, no matter how large, or any government, no matter how powerful, addressing these alone. Whether we like it or not, we are more interdependent today than we have ever been. I believe that interdependence is a good development. And it should be respected by governments and businesses alike. Because through it we can meet mutual challenges of environmental degradation or security threats, and we can also work together to help build up strong, functioning markets, governments and civil societies.

I would just end these remarks by reminding us tonight that there isn't any perfect human institution. There is no perfect market except in the abstract theories of economists. There is no perfect government except in the dreams of political leaders. And there is no perfect society. We have to work with human beings as we find them. And we have learned a lot about what works. And the lesson of the global economy will certainly be that those who ignore the lessons that we have learned about effective functioning markets and political and governmental leadership will pay a steep price. That may be a necessary part of the learning curve. But as we go into the 21st Century, if we can keep in mind the balance of power among these three spheres that effect all of our lives, and if we can look for ways to work cooperatively together, then I think the doomsayers and the pessimists will be proven wrong. I wouldn't want to be more optimistic than conditions warrant, but I think based on the conversations that I've heard coming out of this conference, from people in a position to affect economic and governmental action, there is every reason to believe that there is a new awareness growing among the decision makers around the world about the steps that must be taken in order to ensure stability and sustained growth. I'll only ask that in that calculus, we remember the billions of men, women and children who are effectively without a voice, often without a vote, and that we understand that our long-term success, either economically or governmentally, will ultimately depend upon wether we empower them as well, to take their rightful places in forums around the world where they plan their own futures. Thank you very much.

SCHWAB: Mrs. Hillary Clinton, you have reminded us of our obligations, of our obligations toward society. As the First Lady, you have pursued an incredible active agenda to promote the social progress. Now, looking at the future, and I may ask you a very personnal question, what is your personnal priority for the remainder of the 21st Century in this respect.

CLINTON: You mean what will I do for the next three years?

SCHWAB: What will you in your own work put emphasis on?

CLINTON: I think I will continue to emphasize the issues that I have tried to speak out about, worked on, and addressed in my writing, and that is the need to invest in the future of children around the world. I don't know how many Americans in the audience heard Larry Summers say yesterday as it was reported to me that a child in Shanghai has a better chance of living to the age of five than a child born in New York City. But I hope if you did hear it, it caused some pause among you.

Of course it is not only in our own country where we have not done all we should to provide the opportunities for health and education and well-being for our children. It is certainly a problem that affects most if not all the nations of the world. And I believe it is the best investment we can make in long-term stability to provide opportunities for education, and healthcare, to work on thorny issues like family planning and environmental degredation that affect the well-being of children, and to do all we can to provide the best possible beginning for as many children as we can reach, and that is what I will continue to work on and speak out about.

SCHWAB: In this context, you have hear in front of you many of the CEOs of leading American companies, and you have been a proponent of moving toward the program of universal health coverage. The program to date has met mixed success, and generally little enthusiasm from the business community. So my question would be, why should the business community have this program as a priority? What would you tell the business leaders here in this respect?

CLINTON: Well I think your characterization of it meeting with mixed success was too kind. I still believe that economically, politically, socially, and morally, the United States would be better off if it provided universal health care coverage for all of its citizens.

I think the economic arguments will again come to the fore. There was a pullback in the cost of health insurance to the major providers of it in our country, which our employers during the last several years ... but that apparently is about to turn around, and the cost of insurance will once again begin to rise. There has been, since 1993, an increase in the number of uninsured Americans, and an increase in the number of underinsured Americans. I believe that should pose a question for all of us as to whether or not we think it is appropriate for our country, as rich and powerful as it is, to be denying access to the kind of preventive and chronic health care coverage that many people miss out on .

It is true that most people will be taken in by an emergency room, perhaps not the first one they visit, if they are not insured, but perhaps the second or third one if they are lucky enough to still be around by the time they arrive. And that if that were the only assessment we would make, we would say, well eventually everyone gets care. But we are paying a very big price for those who do not get timely or preventive care.

In addition, there is another problem, which is that there are many functions of the American medical system which have helped us to attain the high level of quality that it currently enjoys, which can never be profitable. There is no way for most research to be profitable. There is no way for the education and training of young physicians or nurses to be profitable. And there is no way for charity care to be profitable. And those functions are primarily performed in our country by our great medical schools and medical centers. Because they cannot turn a profit on performing those functions which are performed to the benefit of our entire system, they are at great financial risk. They are being forced into mergers, and they are finding themselves in a position of having to cut back on those functions. That is like eating the seed corn of the American health care system, in my view.

So there are a number of problems in my view, and I think that there is an ideological opposition among many in the American business community to the American government being any part of providing universal care. But of course we provide universal care to our citizens over the age of 65 through Medicare. And we provide it at the cheapest overhead and administrative cost of any insurance program in the United States. I daresay if you went back and you talked to your benefits people or your CFOs, and you asked them what percentage of the health care dollar you were spending on your employees, that went to administration and overhead and profit, compared with the two cents out of the dollar that goes to Medicare, you would have to ask yourself, is this an ideological opposition that no longer makes economic sense, or shall I hang on to it while I find my capacity to provide health insurance for my employees further diminished, thereby creating more instability in the system. So I hope that we will continue to address these issues in the future.

SCHWAB: Under your husband's leadership, the US has emerged as a world leader in technology, finance, military power. What are the domestic key factors and priorities that you believe are required to maintain this leadership in the long run.

CLINTON: Well, I think my husband very well outlined those priorirites in his State of the Union last Tuesday evening. He was able to address the remaining issues that he believes should be at the forefront of the American political debate, both domestically and internationally. And I think that if one were to look at them they would fall roughly into the categories that he has already outlined and has been speaking about for many years.

The first is to provide conditions that offer economic opportunity to as many of our people as possibly can be reached, and that has been I think very effectively accomplished during my husband's administration. We are very lucky, I believe, in having a president who understands not only politics, but economics, and has a very experienced, seasoned team, which is able to implement that policy. And the result is that we have, as you all know, reversed some rather disturbing trends that we saw in the late eighties and early nineties and emerged very strong economically.

But it is certainly clear that we have not by any means finished the job that has begun, and the President spoke about providing better educational opportunities, so that we have more of our people trained so that they can take the jobs that are available in the global economy. He has continued to press for more trade agreements and opening markets because he believes that America can compete and do very well internationally and he will continue to press that arguement in the future. He has also spoken about trying to make it possible to put a floor, a social safety net, under some of our people, who are poorly educated, who are left out of the global economy through increasing the minimum wage again, and he has also talked about providing economic support for social security, child care, which is a very big issue in our country, with so many women working, and single women who are the sole support of their families, and our two parent families.

So I think he has outlined a very clear agenda for trying to provide more opportunity. At the same time, he has asked for more responsibility. Probably the clearest example of what that responsibility means is our continuing effort to reform our welfare system, to move people from welfare to work. He has also advocated strongly that Americans must be prepared to take their responsiblity as citizens seriously and has advocated campaign finance reform so that our electoral system can have the confidence of the people, which it should.

Finally, he sees very clearly the role of the United States in building a community within our country and being part of building a community around the world. He has put on the table a race initiative to address the still unfinished business of race in the United States. It is controversial. It is challenging many people to think hard about what they believe. But it is very important if we are to try to create, among our very diverse population, a sense of common destiny and shared purpose.

He has also tried to help the American people understand why the United States must remain engaged around the world. And here I would also address the American business leaders in this audience. It is imperative that those of you who understand the global economy, who visit and do business in many countries, share your knowledge of what you see occuring around the world with members of Congress, with leaders of your community, with anyone who you can reach, because we cannot build a public consensus for American engagement if the American business community is not a strong supporter of that engagement. And I would just ask that you think hard about what you can do to try to have your voices heard. One quick example, during the last session of Congress, when the President's plan for the United States to pay its debts to the United Nations, and to replenish our commitment to the IMF, came before the House of Representatives, it was not voted on because of a debate over whether or not the United States should continue to give family planning aid around the world to any organization that had anything however remotely to do with abortion. It was voted down. There was a coalition among people who believe the United States should not be engaged in the world, as well as those who are against abortion. There was a deafening silence from the American business community. I saw no press conferences. I saw no ads in newspapers. I saw no signed joint statements saying "we know what faces the United States around the world and we understand how important it is for America to lead and be engaged and we therefore raise our voices on behalf of American support for the United Nations, IMF and other multilateral institutions."

our sesssion. The first question is the following. If you had three concrete wishes to be shared here with the business community, actually which you want to be seen executed by the business community, what would be those wishes. In really concrete form, what would you wish the audience to do over the next year or going away from Davos.

CLINTON: That is an impossible question, and I will do my best to answer it. I think that I would hope that going away from Davos, the leaders who have gathered here, both from business and government, will take seriously the challenges that many have issued from this and other stages to look for ways to try to make sure that our markets function effectively and we do what we can through individual businesses, nation states and globally, to ensure that that comes to pass, whether it is being part of providing technical assistance to governments and businesses that need to learn how to be transparent, how to be able to operate in a regulated environment to their benefit, and there is much work that can be and I hope is done and I hope business leaders will urge government leaders through entities like the G-8 and the IMF and others, to try to move towards some kind of consensus about how we need to address these issues that the market has presented us with.

Similarly I hope that governments will be encouraged to be as transparent, as reform-minded as possible, wherever necessary, and that business leaders will support government reform in doing so, and that we will have the kind of functioning partnership that is so necessary for the next century, between business and government throughout the world, and that we will do away with the false debate and the false choice that too often dominates our debate in America, where there is an unnecessary and I believe false antagonism created between business and government. They need each other, they need to support each other for the kind of long-term stability that both require to function well.

And finally I hope that business and government leaders will do more to support the civil society. In your own countries, and throughout the world, wherever it is possible. There are many good ideas and programs that are working. I wish everyone of you could have been with me at a village in Bangladesh, or at a women's bank in India, or at a lending project in Africa, or in a very poor neighborhood in South America, to hear what a difference a little bit of credit makes in the lives of the poor. We now have a proven track record from institutions such as the Grameen Bank in Bangladesh, that the poor, if given credit to buy another milk cow or a goat, or hire a rickshaw to go into business, are the best credit risks in the world. Most commercial banks particularly in today's environment, would die for a repayment rate of 96 to 98 percent, and that is what the poorest of the poor in these countries and in these programs have proven themselves capable of doing, at market interest rates.

Secondly, invest in opportunities for women around the world. If you look at any developing society that is making progress, there is a correlation between those societies that invest in women and those that are demonstration economic and political development and stability. In many instances women are still left out or shut out. We cannot go into this new century with half the world's population not empowered to act in their own best interests and in the best interests of their families. And that is what you will get when you invest in women. The investment will be very well taken care of, based on all we know, because it will in turn be invested in the community and in the family, and particularly in the children.

Thirdly, do not think of education, health care, and other issues as tangential or marginal. In many respects they will determine the long-term stability of the countries in which you do business, in the quality of the workforce that you employ, in the capacity of the consumers to whom you wish to sell your goods. It is in all of our interests to be more effective in investing in education and health care throughout the world, and wherever there is a particular pocket of poverty in an advanced economy, to take what we have learned about welfare reform and other strategies, and attack them through empowerment zones or tax credits or breaks for investment that can begin to provide opportunity in even the most destitute of communities.

And finally, I guess I would ask that we all be more thoughtful in looking at the world in which we live. That we work very hard to rid ourselves of preconceptions and assumptions and stereotypes. That we shelve our ideologies, whether it is of a conservative or a liberal bent. That we realize that conditions have changed, and with it must change also how we see the world, and how we interact politically, economically and socially. So not to rest on old conventions, but instead to be questioning them as well.

We have a great opportunity, as all of you know or you would not be here, to be, as Professor Schwab has titled it, trustees for the 21st Century. But we can only fulfill that responsibility if we understand that we are doing it not for ourselves but for generations to come. And so those, in a very general way, would be my three wishes.

SCHWAB: That was the best answer and the best end of such a highlight of our annual meeting. Nevertheless, nevertheless, I would take on one other question which came from the audience, and it says, don't you think it is time at the beginning of the next century for the U.S. to elect and support a strong, brilliant, woman for the job of the President?

