



**Dialogue on  
Globalization**

OCCASIONAL PAPERS

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Jens Martens

**The Future of Multilateralism  
after Monterrey and Johannesburg**

## **Dialogue on Globalization**

*Dialogue on Globalization* contributes to the international debate on globalization – through conferences, workshops and publications – as part of the international work of the Friedrich-Ebert-Stiftung (FES). *Dialogue on Globalization* is based on the premise that globalization can be shaped into a direction that promotes peace, democracy and social justice. *Dialogue on Globalization* addresses “movers and shakers” both in developing countries and in the industrialized parts of the world, i.e. politicians, trade unionists, government officials, businesspeople, and journalists as well as representatives from NGOs, international organizations, and academia.

*Dialogue on Globalization* is co-ordinated by the head office of the Friedrich-Ebert-Stiftung in Berlin and by the FES offices in New York and Geneva. The programme intensively draws on the international network of the Friedrich-Ebert-Stiftung – a German non-profit institution committed to the principles of social democracy – with offices, programmes and partners in more than 100 countries.

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### **Table of Contents:**

<b>1. Executive Summary</b>	<b>4</b>	<b>4. International partnerships and policy networks – new hope for multilateralism?</b>	<b>23</b>
<b>2. Deficits and blockades in multilateral cooperation</b>	<b>9</b>	<b>5. Pacesetter coalitions of like-minded governments</b>	<b>27</b>
1. US unilateralism	9	1. The Anti-personnel Mines Convention	27
2. Fragmentation of the G-77	12	2. The International Criminal Court	28
3. Dominance of the Bretton Woods institutions	12	3. The Task Force on Global Public Goods	29
4. ECOSOC's design flaws	12	4. The Renewable Energy Coalition	29
5. Coherence problems and clashes of interest within governments	13	<b>6. Beyond realpolitik: initiatives for strengthening global democracy</b>	<b>31</b>
6. Lack of competence on the part of national governments	13	1. Global Council	31
7. Lack of democratic representativeness	14	2. „Democratization“ of the decision-making structures of IMF, World Bank, and WTO	37
8. Lack of coordination and coherence	16	3. Increasing transparency, and participation of civil society	40
9. Lack of authority and resources	17	<b>7. Conclusions: scenarios on the future of multilateral cooperation</b>	<b>44</b>
10. Lack of institutions	17	<b>8. References</b>	<b>48</b>
<b>3. The UN conferences in New York, Monterrey, and Johannesburg</b>	<b>18</b>		
1. The Millennium Declaration	18		
2. The Monterrey Consensus	19		
3. The Johannesburg Plan of Implementation	21		

## Preface

To those who see the emergence of global policies and structures as an answer to an increasingly interdependent world, the series of major UN conferences which started in Rio in 1992 and reached its peak in 2002 was a step in the right direction. Tackling almost all of today's social, environmental, and economic challenges, the United Nations conferences have produced an impressive compendium of policy targets, reform proposals and programmes of action designed for the era of globalization.

However, just after the United Nations conference cycle on development had entered its critical stage in 2002, a phase of disillusionment set in. A key result of this conference cycle is the United Nations Millennium Declaration. It was made at a summit in New York in 2000 and defined ambitious targets for development – the Millennium Development Goals. Two years later, the Conference on Financing for Development in Monterrey formulated a long list of ideas on how to generate the funds necessary for reaching those goals. When another six months later governments met again in Johannesburg at the Summit on Sustainable Development, they were expected to complete this list by agreeing on a set of new and innovative policy instruments. However, when the results reached in Johannesburg fell far behind expectations, the conference diplomacy suddenly lost momentum. This trend was reinforced by the deeply antagonistic situation in the UN Security Council and by the unilaterally declared war on Iraq. Very recently when trade talks at the WTO collapsed in Cancún, the future of multilateralism seems to look even bleaker. Is multilateralism in crisis and, if yes, what has to be done to move it out of this crisis?

The Friedrich-Ebert-Stiftung (FES) strongly supports a multilateral system that is anchored in the United Nations, its policies and institutions. By promoting and hosting policy debates on the future of the multilateral system, it wishes to contribute to a reform process that ultimately leads to a system of global governance that is more democratic, coherent and effective. It is in this context that the Friedrich-Ebert-Stiftung has asked Jens Martens to analyse the outcomes of the UN conferences in New York, Monterrey and Johannesburg and – based on his analysis – to sketch out possible routes of reforming global economic governance.

Jens Martens is not only a respected expert and author on development issues, he has also – given his roots in the German and international NGO community – actively participated in the policy debates prior to and during the conferences in New York, Monterrey and Johannesburg. He therefore does not stop at the point of analysis and puts forward three main positions: First, that the United Nations is the most important forum for addressing development issues; secondly, in order to enable the UN to properly play its role, bold institutional reforms both at the UN and at other key institutions (IMF, World Bank, WTO) are necessary; and finally, that for these reforms to materialize, civil society has an important role to play.

*Jürgen Stetten*

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Dialogue on Globalization

*The central question of global governance that needs to be asked, then, is whether there is room for improving the existing arrangements for norm setting and policy coordination, thereby raising the standards of effectiveness, equity, accountability, transparency, participation and voice. The answer to this question is yes. In addition, we should ask if additional steps are needed to further strengthen the present structure of international institutions and networks, particularly as they relate to the objective of increased and more equitable world economic growth. The answer to that question is also yes.*

(Kofi Annan)<sup>1</sup>

# 1

## Executive Summary

At the world conferences held in recent years it was emphasized again and again that global economic, social, and environmental problems can be overcome only by means of intensified multilateral cooperation. The United Nations Millennium Summit, the Monterrey International Conference on Financing for Development, and the Johannesburg World Summit on Sustainable Development called emphatically for a strengthening of multilateralism and the structures it involves. At the same time, however, these conferences pointed to the limitations and inadequacies of a conference diplomacy based solely on government consensus and at which the pace of progress is invariably dictated by the heel-draggers.

The ongoing debate on the crisis and future of multilateralism is being shaped by the forced unilateralism which has, since the 11<sup>th</sup> of September 2001, become the hallmark of US foreign policy, reaching its culmination in February 2003 in the US' self-authorized war against Iraq. But multilateral cooperation is faced with a whole array of additional obstacles and problems that are impeding the development of democratic global governance structures. These include the fragmentation of the G-77, which is growing increasingly less effective as a negotiating block of the developing world; the dominance assumed by the neoliberal economic doctrines of the Bretton Woods institutions vis-à-vis the more welfare-state-oriented approaches of the United Nations; the underrepresentation of the developing countries in the IMF and the World Bank as well as in the negotiations of the WTO; the simultaneous weakness of ECOSOC, which is rooted in the UN Charter itself; a lack of coherence between international trade policy on the one hand and international environment and development policy on the other, which must be also seen as a reflection of conflicts of interest at the national level; the lack of authority and resources with which international environment and development organizations, UNEP and ILO in particular, are forced to contend; and finally, the global governance vacuum in certain subareas of international cooperation, e.g. in international tax cooperation.

<sup>1</sup> UN Doc. A/AC.257/12, para. 134.

The Millennium Summit and the Monterrey and Johannesburg conferences discussed (either officially or informally) these deficits of multilateral cooperation and contributed in a threefold manner to finding solutions: first, in their official declarations, programs of action, and follow-up processes the conferences sought to formulate political solutions geared to coming to terms with governance problems; second, the conferences themselves were something of a testbed for new forms of multilateral cooperation – be it on the basis of a stronger involvement of the private business sector and civil society in official conference processes, be it in the form of pragmatic initiatives launched by like-minded governments and going beyond the official conference resolutions; and third, these conferences were also places at which it was possible to discuss further-reaching, „visionary“ ideas and concepts on the future of multilateral cooperation which were beyond realization in the short term.

Like the Millennium Declaration and its follow-up documents, the Monterrey and Johannesburg programs of action contain some statements on these issues. In essence, the task at hand is to strengthen the United Nations in political terms, in particular the General Assembly and ECOSOC, and to improve the involvement of the developing world in world economic decision-making processes. But these resolutions are not sufficient to overcome the deficits and blockades with which multilateral cooperation is presently confronted.

At the same time, the international conferences of recent years have led to a growing acceptance of a concept of global governance which sees the future of international cooperation in global policy networks of state and private actors beyond the traditional multilateralism of nation-states. The multistakeholder roundtables in Monterrey, the so-called Type-2 Initiatives in Johannesburg, and Kofi Annan’s initiative for a Global Compact between the UN and the private business sector are based on this concept.

These „global corporatism“ approaches are, however, by no means unproblematic. Critics rightly fear that these voluntary initiatives will be taken by governments as a pretext to shun international agreements of a more binding nature. They at the same time caution against any overly strong influence of the business sector and its often technocratic approaches to problem-solving. Such partnership models are problematic with regard to democracy aspects as well. Under these models private financiers would acquire rights of co-decision over the priorities of international politics and (at least in part) the uses to which public funds are put. What is therefore urgently called for is an independent evaluation of such partnership models at multilateral level. Among other aspects, it would be essential to examine what influence private-sector actors have on the problem analysis, political strategy development, and appropriation decisions of the alliances and funds in question (e.g. in the health sector).

We may view in a more positive light the ad hoc coalitions and cooperation projects of like-minded governments that have come about in the UN setting in recent years. Examples would include the initiatives which led to the adoption of the Anti-landmine Convention and the creation of the International Criminal Court, or the Johannesburg Renewable Energy Coalition. Despite their different compositions and objectives, these coalitions of like-minded governments have one thing in common:

they come about in connection with international negotiation processes and/or feed their results back into international processes at the UN level. They thus move within the institutional and normative framework of the United Nations and its Charter. One further important criterion is transparency and involvement of civil society groups. It has not seldom been the latter which have provided the impetus for such initiatives. But these can prove successful in the long terms only if such pacesetting coalitions are, sooner or later, followed by other governments. If this fails to materialize, free-rider behaviors are apt to be the result; indeed, if ad hoc partnerships see themselves as an alternative to multilateral action at the global level, they are likely to serve more to undermine the authority and the goals of the United Nations. The best example here is the „Coalition of the Willing“ which the US assembled in connection with the recent Iraq war.

In view of blockades to negotiations on the one hand and a pressing need for action on the other, ad hoc coalitions between individual governments may play an important role if they see themselves as pacesetters for global solutions. But they are no alternative to the development of formalized and democratic global governance structures.

There continues to be a need for fundamental reforms of the international system of economic and financial institutions. In the setting of Monterrey and Johannesburg, numerous reform proposals were discussed that go far beyond what was in the end decided upon at the conferences. They aim above all at „democratizing“ IMF, World Bank, and WTO, inducing international organizations to adopt more transparency and accountability toward the general public, setting the stage for more participation of civil society, and establishing a high-level decision-making body for economic and financial issues under the umbrella of the United Nations (often called the „Global Council“).

Whether these proposed far-reaching reforms have any prospects of being realized in the foreseeable future is, however, more than uncertain – the main reason being that, in the wake of the world conferences of the past decades and against the background of the power-based go-it-alone policies preferred by the US, multilateralism has arrived at the crossroads. Two conceivable scenarios for future developments would be a further weakened multilateralism and a strengthened and „democratized“ multilateralism.

The first scenario conjures up the picture of a multilateralism in which the United Nations continues to decline in significance and the global problem-solving competence of national governments remains weak, one which sees a consolidation of the hegemony of the US and the international economic and financial institutions dominated by it as well as a tendency for critical civil society to take leave of the arena of international processes and focus on new forms of a „cosmopolitanism of social movements.“

The scenario of a strengthened participatory multilateralism has already been sketched out in numerous reform reports or expert bodies, lists of NGOs demands, and, at least in part, in the official resolutions adopted by governments in New York, Monterrey, and Johannesburg. The elements of a scenario of this kind would include:

- A political upgrading of the UN General Assembly. Here, the world's governments would act on their Monterrey resolution to make the General Assembly into a locus for the coordination of international development, financial, and trade policy. The point of departure here could be the projected annual „High-level Dialogues“ on development financing and on the implementation of the Millennium Development Goals. A next step would be the realization of the proposal made by the UN Secretary-General to conduct periodic, highest-level roundtable meetings in the framework of the General Assembly. The year 2005 could be the starting point for this process. At the same time, the consultative status enjoyed by NGOs in ECOSOC could be extended to the General Assembly as a means of ensuring openness and transparency.
- From the exclusive club of the G-8 to the Global Council. The high-level dialogues or roundtable meetings in the framework of the General Assembly could provide the initiative for a further step toward structures of democratic coordination in the world economy. Under the umbrella of the General Assembly a Global Council would be set up which would, among other things, assume the function of the annual world economic summits.
- More balanced decision-making structures for IMF and World Bank. This would mean reapportioning voting rights in IMF and World Bank. At the same time, formal voting procedures would be reformed in accordance with the model of the GEF, with voting based on the principle of a „double majority.“ The number of decisions that require a special majority (85%) would be distinctly reduced. Decision-making processes would be public. At the same time, the composition of the executive boards of IMF and World Bank would be reformed, with the number of seats held by Europeans being reduced in favor of seats for Africa, Asia, and Latin America.
- Stronger integration of IMF, World Bank, and WTO in the UN system. The annual New York spring meetings between ECOSOC and the Bretton Woods institutions would be upgraded politically and given a more pronounced coordinative function. This would be accompanied by a political initiative aimed at integrating the WTO within the UN system. The goal would be to make the WTO one of the UN's specialized agencies.
- Building of pacesetter coalitions of like-minded governments. In fields in which political progress is blocked by negative stances on the part of individual countries or groups of countries, it would be possible for initiatives of like-minded governments to assume a pacesetter role. For the years 2004 and 2005 these would include Germany and the EU's renewable energy initiative and the Franco-Swedish initiative on defining and financing global public goods.
- Assessment of partnership approaches and the influence of the private business sector. To encounter the criticism voiced by many developing countries and civil-society organizations, the United Nations would subject its partnership projects with the private sector, and first and foremost the Global Compact, to a comprehensive evaluation. This would be accompanied by a political initiative on implementing the „Norms on the Responsibilities of Transna-

tional Corporations and Other Business Enterprises with Regard to Human Rights“ which were adopted by the UN Sub-Commission for the Promotion and Protection of Human Rights in August 2003.

