

Global governance, development and human security: exploring the links

CAROLINE THOMAS

ABSTRACT *This article draws attention to the convergence of the global development and security agendas at the beginning of the new millennium. It explores the links between global governance, development and human security. It argues that material sufficiency lies at the core of human security. Hence, the problems of poverty and deepening inequality are central concerns, and the unfolding of these problems in the 1980s and 1990s is highlighted. During the closing decades of the 20th century, a neoliberal vision dominated the global development policy agenda, while these problems of inequality deepened. The policy was developed, championed and implemented by a range of global governance institutions, working through state governments. The idea and the institutions of global governance are examined critically, with a view to establishing in whose interest global governance and its associated development policies may be operating, and whether this is in support of human security.*

Setting the scene

Poverty is the ultimate systemic threat facing humanity. The widening gaps between rich and poor nations ... are ... potentially socially explosive ... If the poor are left hopeless, poverty will undermine societies through confrontation, violence and civil disorder. (Michel Camdessus, Managing Director of the IMF, 2000b)

In a world awash with resources, wealth and technology, global poverty is certainly not the product of bad luck. (Peter Wilkin, 2000)

Pervasive poverty and deepening inequality are distinctive features of the contemporary global social landscape. Powerful global governance institutions are awakening to these fault lines as potential threats to the global order. On 10 January 2000 the United Nations Security Council, the most important global body dedicated to tackling security issues, met to discuss the challenge of HIV/AIDS in Africa. The focus of the meeting was far removed from the traditional concerns of the Security Council, which were mainly military threats to regional and global order. This is indicative of a widening of the global security agenda to encompass non-traditional matters, such as health, environment and poverty issues.

Moreover, for the first time, a World Bank President was invited to address the Security Council. World Bank President James Wolfensohn, in his speech to the

Caroline Thomas is at the Department of Politics at the University of Southampton, Highfield, Southampton SO17 1BJ, UK. E-mail: cat@socsci.soton.ac.uk.

meeting, remarked that 'If we want to prevent violent conflict, we need a comprehensive, equitable, and inclusive approach to development'. Development is moving to the centre stage of the global political agenda, largely on account of the realisation of current leaders of global governance agencies that development and security are intimately linked. HIV/AIDS, a matter that had previously been considered within the UN system as a health issue, was evolving into a global security concern.

The convergence of the development and security agendas is the concern of this article. The focus is selected not in response to the increased level of interest of leaders of global governance institutions, but rather in recognition of the ancient and enduring concerns of humanity. For the overwhelming majority of people on this planet, human security is their primary concern. As Nelson Mandela remarked at the dawn of the new millennium, ordinary people want:

the simple opportunity to live a decent life, to have a proper shelter and food to eat, to be able to care for their children and to live with dignity, to have good education for their charges, their health needs cared for and to have access to paid employment. (Cited by Camdessus, 2000a)

Human insecurity is not some inevitable occurrence. Of course, natural catastrophes such as drought undermine human security, but even within a single locality they do not undermine everyone's security equally. Rather, human insecurity results directly from existing structures of power that determine who enjoys the entitlement to security and who does not. Such structures can be identified at several levels, ranging from the global, to the regional, the state and finally the local level.

Our focus here is the global level. Thus we are concerned directly with the global development agenda and the material polarisation which is unfolding in the wake of its application. The growth of material inequality is evident between states, within states, and also between private corporations (Thomas, 1999). This has a direct impact on the contemporary human experience of security, and on future prospects for enhancing human security.

Regarding future prospects for human security, there is a simple but hugely important question as to whether the mechanisms in place to tackle poverty and to promote wider development are adequate to the task. In 1995 the UN set a target of a 50% reduction in the number of people existing in absolute poverty by 2015. This outcome is to be delivered not by any redistributive mechanism, but rather by the application of the particular neoliberal model of development promoted in the 1980s and 1990s by global governance institutions. This model places its faith in the market rather than the state, and focuses on export-led growth based on free capital mobility. The model represents a significant departure from the earlier embedded liberalism of the post-second world war period. It is even further removed from a critical alternative model of development that places basic needs at the centre.