CLINTON: Yes, and I look forward to voting for her!

(End transcript)

The I.M.F. Could Save Your 401(k)

By Adam S. Posen

WASHINGTON

Until recently, the average American investor didn't see much reason to be concerned with the Russian financial crisis. But now that this crisis and the uncertainties in Asia have created turmoil in the United States stock market, investors have become wary of emerging markets. And the instability has also caused some to wonder whether we should continue to support the International Monetary Fund.

But like it or not, emerging markets are crucial to American investors. And ending support for the I.M.F. could hurt all investors, even the smallest ones.

Why? As our society ages, more and more Americans will be living off their savings and investments — especially in 401(k) plans and individual retirement accounts. For these plans to provide adequate income, at least part of their investments must offer high returns for decades to come.

But our mature, service-heavy economy is probably not going to provide those high returns. Companies in the United States are increasingly involved in managing production rather than manufacturing goods within our borders. Therefore manufacturing, and the large sums of investment capital that accompany it, should — and are — going not here, but abroad. Moreover, as our population continues to age, our demand for consumption goods will grow more slowly, meaning that we need to look for markets in other countries as well. In short, to insure our comfortable retirements, we need new places to produce our products and new markets for our goods.

Emerging markets — meaning countries that are being industrialized and modernized — are the best places to expect high returns. Countries like Mexico and Thailand have younger populations and an emerging middle class, which make them a source of both labor and expanding consumer demand. To employ this labor and feed this demand, they need investment capital. And where supply of capital is low, an investor's return is high. This is what happened in the United States in the 19th century, when our developing economy presented new and large investment opportunities, albeit with occasional crises.

> No emerging markets? Prepare for a dismal future.

So, like it or not, Americans need emerging markets in order to prepare for their retirements. The problem, of course, is that these investments, like all investments, involve some risk. And that's where the I.M.F. comes in. The role of public policy is to minimize the risks of the economic system in general, so individual investments can be judged on their own merits.

Within the United States, investors have access to the information they need because our Government regulates insider information, sets standards for accounting and disclosure and openly announces its laws and economic policies.

Most emerging markets do not operate this transparently, however. Corruption, lax financial supervision, secret deals between governments and corporations or a simple lack of reliable information can make it difficult for financial managers to track how companies or even how whole industries are performing.

Investors, therefore, tend to watch one another. In times of panic, investors may withdraw their money from countries that have sound economic policies simply because other investors have fled. This is what happened last week, when the crisis in Russia caused investors to pull out of Argentina and Hong Kong, even though both of those countries have well-managed economies that are not tied in any way to Russia's.

The I.M.F. is the best means we have of reducing this sort of contagion. It limits the impact of outright panic by requiring sound policies from borrowing countries. If a country meets the terms of a loan, that means its policies are sound. If a country doesn't meet those terms — as Russia failed to do earlier — then investors know they should pull out.

The I.M.F. doesn't only deal with panics after they happen. It also protects against them by encouraging governments to be more open about establishing policies and regulating markets. For example, before making loans to stem the economic crisis in East Asia, the I.M.F. required those countries to supervise their banking systems more closely and to provide fuller disclosure of both government and corporate accounts. And thanks to the data collection efforts of the I.M.F., foreign investors can get daily access to consistent and dependable economic statistics.

That said, the I.M.F. is not and cannot be an international financial regulator or a full lender of last resort in a world of independent states. And the I.M.F.'s loan conditions are not always perfectly suited to the situation. Nor can the I.M.F. prevent every crisis.

But what other organization could possibly do its work? No country could impose conditional loans on another country. But because the I.M.F. is a multinational institution, it can impose discipline on sovereign states without completely offending their sense of independence. And, as the recent contagion has demonstrated, the I.M.F.'s conditional loans are needed because markets left to themselves don't always separate solvent from insolvent countries.

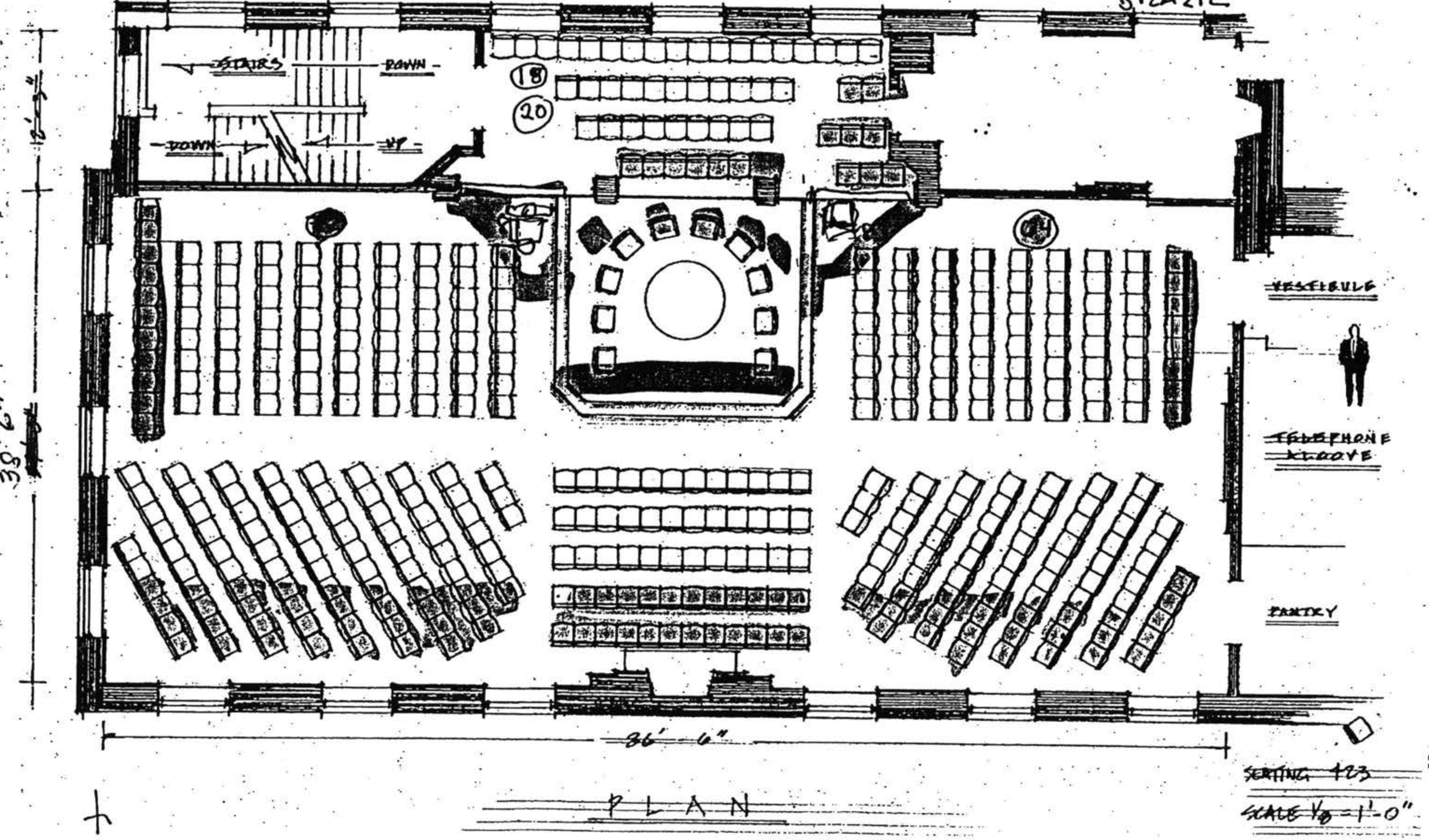
Without investments in emerging markets — and without the I.M.F. to minimize the risks — American investors stand to lose far more than they lost this week. In the years ahead, ordinary Americans will increasingly rely on foreign governments' policies to keep their investment returns high. That means we will need the I.M.F. more than ever. □

Adam S. Posen, a research fellow at the Institute for International Economics, is the author of "Restoring Japan's Economic Growth."

BROADCAST TU INTERNET

NYU LAW SCHOOL

- BULGARIN + ENG — BULGARIAN
- CANADIAN -
- FRENCH   NETHERLAND   UK US
- ITALY   SWEEDEN   BRAZIL



Updated Suggested Seat Allocation

9/2/98
6:11 PM

Group	Panel 1	Lunch	Panel 2	Panel 3	Reception
	maximum 200	maximum 130*	maximum 200	maximum 200	max 150 + security
Print journalists	20	5	20	30	0
Panelists, while not on stage	10	17	10	17	25
Experts	50	50	50	50	50
Law School list	25	15	24	20	20
University / Elected Officials List	8	8	8	8	8
White House list	15	0	15	10	10
VP/ First Lady, while not on stage	0	2	1	1	1
World Policy Inst list	5	5	5	5	5
Progressive Policy Inst. list	5	5	5	5	5
Intl Cmmnty list from heads of govt	16	16	16	16	16
Security	0	0	0	0	15
Student lottery	25	0	25	20	0
Forum advisory group	6	3	6	6	20
Heads of Govt traveling list	0	0	0	8	16
Total	185	126	185	196	191

* includes 50 people in foyer and Lipton hall

THE WHITE HOUSE

August 12, 1999

His Excellency
Massimo D'Alema
President of the Council of Ministers
of the Italian Republic
Rome

Massimo
Dear ~~Mr. Prime~~ Minister:

Thank you for your letter and news of the upcoming Seminar in Florence. I accept your invitation to give the keynote address at the opening dinner on Saturday, November 20, 1999, and very much look forward to returning to Italy at that time. Please accept my gratitude for all you and your government are doing to organize and host this important occasion.

With warm regards, I remain

Sincerely yours,

Hillary

Hillary Rodham Clinton

bcc: Patti
Melanne
NSC
Sidney
Foglietta

Unofficial Translation

Letter from the President of the Council of Ministers of the Republic of Italy
Addressed to the First Lady, Mrs. Hillary Clinton

....

"Rome, August 6, 1999

Dear Hillary,

I am particularly pleased to let you know that the idea we discussed in Naples last May is now coming to fruition. Together with Bill, Blair, Jospin and Schroeder, we are in fact organizing a new Seminar that will take place on the 20th and 21st of November next, aimed to trace a strategy of "progressive governance" for the next Century.

Unlike previous occasions, this one will be a self-contained event, independent of other meetings of international politics, and perhaps the last opportunity to get together before the new Millennium.

Conceptually, I propose to focus our discussion on certain specific topics, such as the management of international issues (management of crises; defense of human rights; reform of international institutions), or the socio-economic dimension of the politics of a global environment (reform of the welfare system; education and employment; new technologies and economic growth).

The organizational framework will be planned through the Istituto Universitario Europeo (European University Institute) and New York University. The Seminar will be restricted in format: together with the five leaders, I would suggest that each of us invite an intellectual whose task would be to introduce a specific issue of the debate. We are thinking to have an extremely selected audience, with a total of 200 American and European invitees, chosen amongst academics, journalists and entrepreneurs.

Knowing and appreciating your dedication toward social issues, I would be very grateful if you could accept my invitation to participate to this

initiative and, more particularly, if you could agree to inaugurate the Seminar with a "keynote speech" at the Opening Dinner, scheduled for Saturday, November 20. For this occasion, I have also thought to invite Romano Prodi to present a European perspective to the guests.

As far as Italy is concerned, I have given the task of organizing this Seminar to my Diplomatic Counselor, Francesco Olivieri, and to my Counselor for International Relations, Marta Dassù, who will both keep in contact with the two Universities. The Istituto Universitario Europeo will most likely submit the organizational details during the first week of September.

Your willingness to participate is essential to ensure the full success of this very important step of our shared project, which falls at perhaps the best possible time, at the end of this Century and at the conclusion of a year so intensely significant to international relations.

As I wait to see you in Florence, allow me to thank you in advance for all your assistance in this endeavor. I wish you a good and restful summer. With my most cordial regards,

Massimo D'Alema/sgnd"

Embassy of Italy
Washington

The Minister

August 6, 1999

Dear Mrs. Verveer,

It is my pleasure to transmit a letter addressed to the First Lady, conveying the text of a message addressed to Mrs. Clinton from the President of the Council of Ministers of the Republic of Italy, Massimo D'Alema, on the "Progressive Governance for the 21st Century" Seminar, scheduled to take place in Florence on November 20-21, 1999.