- Building bridges between Porto Alegre, Mumbai, and New York. Social forums at the global, regional, and national level would continue to gain significance as venues of civil society debate and strategy development. The analyses and demands presented by them would not only influence social discourse at the local and national level, they would also flow into political debates at the UN level. This would strengthen the hand of civil society in the world organization.

Which of the two scenarios will prove to be more realistic is uncertain today. There is some reason to assume that multilateral cooperation will be further weakened, as under the first scenario. The second scenario, though, is not wholly unrealistic either. Whether developments will go more in this direction will depend above all on whether, in the medium term, the US adopts a policy which seeks a stronger orientation in multilateral cooperation as an element of its hegemonic policies – and is thus in its own national interest. This will also depend on the initiative power of individual governments to overcome, in the framework of ad hoc coalitions, political blockades at the global level, but without losing sight of the need to strengthen the hand of the United Nations and its General Assembly as the center of multilateral cooperation. And it will depend not least on the political pressure that civil society organizations and groups and movements critical of globalization will be able to generate in support of a democratic multilateralism.



# 2. Deficits and blockades in multilateral cooperation

It is largely undisputed that multilateral coordination problems have accumulated and deficits emerged in recent years that have until today resisted efforts to overcome them. While a growingly dense nexus of international institutions has developed, the multilateral system typical of the post-war international order has, in essence, remained unchanged. Against this background, the Zedillo Panel has noted:

*It is clear, however, that the challenges of globalization today cannot be adequately handled by a system that was largely designed for the world of 50 years ago. Changes in international economic governance have not kept pace with the growth of international interdependence.<sup>2</sup>*

The world summits of New York, Monterrey, and Johannesburg were convened not least to discuss these governance problems and to formulate solutions to them. The conference reports and resolutions clearly specify some of these deficits and problems. At the official level, though, some of the central obstacles and blockades faced by multilateral cooperation have remained taboo. They can be summed up in the following – probably incomplete – „list of defects“.

## 1. US unilateralism

The current debate on the future of multilateralism is determined largely by the US' post-9/11 policy and its self-authorized war against Iraq. The American approach has once again made it clear that, thanks to its military and economic dominance, the 'lonely superpower' is no longer forced to rely on processes of multilateral consensus formation. True, this nothing new, and it has shaped the relations between the US and the United Nations since the world organization was founded. The US has always had an instrumental relationship to the UN. Or as Condoleezza Rice puts it, „*multilateral agreements and institutions should not be ends in themselves, but means to secure U.S. interests.*“<sup>3</sup> If the US succeeds in influencing decisions in its own interest, it is willing to back them; if it fails, the US backs off (example: US withdrawal from UNESCO), seeks actively to undermine such decisions (example: the International Criminal Court), or takes unilateral action (example: the war on Iraq). The chronology of cases in which the US has rejected or indeed torpedoed UN resolutions is a long one (see Box, below).

The new national security strategy announced by US President Bush in September 2002,<sup>4</sup> and the doctrine of 'preemptive' defense it sets out, are a further blow

<sup>2</sup> Zedillo Panel (2001), p. 11.

<sup>3</sup> Rice, Condoleezza (2000): Campaign 2000 – Promoting the National Interest. In: Foreign Affairs 79, 1 (January/February 2000), p. 47.

<sup>4</sup> President of the United States (2002).

against international law and the multilateral spirit of the UN Charter. But the question of whether this is bound up with a qualitatively new policy of radical unilateralism is still an open one.

**Even in the US more and more critics are pointing to the country's long-term dependence on international cooperation.**

Even in the US more and more critics are pointing to the country's long-term dependence on international cooperation. Joseph Nye speaks in this connection of the „paradox of American power.“ Like many other Americans, he sees the vulnerability of the US following the 9/11 terrorist attacks as evidence of the need for multilateral cooperation. His conclusion:

*Multilateralism involves costs, but in the larger picture, they are outweighed by the benefits. International rules bind the United States and limit our freedom of action in the short term, but they also serve our interest by binding others as well. Americans should use our power now to shape institutions that will serve our long-term national interest in promoting international order.<sup>5</sup>*

The decades-long, smoldering conflict among US foreign-policy experts between strategies of isolationism and „benevolent hegemony“ has evidently not yet been resolved. In any event, under these conditions a multilateralism based on global consensus can operate either in the interest of the US or not at all.

**Box: The US and the UN – highlights of a chronic relationship crisis**

June 1950	Under US pressure, adoption by the UN General Assembly of the „Uniting for Peace“ Resolution following the outbreak of the Korean War. The resolution provides for a transfer to the General Assembly of the power to authorize deployment of UN troops should the Security Council prove unable to act. This meant an after-the-fact legitimation of the deployment of troops, most of them American, under the UN flag, but also under the supreme command of the US defense minister.
17 March 1970	First US veto in the Security Council. With it, the US blocked a condemnation of the racist minority regime in what was then South Rhodesia.
25 October 1971	Historic defeat for the US on a General Assembly vote on the China question. Since then China has been represented in the General Assembly not, as it was, by Taiwan but by the People's Republic of China.
1978	US withdrawal from the ILO based on a decision by US President Jimmy Carter (reentry: 1989).
1982	Adoption of the UN Convention on the Law of the Sea. The US Congress refuses ratification.
1 January 1985	US withdrawal from UNESCO
1985	Based on a number of Congressional decisions (Kassebaum Amendment, Gramm-Rudman-Hollings Act, etc.), the US cuts its contributions to the UN, triggering a chronic funding crisis which has not yet been overcome.

<sup>5</sup> Nye (2002), p. 158.

1989	Adoption of the Rights of the Child Convention by the UN General Assembly. In force since September 1990. Thus far 191 states have ratified the convention, including all UN members, with the exception of Somalia and the US.
1992	Adoption of the Convention on Biodiversity. In force since 29 December 1993. The US signed the convention on 4 July 1993, but the US Congress has until today declined to ratify it.
1992	Entry into force of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. (Besides Haiti and Afghanistan) the US has signed the convention but has yet to ratify it.
1996	The US loses its seat on the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for the period between 1996 and 1999.
1996	US „veto“ against the reelection of Boutros Boutros Ghali as UN Secretary-General.
26 July 1996	In the US Congress, the Helms-Dole Amendment conditions payment of voluntary US contributions on the demand that the UN not „engag[e] in any efforts to develop, advocate, promote, or publicize any proposal concerning taxation or fees on United States persons.“ The background is proposals, discussed at the UN level, for a tax on currency transactions (Tobin tax).
10 December 1997	Adoption of the Kyoto Protocol to the Climate Framework Convention. US President Clinton signs the protocol on 12 November 1998, but without presenting it to Congress for ratification. His successor George W. Bush explicitly rejects ratification.
September 1997	The US refuses to sign the Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction (in force since 1999).
July 1998	Together with Iraq and five other states, the US votes against the Rome Statute on the International Criminal Court (120 countries for, 7 against). As one of his last acts in office, US President Clinton signs the Statute on 31 December 2000. On 6 May 2002 the US declares to the UN Secretary-General that it will not ratify the Statute.
October 1999	The US Senate refuses to ratify the Comprehensive Test Ban Treaty (CTBT).
January 2000	Adoption of the Cartagena Protocol on Biosafety. Not signed by the US.
December 2000	Under US pressure, reform of the contribution key for the regular UN budget by the General Assembly. The US' contribution is reduced from 25% to 22%. For the following years, US billionaire Ted Turner makes up for the lacking revenues (US-\$34 mio.) from his own pocket.
4 May 2001	US voted out of its seat on the UN Human Rights Commission for two years.
March-April 2003	US war against Iraq without any legal authorization by the UN Security Council.

## 2. Fragmentation of the G-77

**On many issues, the joint political interests shared by countries like Saudi-Arabia, Burkina Faso, or Brazil are close to zero.**

As a political negotiating block of the developing countries, the Group of 77 has become less and less effective. Since it was established in 1964, its present membership of 133 countries (including China) have drifted apart, in both political and economic terms, and at present it is only able to formulate group interests on the basis of the smallest common denominator. On many issues the joint political interests shared by countries like Saudi-Arabia, Burkina Faso, or Brazil are close to zero. When it comes to international negotiations, the G-77 contributes a huge amount of preparatory diplomatic work aimed at coming up with consensuses, although its actions and reactions are necessarily far more cumbersome than those of the US or the comparatively homogeneous EU. Partial interests of individual country groups, like the small island states, are often not represented by the G-77 because they are neutralized by other particularist interests, like for instance those of the OPEC countries. The G-77's interests are therefore as a rule structurally conservative and often have in the past been restricted to what is known as „agreed language.“ This tends in practice to encourage a diplomacy of hollow words and to stand in the way of the realization of innovative and unorthodox ideas.

## 3. Dominance of the Bretton Woods institutions

**Since the end of the 1990s a demonstrative rapprochement has been coming about between UN and BWI.**

Worldwide, IMF and World Bank have dominated economic and development programs and strategies since the 1980s. Their liberalist economic development concepts and structural adjustment programs have regularly clashed with the welfare-oriented approaches of the United Nations and the world conferences of the 1990s. Multilateral development approaches under the umbrella of the United Nations have been continuously weakened. The competition between concepts has taken on especially visible shape in the different approaches embodied in the World Bank's World Development Report and UNDP's Human Development Report. In political practice the Bretton Woods institutions (BWI), which have resources and personnel far beyond those available to the UN, and above all enjoy the backing of the US and other influential industrialized countries, regularly have had their own way. Since the end of the 1990s a demonstrative rapprochement has been coming about between UN and BWI. This is mirrored, for instance, in their joint preparations for the Monterrey Conference as well as in the annual dialogues between ECOSOC and BWI. The parallel activities of the World Bank and the UN on the issues of „privatization and public goods“ as well as on the Millennium Development Goals show, however, that confrontations over hegemony in the international development discourse have by no means been overcome.

## 4. ECOSOC's design flaws

**ECOSOC was placed under the authority of the General Assembly and was thus, from the very outset, a second-class body.**

One of the roots of the UN's weakness in international economic and financial policy is a structural flaw in the UN Charter. It is true that in 1945 the founders of the United Nations defined „international cooperation in the economic ... [and] ... social fields“ as one of the world organization's core tasks, establishing the Economic and Social Council (ECOSOC) as one of the UN's six principle organs (beside the General Assembly, the Security Council, the Trusteeship Council, the International Court of Justice, and the UN Secretariat). But – unlike the Security Council

– ECOSOC was placed under the authority of the General Assembly (Article 60, UN Charter) and was thus, from the very outset, a second-class body, empowered to make recommendations but not to take key decisions. And instead of being conducted in ECOSOC, the most important development-related debates took place first at UNCTAD conferences and then at the annual conferences of IMF and World Bank, the G-7 summits, and at the world conferences and Special Sessions of the General Assembly convened by the United Nations. All of the appeals made in the past 50 years to reform ECOSOC<sup>6</sup> have been unable to remedy this design flaw. Proposals aimed at strengthening global economic governance fall short of the mark if they fail to take this problem into account.

## 5. Coherence problems and clashes of interest within governments

The multilateral policies of individual governments for the most part lack coherence. The situation in many countries has been that there is not „one“ foreign policy but that every ministry pursues a foreign policy of its own, one geared to its particularist interests.<sup>7</sup> The consequence is that a government may at times represent different positions in different international organizations. The policy pursued by trade and economics ministers at the WTO or by finance ministers at the IMF need not automatically be in accord with the positions represented by environmental and development ministers at the United Nations. And this does not only apply for the governments of the industrialized countries. The lines of conflict for this reason sometimes run not between North and South but between the world's finance ministers and development ministers. Seen against this backdrop, the above-mentioned lack of coordination and coherence between the different multilateral organizations is simply a mirror image of similar conflicts at the national level. And the strength of IMF and World Bank thus reflect above all the preeminence of economic and financial interests within national governments.