The neoliberal model requires high and sustained growth to achieve the UN's target for poverty reduction. African economies, for example, would need to grow at an estimated 7% a year on average to reach the target by 2015 (Amoako, 1999). Yet even if such growth is sustained in Africa and elsewhere, can we be

confident that it will translate into a 50% reduction in the absolute poor? How will the benefits and the costs be distributed? Moreover, beyond this initial goal, can the model significantly enhance the human security of the rest of humanity? If not, does the solution lie in reform of the existing model, or transformation of it? These questions matter. The scope, depth and speed of the changes that have been, and continue to be, introduced in development policy are breathtaking. Their legitimacy is open to question, and the futures of billions will be deeply affected by them. (These matters are explored more fully in Thomas, 2000).

The human security challenge

When we think about security, we need to think beyond battalions and borders. We need to think about human security, about winning a different war, the fight against poverty. (James Wolfensohn, World Bank President, addressing the UN Security Council meeting on AIDS/HIV in Africa, 10 January 2000)

The concept of human security involves a fundamental departure from an orthodox International Relations security analysis that has the state as the exclusive primary referent object. Instead, human beings and their complex social and economic relations are given primacy with or over states. In the words of Heinbecker, human security is about 'the ability to protect people as well as to safeguard states' (Heinbecker, 1999: 6). In some human security formulations, such as that of Canadian Foreign Minister Lloyd Axworthy, human needs rather than state needs are paramount. Axworthy believes this to be so in the aftermath of the Cold War, when intrastate conflicts have become more prevalent than interstate conflicts. These conflicts are fought with low technology, and in contrast to the very beginning of the 20th century, most of the casualties now—75%—are civilian (Smith, 1997: 14). Axworthy notes that women and children are disproportionately often the victims of these wars. For Axworthy, 'Human security includes security against economic privation, an acceptable quality of life, and a guarantee of fundamental human rights' (Axworthy, 1997: 184).

The concept of human security pursued here differs fundamentally from notions of 'security of the individual', conceived in the currently fashionable neoliberal sense. Human security is far removed from liberal notions of competitive and possessive individualism (ie the extension of private power and activity, based around property rights and choice in the market place). Rather, human security describes a condition of existence in which basic material needs are met, and in which human dignity, including meaningful participation in the life of the community, can be realised. Such human security is indivisible; it cannot be pursued by or for one group at the expense of another.

Therefore, while material sufficiency lies at the core of human security, in addition the concept encompasses non-material dimensions to form a qualitative whole. In other words, material sufficiency is a necessary, but not sufficient, condition of human security that entails more than physical survival. For simplicity we can refer to these different aspects in terms of a quantitative/qualitative distinction, which broadly refers to income poverty and human poverty. This will be further discussed below under UNDP.

The quantitative aspect refers to material sufficiency. In this context, Axworthy

remarks that: ‘At minimum, human security requires that basic needs are met ...’ (Axworthy, 1997: 184). Therefore the pursuit of human security must have at its core the satisfaction of basic material needs of all humankind. At the lowest level, food, shelter, education and health care are essential for the survival of human beings.

The qualitative aspect of human security is about the achievement of human dignity which incorporates personal autonomy, control over one’s life and unhindered participation in the life of the community. Emancipation from oppressive power structures, be they global, national or local in origin and scope, is necessary for human security. Human security is orientated towards an active and substantive notion of democracy, one that ensures the opportunity for all to participate in the decisions that affect their lives. Therefore it is engaged directly with discussions of democracy at all levels, from the local to the global.

Human security is pursued by the majority of humankind as part of a collective, most commonly the household, sometimes the village or the community defined along other criteria such as religion, ethnicity, gender or caste. Often it is pursued through a combination of these. At the global level, states have the authority and responsibility to attend to the human security needs of their citizens. Weak state–society relations mean that states often hinder rather than help the achievement of human security by all their citizens. Global governance institutions also play a crucial role. They set global development policy and fix, apply and monitor the global entitlement rules. A consideration of human security in the contemporary era requires us to consider humanity embedded not simply within discrete sovereign states, but within a global social structure, the capitalist world economy that has been developing since the 16th century. In a way, the work of the United Nations Development Programme (UNDP) has lent in that direction. The concept of human security as employed in this study was initially brought to the forefront of the global policy level by that particular UN agency.