Thank you in advance for ensuring that the enclosures are received by the First Lady.

Respectfully,

Pierandrea Magistrati
Chargé d'Affaires *ad interim*

Mrs. Melanne Verveer
Chief of Staff to the First Lady
Old Executive Office Building - room 100
Washington, D.C.

Embassy of Italy
Washington

The Minister

August 6, 1999

Dear Mrs. Clinton,

It is my honor to convey to you the enclosed message from the President of the Council of Ministers of the Republic of Italy, Massimo D'Alema, on the "Progressive Governance for the 21st Century" Seminar, scheduled to take place in Florence on November 20-21, 1999.

With the continued assurances of my highest esteem and consideration, I remain

Respectfully,

Pierandrea Magistrati
Chargé d'Affaires *ad interim*

The First Lady
Mrs. Hillary Rodham Clinton
The White House
Washington, D.C.

8-06-1999 3:21PM FROM

Il Presidente del Consiglio dei Ministri

UCD/3707
Roma, 6 AGO. 1999

Cara Hillary,

sono particolarmente lieto di poterti comunicare che l'idea di cui abbiamo parlato a Napoli lo scorso maggio si sta realizzando. D'intesa, oltre che con Bill, con Blair, Jospin e Shroeder, stiamo infatti organizzando un nuovo incontro, che si terrà a Firenze nei giorni 20-21 novembre p.v., per delineare una strategia di "progressive governance" per il nuovo secolo.

A differenza delle altre occasioni, questa volta si tratterà di un evento a sè stante, indipendente da altri appuntamenti di politica internazionale, probabilmente l'ultima occasione di ritrovarci insieme prima dell'inizio del nuovo millennio.

Sul piano dei contenuti, la mia proposta è di concentrare la nostra discussione su alcuni temi specifici, in tema di gestione di problemi internazionali (gestione delle crisi, difesa dei diritti umani, riforma delle istituzioni internazionali), e di politiche-economico-sociali in ambiente globalizzato (riforma dei sistemi di "welfare", istruzione e impiego, nuove tecnologie e crescita economica).

Sul piano organizzativo, la cornice dei lavori sarà offerta dall'Istituto Universitario Europeo e dalla New York University. Il formato sarà quello di un seminario ristretto: oltre ai cinque leaders la mia proposta è che ognuno di noi inviti un intellettuale, con il compito di introdurre un punto specifico per il dibattito. Abbiamo pensato di avere un pubblico selezionatissimo, complessivamente 200 invitati fra americani ed europei, scelti tra accademici, giornalisti ed imprenditori.

Signora
Hillary R. Clinton
La Casa Bianca
WASHINGTON

8-06-1999 3:21PM FROM

Il Presidente del Consiglio dei Ministri

Ti sarei davvero grato, conoscendo ed apprezzando il tuo impegno nell'affrontare le tematiche sociali, se volessi accogliere il mio invito a partecipare a questa iniziativa, e, in particolare, desidererei che accettassi di introdurre i lavori con un "key note speech" per la cena inaugurale in programma sabato 20 novembre. Avrei pensato di invitare, nella stessa occasione, Romano Prodi a presentare agli ospiti una prospettiva europea.

Per quanto riguarda la parte italiana, ho affidato la preparazione del seminario al mio Consigliere Diplomatico, Francesco Olivieri, e al mio Consigliere di relazioni internazionali, Marta Dassù, che manterranno i contatti con le due istituzioni universitarie. L'Istituto Universitario Europeo conta di inoltrare i dettagli organizzativi agli inizi di settembre.

La tua disponibilità è essenziale per assicurare il pieno successo di questa nuova tappa del nostro progetto comune, per il quale non credo possa esserci momento di sviluppo più adatto, in questa fine di secolo e a chiusura di un anno cosi intenso e significativo per le relazioni internazionali.

In attesa di ritrovarci insieme a Firenze, ti ringrazio fin d'ora per la tua collaborazione, con un augurio di buone vacanze ed i saluti più cordiali.

Massimo D'Alema

Massimo D'Alema

Unofficial Translation

Letter from the President of the Council of Ministers of the Republic of Italy Addressed to the First Lady, Mrs. Hillary Clinton

....

"Rome, August 6, 1999

Dear Hillary,

I am particularly pleased to let you know that the idea we discussed in Naples last May is now coming to fruition. Together with Bill, Blair, Jospin and Schroeder, we are in fact organizing a new Seminar that will take place on the 20th and 21st of November next, aimed to trace a strategy of "progressive governance" for the next Century.

Unlike previous occasions, this one will be a self-contained event, independent of other meetings of international politics, and perhaps the last opportunity to get together before the new Millennium.

Conceptually, I propose to focus our discussion on certain specific topics, such as the management of international issues (management of crises; defense of human rights; reform of international institutions), or the socio-economic dimension of the politics of a global environment (reform of the welfare system; education and employment; new technologies and economic growth).

The organizational framework will be planned through the Istituto Universitario Europeo (European University Institute) and New York University. The Seminar will be restricted in format: together with the five leaders, I would suggest that each of us invite an intellectual whose task would be to introduce a specific issue of the debate. We are thinking to have an extremely selected audience, with a total of 200 American and European invitees, chosen amongst academics, journalists and entrepreneurs.

Knowing and appreciating your dedication toward social issues, I would be very grateful if you could accept my invitation to participate to this

initiative and, more particularly, if you could agree to inaugurate the Seminar with a "keynote speech" at the Opening Dinner, scheduled for Saturday, November 20. For this occasion, I have also thought to invite Romano Prodi to present a European perspective to the guests.

As far as Italy is concerned, I have given the task of organizing this Seminar to my Diplomatic Counselor, Francesco Olivieri, and to my Counselor for International Relations, Marta Dassù, who will both keep in contact with the two Universities. The Istituto Universitario Europeo will most likely submit the organizational details during the first week of September.

Your willingness to participate is essential to ensure the full success of this very important step of our shared project, which falls at perhaps the best possible time, at the end of this Century and at the conclusion of a year so intensely significant to international relations.

As I wait to see you in Florence, allow me to thank you in advance for all your assistance in this endeavor. I wish you a good and restful summer. With my most cordial regards,

Massimo D'Alema/sgnd"

Embassy of Italy
Washington

The Minister

August 23, 1999

Dear Mrs VerVeer,

It is my pleasure to transmit the original letter addressed to the First Lady, previously faxed to you on August 6, 1999, conveying the text of a message addressed to Mrs. Clinton from the President of the Council of Ministers of the Republic of Italy, Massimo D'Alema, on the "Progressive Governance for the 21st Century" Seminar, scheduled to take place in Florence on November 20-21, 1999.

Thank you in advance for ensuring that the enclosures are received by the First Lady.

Respectfully,

Pierandrea Magistrati
Chargé d'Affaires *ad interim*

Mrs. Melanne Verveer
Chief of Staff to the First Lady
Old Executive Office Building - room 100
Washington, D.C.

Embassy of Italy
Washington

The Minister

August 23, 1999

Dear Mrs. Clinton,

It is my honor to convey to you the original letter from the President of the Council of Ministers of the Republic of Italy, Massimo D'Alema, which I had previously faxed to your office on August 6, 1999, on the "Progressive Governance for the 21st Century" Seminar, scheduled to take place in Florence on November 20-21, 1999.

With the continued assurances of my highest esteem and consideration, I remain

Respectfully,

Pierandrea Magistrati
Chargé d'Affaires *ad interim*

The First Lady
Mrs. Hillary Rodham Clinton
The White House
Washington, D.C.

Unofficial Translation

Letter from the President of the Council of Ministers of the Republic of Italy
Addressed to the First Lady, Mrs. Hillary Clinton

....

"Rome, August 6, 1999

Dear Hillary,

I am particularly pleased to let you know that the idea we discussed in Naples last May is now coming to fruition. Together with Bill, Blair, Jospin and Schroeder, we are in fact organizing a new Seminar that will take place on the 20^{th} and 21^{st} of November next, aimed to trace a strategy of "progressive governance" for the next Century.

Unlike previous occasions, this one will be a self-contained event, independent of other meetings of international politics, and perhaps the last opportunity to get together before the new Millennium.

Conceptually, I propose to focus our discussion on certain specific topics, such as the management of international issues (management of crises; defense of human rights; reform of international institutions), or the socio-economic dimension of the politics of a global environment (reform of the welfare system; education and employment; new technologies and economic growth).

The organizational framework will be planned through the Istituto Universitario Europeo (European University Institute) and New York University. The Seminar will be restricted in format: together with the five leaders, I would suggest that each of us invite an intellectual whose task would be to introduce a specific issue of the debate. We are thinking to have an extremely selected audience, with a total of 200 American and European invitees, chosen amongst academics, journalists and entrepreneurs.

Knowing and appreciating your dedication toward social issues, I would be very grateful if you could accept my invitation to participate to this

initiative and, more particularly, if you could agree to inaugurate the Seminar with a "keynote speech" at the Opening Dinner, scheduled for Saturday, November 20. For this occasion, I have also thought to invite Romano Prodi to present a European perspective to the guests.

As far as Italy is concerned, I have given the task of organizing this Seminar to my Diplomatic Counselor, Francesco Olivieri, and to my Counselor for International Relations, Marta Dassù, who will both keep in contact with the two Universities. The Istituto Universitario Europeo will most likely submit the organizational details during the first week of September.

Your willingness to participate is essential to ensure the full success of this very important step of our shared project, which falls at perhaps the best possible time, at the end of this Century and at the conclusion of a year so intensely significant to international relations.

As I wait to see you in Florence, allow me to thank you in advance for all your assistance in this endeavor. I wish you a good and restful summer. With my most cordial regards,

Massimo D'Alema/sgnd"

Il Presidente
del Consiglio dei Ministri

UCD/ 3707
Roma, 6 AGO. 1999

Cara Hillary,

sono particolarmente lieto di poterti comunicare che l'idea di cui abbiamo parlato a Napoli lo scorso maggio si sta realizzando. D'intesa, oltre che con Bill, con Blair, Jospin e Shroeder, stiamo infatti organizzando un nuovo incontro, che si terrà a Firenze nei giorni 20-21 novembre p.v., per delineare una strategia di "progressive governance" per il nuovo secolo.

A differenza delle altre occasioni, questa volta si tratterà di un evento a sè stante, indipendente da altri appuntamenti di politica internazionale, probabilmente l'ultima occasione di ritrovarci insieme prima dell'inizio del nuovo millennio.

Sul piano dei contenuti, la mia proposta è di concentrare la nostra discussione su alcuni temi specifici, in tema di gestione di problemi internazionali (gestione delle crisi, difesa dei diritti umani, riforma delle istituzioni internazionali), e di politiche-economico-sociali in ambiente globalizzato (riforma dei sistemi di "welfare", istruzione e impiego, nuove tecnologie e crescita economica).

Sul piano organizzativo, la cornice dei lavori sarà offerta dall'Istituto Universitario Europeo e dalla New York University. Il formato sarà quello di un seminario ristretto: oltre ai cinque leaders la mia proposta è che ognuno di noi inviti un intellettuale, con il compito di introdurre un punto specifico per il dibattito. Abbiamo pensato di avere un pubblico selezionatissimo, complessivamente 200 invitati fra americani ed europei, scelti tra accademici, giornalisti ed imprenditori.

Signora
Hillary R. Clinton
La Casa Bianca
WASHINGTON

Il Presidente
del Consiglio dei Ministri

Ti sarei davvero grato, conoscendo ed apprezzando il tuo impegno nell'affrontare le tematiche sociali, se volessi accogliere il mio invito a partecipare a questa iniziativa, e, in particolare, desidererei che accettassi di introdurre i lavori con un "key note speech" per la cena inaugurale in programma sabato 20 novembre. Avrei pensato di invitare, nella stessa occasione, Romano Prodi a presentare agli ospiti una prospettiva europea.

Per quanto riguarda la parte italiana, ho affidato la preparazione del seminario al mio Consigliere Diplomatico, Francesco Olivieri, e al mio Consigliere di relazioni internazionali, Marta Dassù, che manterranno i contatti con le due istituzioni universitarie. L'Istituto Universitario Europeo conta di inoltrare i dettagli organizzativi agli inizi di settembre.