**The lines of conflict sometimes run not between North and South but between the world's finance ministers and development ministers.**

## 6. Lack of competence on the part of national governments

Worldwide, economic and environmental problems have reached dimensions that today go beyond the competences and capacities of national governments. Wolfgang H. Reinicke and his colleagues at the Global Public Policy Institute are representing a widespread opinion when they note:

*Governments and international organizations alone are no longer able to address ever more complex global policy issues. The corporate sector and civil society are significant players in almost all global policy domains. Their active engagement is a critical if not imperative component in delivering policy outcomes that are timely, effective and legitimate.*<sup>8</sup>

<sup>6</sup> See Hüfner/Martens (2000).

<sup>7</sup> On German foreign policy, see the overview by Eberlei/Weller (2001).

<sup>8</sup> See Witte/Reinicke/Brenner (2000).

**The erosion of the state sector and the pinched structural financial situation of public institutions have led to a continuous „brain drain“ which has progressively undermined the expert competences of governmental and international institutions.**

The growing lack of expert and governance competence on the part of governments is, however, not a fact of nature; it is, among other things, a consequence of a neoliberal policy geared to deregulation and downsizing the state, one that has been pursued for years, and just about worldwide, under the (in part justified) pretext of debureaucratization. The erosion of the state sector and the pinched structural financial situation of public institutions have led to a continuous „brain drain“ which has progressively undermined the expert competences of governmental and international institutions. WTO deregulation targets, e.g. for government investment policies in the framework of the TRIPS agreements, and IMF stipulations, e.g. on the removal of controls on the movement of capital, have restricted the monetary control competence of many governments. Yet the „rationality of markets“ is no more able to compensate for losses in national governance competence than is the involvement of the business sector and civil society in multi-stakeholder approaches and public-private partnerships (PPP).

The problems listed above have not yet become an issue on the international stage, though they have become the focus of in part vehement discussions in the scholarly world as well as behind the scenes of official politics. The following shortcomings of the existing system of global governance have, though, been discussed openly at the world summits of recent years and are addressed as issues – sometimes under the cloak of diplomatic language – in official conference documents.

## 7. Lack of democratic representativeness

**Owing to the policy of weighted voting rights practiced by the IMF (one dollar – one vote), only ten of its executive directors stem from developing countries.**

The developing countries are increasingly underrepresented in the decision-making bodies of the global economic and financial institutions. This goes in particular for the International Monetary Fund (IMF) and the World Bank. Owing to the policy of weighted voting rights practiced by the IMF (one dollar – one vote), only ten of its executive directors stem from developing countries. The two African executive directors, from Nigeria and Equatorial Guinea, together have a voting share of 4.59% – i.e. less than the executive directors of the US (17.10%), Japan (6.14%), Germany (6.00%), and France (4.95%), each have for themselves. The situation in the World Bank is similar. There the voting power of the 15 EU member states (25.63%), the US (16.40%), Japan (7.87%), and Canada (2.79%) is greater than that of the remaining 166 members of the World Bank together.<sup>9</sup> Apart from this, the US has a de facto veto minority in both institutions. And that means that decisions of any major scope are generally dependent on US approval.

Even more problematic is the role of the informal clubs of the leading industrialized countries, above all the G-7/8. At their annual world economic summits the heads of government and state of these countries not only discuss problems involving global economic and financial policy, they take concrete decisions, some of which have severe impacts on all of the countries not invited to attend. This goes, for instance, for the debt problems of the developing countries. In the course of recent years these forums, dominated by a small group of industrialized countries, have

<sup>9</sup> The discrepancy between the votes held by individual countries is nothing short of grotesque. In the World Bank, for instance, El Salvador has 392 votes; Tunisia 969; Luxembourg 1902; Germany 72649, and the US 265,219 (as of 25 February 2003).

grown in terms of both their numbers and significance. Important examples include the Paris Club of creditor countries and the Financial Stability Forum. In view of this development the UN Secretary-General has called for

*Ad-hoc groupings and forums that lack adequate global representation but that, in effect, make policy recommendations with global repercussions should be used mainly as a complement and as an input to discussions in forums that are more representative and that have clearly-defined and broad-based intergovernmental mandates, such as the International Monetary and Financial Committee, the Development Committee and the United Nations General Assembly and Economic and Social Council.*<sup>10</sup>

Nor, however, are the interests of the developing countries automatically equally represented in international organizations whose decision-making procedures are based formally on the principle of „one country – one vote.“ The best example here is the World Trade Organization (WTO), in which many countries of the South are prevented, either by political and economic pressures exerted by the EU and the US or for lack of sufficient negotiating capacities, from adequately representing their own interests.

Based on interviews with delegates, Fatoumata Jawara and Aileen Kwa describe graphically how this discrimination against the developing countries is effected:

*Crucial meetings are held behind closed doors, excluding participants with critical interests at stake, with no formal record of the discussion. When delegates are, in principle, entitled to attend meetings, they are not informed when or where they are to be held. Meetings are held without translation into the languages of many participants, to discuss documents which are only available in English, and which have been issued only hours before, or even at the meeting itself. Those most familiar with issues (Ambassadors) are sometimes discouraged or prevented from speaking in discussions about them at Ministerial meetings. ‘Consultations’ with Members on key decisions are held one-to-one, in private, with no written record, and the interpretation left to an individual who has a stake in the outcome. Protestations that inconvenient views have been ignored in this process fall on deaf ears. Chairs of committees and facilitators are selected by a small clique, and often have an interest in the issues for which the committee is responsible. The established principle of decision-making by consensus is routinely overridden, and the views of decision-makers are ‘interpreted’ rather than a formal vote being taken, even in such key decisions as the selection of Mike Moore as DG and the chairmanship of the Trade Negotiations Committee. Rules are ignored when they are inconvenient, and a blind eye is turned to blackmail and inducements. The list is endless.*<sup>11</sup>

<sup>10</sup> UN Doc. A/AC.257/12, para. 136.

<sup>11</sup> See Jawara/ Kwa (2003); quoted from information of their publisher [www.focusweb.org/publications/Books/Behind-the-Scenes-at-the-WTO.html](http://www.focusweb.org/publications/Books/Behind-the-Scenes-at-the-WTO.html)

**In the WTO developing countries are all too often simply confronted with the results of exclusive „green room“ negotiations on which they have no influence.**

The members of the Zedillo Panel – beyond any suspicion of radicalism – likewise have pointed out that developing countries are all too often simply confronted with the results of exclusive „green room“ negotiations on which they have no influence. For this reason the Panel sees the WTO „in urgent need of reform,“ pointing first and foremost to „its decision-making system, which many developing countries perceive, with reason, as selective and exclusionary“<sup>12</sup>.

## 8. Lack of coordination and coherence

But it is not only on account of its intransparent and exclusive decision-making procedures that the WTO has become the target of growing criticism. It is also seen as an example par excellence for the lack of coordination and coherence between international trade policy on the one hand and environment and development policy on the other. One of the factors responsible for this is, in the words of the UN Secretary-General, the institutional distance between the WTO and the UN system:

*The fact that member states decided not to bring WTO into membership in the United Nations system has presented important challenges for the coherence and consistency of the system as a whole.*<sup>13</sup>

The consequences took on visible shape not least at the Johannesburg World Summit on Sustainable Development. There were bitter disputes in Johannesburg on whether the WTO's trade rules or the multilateral environmental agreements (MEAs) should have precedence in cases of dispute or contradiction. This conflict is rooted in the different priorities set out by these two legal systems. While the WTO's free-trade doctrine explicitly rules out any trade-restricting measures that are not based on scientifically proven facts, the MEAs lay stress on the precautionary principle, which in cases of doubt gives precedence to environmental and health concerns. In the end, it was decided in Johannesburg to work for the „integrity“ of the two systems. This aim, however, is – implausibly enough – to be reached by means of „support of the working program agreed upon by the WTO“. Johannesburg has, in other words, served to cement the results of the Doha WTO ministerial conference, at which the WTO was mandated to unilaterally clarify its relationship to the MEAs. Under these circumstances, improved coherence and consistency would in effect mean subordinating the UN's environmental agreements to the WTO's trade rules.

Above and beyond these areas, another deficit in political coordination is to be found in the overall field of global economic and currency policy. As the governments present in Monterrey stated: „...[W]e recognize the urgent need to enhance coherence, governance, and consistency of the international monetary, financial and trading systems.“<sup>14</sup> They for this reason called, among other things, for „[s]trong coordination of macroeconomic policies among the leading industrial countries“<sup>15</sup>

<sup>12</sup> Zedillo Panel (2001), p. 13.

<sup>13</sup> UN Doc. A/AC.257/12, para. 138.

<sup>14</sup> UN Doc. A/CONF.198/11, para. 52.

<sup>15</sup> Ibid. para. 54.



## 9. Lack of authority and resources

While the international organizations responsible for „hard“ economic and financial issues are for the most part adequately endowed with enforcement instruments and resources, the „soft“ institutions in the fields of environmental and social policy lack both the authority and the funds they need to effectively achieve their goals. This goes in particular for the UN Environment Program (UNEP) and the International Labor Organization (ILO).

In 2002 UNEP received a grand total of US-\$ 4.5 mio. from the regular UN budget. This was supplemented by US-\$ 48.4 from voluntary contributions to the UNEP Environmental Fund as well as some tied trust funds. For comparison: Greenpeace's revenues are roughly three times as high (2001: EUR 157.73 mio.) While the ILO has adopted 184 internationally binding conventions on issues concerned with labor and social law, beyond „naming and shaming,“ the funds effectively available to it are not sufficient to enforce these conventions worldwide. For this reason, many see the ILO as a „paper tiger.“

The fact that the declarations and programs of action of New York, Monterrey, and Johannesburg call again and again for the necessary strengthening of these organizations is no more than a reflection of their present weakness – a weakness that, far from being constitutional, is a result of the lack of political support provided to them by the world's governments. Proposals aimed at equipping the ILO with tougher instruments to enforce its standards failed in Monterrey thanks to the political resistance put up by governments, as did the attempts undertaken in Johannesburg to upgrade UNEP to the status of a world environment organization.

## 10. Lack of institutions

While many institutions in areas of international cooperation are weak or not representative, in other areas there are as yet no global cooperation structures at all. At the governmental level there is, in effect, simply no cooperation. Some speak in this connection of a „global governance vacuum.“ One example here is the field of international tax cooperation. Most governments agree that the growing phenomenon of tax avoidance and the existing tax competition between countries are causing substantial economic damage, annually depriving public budgets of billions in revenues. Yet at present the only effective cooperation takes place –if at all – at the regional level and in the framework of the OECD. While proposals aimed at creating an International Tax Organization (ITO) were discussed in the run-up to the Monterrey conference, they came to nothing.

**The funds effectively available to the ILO are not sufficient to enforce the conventions worldwide. For this reason, many see the ILO as a „paper tiger“.**

# 3. The UN conferences in New York, Monterrey, and Johannesburg

The Millennium Summit and the conferences of Monterrey and Johannesburg not only discussed problems and deficits of multilateral cooperation, they also contributed in three different ways to finding solutions to these problems:

First, in their official declarations, programs of action, and follow-up processes, the conferences sought to formulate political solutions geared to dealing with governance problems;

second, the conferences themselves served as a testbed for new forms of multilateral cooperation – be it in the form of more involvement of the private business sector and civil society in the official conference process, or be it through pragmatic initiatives of like-minded governments that went beyond global consensus-based resolutions;

third, the conferences were also forums for discussions of more extensive, „visionary“ ideas and concepts bearing on the future of multilateral cooperation, concepts that had little chance of realization in the short term.

The following section will start out by recapitulating the official resolutions adopted on institutional issues in New York, Monterrey, and Johannesburg.

## 1. The Millennium Declaration

In their Millennium Declaration (UN Doc. A/RES/55/2 of 8 September 2000) the heads of government and state dealt with issues of global governance in a chapter entitled „Strengthening the United Nations.“ In it they state their intention to „*spare no effort to make the United Nations a more effective instrument for pursuing [...] the fight against poverty, [...] injustice, [...] violence, terror, [...] crime, [...] and the degradation and destruction of our common home.*“ Yet the positions set out in this chapter remain somewhat vague. They merely outline the direction of thrust and the issues on which the governments involved reached consensus in this general form. In the ensuing years, in his „road map“ for implementing the Millennium Declaration (UN Doc. A/56/326 of 6 September 2001), the UN Secretary-General summed up this chapter in the form of 11 goals (para. 261ff.):

- To reaffirm the central position of the General Assembly as the chief deliberative, policy-making and representative organ of the United Nations, and to enable it to play that role effectively;
- To intensify our efforts to achieve a comprehensive reform of the Security Council in all its aspects;
- To strengthen further the Economic and Social Council, building on its recent achievements, to help it to fulfil the role ascribed to it in the Charter of the United Nations;
- To strengthen the International Court of Justice in order to ensure justice and the rule of law in international affairs;

- To encourage regular consultations and coordination among the principal organs of the United Nations;
- To ensure that the United Nations is provided on a timely and predictable basis with the resources it needs to carry out its mandates;
- To urge the Secretariat to make the best use of those resources, in accordance with clear rules and procedures agreed by the General Assembly, in the interests of all Member States, by adopting the best management practices and technologies available;
- To promote adherence to the Convention on the Safety of United Nations and Associated Personnel;
- To ensure greater policy coherence and better cooperation between the United Nations, its agencies, the Bretton Woods institutions and the World Trade Organization, as well as other multilateral bodies;
- To strengthen further cooperation between the United Nations and the Inter-Parliamentary Union;
- To give greater opportunities to the private sector, non-governmental organizations and civil society in general to contribute to the realization of United Nations goals and programmes.