The UNDP and human security

The late Dr Mahbub Ul Haq first drew global attention to the concept of human security in the UNDP’s *Human Development Reports*. In 1994 the *Human Development Report* focused explicitly on human security. The Report argued that:

For too long, the concept of security has been shaped by the potential for conflict between states. For too long, security has been equated with threats to a country’s borders. For too long, nations have sought arms to protect their security. For most people today, a feeling of insecurity arises more from worries about daily life than from the dread of a cataclysmic world event. Job security, income security, health security, environmental security, security from crime, these are the emerging concerns of human security all over the world. (UNDP, 1994: 3)

By focusing on human security the 1994 Report sought to influence the UN’s 1995 World Summit on Social Development in Copenhagen. During the late 1990s the UNDP’s annual reports built on and refined this concept. In 1997 the

focus was on human development, which refers not simply to the income aspects of poverty, but to poverty as a denial of choices and opportunities for living a tolerable life (UNDP, 1997: 2). Importantly the 1997 report further disaggregated what we referred to earlier as the quantitative and qualitative dimensions of human security. It made a distinction between income poverty (US\$1 a day and below) and human poverty (illiteracy, short life expectancy and so forth). Income poverty and human poverty are often, but not always, linked; for example in the Gulf States people may suffer human poverty without being income poor. These two aspects tally broadly with the quantitative and qualitative aspects of human security discussed above.

The UNDP played a crucial agenda-setting role at an early stage with its focus on human security. It was noted earlier that development and human security are receiving more attention now from the key global governance institutions such as the IMF and World Bank, partly because poverty and inequality are increasingly considered to be national, regional and global security threats. Indeed, there seems to be a correlation between the level of entitlement to human security and the propensity for conflict, defined not in orthodox inter-state arms terms but in the wider sense to include the most frequent form of warfare, intra-state. Over the period 1990–95, 57% of countries experiencing war were ranked low on the UNDP's Human Development Index, while only 14% were ranked high, and 34% were ranked medium. There may be a causal relationship between lack of material entitlement, health and education, and war (figures from Smith, 1997: 48).

One explanation of this tragic outcome may be that fundamental economic and social structures allow a privileged global and national elite to control a disproportionate share of available resources. This directly affects security. In the words of Smith:

When a privileged elite defends its too large share of too few resources, the link is created between poverty, inequality and the abuse of human rights. The denial of basic freedoms—to organise, to express yourself, to vote, to disagree—forces people to choose between accepting gross injustice and securing a fairer share by violent means. As conflict unfolds, the political leaders that emerge often find that the easiest way of mobilising support is on an ethnic basis. Thus do the various causes of conflict weave in and out. War will only end if, and when, and where its causes are removed. (1997: 15)

Smith elucidates the poverty, inequality and security link clearly. With one-sixth of the world's population receiving 80% of global income, and 57% of the global population consuming only 6% of global income, the concerns about poverty and security expressed earlier by Camdessus and Wolfensohn appear legitimate (*World Bank Development News*, 14 April 2000).

Yet it is important to remember that the issues of poverty and inequality matter to human beings in the most potent way, irrespective of whether global governance organisations categorise them as security issues. It is also worth recalling that the total number of people killed during the first and second world wars is estimated as having been about 30 million. Compare this figure with the number of people who currently die of hunger-related causes each year, that is 15 million.

Consequently we can say that every two years the number of people who die of hunger is roughly equivalent to the number killed in 11 years of world war. (Thomas & Reader, 1997: 109).

The fundamental causes at the root of hunger, poverty and inequality must be addressed, or the achievement of human security will be impossible.

Human security: looking forward

The change in the primary referent object of security from state to human being has implications both for understanding the sources of threats to security, and for elucidating strategies to increase security. Importantly the shift in focus from the rights, concerns and needs of states to those of human beings or citizens opens up the state for critical scrutiny. State–society relations come under the spotlight. Fundamental questions arise, such as those about state capacity, state legitimacy and state collapse. Particular issues come to the fore, such as the use of child combatants in intra-state conflicts, and patterns of land tenure, which may help to keep people poor.