La tua disponibilità è essenziale per assicurare il pieno successo di questa nuova tappa del nostro progetto comune, per il quale non credo possa esserci momento di sviluppo più adatto, in questa fine di secolo e a chiusura di un anno cosi intenso e significativo per le relazioni internazionali.

In attesa di ritrovarci insieme a Firenze, ti ringrazio fin d'ora per la tua collaborazione, con un augurio di buone vacanze ed i saluti più cordiali.

Massimo D'Alema

Massimo D'Alema

file Third Way

A Conference promoted by
European University Institute New York University

In cooperation with
CeSPI
IAI
ISPI

Progressive Governance for the 21st Century

Panel:
Tony Blair
Fernando H. Cardoso
Bill Clinton
Massimo D'Alema
Lionel Jospin
Gerhard Schroeder

Speakers
Hillary Rodham Clinton
Romano Prodi
Javier Solana

Thomas Friedman
Yves Mény

Florence, 20-21 November 1999

Draft programme

Saturday Evening, 20 November

Being changed

7.00 pm Drinks and dinner at La Pietra

8.00 pm Welcoming remarks: J. Oliva, President, New York University; Prof P. Masterson, President of the EUI
Hillary Rodham Clinton " Progressive governance in the 21st Century: the role of civil society"

9.30 pm **Romano Prodi " A new economy and a new policy; the role of the European Union"**

****

Sunday Morning, 21 November
Palazzo Vecchio, Salone dei Cinquecento

9.00 am **Welcoming remarks: Leonardo Domenici,** Mayor of Florence**; Prof. P. Masterson,** president of IUE; prof. **J. Oliva,** president of NYU.

Chair: Massimo D'Alema

9.30-11.00 am: Session 1: *The new economy: the role of public policy*
(introduction: **Thomas Friedman** – to be confirmed)
Panel discussion

11.00-11.10 am: Coffee break

11.10-12.30 am: Session 2: ***Equality and opportunity for all: the new agenda***
(introduction: to be decided)
Panel discussion

Lunch at Palazzo Vecchio

2.00-4.00 pm: Session 3: ***Democracies in the 21st century: values, rights and responsibilities***

Chairman: **Javier Solana**
(introduction: **prof. Yves Mény, EUI).**

Questions from the floor to the panel.

Final remarks: Massimo D'Alema

4.30 pm approx: End of the session

Press:
No press conference, no joint statement, no agreed conclusions; each participant to be free to comment.

The proceedings are open to the media (RAI and CNN), subject to pool arrangements to be agreed later.

Simultaneous translation will be available

I am sending you a tentative "explained" agenda, which collects the observations I have received as of today.
I hope this is a useful basis for our work.

We have decided to collect the most significant contributions each of the leaders gave to the debate on the issues that will be discussed in Florence. The idea is to present them as a joint reader at the conference It would be crucial, thus, to receive as soon as possible from you the speech or the article you would like to include in this selection

Florence- 20-21 november
Agenda explained

Session n.1
The new economy: the role of public policy
(introducer Thomas Friedman). Chairman: Massimo D'Alema

The session will focus on how public policy can strengthen global competitiveness of economies; improve education systems; upgrade research and improve the potential for technological innovation; promote investment in human resources; support small business; set rules and regulations to promote fair competition. A comparison between national experiences in those fields will be the guiding framework for discussion.
Mr. Jospin would also like to comment on the global dimension of the New economy (reform of international institutions; prevention of financial crisis; how the new economy can also benefit the development of less developed countries). The issue, on the other hand, could also be dealt with in the final session.
We suggest that the chairman will not raise the issue as a point per se. Nothing prevents, however, Mr Jospin or other panelists to comment on those issues in their own remarks.

Session 2
Equality and opportunity for all: the new agenda.
(introducer: Juan Somavia: suggestion, to be confirmed) Chairman: Massimo D'Alema

The session will deal with the specific challenge of social inclusion and the reduction of inequalities. It will thus focus on:
- measures to favour full employment;
- how to build solidarity through reformed welfare systems and modernized public services;
- how to upgrade welfare support for children and fight gender inequality
- raising social standards
- the Us model and the European models: what in common, what apart?

Session 3

Democracies in the 21st Century: values, rights and responsibilities

(Introducer Y. Meny) Chairman: J. Solana, who will also make some opening remarks
The session will explore how progressive governance can (a) modernize democracy within our societies thanks to new rights for greater citizenship; and (b) build democracy at the global level, strenghtening international institutions, protecting diversity and promoting the defense of human rights. It will also focus on how progressive governance should balance rights and responsibilities, for instance promoting sustainable development in order to establish a better balance between present generations' rights and their responsibilities to respect future generations' rights.

We will have some specific questions (3 minutes each at most) from the floor on:
Human rights and global values in international policy (P. Alston, European University Institute)
Gender Equality and progressive governance (Dorsen, NYU?)
The Environmental challenge (David Miliband or other UK?)
Global economy and the North/South Divide (French question: see section 1)
The nation-state and supranational institutions (German or Italian question?)

We have to decide whether we wish to have some of these questions from students.

file
2nd way

U.S. Urges 'Third Way' Between European Left and Right

By William Drozdiak
Washington Post Foreign Service
Thursday, August 20, 1998; Page A23

Related Items
Print Edition
World Articles
Inside "A" Section
Front Page Articles

On Our Site
International Section
International Top News/Breaking News
Travel Section

BERLIN—If Social Democratic leader Gerhard Schroeder can maintain his slender lead in the polls over Chancellor Helmut Kohl and form the next German government, it would culminate a remarkable transformation in the political leadership of Europe.

Only three years ago, Germany, France, Italy and Britain were each ruled by conservative or right-wing governments. A victory for Schroeder in the Sept. 27 national election would place left-of-center politicians at the helm of Europe's four largest economies.

And across the Atlantic, President Clinton and his advisers have seized on Europe's shifting political balance to promote a "third way" movement among progressive leaders, in which traditionally leftist parties abandon state ownership of major industries, slash taxes and curtail costly welfare programs.

During a recent trip through Europe, White House political counselor Sidney Blumenthal said he found that continental leaders share similar views about the need to cope with the powerful forces of global markets and the dislocations they cause in postindustrial democracies. "We want to give individuals the ability to master their environment rather than be at the mercy of it," Blumenthal said. "Otherwise, you will end up with the politics of fear, resentment and division that can endanger the health of our societies."

Blumenthal is organizing a conference in New York next month on the fringe of the U.N. General Assembly session that will bring together Clinton and several European prime ministers, including Britain's Tony Blair, France's Lionel Jospin and Italy's Romano Prodi, for a discussion on forging common policy perspectives.

The idea of cultivating this kind of fellowship has generated the greatest enthusiasm in Britain, where Blair has moved the Labor Party sharply to the center and worked hard at reinvigorating the "special relationship" between London and Washington.

"We have a unique opportunity to shape a new kind of society adapted to globalization," Anthony Giddens, director of the London School of Economics and a prominent "third way" guru, said at a conference of Germany's Social Democrats here last month. "We are talking not just about economics [but] changed perceptions about life that will require urgent reforms of our institutions."

Giddens said Europe needs to learn from the United States about introducing "more risk into our societies" to balance the social and economic security cherished by most Europeans. He said the generous pension, welfare and health-care benefits that provide a safety net in many European societies could not be sustained if the private sector becomes enfeebled by high taxes and wage costs.

Elsewhere on the continent, however, reaction to talk of a movement among progressive leaders is guarded. While France is trying to encourage a new class of entrepreneurs, neither Jospin nor conservative President Jacques Chirac is prepared to call into question a state-oriented economy dominated by the public sector.

In Germany, where Kohl was elected chancellor in 1982 by vowing to reverse the country's socialist trends, the public sector has grown steadily under 16 years of conservative rule and now accounts for more than half the country's gross national product. Welfare deductions average a record 42 percent of wages and salaries.

While Schroeder has emphasized the need to modernize Germany's sluggish economy through innovation and technology, he is wary about talk of a "third way" that would jeopardize the social welfare perquisites that many Germans consider birthrights. Schroeder courts comparisons with Clinton and Blair by stressing his pro-business credentials and his desire to build a "new center" that would expand his party's appeal to entrepreneurs and young professionals. But he also peppers his speeches with calls for fortifying "social justice" and defending rights of the unprotected.

The mixed message angers critics who say it is typical of Schroeder to want to seem to be all things to all people. But he defends his politics as pure pragmatism: He will apply whatever policy can produce the best results, regardless of labels.

"I am neither right nor left; I'm a human being," Schroeder, 54, said in a recent interview. "The old ideologies have been overtaken by the forces of history. I'm only interested in what works on the ground; it's what I like to call total vision."

Schroeder says he applauds the new directions in which Clinton and Blair are taking their parties but sees no urgency in embracing a shared model. "Each nation has its own traditions, and it would make no sense for Germany to adopt another system, whether it is the Anglo-Saxon free market style or the French one based on the state," he said. "We can learn from each other's experience, but we don't have to adopt each other's system."

In Italy, the Olive Tree coalition headed by Prodi also has defied old leftist shibboleths about the sanctity of big government. Indeed, within Italy's revamped politics since corruption scandals earlier this decade ended 40 years of Christian Democratic rule, the strongest advocate of maintaining a large state sector is now the neo-fascist National Alliance headed by Gianfranco Fini.

"There is no question that the left thinks differently these days," Prodi said in an interview in Rome. "I entered politics by leading the first battles for more privatization of the Italian economy. When I became prime minister two years ago at the head of a leftist coalition, washingtonpost.com

file 3rd way

The London School of Economics and Political Science

PO Box 13416
London WC2A 2AH
Telephone: 0171-955 7007
Fax: 0171-404 5510
E-Mail: A.Giddens@lse.ac.uk

RERUM COGNOSCERE CAUSAS

From the Director:
Anthony Giddens

29 May 1998

Melanne Verveer
Chief of Staff to the First Lady
The White House
Washington
USA

Dear Melanne,

This is just to report on my interesting visit to Barcelona. I had breakfast with Javier Solana, the General Secretary of NATO (ex Spanish Socialist Party) and Narcis Serra, who is the former manager of Barcelona and prominent in the Spanish Parliament. They are both close to Felipe Gonzalez. They say Gonzalez is keen on a dialogue involving the Socialist International.

I've passed this information on to Tony Blair. I got an amazing reception from academics in Barcelona – everyone is interested in the 'Third Way' or whatever the new politics is ultimately to be called.

All the best.

Yours sincerely,

Tony

Anthony Giddens

file 3rd copy

The London School of Economics and Political Science

PO Box 13416
London WC2A 2AH
Telephone: 0171-955 7007
Fax: 0171-404 5510
E-Mail: A.Giddens@lse.ac.uk

From the Director:
Anthony Giddens

21 May 1998

Melanne Verveer
Chief of Staff to the First Lady
The White House
Washington.

Dear Melanne,

It was really nice of you to get me invited to the dinner last night. It was great to see you again and I really enjoyed having the chance to chat to you. I do believe that something really important could be built around the ideas we were discussing. I hope perhaps to see you in Washington the next time I am over.

With warm regards,

Yours sincerely,

Tony

Anthony Giddens

file 3rd way

WHITE HOUSE ONE
PARTICIPANTS

President Bill Clinton

Prime Minister Tony Blair

Vice President Al Gore

First Lady Hillary Rodham Clinton

<u>U.S.</u>

Don Baer	Penn, Schoen and Berland Associates
Sidney Blumenthal	Assistant to the President
Andrew Cuomo	Secretary, Housing and Urban Development
Al From	President, Democratic Leadership Council
Joseph Nye	Director, Kennedy School of Government
Franklin Raines	Director, Office of Management and Budget
Lawrence Summers	Assistant Secretary, Department of Treasury
Melanne Verveer	Chief of Staff, Office of the First Lady

<u>U.K.</u>

Gavyn Davies	Chief Economist, Goldman Sachs
Anthony Giddens	Director, London School of Economics
Helen Liddell	Economic Secretary
Alan Milburn	Minister of State, Department of Health
David Miliband	Director of Policy, Prime Minister's Policy Unit
Geoff Mulgan	Prime Minister's Policy Unit
Jonathan Powell	Chief of Staff to the Prime Minister
Jack Straw	Home Secretary

fyi
3rd Way

** D R A F T **

STRENGTHENING DEMOCRACY IN THE GLOBAL ECONOMY: AN OPENING DIALOGUE

MISSION STATEMENT

New York University School of Law
September 21, 1998

At the turn of the millennium, new methods of governance are required to confront new realities. With the emergence of the new global economy, driven by the ever accelerating pace of technology and defined by an ever widening international scope, new pressures for constant adjustment are being placed on nations, communities and individuals. In the face of globalization and technology, the universal challenges are to maintain the highest level of prosperity and security, expand opportunity, protect liberty, and deepen democracy.