These 11 points cover just about all of the fields of a possible reform agenda, at least to the extent that they fall under the responsibility of the United Nations. But the Millennium Declaration contains no more further-reaching resolutions. And the Secretary-General's road map refrains from formulating any concrete proposals for reform. The Secretary-General's „strategies“ are largely restricted to the recommendation to get on with reform efforts that are already underway. While the Millennium Declaration specifies the goals involved in strengthening multilateral structures, it shies away from setting out the political steps that would be needed to reach them.

## 2. The Monterrey Consensus

Issues bound up with institutional reform of the international system of development cooperation played a central role in the long-drawn-out preparatory process for the Monterrey Conference. They were discussed under the title „Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.“ The somewhat convoluted formulation of this title is an indication of how controversial this issue was among the governments attending the conference. The US and the EU insisted that terms such as „governance“ or „control“ of the international financial system not be included in the final documents. The US and the EU argued that issues concerned with international financial and currency policy generally do not fall within the sphere of competence of the United Nations and are the exclusive concern of the IMF, the Bank for International Settlements (BIS), or the Financial Stability Forum (FSF) created by the G-7 in 1999.

It is therefore not surprising that the „systemic issues“ remained highly controversial until the very end of the negotiations and demands for concrete institutional reforms of the international financial system ran up against the resolute resistance of the US and the EU. Still, the Monterrey Consensus does contain a chapter on „systemic issues“ which notes in unequivocal words:

**While the Millennium Declaration specifies the goals involved in strengthening multilateral structures, it shies away from setting out the political steps that would be needed to reach them.**

**The US and the EU insisted that terms such as „governance“ or „control“ of the international financial system not be included in the final documents.**

*[W]e recognize the urgent need to enhance coherence, governance, and consistency of the international monetary, financial and trading systems. To contribute to that end, we underline the importance of continuing to improve global economic governance and to strengthen the United Nations leadership role in promoting development (para. 52).*

The fact that a statement of this kind was even accepted in the Monterrey final document was seen by G-77 representatives and some NGOs as a political success per se, even though the passages that follow it consists in the main of appeals with purely recommendation character. The Monterrey Consensus specifies as a „first priority“ the goal of further enhancing the effective participation of developing countries in the decision-making processes of the international financial and economic institutions. In concrete terms, the recommendations refer to the following institutions (see para. 63):

- **International Monetary Fund and World Bank:** to continue to enhance participation of all developing countries and countries with economies in transition in their decision-making, and thereby to strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries;
- **World Trade Organization:** to ensure that any consultation is representative of its full membership and that participation is based on clear, simple and objective criteria;
- **Bank for International Settlements, Basel Committees and Financial Stability Forum:** to continue enhancing their outreach and consultation efforts with developing countries and countries with economies in transition at the regional level, and to review their membership, as appropriate, to allow for adequate participation;
- **Ad hoc groupings** that make policy recommendations with global implications: to continue to improve their outreach to non-member countries, and to enhance collaboration with the multilateral institutions with clearly defined and broad-based intergovernmental mandates.

**The Monterrey Consensus contains a number of additional, more or less generally formulated appeals for a strengthening of the United Nations, in particular of the General Assembly and the Economic and Social Council.**

Beyond this, the Monterrey Consensus contains a number of additional, more or less generally formulated appeals for a strengthening of the United Nations, in particular of the General Assembly and the Economic and Social Council (ECOSOC). These appeals are set out concretely in the concluding chapter under the programmatic heading „Staying engaged.“ Above all, this section specifies two places in which the coordination between international development, financial, and trade policy should be coordinated in the future:

- The annual meeting of ECOSOC, the Bretton Woods institutions, and the WTO at the United Nations in New York following the spring conference of the IMF and the World Bank. This meeting has been held regularly since 1998.
- The biannual high-level development dialogue of the General Assembly. There are plans to completely reorganize this event and reconstitute it as the central international forum for the Monterrey follow-up process. The General Assembly has explicitly been assigned the competence to deal with the develop-

ment-related coherence and consistency of the international monetary, financial, and trade system. This is seen, above all by representatives of the G-77, as a substantial upgrading of the United Nations vis-à-vis IMF, World Bank, and WTO. The first dialogue is set to take place in October of 2003.

Both forums also include participation of representatives of civil society and the business sector. At present the forums are conceived as pure dialogue events and have no decision-making or control functions, and it is uncertain what political effects they will be able to generate. But these forums have at least served to firmly and permanently anchor the „hard“ economic and financial issues on the United Nations agenda.

### 3. The Johannesburg Plan of Implementation

The institutional framework conditions for multilateral cooperation were an important issue at the World Summit on Sustainable Development as well. In view of the fragmentation and weakness of the international environmental institutions, in particular of UNEP and the Commission on Sustainable Development (CSD), considerable negotiating energy was invested in the issue of „international environmental governance“ in connection with the preparatory process leading up to Johannesburg.<sup>16</sup> But the summit's final document does not reflect this. True, Chapter 10 of the document deals with the need for a „strengthening of the institutional framework for sustainable development at the international level.“ But its recommendations remain general and vague, and as far as the General Assembly and ECOSOC are concerned, they do not go beyond the Monterrey Consensus. The calls for the creation of a World Environment Organization left no traces in the Johannesburg document. The governments only agreed on pointing to the decision of UNEP's governing council on the issue of international environmental governance and to recommend that the General Assembly give some thought to enlarging the membership of UNEP's governing council.<sup>17</sup>

**Calls for the creation of a World Environment Organization left no traces in the Johannesburg document.**

One novel feature of the plan of implementation – and of the Johannesburg summit itself – is the emphasis it places on the partnership approach. In the future, Agenda 21 is set to be implemented more in the framework of partnerships between governments, international organizations, the business sector, and NGOs. The CSD is to foster these partnerships, and it is set to be expanded to take on the form of a „multistakeholder forum.“ The fact that the governments involved are according such weight to such partnerships can also be interpreted as a reaction to the lack of agreement on purely intergovernmental governance concepts.

<sup>16</sup> For the activities conducted between 2001 and 2002 in the framework of UNEP on international environmental governance, see: [www.unep.org/ieg](http://www.unep.org/ieg); and the Report of UNU/IAS (2002.)

<sup>17</sup> UN Doc. A/CONF. 199/20, para. 122.

**Box: UN Documents on the future of multilateralism (2000-2003)**

***Millennium Report of the UN Secretary-General:*** Kofi A. Annan (2000): „We the Peoples.“ The Role of the United Nations in the Twenty-first Century (UN Doc. A/54/2000).

***Millennium Declaration of the United Nations:*** United Nations (2000): New York (UN Doc. A/RES/55/2).

***The Secretary-General's Road Map towards the Implementation of the United Nations Millennium Declaration:*** United Nations Secretary General (2002): New York (UN Doc. A/56/326).

***Report of the Secretary-General to the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development (FfD):*** (UN Doc. A/AC.257/12).

***Report of the High-level Panel on Financing for Development (Zedillo Panels)*** (UN Doc. A/55/1000).

***Partnership resolutions of the UN General Assembly:*** UN General Assembly (2000): Towards global partnerships (UN Doc. A/RES/55/215, of 21 Dec. 2000). UN General Assembly (2001): Towards global partnerships (UN Doc. A/RES/56/76, 11 Dec. 2001).

***Report of the UN Secretary-General on partnerships between the UN and the private sector:*** Cooperation between the United Nations and all relevant partners, in particular the private sector. Report of the Secretary-General (UN Doc. A/56/323, 9 Oct. 2001).

***Monterrey Consensus,*** in: United Nations (2002): Report of the International Conference on Financing for Development. New York (UN Doc. A/CONF/198/11).

***Johannesburg Plan of Implementation,*** in: United Nations (2002): Report of the World Summit on Sustainable Development. New York (UN Doc. A/CONF.199/20).

***Reform Agenda of the UN Secretary-General:*** Strengthening the United Nations: An Agenda for Further Change. Report of the Secretary-General (UN Doc. A/57/387, 9 Sept. 2002).

# 4. International partnerships and policy networks – new hope for multilateralism?

In parallel to the international conferences on environmental and development issues, other, in part novel forms of multilateral cooperation beyond global consensus diplomacy have gained importance in recent years. One reason for this was the dissatisfaction of governments, international organizations, and NGOs with the unwieldiness of global negotiating processes, the pace of which is generally determined by the heel-draggers. Another was the unwillingness of many governments to make (binding) financial commitments at the level of global agreements. Moreover, a new concept of global governance has been gaining growing prevalence in the international discourse; it underlines the role played in international politics by network structures of public- and private-sector actors. The new paradigm of international cooperation sees in „global partnerships“ (Kofi Annan), „coalitions for change“ (James Wolfensohn), or in global policy networks a mode of future international cooperation beyond the traditional multilateralism practiced by nation-states.<sup>18</sup>

Such approaches are not exactly new. As early as 1919 – as a response to the specter of world communism – the International Labor Organization was created: a corporatist multistakeholder institution in which, beside governments, employers and labor unions had and have seats and voting rights. Decades later, the Rio Conference on Environment and Development (UNCED) adopted the Agenda 21, a program of action the main part of which is devoted exclusively to a more marked participation of important social groups, the so-called „major groups.“ This in effect meant a demonstrative break with the model of a purely intergovernmental multilateralism. Multistakeholder approaches continued to gain importance in the Rio follow-up process, in particular in the work of the UN Commission on Sustainable Development (CSD).

From the very start this approach was pursued consistently during the preparatory phase for the Monterrey conference. Aside from the modes of participation traditionally open to NGOs, representatives of the private business sector were also accorded extensive rights of participation. For the first time in the history of the United Nations, both business associations and individual companies were able to apply for accreditation. This meant that corporations like Cisco Systems or the Deutsche Bank were able to participate in the negotiations alongside civil society organizations like the Third World Network or terre des hommes. The decision to accord equal treatment to nonprofit and profit-oriented actors created a precedent the legal consequences of which are as yet unforeseeable.

**A new concept of global governance has been gaining growing prevalence in the international discourse; it underlines the role played in international politics by network structures of public- and private-sector actors.**

**In Monterrey, for the first time in the history of the United Nations, both business associations and individual companies were able to apply for accreditation.**

<sup>18</sup> See e.g. the groundbreaking study on the concept of global policy networks by Reinicke Deng (2000); see also Rischard (2002) and the proposals of the Commission on Human Security (2003), which include the development of „human security networks.“

This trend reached its first culmination at the Johannesburg Summit in September 2002. There, over 200 partnership initiatives involving public- and private-sector actors, the so-called „Type-2 outcomes,“ constituted an integral element of the official process.<sup>19</sup> For Jonathan Lash, President of the World Resources Institute, this marked the beginning of a new epoch in the approach to global problems:

*This Summit will be remembered not for the treaties, the commitments, or the declarations it produced, but for the first stirrings of a new way of governing the global commons – the beginnings of a shift from the stiff formal waltz of traditional diplomacy to the jazzier dance of improvisational solution-oriented partnerships, that may include non-government organizations, willing governments and other stakeholders.*<sup>20</sup>

The number of such „solution-oriented partnerships“ has soared in recent years. Apart from the multistakeholder approach shared by all, these partnerships have not adhered to any unified pattern. Cooperations differed considerably in terms of the composition of their actors, their objectives, and their time horizons.<sup>21</sup> The spectrum extended from selective cooperation projects geared to the financing and implementation of national or international policy goals (e.g. the Johannesburg Type-2 partnerships on implementing Agenda 21, and the traditional PPP projects in development cooperation) and networks designed to coordinate state and nonstate activities in a given sector (e.g. global water partnership) to ad hoc bodies that set themselves the goal of formulating new international norms and standards (e.g. the World Commission on Dams) and permanent international institutions with both financing, implementation, and coordination functions and decision-making functions. It is precisely the institutionalized partnership models that have pilot character and play an important role in the discourse on global governance. One good example of this is the international alliances and funds that have recently been founded in the field of international health policy. They include the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria and the Global Alliance for Vaccines and Immunization (GAVI).

**GAVI's structure bears a certain resemblance to that of the Security Council, with governments of the industrialized and developing countries sharing only five of the nonpermanent seats, based on a rotation procedure.**

The Global Alliance for Vaccines and Immunization (GAVI) was created in 1999 and aims to enable every child in the world to be vaccinated against the most important infectious diseases. GAVI was officially launched at the World Economic Forum in Davos in January 2000 by Bill Gates and Carol Bellamy, the Executive Director of UNICEF. The Alliance is supported and sponsored by private foundations, above all by the Bill & Melinda Gates Foundation, as well as by international organizations (UNICEF, WHO, World Bank), national governments, research institutions, corporations, and NGOs. With its contribution of US-\$ 750 mio., the Gates Foundation is by far the largest single contributor to the GAVI Fund. The GAVI Fund has a 16-member board with five permanent seats (the

19 In the preparatory process leading up to Johannesburg a distinction was drawn between the summit's official intergovernmental outcomes, i.e. the final declaration and the implementation program („Type 1“) and the partnership initiatives („Type 2“).

20 World Resources Institute (2002): „WRI expresses disappointment over many WSSD outcomes.“ Washington, D.C. (WRI news release, 4 September 2002).