But the shift in focus to human security also highlights the importance of scrutinising global processes that may affect, even jeopardise security, and the global governance structures which drive them. A proper understanding of the process of global economic integration and of the distribution of associated costs and benefits is crucial. Armed with this knowledge, an informed debate can take place on global development policy. This is already happening. We can work to reconstruct development policy in the cause of attending to the human security needs of all global citizens, particularly the poorest. Too many people are dying of hunger and disease. This is not the product of bad luck, but rather of existing structures which can be changed.

Poverty and inequality: a cause for concern

Liberal–pluralists who have been influenced by the classical, neoclassical and monetarist approaches in economics, the functionalist and post-industrialist approaches in sociology and the democratic pluralist approaches in political science adopt a relatively compliant approach to the continuation of widespread and severe poverty. (Townsend, 1993: 6)

At the dawn of the 21st century, despite 50 years of official development policies and despite huge advances in science and technology, inequalities between and within states are growing, and almost a third of humanity continues to live in abject poverty. Yet in the economically advanced countries, and among a significant strata in developing countries, there is at best complacency about these issues. This can be attributed to the widespread influence of the neoliberal political ideology (see below). Moreover, these serious matters have received a diminishing amount of attention from the media in the First World.

This diminishing attention is clear in a study commissioned for the UK's leading international aid, development and environment charities. The study revealed a dramatic decline in the quantity and quality of coverage of the developing world over the period 1989–99 (Stone, 2000). Commenting on the

report, Vidal remark that: ‘The total number of hours of factual programming on developing countries has declined by 50%; ITV has dropped its coverage by 74%; BBC2 by more than a third, Channel 4 by 56%’ (Vidal, 2000: 6). In addition, the report notes that 60% of all UK TV programming about poor countries, which house 80% of the global population, are about travel and wildlife. On this aspect, Vidal comments: ‘BBC1 is increasingly obsessed with soft wildlife and travel programmes and Channel 5 has commissioned almost nothing from non-western sources since it was set up’ (Vidal, 2000: 6–7).

The author of the report, Jenny Stone, argues that the lack of coverage of the developing countries is not simply the result of a lack of interest on the part of the public. It has much to do with other factors such as diminishing budgets, changes in production culture and the advent of new technologies (Vidal, 2000). Vidal concurs with Stone that the emphasis on increasing choice in broadcasting in the 1990s has undermined its public service value. As the main source of information for the British public on the rest of the world is such broadcasting, this is a worrying development (Stone, 2000; Vidal, 2000).

While many people in developed countries may remain in blissful ignorance, it is the case that the post-cold war global landscape is characterised by an intensification and reconfiguration of pre-existing economic, social and political inequalities. The demise of the communist bloc and the associated rejection of ‘real existing socialism’ as a mode of economic organisation have provided a specific additional fillip to the reconfiguration of the Third World. The Second World, the former communist bloc, has joined the Third World rather than the First World. This suggests that, post-1989, the Third World, far from disappearing, is becoming global.

The dynamic of economically driven globalisation is resulting in the global reproduction of Third World problems. Growing inequality, risk and vulnerability characterise not simply the state system, but an emerging global social order. There is a North in the South, just as there is a South in the North. This is part of an historical process underway for five centuries: the expansion of capitalism across the globe. Technological developments speed up the process. Individuals’ life chances and the viability of households and communities are increasingly tied up with their respective positions in the global economy. James Gustave Speth of the UNDP has spoken of ways in which ‘An emerging global elite, mostly urban-based and inter-connected in a variety of ways, is amassing great wealth and power, while more than half of humanity is left out’ (*New York Times*, 15 July 1996: 55). Two-thirds of the global population seem to have gained little or nothing from the economic growth that has occurred as a result of globalisation to date. Moreover, even in the developed world, ‘the lowest quartile seems to have witnessed a trickles up rather than a trickle down’ (*Financial Times*, 24 December 1994).

Despite significant improvements over the 1990s in global social indicators such as adult literacy (from 64% to 76%), access to safe water (40% to 72%) and infant mortality rates (from 76 to 58 per 1000 live births) global deprivation continues (see Table 1) (UNDP, 1997: 22).