Governments around the world are embracing the power of technology and telecommunications and using free markets to empower individuals, while at the same time acting to enhance civil society and to foster a renewed confidence from citizens. Forward- thinking political leaders, intellectuals, and labor figures are defining the elements of the new social contract. As a result, there is a pressing need for a discussion among those who have most vitally engaged these innovative approaches.

The dialogue on "Strengthening Democracy in a Global Economy," sponsored by New York University School of Law in affiliation with the Progressive Policy Institute and the World Policy Institute, is intended to provide a forum for the international discussion that is driving reform-minded governments and future-oriented thinking around the world.

The first panel, on "Civil Society and the Future of Democracy," will address the challenges facing globalization and how it can flourish under the new conditions. The questions involve community and commerce, family and work, the rule of law and human rights, civic participation and public purpose, and the role of social investment.

The second panel, on "The New Economy and the Future of Opportunity", will address the problems of technology and education, poverty and the fate of the stake-holding middle class, the environment and economic development, worker equity and opportunity, the roles of the nation-state and the modern corporation.

The third panel will feature reflections by heads of state and other world leaders. They will draw on their practical experience and vision in discussing the general conference theme, "Strengthening Democracy in the Global Economy."

file 3rd way

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR DLC THIRD WAY CONFERENCE
APRIL 25, 1999

Acknowledge Al From, the DLC, prominent congressional Democrats present, and the other world leaders, etc.

We have just finished a NATO conference in which the Western nations have unified around the key security alliance for the 21st century. We resolved that we would prevail in Kosovo. ***Now I want to talk about the kind of societies we are fighting for***. Just as we are fighting against the forces of hatred and violence in Kosovo, we are struggling in each of our countries for an affirmative vision in a new era. We all face the common challenges of globalization. We must all deal with the revolutions in technology, economics, information, and culture. And we face a common set of false choices. We can bring the world together or we can pull it apart by our actions. So we must master these forces and make them work for us. The starkest alternative is vividly on display in the Balkans, but it is not confined there. We must deal not only with old hatreds, but new ones. We must harness the dynamism of the new global economy to the values of social justice, tolerance and mutual respect.

In fact, around the world, we have been building a new progressivism. We have been working on the methods of governing for the new century in which governments and markets are complementary and in which we can advance progress for all.

This new progressivism is called different names in different countries. In some places it is referred to as the Third Way. In others it is called the new middle. ***Whatever the name, the values of this new progressive movement are the same. They can be captured in these words: opportunity, responsibility and community.*** In each of our respective countries, we have been working to achieve those ends.

I began work in this movement in America on a national level almost a decade ago. I first spoke of finding a Third Way to the future beyond the false choices of the past in 1991. Now we have a growing international movement because people are seeking solutions to the problems posed by new realities--not old ideologies and old myths to try to revive nostalgia for the past, but vital ideas for a new age.

I'd like to highlight the themes of opportunity, responsibility and community by asking the leaders assembled here to discuss a number of issues.

First, over the last century, governments created programs for security and opportunity to deal with the challenges of the industrial age. In the United States, the New Deal and the Great Society made possible the emergence of a great middle class and lifted tens of millions out of poverty. Now, in the information age, we have been creating a whole new set of progressive programs. ***What can governments do to help everybody make the most of the new global economy so that we leave no one behind?***

Second, what is the new social contract between governments and citizens? There can be no rights without responsibilities. Democracy cannot thrive on dependency. It requires productive, active citizens. What responsibilities must citizens assume at this time and how can governments help?

Third, how can we create in each of our countries one nation in which there is social inclusion, public safety, and a sense of promise and possibility for young people? It is not a paradox that we must all make our countries into communities, civil societies, in order to achieve a new internationalism. We must make tolerance and diversity into strengths if we are to work together. Unless we foster community and optimism, we cannot shape new progress that conquers the forces of hate and division.

The Third Way: Progressive Governance for the 21st Century Participants

Tony Blair became Prime Minister of Great Britain and Northern Ireland in 1997. He was elected on the New Labour platform and has revolutionized politics in the United Kingdom. Under Blair, New Labour has been the fastest growing party in Europe and continues to enlist support as it creates Third Way legislation that transcends the traditional left-right ideological debate. His accomplishments as Prime Minister include passing Britain's first minimum wage law, signing Britain to the Maastricht Treaty's Social Chapter, and creating a multi-billion dollar "New Deal" program that helps unemployed youth find jobs. A long history in public service, Prime Minister Blair was a member of the Shadow Cabinet and was elected to Labour's National Executive Committee where he became leader of the Party in 1994 as MP for Sedgefield.

Hillary Rodham Clinton is First Lady of the United States of America. In her role as First Lady, Mrs. Clinton has been a strong advocate for children and families. The author of *It Takes a Village and Other Lessons Children Teach Us*, the First Lady, along with the President, hosted two important conferences on children's issues: *The White House Conference on Early Childhood Development and Learning*, and *The White House Conference on Child Care.* In addition to her work at home, the First Lady serves as a goodwill ambassador for the United States during her visits abroad. During the twelve years that she served as First Lady of Arkansas, Hillary founded Arkansas Advocates for Children and Families, introduced Arkansas Home Instruction Program for Preschool Youth, and worked tirelessly on behalf of children and families, while practicing law in Little Rock, Arkansas.

Massimo D'Alema is the Prime Minister of Italy. He formed his country's 56th postwar government in October of 1998. D'Alema heads the Party of the Democratic Left. In 1988, he was one of the young leaders who steered the transformation of the party from the Italian Communist Party to the Democratic Party of the Left. Upon the birth of the Democratic Party of the Left, he served as the Political Coordinator and was later elected National Secretary of the Party in 1994. He has co-authored several books including "The Great Opportunity" in 1997 about the emerging opportunities for the new left in Italy and Europe.

Al From is President and founder of the Democratic Leadership Council and Chairman of the Progressive Foundation. A principal architect of the New Democrat/Third Way approach to governing, Mr. From played a prominent role in the 1992 election of President Bill Clinton. He was appointed by Mr. Clinton to be his personal representative on the Democratic Platform Drafting Committee and Deputy Director for domestic policy for the Presidential Transition Team. Previously, Mr. From was Executive Director of the House Democratic Caucus, served in President Jimmy Carter's White House, and was Staff Director of the U.S. Senate Subcommittee on Intergovernmental Relations.

Wim Kok is Prime Minister and Minister for General Affairs of the Netherlands. The leader of the Dutch Labour since 1986, Prime Minister Kok served as Deputy Prime Minister and Minister of Finance prior to his appointment as Prime Minister. Under his leadership, the Netherlands has experienced a strong economy and job growth. His policies combine economic progress, fiscal responsibility, investment in education and healthcare, as well as reforming welfare and social benefits. Previously, Prime Minister Kok was Chairman of the Netherlands Federation of Trade Unions (FNV) and Chairman of the European Trade Union Confederation.

Roy Romer is Vice Chair of the Democratic Leadership Council, General Chairman of the Democratic National Committee, and former, three-term Governor of Colorado. As Governor, Romer focused on issues like quality child care, improving K-12 education, reforming higher education, and pioneering the use of new technologies to enhance learning at all levels. He succeeded in turning around a recession and building a thriving climate for business and job creation, and worked to make state government more efficient and user friendly. Governor Romer served as Co-Chair of the National Governors' Association and Chair of the Democratic Governors' Association. Prior to his election to the State House, Governor Romer served as Colorado State Treasurer and was a member of the Colorado House and Senate.

Gerhard Schröder is Chancellor of the Federal Republic of Germany. He was elected Germany's seventh Chancellor after defeating sixteen year incumbent Helmut Kohl in a closely contested and high profile campaign that focused on Schröder and the Social Democratic Party's new center-left approach to governing. The successful campaign built on a long and distinguished political career. He served as the federal chairman for the Young Social Democrats in 1978 and entered the Bundestag in 1980. In 1990, he was elected the Minister-President of Lower Saxony, his home state, where he developed a reputation as a pragmatic leader who was able to build a consensus and solve problems. Since his election as Chancellor, Schröder has emphasized policies that focus on economic growth through innovation and competition, and creating a German education system capable of meeting the challenges of the Information Age.

Mike Thurmond is the Labor Commissioner of Georgia. Mr. Thurmond began his career in public life in 1986, when he became the only African American elected from a majority white district in Georgia. During his three terms in the Assembly, he served as Chairman of the Legislative Black Caucus. In 1992, he left the General Assembly and returned to private practice. He went back into public service in 1994 to direct Georgia's historic transition from welfare-to-work as head of the 9,000 employee Division of Family and Children's Services (DFACS) in Goernor Zell Miller's Administration. At DFACS, he created and led the innovative "Work*first*" program. In 1997, he left DFACS to become the first distinguished practitioner/lecturer at the University of Georgia's Carl Vinson Institute of Government.

Kathleen Kennedy Townsend is serving her second term as Lieutenant Governor of Maryland; the first woman elected to that post. Chair of the state's Cabinet Council on Criminal and Juvenile Justice, her work in targeting "hot spots" of crime was hailed as a national model by U.S. Attorney General Janet Reno. Lieutenant Governor Townsend also spearheaded the establishment of "Operation Maryland Cease Fire" and the Maryland Community Policing Academy. Previously, she served as Deputy Assistant Attorney General in the U.S. Department of Justice. Lt. Governor Townsend is the daughter of the late Robert F. Kennedy.

Wellington E. Webb is Mayor of Denver Colorado and the City's first African American Mayor. He serves as the President-elect of the United States Conference of Mayors and Vice President of both the National Conference of Black Mayors and the National Conference of Democratic Mayors. With a long list of urban successes and a strong economic agenda, Mayor Webb is a spokesperson for national issues affecting U.S. cities and in 1996 was selected as One of the Top 25 Mayors in the Nation by Newsweek. In addition to holding various appointed positions, Mayor Webb previously served as the Denver City Auditor, and was a member of the Colorado House of Representatives.

'99 APR 24 PM4:25

THE WHITE HOUSE

WASHINGTON

April 24, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
LAEL BRAINARD

SUBJECT: "Third Way" Discussion of Globalization

You may want to focus part of your discussion on the contentious issue of globalization -- an increasing preoccupation of commentators and policymakers alike. The Third Way is a useful paradigm to describe your international economic policies. In both your trade and international financial policies, you have embraced a dominant role for market forces -- and the technological advance and integration they bring in their wake -- while recognizing the need for policies and institutions to buffer the potential damage from these forces, safeguard social and environmental protections, and protect the most vulnerable. In fact, Tom Friedman's recent article on globalization portrays you as the archetypal Integrationist-Social-Safety Netter and contrasts you with Separatists (Representative Gephardt and Ross Perot) and Integrationist-Let-them-Eat-Caker Newt Gingrich. As Friedman points out, America is the country most associated around the world with the phenomenon of globalization and furthest along in mastering the challenge of globalization. Yet, paradoxically, support among the American public for America's global responsibilities and international integration is weak and ambivalent.

In your remarks, you may want to discuss a number of specific policy initiatives that illustrate concretely your State of the Union pledge to "put a human face on the global economy." This could be particularly helpful in the area of international labor and environmental initiatives related to trade, where we are having difficulty winning support from the governments of Blair and Schroeder, despite their center-left orientation.