21 On the diverse partnerships between the UN and the private business sector, see the Secretary-General's report: Cooperation between the United Nations and all relevant partners, in particular the private sector. Report of the Secretary-General (UN Doc. A/56/323, 9 Oct. 2001).



Gates Foundation, UNICEF, the World Bank, WHO, and the Vaccine Fund) – and its structure thus bears a certain resemblance to that of the Security Council. The governments of the industrialized and developing countries, on the other hand, share only five of the nonpermanent seats, based on a rotation procedure.

The Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (Global Fund) has a similar structure. The fund was the brain child of the G-8 and the UN Secretary-General and was launched in January 2002. To administer the Fund, an entirely new set of institutional structure was created outside the UN system – on the insistence of the US. Here too, the Gates Foundation plays an important role. With its pledges of at present US-\$ 100 mio., the Gates Foundation is the Fund's largest private donor and has a seat and voting rights on the Fund's board. A representative of the management consulting firm McKinsey & Company is likewise a voting member of the Fund's governing board, while the UN's central health organizations, WHO and UNAIDS (the UN body dedicated to combating Aids), have seats, but no voting rights. Representatives of the private business sector were involved from the very start in organizing and shaping the Global Fund, and they now have a decisive influence on its commitment decisions. On the other hand, they themselves are also entitled to apply to the Fund for grants. In practical terms, the aim is to integrate the private business sector into all of the Fund's fields of activity. Its website states explicitly:

*The Global Fund is a new public-private partnership [...]. Please note that members of the private sector are invited to take part in all Global Fund processes, including taking part in the submission of proposals or joining the Technical Review Panel. The creation of such a public-private partnership requires the full involvement of the private sector, both as a strategic partner in building strong alliances to fight these diseases, and as a source of expertise and experience.<sup>22</sup>*

Critics rightly object that solving the global problems of HIV/Aids, tuberculosis, and malaria is not only a matter of money and call for comprehensive social- and health-policy strategies. They fear an overly powerful influence of the pharmaceutical industry and the technocratic approaches it promotes.<sup>23</sup> Seen against this background, creation of more and more „satellite funds“ outside the UN system may not only end up weakening the United Nations, it may at the same time impede cross-sectoral development strategies aimed at implementing the Millennium Development Goals (MDG).

Such partnership models are, however, also problematic in terms of democracy aspects. After all, they give private financiers a power of co-decision over the priorities of international health policy and the use (at least in part) of public funds. What is therefore urgently called for is an independent evaluation of such partnership models at the multilateral level. The point would be to examine what influence private business actors have on the problem analyses, political strategy formation, and commitment decisions of these alliances and funds.

**The creation of more and more „satellite funds“ outside the UN system may not only end up weakening the United Nations, it may at the same time impede cross-sectoral development strategies aimed at implementing the Millennium Development Goals.**

<sup>22</sup> See [www.globalfundatm.org/private.html](http://www.globalfundatm.org/private.html).

<sup>23</sup> For a fundamental critique of global health funds, see Richter (2003).

The reservations expressed toward policy networks in the health sector apply as well for partnership models in other sectors. During the preparatory process leading up to the Johannesburg Summit, numerous NGOs warned against according too great a role to Type-2 partnerships. They feared that these voluntary initiatives might be used by governments as a pretext for no longer seeking more binding intergovernmental agreements. In response to such criticism, the preparatory committee for the Johannesburg Summit underlined that:

*'Type 2' partnerships/initiatives are complementary to the globally agreed 'type 1' outcomes: they are not intended to substitute commitments by governments in the „type 1” documents, rather they should contribute to translating those political commitments into action. Given the broad range of issues currently being negotiated, it should not prove difficult to link a 'type 2' initiative to the negotiated outcome.*<sup>24</sup>

**The US administration – but not only it – has been expressly propagating these voluntary initiatives not as a supplement but as a replacement for intergovernmental agreements, which it has come to see as ineffectual.**

In practice, however, there are no systematic arrangements in place on the complementarity of partnership initiatives or the need for a back-coupling to the intergovernmental level. On the contrary, the US administration – but not only it – has been expressly propagating these voluntary initiatives not as a supplement but as a replacement for intergovernmental agreements, which it has come to see as ineffectual. Under these conditions, calls for creation of a legal and political framework for global partnerships<sup>25</sup> are unlikely to prove easier to realize than purely Type-1 intergovernmental resolutions.

One other important point of criticism focuses on the role perceptions on which the partnership approach is based. It is problematic to use the term „partnership“ to characterize the relationship between state and nonstate actors, because what the term suggests is an eye-to-eye relationship between and equal status for the actors involved. This relativizes both the special political status of governmental institutions under international law and their (democratic) legitimacy. The use of terms like „partnership“ is for this reason not just a question of stylistics, it has eminently political significance. It implicitly downgrades the role of governments and intergovernmental organizations and upgrades the (political) status of private actors, in particular of the transnational corporations involved in these cooperation models.

<sup>24</sup> See [www.johannesburgsummit.org/html/documents/prepcom3docs/summary\\_partnerships\\_annex\\_050402.doc](http://www.johannesburgsummit.org/html/documents/prepcom3docs/summary_partnerships_annex_050402.doc) (1 July 2003).

<sup>25</sup> See e.g. Müller-Kraenner (2003), 57.

# 5. Pacesetter coalitions of like-minded governments

Another type of partnership is to be observed in the ad hoc coalitions and cooperation projects of like-minded governments that have come about in the UN setting in recent years. These are not a qualitatively new phenomenon, but they have grown in number and significance in the wake of the recent world conferences. Many initiatives were launched to provide new impulses to hamstrung negotiation processes, others were geared to providing support for the implementation of global agreements in the form of joint projects; the commitments made in connection with some initiatives went demonstratively beyond the minimum consensus of conference resolutions, others in turn were first launched outside the UN system as a means of overcoming the diplomatic hurdles and political resistance that must always be anticipated in connection with cumbersome negotiation processes at the global level.

An early example of an ad hoc partnership of this kind is the „Global Initiative for Sustainable Development“ launched by the heads of government and state of Brazil, Germany, Singapore, and South Africa at the June 1997 „Rio+5“ Special Session of the General Assembly in New York. Among other things, it came out in favor of the creation of a Global Environment Organization in the framework of the United Nations. The initiative’s main aim, though, appeared to be its PR effect in New York, and it has had no sustained political impact. Of far greater importance were the initiatives that led to the adoption of the Treaty on the Prohibition of Anti-personnel Mines and the establishment of the International Criminal Court.

## 1. The Anti-personnel Mines Convention

In September 1997 the governments of over 100 countries signed the „Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and their Destruction“. It took force in 1999 and is legally binding on all countries that have ratified it. It is, in other words, a traditional intergovernmental instrument. The initiative for it, though, came from the International Campaign to Ban Landmines, which was awarded the 1997 Nobel Peace Prize for its efforts. The Canadian government played a central role here, extending invitations to a governmental conference in October 1996 which finally adopted a resolution aimed at negotiating an anti-landmine convention within a year’s time. The first draft of the treaty was presented by the Austrian government and was discussed at conferences in Vienna, Bonn, and Brussels. This was followed in September 1997 by a three-week conference in Oslo which finally adopted the treaty text. Both the process which gave birth to the treaty and the Oslo conference constitute a precedent in that here, for the first time, the negotiations were not dominated or blocked by a limited number of big powers –particularly the US – and were instead expedited by a coalition of like-minded governments with the

active support of civil society. Jody Williams one of the co-founders of the International Campaign to Ban Landmines, noted in her Nobel Lecture:

*The treaty negotiations [in Oslo] were historic. They were historic for a number of reasons. For the first time, smaller and middle-sized powers had come together, to work in close cooperation with the nongovernmental organizations of the International Campaign to Ban Landmines, to negotiate a treaty which would remove from the world's arsenals a weapon in widespread use. For the first time, smaller and middle-sized powers had not yielded ground to intense pressure from a superpower to weaken the treaty to accommodate the policies of that one country. Perhaps for the first time, negotiations ended with a treaty stronger than the draft on which the negotiations were based! The treaty had not been held hostage to rule by consensus, which would have inevitably resulted in a gutted treaty.*<sup>26</sup>

## 2. The International Criminal Court

A coalition of like-minded governments was also instrumental in promoting the creation of the International Criminal Court (ICC). The driving force behind the negotiations, which were conducted between 1996 and 1998, was a group of 42 like-minded governments, including the majority of the EU countries (incl. Germany), Canada, Argentina, South Africa, and many others. It was supported by the Coalition for the International Criminal Court (CICC), an international network of over 1000 NGOs. It was opposed by a group of countries skeptical of the ICC, which included, in first place, the US but also China, Iraq, and some other countries. Unlike the Anti-landmine Treaty, the negotiations, which were concluded at a conference in Rome in July 1998, were conducted from the very start under the auspices of the United Nations. Since the negotiations were not predicated on consensus, which meant that individual countries were without any veto right, a large majority of countries finally adopted the Rome resolution in the face of dogged opposition by the US. The German ICC judge Hans-Peter Kaul also saw the outcome of the negotiations as a success for the UN. He stated:

*The Rome conference and the treaty adopted there are also a huge success of the United Nations. [...] Only in the framework of the United Nations was it possible to bring together the familiar elements of international criminal law and the different systems of criminal law of the UN member states, with their different traditions and approaches, to form a comprehensive work of codification. [...] In the field of international law as well, the United Nations is indispensable as a forum and an instrument of worldwide cooperation.*<sup>27</sup>

**The Bush administration, using enormous political and financial pressure, continues in its attempt to exempt US citizens from prosecution by the ICC.**

The Bush administration, using enormous political and financial pressure, continues in its attempt to exempt US citizens from prosecution by the ICC.<sup>28</sup> The court was nevertheless able to start work in the summer of 2003.

26 The Nobel Lecture given by the Nobel Peace Prize Laureate 1997 – Jody Williams [www.nobel.no/eng\\_lect\\_97b.html](http://www.nobel.no/eng_lect_97b.html)

27 Kaul, Hans-Peter (1998): Durchbruch in Rom. Der Vertrag über den Internationalen Strafgerichtshof. In: Vereinte Nationen, vol. 4, p. 129.

28 For this purpose the US has e.g. forced through two resolutions in the UN Security Council (Res. 1422 und 1487).

Some ad hoc coalitions formed by individual governments in connection with the Monterrey and Johannesburg conferences have been less spectacular than initiatives that led to the Anti-landmine Treaty and the ICC. These include e.g. the initiative to create a Task Force on Global Public Goods and the Renewable Energy Coalition.

### 3. The Task Force on Global Public Goods

The concept of global public goods and issues concerned with their provision and funding were intensively discussed both in Monterrey and in Johannesburg. Resolutions failed in the face of US resistance and skepticism of many members of the G-77. In order to continue with the international discussion despite this situation, a Task Force on Global Public Goods (PG) was created at the Johannesburg Summit on the initiative of the governments of Sweden and France. Its intention is

- to gain more clarity on the GPG concept and to build a global consensus and work out a definition and a minimum set of global public goods;
- to assess the funding needs involved in the provision of these GPGs; and
- to develop funding options and agree on the assignment of concrete responsibilities for the allocation of these funds.

The Task Force, whose members include 16 personalities from all parts of the world, is jointly headed by former Mexican president Ernesto Zedillo and the former planning minister of Côte d'Ivoire, Tidjane Thiam. The group was first set to meet in September 2003, its final report is due in July of 2005. The results of this work are then expected to serve as inputs for the intergovernmental discussion process at the UN level.

### 4. The Renewable Energy Coalition

When the blockade tactics deployed by the US and the oil-producing countries prevented any progress in Johannesburg on renewable energies, the EU sought, toward the conclusion of the negotiations, to prevent an anticipated failure of the conference by proposing an additional initiative. The aim of the EU's declaration „The Way Forward on Renewable Energy“ was to step up support for renewable energies, and it announced proposals for clear and ambitious timeframes for an increase of the percentage shares of renewable energies used and a regular monitoring of progress. Based on this declaration, the „Johannesburg Renewable Energy Coalition“ was put together in the wake of the Johannesburg Summit; over 80 countries have since joined it. This initiative was flanked by additional EU funding commitments and the announcement by the German government of its intention to convene an international conference on the issue of renewable energies in 2004.

Despite their difference in composition and objectives, all of these coalitions of like-minded governments have one thing in common: they follow up on international negotiation processes and/or feed their results back into intergovernmental processes at the UN level. They thus move within the institutional and normative framework of the United Nations and its Charter. One further important criterion here is transparency and participation of civil society groups. In fact, it was often the latter that provided the first impetus for these initiatives. But such initiatives

**Such initiatives can have prospects of long-term success only if other governments sooner or later follow or join these pacesetter coalitions. If this does not happen, the effect is to encourage free-rider behaviors.**

can have prospects of long-term success only if other governments sooner or later follow or join these pacesetter coalitions. If this does not happen, the effect is to encourage free-rider behaviors; and indeed if such ad hoc partnerships regard themselves as an alternative to multilateral action at the global level, their effect is more likely to be to undercut the authority and the goals of the United Nations. The best example here is the „Coalition of the Willing“ that the US assembled to wage the recent Iraq war.

The crucial factor is therefore whether these „pacesetter coalitions“ actually define an approach that other governments follow, and whether this approach points in the right direction, i.e. contributes to solving global problems and strengthening democratic governance structures. The example of the Coalition of the Willing clearly shows that the trend can go in the other direction as well.

In view of blockades to negotiations on the one hand and the urgent need for action on the other, ad hoc coalitions of individual governments can play an important part if they see their role as pioneers in the search for new global solutions. But such coalitions can neither serve as replacements for the necessary reforms of the existing international economic and financial institutions nor can they be seen as an alternative to the development of formalized and democratic global governance structures.

# 6 Beyond realpolitik: initiatives for strengthening global democracy

Neither the resolutions of the recent world summits nor the international initiatives and policy networks of like-minded governments have as yet been able to overcome the deficits of and blockades to multilateral cooperation (see Chapter 2). Although they are widely acknowledged, the governance and democracy deficits besetting the international system continue unabated. Former Brazilian president Fernando Cardoso, who was appointed by Kofi Annan to chair the Panel of Eminent Persons on United Nations Relations with Civil Society, noted in June 2003:

*There is an undeniable deficit of political regulation and democratic governance in some key areas of the globalization process. There is in particular a clear discrepancy between economics and politics, between the interdependence of markets and the absence of effective global mechanisms for supervision and control.*<sup>29</sup>

In consequence, world commissions, scientists, NGOs, and a growing number of politicians have been calling for years for fundamental reforms of the system of international economic and financial institutions. The proposals advanced on strengthening the United Nations, restructuring the Bretton Woods institutions, and setting up new world organizations now fill entire libraries. In the setting of Monterrey and Johannesburg as well, reform proposals were discussed which go far beyond what was finally decided on at the conferences. These proposals aim above all at creating new institutions to coordinate and govern global economic and financial policy, „democratizing“ IMF, World Bank, and WTO, ensuring that international organizations become more transparent for and accountable to the public, and boosting the participation of civil society.

**The proposals advanced on strengthening the United Nations, restructuring the Bretton Woods institutions, and setting up new world organizations now fill entire libraries.**

## 1. Global Council

In the preparatory phase of the Monterrey conference, the Zedillo Panel once again put up for discussion the proposal to create a global decision-making body for economic and social issues. Here, the panel was explicitly following up on the idea of creating a Global Council that was advanced by the Commission on Global Governance in its 1995 report. Similar proposals have been made again and again in the past two decades – be it under the title World Economic Council, Council for Sustainable Development, Global Governance Group, or Economic Security Council. All of these initiatives have shared one goal: creation of a global decision-making body that is more competent and powerful than ECOSOC and at the same time more representative and open than the Security Council or the G-7/8. While in the past these proposals found little political support, the Zedillo Panel’s initiative has

<sup>29</sup> Cardoso (2003), p. 4.

had consequences. French president Chirac took up the idea in his Monterrey speech and called for the establishment of an Economic and Social Security Council. And German development minister Heidemarie Wieczorek-Zeul, likewise speaking in Monterrey, spoke out in favor of creating a global council of this kind:

*In my personal view the establishment of a high level Global Council is a worthwhile proposal to overcome the current inadequate representation of developing countries in international fora. Such a Global Council could discuss major global economic and financial issues and chart out coherent political strategies.<sup>30</sup>*

While there is a large measure of agreement on the proposed council's economic governance and coordination functions, there is less agreement on how such a council might be created and where it should be based. We can distinguish at least five options here:

**The Economic Security Council was to be a decision-making body for economic policy issues under the umbrella of the United Nations and located at the same level as the Security Council.**

*Option 1: creation of an Economic Security Council*

The proposal on creation of an Economic Security Council has played a prominent role in many reform initiatives advanced since the mid-1980s. It was first discussed intensively in 1985 in the wake of a report by Maurice Bertrand, a former staff member of the UN Secretariat's Joint Inspection Unit.

The council was to be a decision-making body for economic policy issues under the umbrella of the United Nations and located at the same level as the Security Council. The council would be de facto a further principle organ of the United Nations. Depending on the proposal concerned, the council would have between 20 and 30 member states. Members would be selected on the basis of clearly defined criteria (gross national income, population, and the like). Some of the models, patterned on the Security Council, provide for a combination of permanent and nonpermanent members.<sup>31</sup> The new council would either replace ECOSOC or take on some of its functions, in particular the task of monitoring and coordinating the UN specialized agencies (incl. IMF and World Bank). Many reform proposals, e.g. the proposal of the Rasmussen Report on a Human Development Council, go even further and demand that both ECOSOC and the G-8 should be merged in the framework of a new council of this kind. It would be necessary to amend the UN Charter to realize all of these proposals. This would require the agreements of at least two thirds of the UN members states, including the five permanent members of the Security Council. This political hurdle has been taken only twice in the UN's history: in 1963, when the General Assembly decided to increase the number of nonpermanent Security Council members from six to ten and the number of ECOSOC members from 18 to 27; and in 1971, when ECOSOC was enlarged to its present strength of 54 member states.

*Option 2: an upgrading of ECOSOC*

Many persons see no sense in creating a new global economic council where there already is an Economic and Social Council, ECOSOC, that would be in a

<sup>30</sup> Statement of the Government of the Federal Republic of Germany, Ms Heidemarie Wieczorek-Zeul (MP), Plenary session of the International Conference on Financing for Development, Monterrey, Mexico, 21 March 2002.

<sup>31</sup> E.g. Stewart/Daws (2001).



position to assume the world economic governance and coordination functions aimed for – if it were accordingly upgraded. For this purpose it would not be absolutely necessary to amend the Charter, but it would be necessary to change the will of the member states. Proposals on ECOSOC reform extend back to the founding years of the United Nations<sup>32</sup> and are something like a red thread running through the world organization's chronicle.<sup>33</sup> Almost cyclically, every decade has experienced decisions aimed at strengthening and revitalizing ECOSOC, the last being General Assembly Resolution A/RES/50/227 (1999). Not much has changed, though. ECOSOC has neither the authority nor the competence it would need to play a relevant role in international economic and financial policy. One reason for this is the Council's above-mentioned design flaw: ECOSOC is on the one hand the main UN body responsible for economic and social issues, but on the other hand – and unlike the Security Council – it is subordinate to the authority of the General Assembly. Moreover, with its 54 members it is too small to function as a representative dialogue forum but too big to work as an effective decision-making body. And to overcome these structural weaknesses of ECOSOC it would be necessary to amend the UN Charter – see Option 1.

**ECOSOC has neither the authority nor the competence it would need to play a relevant role in international economic and financial policy.**

### *Option 3: enlargement of the Security Council's mandate*

In the eyes of the realpolitik school, proposals aimed at creating or reforming global institutions have prospects of success only if they mirror the world's economic and military givens. This idea is behind proposals that plead for an enlargement of the Security Council's mandate instead of the creation of a new Global Council or an upgrading of the unloved ECOSOC. In the future the Security Council's 15 members would in this case – wholly in keeping with a broadened concept of security – be concerned not only with issues of military security but also with the economic, social, and environmental problems that give rise to crises. The Commission on Human Security, for instance, demands that:

*[H]uman security should be mainstreamed in the work of global, regional and national security organizations. The UN Security Council has gradually broadened its understanding of threats to global peace and stability [...]. But that understanding has to be broadened further to include an array of other human security issues, so that mechanisms can be developed to respond to them.*<sup>34</sup>

To some extent, this is already happening: when, for instance, the Security Council imposes sanctions or concerns itself with issues of reconstruction or humanitarian assistance, as it did following the Iraq war, the boundary to economic and development issues is blurred. And the Security Council has in the past also dealt with social issues, e.g. in 2000 when it dedicated one of its sessions to the issue of HIV/Aids. No reforms would be required to steer the Security Council's activities further in this direction. All it would have to do is place the motions on its agenda and pass them. The consequences, though, would be disastrous: for in so doing,

**The Security Council has in the past also dealt with social issues, e.g. in 2000 when it dedicated one of its sessions to the issue of HIV/Aids.**

<sup>32</sup> As early as in 1951 Henri Laugier, the first Assistant Secretary-General for Social Affairs, published some proposals on a reform ECOSOC. He called, among other things, for the Council to be transformed in to an organ permanently in session – not unlike the Security Council. See Laugier, Henri (1951): *Pour une réforme du Conseil Economique et Social*. In: *Politique Etrangère* 4-5, pp. 313-324.

<sup>33</sup> For an overview, see Hüfner/Martens (2000).

<sup>34</sup> Commission on Human Security (2003), p. 131.

the Security Council, a body dominated by five permanent members, and in which the developing countries are underrepresented and whose sessions are largely conducted behind closed doors, would be dealing with economic and development issues of global scope. A development of this kind would be counterproductive in the sense of the goal to democratize world economic decision-making structures.

*Option 4: enlargement of the G-8*

Since its first meeting in 1975, the group of the seven or eight leading industrialized countries has, at the annual summits of its heads of state and government as well as at its numerous ministerial-level meetings, assumed some of the functions of a global economic council. Its claim to authority to take decisions of global importance at its world economic summits, without any representatives of the majority of the countries affected, has, however, run up against growing criticism. In response, in September 1999 the G-7 finance ministers, on the initiative of Canada, founded the Group of 20 (G-20). Its members include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, the US, and the EU. The G-20 has the function of an informal dialogue forum and is intended to use its activities to promote the stability of the global economic and financial system. The secretariat remains with the Group's chair, which rotates annually since 2002. In 2003 the Mexican finance minister is chairing the Group. Many observers already see in a forum made up in this way no more than a successor body to the G-8.<sup>35</sup>

With a view to countering this criticism of its exclusivity and to demonstrating its openness for the concerns of the developing countries, since its 2001 summit in Genoa the Group has also met with some African heads of state. At the G-8 summit in Evian Jacques Chirac even went a step further, inviting, to part of the consultations, the heads of government and state of Algeria, Brazil, China, Egypt, India, Malaysia, Mexico, Nigeria, Senegal, South Africa, and Switzerland as well as the heads of UN, World Bank, IMF, and WTO. This „G-20+x“ meeting lasted for two hours and appears to have had mainly photo-op character. And yet it has also had political significance, the idea being to implement, at least symbolically, Jacques Chirac's ideas of an Economic and Security Council. Whether the G-8 summit set to be hosted by President Bush in 2004 in the US will carry on with the trend, taking a step toward institutionalizing a new world economic decision-making body outside the UN system, is still uncertain. Opening up the G-8 club to a handful of newly industrializing countries (NICs) is in any case not in keeping with the expectations placed in a representative and transparent world economic council under the auspices of the United Nations that has been increasingly called for in numerous reform proposals advanced in recent years.

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35 One proposal which goes in this direction but aims at strengthening the leadership role of the G-8 ("Restoring G-8 Leadership"), was presented by the self-named "Shadow G-8". Its members include scientists, business representatives, and former politicians from the G-8 countries. One of its demands is that representatives of the G-20 and the poorest countries be regularly invited to the G-8 summits as a means of increasing the G-8's legitimacy. See Bergsten et al. (2003), p. 26.

*Option 5: „G-29“ under the umbrella of the General Assembly*

One proposal aiming at making use of the existing structure of the UN General Assembly to create a high-level decision-making body for issues of global importance has brought a breath of fresh air into the „Global Council“ debate.<sup>36</sup> The General Assembly’s General Committee would provide a good forum for the purpose. It is made up of 28 members: the president, the chairpersons of the Assembly’s six main committees, and 21 vice-presidents, including the five permanent members of the Security Council and 16 members elected annually by the regional groups. ECOSOC’s current president is likewise a member. A „G-29“ of this kind, attended by heads of state and government, could meet yearly at the beginning of the General Assembly’s annual session to discuss the most pressing global economic and development issues and adopt joint political initiatives. This would give the world a decision-making body whose size would ensure both representativeness and governance capacity. It would be tied into the UN system and thus have a high level of political legitimacy. Unlike most of the other options outlined here, this proposal would pose no major implementation problems, since it would require neither an amendment of the UN Charter nor a long-drawn-out reform process.

Moreover, this initiative follows up on the efforts of the Millennium Summit and the conferences of Monterrey and Johannesburg aimed at politically upgrading the General Assembly. It would thus give concrete shape to ideas of the Secretary-General, who has already spoken out in favor of regular highest-level roundtable meetings under the auspices of the General Assembly. In his report on the Monterrey Conference, he had proposed:

*Member states should consider convening, in the context of the General Assembly sessions, periodic round table meetings at the highest level to address broad, cross-cutting policy questions relating to global economic growth, stability, equity and integration. Such round tables should have an open and participatory preparatory process with the full involvement of the relevant multilateral institutions, civil society and the private sector.*<sup>37</sup>

**A „G-29,“ attended by heads of state and government, could meet yearly at the beginning of the General Assembly’s annual session to discuss the most pressing global economic and development issues.**

<sup>36</sup> The proposal stems from Inge Kaul, Director of the UNDP Office of Development Studies; see Kaul et. al. (2003), pp. 35f.

<sup>37</sup> UN Doc. A/AC.257/12, para. 166.