Trade

As trade negotiations move beyond border trade barriers to encompass domestic practices and regulations -- so-called deep integration -- there is increasing concern among domestic constituencies that trade is eroding social compacts won through decades of hard effort. This concern often expresses itself in outright resistance to liberalization, especially among organized labor and environmental activists. In contrast, you have emphasized liberalization complemented by upward harmonization of labor and environmental and consumer safety standards -- as well as efforts to build public confidence in international organizations through enhanced accountability and transparency. Although the EU has effectively recognized this tension in its internal integration efforts through budgetary transfers and the "social clause," EU members (including the Blair and Schroeder governments) are resistant to our efforts to address these concerns in international negotiations.

- *ILO Initiative on Core Labor Standards*: Our efforts to harmonize upwards have focused on the ILO "core" labor principles that are universal and not dependent on the level of development. Developing countries are understandably suspicious of efforts that focus on sticks alone -- namely the withdrawal of trade concessions or preferences (eg GSP). This year, you announced a new program to provide support to countries making a demonstrable effort to lift their standards but lacking sufficient resources. The FY 2000 budget provides $25 million to establish a new arm of the International Labor Organization (ILO) and $10 million to the Department of Labor (DOL) to assist countries seeking to build the institutional capacity necessary to implement core labor standards. We are trying to persuade other G-7 members to join us in pledging support for this initiative by the Cologne Summit.

- *WTO Round Agenda on Labor and the Environment*: We are seeking a robust agenda for incorporating labor and environmental concerns into the WTO Round negotiations. This would include strengthening rules that preserve national sovereignty in choosing the level of environmental protection (e.g. shrimp turtle) and creating a committee to examine the interaction between trade and labor protections.

- *Steel*: Free trade credentials are tested much more severely by import surges than by new trade liberalization commitments because the associated dislocation is real not prospective. In response to the steel crisis, you have chosen a course that vigorously enforces internationally consistent trade remedies and provides assistance to workers and firms, but maintains full respect for the international trading rules even as you have insisted that other countries do the same.

- *WTO Transparency and Accountability*: Last May, you called for a number of reforms to increase public confidence in the WTO. Although we have made progress in some, we continue to meet resistance in our efforts to include NGO observers in panel proceedings and to permit the filing of amicus briefs in WTO dispute proceedings.

- *ILO Program to Eliminate Child Labor*: Last year you fought for and obtained a ten-fold increase in the U.S. contribution to IPEC -- a $30 million contribution making the U.S. the world's leader in the fight to reduce the most intolerable forms of child labor. This year, we will insist on maintaining that level of IPEC funding while adding a new $10 million program -- "School Works" -- through U.S. AID to improve access to education to make it easier to get kids out of hazardous workplaces.

International Financial System

The financial crisis has posed a fundamental challenge to advocates of globalization, illustrating tangibly to millions around the world the enormous power of the global financial markets to affect their lives. Our policy response has focused on bolstering the soundness of market forces rather than suppressing the market through greater government controls -- creating incentives to discourage both bad lending and bad borrowing. As we have sought to strengthen the capacity of the international financial institutions to respond to the crisis, we have also recognized the importance of making these institutions more open and accountable and more supportive of social policy goals.

Importantly, the crisis has also taught the importance for emerging markets of focusing not only on sound economic policies but also sound social policy. During years of strong growth, many Asian governments had not focussed adequately on building strong social safety nets. As a result, the crisis has threatened and in some instances reversed the economic ascendancy of middle-income groups and worsened the hardships of the poor. Although in the early months of the crisis, there was inadequate attention from the international community on protecting the most vulnerable, this was later corrected by a three-fold increase in the World Bank social safety net spending and by IMF loosening of fiscal targets.

- *Promoting Core Labor Standards at the IFIs*: Despite strong resistance, we are beginning to make some headway in gaining acceptance for core labor standards at the IFIs. We have been working to create a screening mechanism within the World Bank to ensure that core labor standards issues are taken systematically into account in lending and policy advisory activities; increase IFI technical assistance to developing countries to help them develop effective domestic labor and environmental institutions; and encourage collaborative work between the IFIs and the ILO. In addition, the U.S. Executive Directors have been instructed to systematically raise concerns about inadequate labor protections during reviews of country loan applications.

- *Strengthening Social Safety Nets*: You have proposed the development of international principles of good practice in social policy as one of the tenets of financial architecture reform. This includes the provision of core social services, creation of social safety nets consistent with the level of development, and support for core labor standards. Moreover, last week, you called for the IMF and World Bank to pay more attention to social safety nets -- working with countries to lay strong foundations during good times, and to maintain adequate protections during bad times. In moments of crisis, budgets for core social programs should be preserved -- or, at least, should not bear the brunt of necessary cuts. And the IMF should take into account the need to maintain adequate social spending when it sets overall fiscal targets.

- *Debt Relief*: It is also critical that a large part of humanity is not simply bypassed by the globalization process and the opportunities it affords. You have stressed the importance of integrating the poorest countries, which private capital flows are simply bypassing due to unsustainable debt burdens. Last month, you called on the international community to forgive $70 billion in global debt, noting that no nation committed to good governance and economic reform should be crushed by a debt burden that punishes ordinary citizens and prevents growth.

Attachment

KEY ECONOMIC INDICATORS

GDP Growth		
	Last Qtr.	Past Year
United States	6.1%	4.3%
Spain	3.0%	3.6%
Sweden	5.7%	3.2%
Netherlands	4.8%	3.1%
France	2.9%	2.8%
Germany	-1.8%	2.5%
Euro-11	0.8%	2.3%
Britain	0.7%	1.3%
Italy	-1.1%	0.9%
Japan	-3.2%	-2.8%

Unemployment Rate		
	Latest	Year Ago
Spain	18.2%	20.0%
France	11.5%	12.1%
Italy	12.0%	12.0%
Germany	10.5%	11.5%
Euro-11	10.5%	11.4%
Sweden	5.6%	6.7%
Britain	6.3%	6.5%
Netherlands	3.6%	4.8%
United States	4.2%	4.7%
Japan	4.6%	3.6%

Inflation		
	Last Qtr.	Past Ye
Netherlands	6.1%	2.2
Britain	-1.5%	2.1
Spain	2.0%	1.8
United States	1.5%	1.7
Italy	1.0%	1.2
Euro-11	0.1%	0.8
Germany	0.1%	0.4
France	-0.3%	0.2
Japan	-2.7%	-0.1
Sweden	n.a.	n.a.

GDP Forecast		
	1999	2000
Spain	3.2%	3.4%
France	2.2%	2.6%
Netherlands	2.3%	2.6%
Sweden	2.2%	2.6%
Euro-11	2.1%	2.6%
Canada	2.8%	2.5%
Germany	1.5%	2.4%
Italy	1.6%	2.4%
United States	3.6%	2.4%
Britain	0.6%	2.0%
Japan	-1.1%	0.0%

Industrial Production		
	Last Qtr.	Past Year
Japan	-1.5%	4.8%
Canada	5.5%	4.7%
France	-0.9%	2.3%
Spain	4.3%	2.3%
United States	0.9%	1.9%
Euro-11	-1.2%	1.3%
Italy	-15.9%	0.7%
Britain	-4.1%	-0.1%
Sweden	-4.5%	-1.2%
Germany	1.3%	-1.7%
Netherlands	-2.6%	-2.7%

Wages/Earnings		
	Last Qtr.	Past Ye
Britain	4.1%	4.1
United States	3.8%	3.6
Netherlands	1.2%	2.5
Sweden	6.3%	2.4
Euro-11	n.a.	2.1
France	1.8%	2.0
Germany	n.a.	1.9
Spain	2.3%	1.9
Italy	0.7%	1.8
Canada	0.5%	-0.2
Japan	n.a.	-3.8

DEFICIT as % GDP

Many countries have recognized the importance of fiscal discipline to achieving growth. OECD figures show that the deficits as a share of GDP in many countries have been declining.

	1990	1993	1995	1998	1999*
Canada	-4.5	-7.5	-4.3	2	2.2
United States	-2.7	-3.6	-1.9	-1.6	0.8
Sweden	4.2	-12.3	-7	1.2	0.3
U.K.	-1.5	-8	-5.8	-0.4	-0.7
Netherlands	-5.1	-3.2	-3.7	-1.2	-1.3
Germany	-2.1	-3.2	-3.3	-2.4	-2.1
Italy	-11.1	-9.5	-7.7	-2.6	-2.2
France	-1.6	-5.7	-4.9	-2.9	-2.4

TARGETTED INVESTMENTS IN EDUCATION AND TRAINING

Country	Public spending on educational institutions as % GDP 1995
Sweden	6.6
France	5.8
United States	5.0
United Kingdom	4.6
Italy	4.5
Germany	4.5

Source: OECD

FINANCIAL REFORM AGENDA:
U.S.-SPONSORED INITIATIVES COMPLETED TO DATE

- **IMF Contingent Credit Line** to help reformers ward off contagion. IMF approval is expected this weekend.

- **New World Bank and Inter-American Development Bank Emergency Facilities** to provide higher-priced loans to countries with exceptionally large financing needs to address the structural causes of economic and financial crises. Completed. Under consideration at the Asian Development Bank.

- **World Bank and Asian Bank Guarantees to Catalyze Private Lending** to emerging markets. World Bank is finalizing and the Asian Development Bank has established complimentary capacity.

- **Fund U.S. Pledge to IMF:** The U.S. Congress has approved and President Clinton has signed legislation providing $18 billion to IMF.

- **Double Social Safety Net Lending at MDBs.** The World Bank has tripled and the Asian Development Bank has doubled its lending commitments in Asian countries for social programs.

- **Asian Growth and Recovery Fund** to spur the recapitalization and restructuring of the financial sector and facilitate corporate debt workouts and restructuring in the crisis economies in Asia in collaboration with Japan and the MDBs. A program using this fund is currently under development for Thailand.

- **New OPIC Facility** to facilitate private equity investment in Asian countries has been established. OPIC has also raised profile of an innovative product to provide inconvertibility and political risk insurance for investors in sovereign bond issues.

- **Significant Expansion in U.S. ExIm Financing** of exports to emerging markets in Asia and Latin America. Completed.

FINANCIAL REFORM AGENDA FOR COLOGNE

Goal: Acting on the lessons from the last crisis, we must find a way to harness the benefits of an open global economy, while taming the global cycles of boom and bust -- just as we have found ways to moderate those swings in our own national economies.

- **Addressing Excesses in Leverage and Capital Flows:** Industrial countries should take steps to reduce the system's vulnerability to rapid capital flows and excessive leverage. Leading industrial countries should require highly leveraged institutions, such as hedge funds, to improve disclosure, and require the banks that lend to them to take account of the true risks.

- **Private Sector Role:** When a government's capacity to pay its debts on time and in full depends on official resources, the international community will need to consider whether there is a role for the private sector. In some cases, it may be appropriate to seek maintenance of exposure levels or a restructuring or refinancing of a country's private debt obligations. In truly exceptional cases, when it is not possible to avoid a temporary interruption in some debt payments and a country is nonetheless implementing strong reforms, the door to official finance should be kept open. And when both are material, claims of bondholders should not be viewed as necessarily senior to claims of banks.

- **Eliminating Short-term Bias in Borrowing:** We should discourage emerging markets from becoming too dependent upon short term capital, which can be the first to flee at signs of trouble. We will encourage developing countries to strengthen financial regulation and bank supervision and to develop sustainable debt management policies. We will seek to reinforce this through the international financial institutions. And while disincentives for short-term capital inflows might make sense in some circumstances, controls on capital outflows are never good policy.

- **Supporting Sustainable Exchange Rates:** As a matter of policy, the international community should not provide exceptional large scale official finance to countries intervening heavily to defend an exchange rate peg, except where the peg is judged sustainable and certain exceptional conditions have been met, such as when the necessary disciplines have been institutionalized or when an immediate shift away from a fixed exchange rate is judged to pose systemic risks.

- **Protecting the Most Vulnerable:** The IMF and World Bank must pay more attention to social safety nets -- working with countries to lay strong foundations during good times, and to maintain adequate protections during bad times. In moments of crisis, budgets for core social programs should be preserved -- or, at least, should not bear the brunt of necessary cuts. And the IMF should take into account the need to maintain adequate social spending when it sets overall fiscal targets.

- **Relieving the Debt Burdens of the Poorest:** No nation committed to good governance and economic reform should be crushed by a debt burden so heavy that it punishes ordinary citizens and prevents growth. The U.S. has proposed the international community take actions to forgive $70 billion in global debt.