**Box: A never-ending story: the idea of a „Global Council“ in reform initiatives of the past two decades.**

**Bertrand, Maurice (1985):** Some Reflections on Reform of the United Nations. Geneva: UN (UN Doc. JIU/REP/85/9).

**United Nations Association of the USA (1987):** A Successor Vision: The United Nations of Tomorrow. Final Panel Report. New York: UNA-USA.

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**Stockholm Initiative on Global Security and Governance (1991):** Common Responsibility in the 1990s. Bonn: SEF.

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**Stewart, Frances/Daws, Sam (2001):** An Economic and Social Security Council at the United Nations. (QEH Working Paper Series, No. 68).

**Zedillo-Panel (2001):** Report of the Zedillo Panel to the Secretary-General (UN Doc. A/55/1000).

**Nayyar, Deepak (ed.) (2001):** Governing Globalization: Issues and Institutions. Helsinki: UNU/WIDER.

**Kaul, Inge et al. (2003):** How to Improve the Provision of Global Public Goods. In: Kaul, Inge et al. (eds.) (2003): Providing Global Public Goods. Managing Globalization. New York: OUP, pp. 21-58.

**Parliamentary Group of the European Socialists (2003):** Bridging the divide between the global challenges and global governance. A governance agenda. Brussels („Rasmussen-Report“).

## 2. „Democratization“ of the decision-making structures of IMF, World Bank, and WTO

The fact that the international economic and financial institutions, above all the IMF, the World Bank, and the WTO, are dominated by the governments of the US, the EU, and Japan, and the developing countries are underrepresented in their decision-making bodies is beyond dispute. The fact that this situation has to change is official consensus, at the latest since the Monterrey Conference. There the governments attending agreed, in noncommittal words, to improve the participation of the developing countries in IMF and World Bank and to ensure that the WTO's consultations are conducted in such a way as to be representative of the overall membership (see Chapter 3, above). While this has thus far had no practical consequences, the debate on reform has since then at least reached the intergovernmental level of these organizations. Various reform studies and lists of demands advanced by civil society organizations in recent years have pointed clearly to the core issues involved here.

### *a) More representativeness and co-determination for developing countries in IMF and World Bank*

The demands for more involvement of the developing countries in the decision-making processes of IMF and World Bank refer mainly to three areas: the apportionment of voting rights, the composition of the Executive Boards, and the selection of organization staff.<sup>38</sup>

*Reform of the way in which voting rights are apportioned.* The weight of the votes held by members of IMF and World Bank is made up of two components. On the one hand, a country quota based on a formula consisting of economic factors (gross national income, currency reserves, and trade flows) (the principles of „one dollar – one vote“); on the other hand, basic voting rights, which are equal for all members (the principle of „one country – one vote“). Since the creation of the Bretton Woods twins the basic voting rights have declined from a share of 11.3% to 2.2% at the IMF and from 9.01% to 2.84% at the World Bank, which means in effect that they are at present practically without significance.

Reform proposals therefore focus on two points: on the one hand, calls to raise the percentage share of basic voting rights. The minimum positions would like to see the original percentage shares restored;<sup>39</sup> the most radical position (increase to 100%) calls for realization of the one-country-one-vote principle.<sup>40</sup> One interesting example is offered by the Asian Development Bank (ADB), where basic voting rights account for a weight of 20%. Other proposals call for a revision of the basis on which the country quotas are calculated. The makeup of this calculation formula has always been influenced by political interests and has discriminated mainly

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38 On the ongoing debate on reform of the decision structures of IMF and World Bank, see the good compilation presented by Caliarì/Schröder (2003) and the basic studies published Ariel Buira (2002) and (2003), an IMF staff member with many years of experience.

39 See Caliarì/Schröder (2003), p. 4.

40 See Christian Aid (2003), p.1.

against the NICs.<sup>41</sup> Ariel Buira for this reason proposes, among other things, basing the country quotas on gross national incomes calculated in terms of purchasing-power parity (PPP), since this figure is not dependent on exchange-rate developments and more adequately reflects a country's actual economic power.<sup>42</sup> This would mean a considerable increase in the country quotas of China as well as of India and Brazil.

**The Global Environment Facility (GEF) is often cited as a model, since it embraces the principle of a „double majority“.**

In addition to voting-right reforms, many other proposals aim at altering voting procedures. The Global Environment Facility (GEF) is often cited as a model; it embraces the principles of a „double majority.“ In other words, decisions require both a majority of donor (or creditor) countries and a majority of all member countries. In practical terms, this would rule out the possibility that a minority of industrialized countries could push decisions through. The condition required for any such amendment of voting rights would, however, be that the Executive Boards take formal votes in the first place and not simply continue to adhere to the present practice of coming to decisions on an informal basis.

A further element called for to „democratize“ decision-making procedures is, finally, to abolish the de facto veto of the US. True, this veto is applicable only in cases requiring a special majority (85%); but these cases have grown considerably in number in the course of the years.<sup>43</sup>

*A more balanced composition of the Executive Boards.* The industrialized countries have an absolute majority in the 24-member Executive Boards of IMF and World Bank. There are two conceivable approaches that could be used to give the developing countries more weight on these boards. First, it would be possible to increase the number of executive directors from 24 to e.g. 30, with the additional seats being divided up among country groups that are at present underrepresented. The consequence, though, might possibly be more cumbersomeness and less efficiency of the boards' work. In order to avoid these side effects, it would be possible to leave the number of directors at the present 24 but to reapportion their seats among member countries. The main groups affected would be the EU countries, which are at present overrepresented on the boards. In the IMF, EU countries appoint at present (May 2003) seven executive directors, while all of the Asian countries together have only four, and the African, Arab, Latin American groups appoint only two each. With this background in mind, Ariel Buira proposes that the 12 countries making up the European Monetary Union should in the future be represented by one executive director, or, if this proves impracticable, by three at most.<sup>44</sup> It has further been proposed that the number of countries represented on the board by a director (the „constituencies“) be restricted to a maximum of ten.<sup>45</sup>

*More pluralism in staff selection.* Until now the developing countries have had little or no influence on the selection of the IMF's managing director and the World Bank's president. The president of the World Bank is traditionally determined by

41 See Caliari/Schröder (2003), p. 2.

42 See Buira (2003), pp. 237ff.

43 Abolition of the US' de facto veto right could, theoretically, also be achieved by reapportioning voting rights in such a way as to ensure that the US' voting power is reduced to under 15%. See Christian Aid (2003), p.6.

44 Buira (2003), p. 236.

45 Caliari/Schröder (2003), p. 4.

the US, the IMF managing director by the West Europeans. The selection procedures take place behind closed doors and are in effect completely intransparent. In the future these elections would be in line with minimum democratic standards and – as formally provided for – take place in the executive bodies of the two organizations. These positions would, in principle, be open to candidates from all member countries. Furthermore, it would be essential to break the dominance of industrialized-country representatives in the leadership positions of both IMF and World Bank. For instance, at present 22 of the IMF's 29 senior officials are from industrialized countries.<sup>46</sup> But a factor that is presumably more important than their country of origin is the training of IMF and World Bank staff. And here the dominance of Anglo-Saxon schools of thought is overwhelming. Ninety percent of IMF staff members with a PhD have been trained at US or Canadian universities.<sup>47</sup> This explains why until today the neoliberal mainstream has constituted the theoretical foundation of the IMF's work. To break up this monolithic structure, it would be essential to consciously gear the selection criteria for IMF and World Bank staff to more pluralism – as regards both nationality and theoretical training in economics. And not least, more pluralism would also mean a greater share of women staff members – in particular in top-level positions. Today the situation of the executive-director level is particularly dramatic. At the IMF women account for a percentage share of 0% (sic!), the corresponding figure for the World Bank being a grand total of 8%.<sup>48</sup>

### ***b) Strengthening the developing countries in the WTO***

Compared with the situation at the IMF and the World Bank, the representation of developing countries in the World Trade Organization would appear to be exemplary. In formal terms, the rule here is „one country – one vote.“ In practice, however, the great majority of developing countries are excluded from the actual negotiations, which are conducted in small circles behind closed doors (the so-called „Green rooms“). The principle of consensus for votes lead to a situation in which the developing countries, who are not involved in the actual negotiations, are presented with draft resolutions to which they are expected to give their blessings. If they decline, they may well face trade- and development-related „punitive measures.“ In view of this situation, one element long called for as part of a comprehensive reform of the WTO is complete and unhindered participation of the developing countries in decision-making processes: „glass room“ instead of „green room“ negotiations.

Martin Khor, Director of the Third World Network, sums up these demands in four points:<sup>49</sup>

- All WTO members must have access to negotiations and be in a position to participate in them.
- The standpoints of all members must receive adequately consideration in the WTO's negotiation documents.

<sup>46</sup> As of: March 2001; see Buiira (2003), p. 233.

<sup>47</sup> Caliarì/Schröder (2003), p. 6.

<sup>48</sup> See UNDP (2002), p. 136.

<sup>49</sup> See Khor (2002), p. 9.

- Individual members should not be subjected to any pressure to accept the negotiating positions of other members.
- All WTO members must have adequate time to examine negotiation proposals, i.e. the industrialized countries must not be allowed to create any artificial pressure with a view to pushing through the results they want.

These minimum conditions of a „democratization“ of the decision-making processes in the World Trade Organization are the precondition for any more extensive reforms aiming to wean the WTO away from its neoliberal economic doctrine and reorient it to strategies aimed at environmentally sound and socially equitable development.

In order to bring the policy of the WTO more into line with the strategies of the international organizations, in particular with ILO and UNEP (keyword: coherence), there have long been proposals on the table aimed at integrating the WTO into the UN system and giving it status of a specialized agency of the UN. Some initial hesitant steps in this direction were taken during the preparatory process leading up to the Monterrey Conference. The example of the IMF and the World Bank, which are specialized agencies of the United Nations, shows, however, that a formal legal act of integration need not necessarily lead either to political integration or to greater coherence and consistency of development strategies.

### 3. Increasing transparency, and participation of civil society

More balanced decision-making structures at the international level are a condition necessary but not sufficient for a „democratization“ of global institutions. Many reform initiatives are also calling for greater transparency of these institutions vis-à-vis the public and – in this connection – more involvement of civil society organizations. Both of these conditions for more pluralistic global governance structures – a political strengthening of the developing countries at the intergovernmental decision-making level and an opening up of these institutions to civil society – must go hand in hand.

**Many studies on the WTO and the Bretton Woods institutions, and in particular the IMF, continue to note substantial deficits in transparency and openness.**

While in its work the United Nations is comparatively transparent and involvement of civil society in its work has improved substantially in the wake of the world conferences of the 1990s, many studies on the WTO and the Bretton Woods institutions, and in particular the IMF, continue to note substantial deficits in transparency and openness. As regards the IMF, Deepak Nayyar and Julius Court bluntly state:

*There is almost no transparency in the IMF. Indeed, its operations and programmes are shrouded in secrecy. The absence of public scrutiny means that there are almost no checks and balances. It is high time that the IMF practices what it preaches about transparency. This calls for a disclosure of information.<sup>50</sup>*

As a first step in this direction, many NGOs are calling for the IMF and the World Bank to open the discussions and decisions of their Executive Boards to broad public scrutiny. It is only in this way that individual countries and their executive

<sup>50</sup> Nayyar/Court (2002), p. 14.



directors can be held accountable for their decisions. This, however, would presuppose – as noted above – that the present practice of informal decision-making is overcome and that formal votes are held in the executive boards.

The calls for more transparency in the WTO are of a similar nature. Most decisions taken here are made behind closed doors and are publicized only after the fact. Public and parliaments alike are in this way confronted with *faits accomplis*. The practices of governments at the national level also come in for criticism. For instance, the official offers of and requests for trade liberalization made in connection with the GATS talks are kept secret by the governments involved. This has led to vehement protests from labor unions, NGOs, and parliamentarians. On March 13, 2003, the German Bundestag noted critically in a resolution on the GATS negotiations:

*The term set for comments of the member states [...] is extremely short and offers the parliaments concerned no adequate opportunities to inform themselves thoroughly [...]. Consultations and hearings are, in addition, hampered by the confidential treatment accorded to the offers made in the negotiations. The idea of conducting international negotiations 'behind closed doors' is neither in line with the importance of the issues involved nor with relevant experiences made with other internationally negotiated bodies of rules and conventions.<sup>51</sup>*

Besides enlarged disclosure and information obligations, improved rights of participation for civil society organizations are seen as one means of increasing the transparency of international organizations. NGOs are conducive to multilateral decision-making processes in other ways as well. A background paper of the UN Secretariat sums up the positive effects of NGO participation as follows:

*Handled well, it enhances the quality of decision-making, increases ownership of the decisions, improves accountability and transparency of the process and enriches outcomes through a variety of views and experiences.<sup>52</sup>*

The legal basis for the possibility of NGOs to participate in the work of the United Nations is Article 71 of the Charter. It enables ECOSOC to engage in consultative relations with NGOs. The details of the current rights of participation are set out in an ECOSOC resolution adopted in 1996.<sup>53</sup> Similar arrangements have been made for a number of specialized agencies like UNESCO and WHO.

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NGOs have no comparable rights in the Bretton Woods institutions and the WTO. The WTO has explicitly ruled out any direct participation of NGOs. The 1996 „Guidelines for Arrangements on Relations with Non-Governmental Organizations“ state tersely:

51 Deutscher Bundestag, Drucksache 15/576, 12 March 2003 (Antrag der Fraktionen SPD und Bündnis 90/ Die Grünen: GATS-Verhandlungen – Transparenz und Flexibilität sichern).

52 Aydin/Clark (2003), p.2

53 ECOSOC Res. 1996/31, 25 July 1996 (Consultative relations between the United Nations and non-governmental organizations).

*There is currently a broadly held view that it would not be possible for NGOs to be directly involved in the work of the WTO or its meetings.*<sup>54</sup>

In June 2003 the WTO's Director-General, Supachai Panitchpakdi, set up two consultative bodies, one for representatives of the business sector and one for NGOs and trade unions. This move was expressly declared to be a „personal initiative“ and was, in the words of the Director-General, intended to serve „to add to further transparency and understanding on the complexities of the WTO.“ Setting up such „informal“ bodies is evidently a response to the growing criticism of the WTO and is intended to demonstrate the WTO's change of heart in favor of more openness. This, though, comes nowhere near the guaranteed rights of participation enjoyed by NGOs in the United Nations.

But even the United Nations has its participation deficits as the formal participation rights enjoyed by NGOs extend to the economic and social sectors, but not to the General Assembly and the Security Council. The General Assembly has, though, opened up de facto to NGOs in recent years, in particular in connection with the „+5“ Special Sessions of the General Assembly. And even the Security Council, thanks to a trick of protocol, has engaged in isolated consultations with NGOs. These have taken place outside the premises of the Security Council and do not appear in the Council's official calendar.

With an eye to doing justice to the growing importance of civil society organizations in the United Nations, in the spring of 2003 Secretary-General Kofi Annan set up a panel of experts chaired by former Brazilian President Fernando Cardoso which is to formulate proposals on the future shape of relations between UN and civil society. Whether these proposals will lead to an enlargement of participatory rights is, however, uncertain, because some member states, and in fact Kofi Annan himself, have signaled reservations on any broader involvement of NGOs. In his September 2002 initiative for further reforms of the UN – which also contains a proposal on establishing a civil society panel – Kofi Annan speaks of „signs of strain [...] as a result of this explosive growth in participation.“<sup>55</sup>

Nevertheless, the Cardoso Panel does offer a chance to achieve progress by means of broadened possibility of NGO participation. There is a pressing need for action here as regards rights of participation in the General Assembly. This is in particular the case in view of the upgrading of this forum called for in Monterrey and Johannesburg. One obvious option would be to extend the consultative status enjoyed by NGOs in ECOSOC to the General Assembly as well.

54 See [www.wto.org/english/forums](http://www.wto.org/english/forums), quoted after Pleuger/Fitschen (2003), p. 201. The Marrakesh Agreement establishing the WTO does, however, explicitly provide for formal relations with NGOs. According to Article V (2): „The General Council may make appropriate arrangements for consultation and co-operation with non-governmental organisations concerned with matters related to those of the WTO.“

55 See Strengthening the United Nations: an Agenda for Further Change. Report of the Secretary-General (UN Doc. A/57/387, 9 Sept. 2002), para. 139.

A reform of this kind within the United Nations might well prove to be a signal for the Bretton Woods institutions and the WTO. With these institutions, though, the first concern would have to be to institute formal consultative arrangements for NGOs in the first place.<sup>56</sup>

The „Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters“<sup>57</sup> contains some indications of the direction that rights of participation and information for civil society organizations might take. The convention was negotiated under the auspices of the UN Economic Commission for Europe (ECE) and came into force on October 30, 2001. But at present its scope is restricted to environmental issues in the ECE region. Its general subject matter could, though, be applied to other regions and sectors as well, and it might therefore be used as an orientation in the debate over „democratization“ of IMF, World Bank, and WTO.

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56 Concrete proposals on a consultative status for NGOs in the WTO, patterned on ECOSOC, have been developed by Peter Willetts in a research report conducted for the UK's Department for International Development; see Willetts (2002).

57 See [www.unece.org/env/pp/documents/cep43e.pdf](http://www.unece.org/env/pp/documents/cep43e.pdf)

# 7. Conclusions: scenarios on the future of multilateral cooperation

Following the world conferences of the 1990s and in view of the power-based go-it-alone policies of the US, multilateralism is in a critical phase. It is uncertain what direction its development will take in coming years. There are a number of different scenarios imaginable. In what follows, I will outline two options, setting them in contrast to one another: the scenario of a weakened multilateralism and the scenario of a strengthened and „democratized“ multilateralism.

**Traditional government-level diplomacy, with its orientation to consensus formation, is, it is claimed, a thing of the past.**

### *Scenario 1: weakened multilateralism*

Traditional government-level diplomacy, with its orientation to consensus formation, is a thing of the past. In view of the present divergence of interests, world conferences do not appear to be the proper place to search for solutions to global problems. The resistance chiefly of the EU and the US to the automatism of follow-up conferences („+5“ „+10,“ etc.) reflects dissatisfaction with events of this kind.

The United Nations is more and more a place degraded to the level of a venue for symbolic dialogue events, while the key economic and development-related decisions of worldwide importance continue to be taken more in the framework of IMF, World Bank, and WTO than elsewhere. But in view of their insistence on neoliberal policy concepts and their imperviousness to reform, these institutions, too, are steering more and more into a crisis of legitimacy and acceptance. This goes as well for the G-8, which for this reason continues on with its strategy of cooptation toward selected developing countries and NICs, inviting their heads of state and government to the summits planned for the coming years in the US, the UK, and Germany.

The United States continues to pursue a policy of „multilateralism à la carte“, with the US cooperating as long as cooperation appears to be in line with national interests defined by political elites, and going it alone or forming coalitions of the willing in other cases. The US seems more and more inclined to pursue a policy of active counter-multilateralism which sees it torpedoing international policy processes and exerting political and economic pressure on countries interested in active international cooperation (example: the International Criminal Court).

At the same time, there is a continuing trend, involving both governments and international organizations and representatives of the private business sector and NGOs, to form ad hoc coalitions to address individual problems. If new institutions or funds are created in the framework of such partnership approaches, this is usually done without reference to the UN system.

In view of blockades at the intergovernmental level, even the UN Secretary-General is increasingly inclined to subscribe to the concept of the global policy network, in particular in the form of partnership projects with the private business sector. In connection with the Global Compact and various expert bodies and commissions,

corporations and their international lobby organizations continue to gain influence at the UN level. Strategies formulated there to solve global problems subscribe one-sidedly to the view of the positive role of the private sector and the importance of business-friendly frameworks.

One consequence of these tendencies is that civil society organizations increasingly distance themselves from the United Nations. After IMF, World Bank, and WTO, the UN now comes into the sights of the 'anti-globalization' movements. In opening up to the private business sector, the UN loses some of its key social support. No more than a minority of NGOs and trade unions are willing to get involved in partnership initiatives and dialogue processes. Many NGOs and social groups focus instead on international cooperation and dialogue processes outside the inter-governmental sphere. While the World Social Forum and its regional and national pendants grow in importance, they at the same time keep their distance to and remain decoupled from official political processes.

If we sum up all of these trends, we come up with a picture of a multilateralism in which the United Nations continues to be sidelined and the global problem-solving competence of national governments remains weak, in which the preeminence of the US and the international economic and financial institutions dominated by the Western industrialized countries is further consolidated, in which private business interests continue to grow in influence, and in which, in tendency, a critical civil society takes leave of intergovernmental processes, focusing instead on new forms of a „cosmopolitanism of social movements.“

#### *Scenario 2: strengthened and „democratized“ multilateralism*

The scenario of a strengthened and participatory multilateralism has already been sketched out in numerous reform reports by expert commissions, lists of NGO demands, and, at least in part, in the official resolutions adopted by governments in New York, Monterrey, and Johannesburg. There is therefore little point in drafting new reform concepts or indeed a new global governance architecture. The central challenge is instead to bridge the gap between the actual need for reforms and the political willingness to engage in reforms. The next steps in a scenario of this kind might be:

- *Political upgrading of the UN General Assembly.* Governments actually get down to work on the Monterrey resolutions designating the General Assembly as the locus of coordination of international development, financial, and trade policy. The point of departure could be the annual „high-level dialogue“ on development financing and/or implementation of the Millennium Development Goals, which is set to take place for the first time in October 2003. One next step would be to implement the proposal of the UN Secretary-General to conduct periodic roundtable meetings at the highest political level in the framework of the General Assembly. This could get underway in 2005. At the same time, the rights of participation enjoyed by NGOs in ECOSOC might also be extended to the General Assembly and there serve to boost openness and transparency.
- *From the exclusive club of the G-8 to the Global Council.* The high-level dialogues or the roundtable meetings in the framework of the General Assembly

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could lead to a further step toward more democratic coordination structures in the world economy. Following the pragmatic model of a G-29 (see above), it would be possible to establish a Global Council under the roof of the General Assembly, and the council could then take on, among other things, the function of holding the annual world economic summits.

- *More balanced decision-making structures in IMF and World Bank.* The apportionment of voting rights in IMF and World Bank would be reformed. The percentage shares of basic voting rights would, perhaps on the model of the Asian Development Bank, be raised. The basis used to calculate country quotas would be made more transparent and keyed in the future to gross national income in purchasing-power parity. At the same time, there would be formal voting procedures requiring, on the model of the GEF, „double majorities.“ The number of decisions requiring a special majority (85%) would be distinctly reduced. At the same time, the composition of the Executive Boards of IMF and World Bank would be reformed, with the number of seats held by Europeans being reduced in favor of seats for Africa, Asia, and Latin America.
- *More pronounced integration of IMF, World Bank, and WTO within the UN system.* The annual New York spring meetings between ECOSOC and the Bretton Woods institutions would be politically upgraded and assigned a more marked coordinative function. At the same time, a political initiative would be launched to integrate the WTO into the UN system. The goal would be to make the WTO a specialized agency of the United Nations.
- *Formation of pacesetter coalitions of like-minded governments.* Initiatives of like-minded governments could take on a pacesetter function in areas in which political progress is prevented by blockading tactics of individual countries. In the years 2004 and 2005, these would include e.g. Germany and the EU's renewable energy initiative and the Franco-Swedish initiative on the definition and funding of global public goods. Other fields in which initiatives could be launched would include e.g. international tax cooperation,<sup>58</sup> development and promotion of international rules on corporate accountability, and regulation and control of international rating agencies. The important conditions for the success of such pacesetter coalitions include transparency, involvement of civil society groups, and feedback of their results to the UN level.
- *Evaluation of partnership approaches and the influence of the private business sector.* In order to counter the criticism voiced by many developing countries and civil society organizations, the UN would comprehensively evaluate its partnership projects with the private business sector, above all the Global Compact. This would mean above all looking into the influence exerted by representatives of business interests on the analysis of global problems, the formulation of political strategies, and the funding of UN projects. In parallel,

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<sup>58</sup> A possible point of departure: the UN ad hoc Group of Experts on International Cooperation in Tax Matters.

a political initiative would be launched to implement the „human rights norms for transnational corporations“ which were adopted in August 2003 by the UN Sub-Commission for the Promotion and Protection of Human Rights.

- *Bridge-building between Porto Alegre, Mumbai, and New York.* At the global, regional, and national levels, the social forums are continuing to gain significance as venues for civil society debates and strategy formation. Their analyses and demands influence not only the social discourse at the local and national level, they might also flow into the political discussions at the UN level. This would strengthen the position of civil society in the world organization.

Which of the two scenarios will prove to be the more realistic one is an uncertain question today. There is some reason to anticipate a further weakening of multilateral cooperation in the sense outlined in the first scenario. The Bush Administration's attitude toward the United Nations gives no reason to expect any change of direction. The stage has been set for a further opening of the United Nations toward the interests of the private business sector. In July 2003 a World Commission on Private Sector and Development was set up under the leadership of former Mexican president Ernesto Zedillo and former Canadian finance minister Paul Martin; its task it to look exclusively into the private sector's (positive) contributions to development; in 2004 the United Nations will host a first „Global Compact Leaders Summit“ with the aim of strengthening this initiative in a way visible to the public.

Still, the second scenario is not wholly unrealistic, either. Whether or not developments will go in this direction depends mainly on whether the US opts in the medium term for a policy that sees a stronger focus on multilateral cooperation as an element of the US' policy of hegemony – and thus as part of the US' national interest (see Joseph Nye and others).<sup>59</sup> This also depends on whether individual governments have the power to initiate ad hoc coalitions aimed at overcoming political blockades at the global level, but also on strengthening the United Nations and its General Assembly as a center of multilateral cooperation. And it depends not least on the political pressure that can be generated by civil society organizations and the 'anti-globalization' movements in support of a democratic multilateralism.

**This depends not least on the political pressure that can be generated by civil society organizations and the 'anti-globalization' movements in support of a democratic multilateralism.**

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59 E.g. Shepard Forman, Director of the Center on International Cooperation at New York University, concludes his comprehensive study on multilateralism and US foreign policy with the demand: "Considering its unprecedented power and influence in economic, military and cultural affairs, as well as its global interests, the United States should be exercising far greater leadership in promoting international law and multilateral responses to global problems than it has in the recent past." See Forman (2002), p. 448.

# 8

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