- **Broadening the Dialogue:** It is critical that we continue to bring key emerging markets into the dialogue on reform of the global financial architecture -- through mechanisms such as the G-22 and other similar fora. And we must make sure to hear the voices of working people on whose behalf, ultimately, we are acting.

GERMANY – THIRD WAY

While Gerhard Schroeder has been seen from the start as the latest incarnation of the "third way" leader (by you and Prime Minister Blair), he was at least in the early stages somewhat limited by his political alliance with the Green Party (a more classically left-wing entity) and in particular by Oskar Lafontaine. Now that Lafontaine is out of the picture Schroeder may have more latitude to pursue third way (in Germany "die neue Mitte" – the New Middle) policies. In doing so, he will be confronted with what might be characterized as essential third way challenges. These include:

ADDRESSING FUNDAMENTAL STRUCTURAL PROBLEMS IN THE LABOR MARKETS

- Unemployment is a large problem. Germany's unemployment rate is persistently high – currently around 10.8%. Unemployment is much higher in the former East Germany. The hourly cost per employee is the highest in the world. Annual hours worked lags most developed countries (U.S. is the highest, with average hours near 2,000 - Germany closer to 1,700). The unions are very strong. It is extremely difficult to lay off or fire workers. These problems are not atypical of economies and labor markets in transition to the "new economy"

- Schroeder has begun to address the problems, utilizing a classical third way approach. His "Alliance for Jobs" is an attempt to build coalitions among business, unions and the government. The process in its early phases included formation of working groups (including taxes, length of working life, working hours and social insurance) charged with finding ways to boost employment and improve conditions for investment. Early reactions, however, have been mixed at best, with unions and employers far apart on prescriptions for change, and many analysts downplaying the long-term chances for success of the project.

- Some questions to ask here may be: Is it really possible to painlessly adjust to the dislocations engendered by the new economy? If the Alliance for Progress is not able to achieve consensus on meaningful reform, what does the Government do? How do you impress on workers the imperative for change when those employed are paid very well, with lavish social benefits, job protection and generous sick leave?

TAX REFORM

- The third way in most incarnations heralds the end of the "old tax and spend" regimes. Schroeder too has proposed fairly broad tax cuts. His is a "socially just" program to assist middle-class households with cuts in basic income tax rates and higher allowances for children. Corporate rates to be cut over time. This will be financed by closing corporate loopholes.

- Despite seeming to offer something for everyone, the plan has met with resistance from business, which objects to the closing of loopholes which will cost them billions of dollars (at the same time business is pressing for an acceleration in the timetable for cutting corporate rates).

- This raises, albeit indirectly, a very interesting third way dilemma. The third way looks to government to provide resources in targeted and effective ways and to "create a level playing field." It looks to individuals to assume greater responsibility for their own lives. But it can be criticized for not requiring enough from businesses, relying in many instances primarily on the good will and civic sense of business leaders to achieve third way ends. It can be claimed that this is not enough – that there are not in this scheme sufficient incentives for businesses "do their share," and that this is exacerbated in an era of increasingly stateless, globalized business entities, whose most demanding stakeholders (its shareholders) look solely to financial returns, and which can relocate assets and operations to those countries that provide such returns with relative impunity.

- Question then as to effective ways for ensuring truly shared responsibility on the part of government, individuals <u>and</u> business?

<u>OTHER POINTS/POLICIES/DILEMMAS</u>

- On education, Schroeder's government has announced intention to focus more resources on IT investments. Third way emphasis on training for the new economy

- Fiscal conservatism

- Schroeder has said that the third way is about how you manage to build a modern dynamic economy without letting social justice slip off the table

UNITED KINGDOM -- THIRD WAY

Prime Minister Blair is the avatar of the third way leader. It was in fact Blair who coined the "third way" term to describe his New Labor Party's mix of socially reformist yet business-oriented policies. It is worth noting the tremendous difference in starting points for Schroeder and Blair. Much of the painful work of labor market reform was "achieved" under Margaret Thatcher and John Major. While Helmut Kohl started this work during the last year of his Administration, as noted above, much more remains to be done. That said, Blair has advanced an ambitious third way agenda:

- Welfare to Work: The Prime Minister is working to shift Labor Party thinking away from entitlement to his belief that "the best form of welfare is a job." Much of that effort will be implemented through the "New Deal," which includes subsidies for employers who hire the unemployed as well as job counseling and training. The program now is focused on 18-24 year olds, but will soon be expanded with a special focus on the long-term unemployed. As in the U.S., certain categories of unemployed will be compelled to come off the unemployment dole. Notably exempt from these are single mothers ("lone parents"). Question here of course is what happens at the intersection of eviction from welfare roles and higher unemployment? Does government adjust "New Deal" to accommodate? Make fiscal or monetary adjustments accordingly (e.g., monetary policy focused on employment).

- Minimum Wage: For the first time in British history, a minimum wage was implemented on April 1.

- Working Family Tax Credits: Tax credits intended to provide a living wage for families of four or larger in which at least one member is working. The living wage would put such families above the poverty level (and thus might supplement the minimum wage)

- Education: Blair has called education his number one priority, and his government has promised smaller class sizes, committed substantial additional funds to school modernization, established pilot programs for the equivalent of charter schools, and very controversially has proposed pay-for-performance for teachers. The government has also rejected new-age teaching methods in favor of the fundamentals, including a dedicated "literacy hour" in the schools.

- Devolution: among those tenets often ascribed to the third way is devolution, and Blair has been a devolutionary. His government convincingly won a referendum in Scotland to create a Scottish parliament. A similar referendum to create an assembly with more limited authority passed in Wales. Blair has, moreover, moved forward in establishing "executive mayors" in several larger cities in an effort to locate more control at the local level.

- Private Financing Initiative (PFI): The PFI proposes to allow private entities to issue bonds to finance state infrastructure projects. For example, if the National Health Service determines that a new clinic is required in Shropshire, a private contractor under the PFI could bid for the business, issue a bond to finance the construction, and then lease the facility to the government. The PFI is very controversial within Labor party at the moment, described by Old Labor as "back door privatization."

- Fiscal Conservatism – Away from "Tax and Spend": Government has kept a cap on spending and Chancellor Brown has pledged to adhere to a "Code for Fiscal Stability" aimed at balancing current receipts and expenditures in any one fiscal year. The government deficit has declined from 8% of GDP in 1993 to a surplus in 1998, one of the sharpest adjustments in the world. Tax rates are slated to begin to decline in 2000

- "Redistribution by Stealth": welfare to work programs, a working families tax credit, and substantial increases in spending on health and education are being financed by a redistribution of wealth, but one largely from the upper middle-class without children to the working poor with children

PRIME MINISTER BLAIR'S SIX KEY THIRD WAY PRINCIPLES:

1. That human capital, people and their skills now matter more than money or equipment to economic success
2. That markets work best, but are fallible and need regulation. They cannot provide health, education or welfare
3. That how a government spends taxes, and what services it funds, is as important as how much it spends
4. That the foundation of a modern welfare state is work for those who can and security for those who can't
5. That strong civic society rests on responsibilities as well as rights
6. That political power should be devolved to the lowest possible level, but pooled at the international level to tackle shared problems.

NETHERLANDS -- THIRD WAY

Netherlands in a very quiet way could be dubbed the third way poster child of the last two decades. During that time, a consensus politics has transformed the country from a bloated, overtaxed welfare state into a competitive, job-creating economy, by many measures Europe's healthiest. Prime Minister Kok has led his center left coalition since 1994 and in that time has overseen continuing deregulation and a revamping of a burdensome tax system

BUSINESS-LABOR PARTNERSHIP

- Dutch economic model is based on a "truce" between labor unions and employers – wage freezes (labor unions ended indexation of wages in 1982) for job creation – that is holding after seventeen years. The result is Europe's lowest unemployment rate (approx. 5%) and one of its highest growth rates (GDP growth in 1998 of almost 4%). In the past five years, more than 500,000 new jobs have been created (Netherlands population of 15 million)

    - Kok himself was one of the labor leaders who in the early 80s agreed to wage cuts and other concessions to business. As Prime Minister, he explains: "Workers have said 'OK, we will abstain from wage increases, but in return we get jobs.' My job has been explaining and bringing people together and organizing this tradeoff."

    - The 1982 pact also included a shorter working week, and those limits are still in effect. The French and Germans have both pointed to the "success" of this provision is seeking to enact similar measures

    - Flexible workforce: Well over one-third of the workforce – the highest proportion in the industrialized world – is on part-time, temporary or otherwise flexible contracts.

SOCIAL SUPPORT IN THIRD WAY MEASURE

- Kok has cut unemployment and disability benefits so that it no longer pays more to stay on government support than to go to work. But the government still supplies free public health care and pays students to attend university

OTHER POINTS/POLICIES/DILEMMAS

- While Dutch experience is compelling, it is difficult to know if it can be an example for other countries. Netherlands is much smaller, with relatively homogenous, highly educated and mobile workforce, than the likes of France, Germany or the U.K. May be worth exploring what real lessons the Dutch can teach other third way aspirants.

WTO MINISTERIAL AND ROUND AGENDA

STATE OF THE UNION THEMES

1) Place a "human face" on the global economy

2) Make the WTO institution more accountable and transparent to civil society

3) Launch a comprehensive new round of negotiations, including on agriculture and services

GOALS FOR THE MINISTERIAL

- **Conclude Agreements/Decisions on Greater Institutional Transparency** (particularly important for environmental and labor community)
  - -- Quicker derestriction of documents so civil society can have ready access to work of WTO
  - -- Open dispute settlement panel hearings to civil society
  - -- Allow civil society to file amicus briefs in WTO disputes
  - -- Observership status for International Labor Organization and possible establishment of WTO working group on trade and labor to further study these issues.

- **Conclude Agreements/Decisions on Trade Liberalization** (to show forward momentum to business community)
  - -- Extending prohibition on duties on e-commerce
  - -- Procurement transparency agreement allowing business access to information on procurement laws and opportunities in all WTO countries
  - -- Information Technology Agreement Expansion (expanding the number of information technology products that will face lower tariffs)
  - -- Accelerated Tariff Liberalization Agreement transferred to the WTO from the prior APEC negotiations

- **Take stock of implementation of existing Uruguay Round commitments,** particularly by developing countries in the following areas:
  - -- Intellectual Property Protection
  - -- Trade-related Investment Measures (e.g. requirement to import a certain amount of goods in order to invest)
  - -- Customs Valuation (improper methods of valuing goods have the effect of raising tariffs).

- **Launch a Comprehensive New Round of Negotiations,** that would be concluded in roughly 3 years time, on the following issues:
  - -- Agriculture
  - -- Services
  - -- Industrial tariffs
  - -- Forward work program (possibly including trade and labor)

ILO CORE LABOR STANDARDS INITIATIVE IN FY 2000 BUDGET PROPOSAL

In June 1998, the ILO adopted the Declaration on Fundamental Rights and Principles at Work, creating a new mechanism to hold member states accountable for providing basic labor rights:

- freedom of association.
- effective recognition of the right to collective bargaining.
- elimination of all forms of forced or compulsory labor.
- effective abolition of child labor.
- elimination of discrimination in the workplace.

In addition, the recent international financial crisis has highlighted the importance of establishing adequate social safety nets in emerging markets. In Asia alone, over 20 million workers have been estimated to have lost their jobs during the crisis, largely without any unemployment insurance.

Countries in Central America, Southeast Asia, Eastern Europe, and Africa are increasingly looking to the United States and other developed countries for assistance in implementing core labor standards and effective social safety net programs, including unemployment insurance systems. For this reason, Preside: Clinton's FY 2000 budget for the first time would provide $25 million to establish a new arm of the International Labor Organization (ILO) to assist countries seeking to build the institutional capacity necessary to implement core labor standards, $10 million to the Department of Labor (DOL) to support our involvement in the ILO initiative as well as to provide direct technical assistance to our trading partners on core labor standards and safety net programs, and $5 million to the Department of State to encourage cooperative efforts to eliminate international sweatshops.

THE NEW ILO PROGRAM WOULD:

- Help governments, businesses and workers implement core labor standards in the workplace;

- Increase international adherence to core labor standards by supporting countries seeking to implement the new ILO Declaration; and

- Provide rapid response policy and implementation guidance to countries seeking to build adequate social safety nets.

The program will support countries making a demonstrable effort to lift their standards but lacking sufficient resources and technical expertise to do so. Its activities will include funding of broad partnerships among governments, the private sector, and workers' representatives as well as supplying technical assistance in the areas of social safety net program design and implementation, industrial relations, and the establishment of effective, accountable, and impartial adjudicatory procedures and institutions.

FACTS ON ECONOMIC GROWTH AND JOBS

ECONOMIC GROWTH

- ***GDP Growth in the Fourth Quarter Remains a Strong 6 Percent (at an annual rate).*** Since you took office, growth has averaged 3.4 percent a year — relative to 1.3 percent under President Bush and 2.4 percent during the Reagan-Bush years.

- ***The Private Sector Has Driven Much of This Growth.*** In the fourth quarter, private-sector GDP grew 6.6 percent. Since you took office, the private sector of the economy has grown an average of 4.0 percent a year - compared to 3.0 percent under President Reagan and 1.3 percent under President Bush.

- ***Private Investment Has Fueled Long Term Growth.*** In the fourth quarter, productive business investment grew a healthy 17.8 percent. Last year, productive business investment grew at a double digit pace (16.6 percent) — that's six consecutive years of double digit business investment growth for the first time on record. And since you took office, business investment has been faster - 12.4 percent per year - than under any President since Kennedy.

- ***Inflation - Lowest Since 1959.*** In the fourth quarter, the GDP price index rose 0.8 percent at an annual rate. Last year, inflation rose just 1.0 percent - the smallest increase in 40 years.

JOBS GROWTH

- ***Unemployment at 4.2 Percent in March — a 41-Year Peacetime Low.*** In 1992, the unemployment rate was 7.5 percent. In March, the unemployment rate was 4.2 percent. The unemployment rate has been below 5 percent for 21 months in a row — the lowest sustained unemployment rate during peacetime in 41 years.

- ***Highest Share of New Jobs in Private Sector in 50 Years.*** Since January 1993, the private sector of the economy has added 16.8 million new jobs — with 2.4 million jobs added in the past year. Ninety-two percent of the 18.2 million new jobs have been in the private sector — the highest percentage in 50 years.

- ***Fastest and Longest Real Wage Growth in Two Decades.*** Since January 1993, real wages have risen 6.2 percent — they *declined* 4.3 percent during the Reagan and Bush years. After adjusting for inflation, wages have increased almost 2.7 percent in 1998 — that's the fastest real wage growth in more than two decades and the third year in a row and the longest sustained growth since the early 1970s.

STRONG GROWTH IS CREATING NEW OPPORTUNITIES FOR MORE AMERICANS

- ***The Third Way Is a Pro-Growth, Pro-Equity Strategy.*** We've shown that fiscal discipline, targeted investments and improving economic growth does create opportunities for more Americans. The old view perceived increasing economic efficiency and fiscal discipline as sacrificing equity.

- ***Narrowing the Gender Wage Gap.*** Women's weekly earnings closed from about 72 percent of men's in 1990 to 76 percent in 1998 — the lowest gap between men and women's wages ever.

- ***Unemployment Remains Historically Low for African Americans and Hispanics.*** Hispanic unemployment has dropped from 11.3 percent in January 1993 to 5.8 percent in March 1999 (data first collected in 1973). And the African-American unemployment rate has fallen from 14.1 percent in January 1993 to 8.1 percent in March 1999 — one of its lowest levels on record (data first collected in 1972).

- ***Median Income for African American Households Is Up $3,354.*** Since 1993, the median income for African American households has increased from $21,696 to $25,050, a 15 percent increase after adjusting for inflation.

- ***Income of Median Hispanic Households Up $2,553 in Past Two Years.*** The income of the median Hispanic household, adjusted for inflation, increased from $25,477 in 1996 to $26,628 in 1997 — an increase of $1,151 or 4.5 percent. Over the past two years, the income of the typical Hispanic household has risen $2,553 — or nearly 11 percent — the largest two-year increase in Hispanic income on record.

- ***Welfare Caseloads Have Dropped Dramatically Due to Welfare Reform and a Strong Economy.*** Welfare caseloads dropped 37 percent between August 1996 and December 1998. Since 1993, welfare caseloads dropped a full 78 percent from 4.9 million to 2.7 million.

INTERNATIONAL JOBS COMPARISONS

- ***The United Kingdom*** created 1.4 million new jobs between 1993 and 1998, an increase of 6 percent. Most these new jobs recovered jobs that were lost during the early 1990s when employment dropped from 27 million in 1990, when it hit a record high, to 25.6 million in 1993. (Source: OECD)

- ***Germany*** lost 1.3 million jobs between 1993 and 1998, a decline of 4 percent. Germany hit a record high in 1991 at 36.5 million. Since then they have lost 2.6 million jobs. (Source: OECD)

- ***The United States*** created 11 million new jobs between 1993 and 1998, an increase of 9 percent — hitting a new record at 131 million people employed. (These figures, using comparable data to these international figures, are useful for comparison, but are not the same as the Bureau of Labor Statistics data we normally use.)

IMPACT OF TECHNOLOGY ON JOB CREATION

TALKING POINTS

- Many in Europe have discussed what impact technology has had and will continue to have on job creation.

- U.S. experience has certainly been positive. There are over 7 million Americans that are employed in the information technology (IT) industry or in IT-using occupations. These are high-paying jobs that ***pay more than 60 percent above the average private sector wage.*** Indeed, many companies are reporting that the shortage of skilled workers is their number one constraint on growth.

- Information technology has also been a driver of economic growth in the U.S. Over the last couple of years, information technology has accounted for one-third of our economic growth. Whole new industries have been created that didn't even exist 5 or 10 years ago.

- All companies — even companies that we would not think of as being high tech — are using IT and the Internet to compete and win in global markets. Because 150 million people and millions of businesses are now connected to the Internet, even the smallest business can have access to global markets that would have taken years to develop in the past.

- Government can play a number of important roles to ensure that we sustain the Information Revolution, and to create opportunity for all in the Information Age.

- ***First, we need to promote life-long learning.*** Inevitably, technology will destroy as well as create jobs. The people who lose their jobs as a result of technological change need to have the skills to compete for the high-tech jobs that our economy is creating in record numbers. That's why I fought for initiatives like the life-long learning tax credit, and the Workforce Investment Act.

- ***Second, we need to ensure that all of our children are technologically literate.*** The Vice President and I believe that we need to connect every classroom to the Internet, train teachers to be as comfortable with a computer as they are with a chalkboard, and ensure that every child has access to computers and high-quality software. We need to close the "digital divide" that exists between rich and poor schools so that all of our children will have access to the same universe of knowledge. [***Please note that:*** *Prime Minister Blair has launched a similar initiative in the U.K. called the National Grid for Learning that will: 1) connect every school to the internet by 2002 by providing tax subsidies for high speed internet lines; 2) £1 billion for hardware and software for schools; 3) teacher training vouchers to improve the use of information technology in the classroom.*]

- ***Finally, we need to sustain the Information Revolution by investing in long-term research and by creating the right legal environment for electronic commerce.*** In the U.S., electronic commerce is expected to grow to over $1 trillion by 2003 and we need to ensure that government policy allows it to continue to flourish.

JOB TRAINING AND EMPLOYABILTY

TALKING POINTS

- In global economy, a nation's ability to educate and train its workforce is more important than ever. Nations face a choice: they can compete either with high skills or with low wages. Investing in a highly skilled workforce is the path to prosperity.

- Job training can't be just for the sake of training, it must be focused on need. Training dollars must be directed to programs that provide workers with marketable skills, and lead to lifelong employability.

- The full participation of employers is essential to any successful job training system. Employers know where jobs are being created and they know the skills necessary to get those jobs.

- A comprehensive system is necessary to promote employability throughout a worker's lifetime — from the transition from school to employment, to additional skills upgrading programs for adult workers who have jobs or are between jobs.

- Introducing young people to the importance of higher education is also essential in promoting employability. GEAR UP is a program that will enable more young Americans to stay in school, study hard and take the right courses to go to college and have a successful career.

- Increased funding for college grants and loans and Hope Scholarships will give more the opportunity to obtain the education and skills that will lead to lifelong success.

- All Adults need the skills to function effectively at work, home and in their communities. We are committed to improving and expanding adult and family literacy programs to millions of adults and family members who need to improve their basic skills.

BACKGROUND

This Administration has implemented numerous initiatives to address the issue of job training and employability. Some examples:

- *The recently passed Workforce Investment Act (WIA)* consolidates over 60 federal programs into a streamlined system.

  - The WIA system led by the business community and provides flexibility at the State and local levels.

- WIA is market-driven, providing individuals with vouchers to choose the training that best meets their needs.

- *The School-to-Work Opportunities Act* is another example of a program that will help the employment future of millions of Americans.

  - The School-to-Work Opportunities Act emphasizes work-based training and practical training. Many people learn better when they see the practical results of their education.

- *Increased funding for student grants and loans, Hope Scholarships, GEARUP, and an increased commitment to Adult Education and Literacy programs* are other examples of policies designed to build a quality employability system ready for the challenges of the 21st Century.

  - Between 1993 and 1999, you have increased resources for education, training, employment and social services by $12.5 billion (24 percent). (You are currently proposing to add an additional $2.2 billion in FY 2000.) This assistance includes such critical programs as Head Start, Pell Grants, Title I, and services for dislocated workers. Two examples:

    - Increased the maximum Pell Grant award to $3,125, up 36 percent from $2,300 when you took office. In FY 2000, you propose to raise the maximum award to $3,250, to help nearly four million low-income undergraduates afford college.

    - Provided $120 million for the new GEAR UP program in 1999, based on your High Hopes for College proposal, which helps low-income students prepare for and enroll in college. The FY 2000 Budget proposes to double funding for GEAR UP to $240 million, and would provide services to 381,000 students.

NEW MARKETS INITIATIVE

TALKING POINTS

- The New Markets Initiative is a "Third Way" approach to economic and community development in the United States. It is based on the lessons we have learned from traditional approaches to revitalizing distressed communities. It builds on the strengths of our empowerment zone initiative. And it attempts to replicate in distressed areas the ways that small businesses have generated new jobs in growth areas of the country.

- The new initiative will challenge major financial institutions and corporations that are leading America's current economic growth to take the lead in investing in America's own "New Markets" — inner-city areas, in cities big and small, and distressed rural areas like parts of Appalachia.

- Some of the overarching policy goals of the New Markets Initiative include the following:

  -- *Steering Private Investment:* Government incentives to steer private investment into underserved communities. Successful revitalization is led by private sector.

  Old way: Deep government subsidies and government planned redevelopment of distressed areas.

  -- *Nurturing Small Business Growth:* Jobs created by nurturing home grown small and mid-sized businesses that also will create wealth for owners in the community and remain loyal to the area. Recognize the untapped buying power of lower income communities. Across the country, one-third of consumer expenditures are made by households with income less than $30,000.

  Old way: Jobs created by attracting companies to relocate plants and corporate headquarters.

  - *Access to Expanding Credit and Capital:* Expand access to credit **and capital** through programs that encourage lending **and investment** in underserved areas. "Equity" — the "first dollar in" — is often the hardest financing to find for businesses in distressed communities.

  Old way: Expanding access to credit through lending programs.

BACKGROUND

Your plan for New Markets includes the following specific initiatives:

- Creation of a New Markets Tax Credit and loan guarantee incentives to stimulate billions of private capital investment in targeted areas;

- Formation of America's Private Investment Companies (APICs) to promote growth and private equity investments in merging markets;

  - Just as the United States has the Overseas Private Investment Corporation (OPIC) to spur investment in emerging markets overseas, we can help to stimulate private investment in distressed areas here in America.

- Promotion of targeted Small Business Investment Companies (SBICs), based on the existing Small Business Administration programs, to provide equity and debt financing for small business in low and moderate income areas; and

- Development of New Markets Venture Capital Firms to provide long-term, patient growth equity capital and technical assistance for small firms that require both in order to take advantage of market opportunities