These indicators of human security have declined in the face of the promise of the peace dividend. Expectations have been raised that deprivation and material

TABLE 1
Global deprivation, 1997

Health

- HIV/AIDS infections increased from fewer than 15 million in 1990 to more than 33 million in 1997
- 880 million people lack access to health services
- 2.6 billion lack access to sanitation
- 1.5 billion will not survive to the age of 60

Education

- Over 850 million illiterate adults
- Over 260 million children are out of school at the primary and secondary levels

Nutrition

- 840 million people are malnourished

Poverty

- 1.3 billion live on less than US\$1 per day
- 1 billion cannot meet basic consumption requirements

Women

- 340 million women are not expected to survive to the age of 40
- A quarter to a half of all women have suffered physical abuse by an intimate partner

Children

- 160 million children are malnourished
- 250 million children are working as child labourers

Environment

- 3 million people a year die from air pollution—more than 80% of them indoor air pollution
- More than 5 million die per annum from diarrhoeal diseases caused by water contamination

Security

- 12 million people are refugees
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Source: Adapted from UNDP (1997: 22).

inequalities would be ameliorated, as more resources freed up from the arms race would be diverted to accelerate development. This has not happened. Global military spending declined over the period 1987–94 at about 3.6% per annum, yielding a cumulative dividend of US\$935 billion. Yet ‘there has been no clear link between reduced military spending and enhanced spending on human development’ (UNDP, 1994: 8). What’s more, even if the hoped for peace dividend had materialised, its impact would have been tempered by the constraints of the workings of the global economy. Yet the failure to deliver even on the promise of the peace dividend represents a significant indication of the lack of genuine commitment by agents of global power to work towards the achievement of human security.

The associated material challenges for the achievement of human security in the new century are immense: the reduction of global poverty, the reduction of inequality between states and between human beings; and the harnessing of

scientific advancement for the benefit of the majority of humankind. The rapid technological advances underway have the potential to decrease or increase existing inequalities, depending on how they are used and which rules determine the distribution of the benefits. These challenges require a fundamental shift in how we think about development and in the methods for its achievement.

Neoliberal development

Neoliberalism is not a force like gravity, but an artificial construct. (George, 1999)

Conceptions of development in the last two decades of the 20th century were heavily influenced by what may be loosely termed as the 'new right backlash'. The 1980s, and more particularly the 1990s since the demise of communism, have witnessed the near-universal mainstreaming of a particular brand of liberal ideology referred to hereafter as neoliberalism. Neoliberal ideology attributes universal legitimacy to a conception of freedom based on private power. It places a premium on individual choice in the market place. It attacks the public realm and associated ideas of collectivity and society. Neoliberal ideology presents a set of essentially local, Western norms as universal.

These norms have been shared and adopted by public institutions such as the IMF, the World Bank, other multilateral development banks, the World Trade Organization (WTO) and the majority of governments. This has provided an important legitimisation for the business of private lenders and transnational corporations (TNCs), whose vision and behaviour in most cases are underpinned by these norms. The neoliberal ideology has thus come to be promoted around the globe as the proper approach to development. Neoliberalism supports global economic integration and presents it as the best, the most natural and the universal path towards economic growth, and therefore towards development, for all humanity. Critics, on the other hand, see its expansion across the globe as hegemonic.

Global economic integration is to be promoted through the liberalisation of trade, investment and finance that will ensue alongside the reform of national economies. These policy prescriptions of a growing number of global governance institutions form a blueprint which has been marketed with the powerful language of 'There Is No Alternative' or TINA.

The appeal of neoliberalism lies in its promises of increasing an individual's control over or consumption of the products which capitalism is generating. Furthermore, its proponents have sought to legitimise it further by incorporation of the language of competing ideas and values. The terminology of sustainable development, transparency and accountability that have been incorporated into the neoliberal development model exemplify this tendency. Thus, the dominant world-view is bolstered and lent false legitimacy.

This false legitimacy is clear given the discrepancy between its theoretical prescriptions and practical outcomes. In the wake of its practical application as a global development policy, we have seen a deepening of existing inequalities between and within states. Neoliberals may normatively legitimate even these rising inequalities. Within their vision, inequality can be seen as unproblematic.

It may even be desirable, as it is expected to unleash entrepreneurial abilities that will contribute to maximising global wealth creation. Ultimately, therefore, everyone will benefit. The words of Prime Minister Thatcher are recalled here: 'It is our job to glory in inequality, and see that talents and abilities are given vent and expression for the benefit of us all' (Thatcher, 1996: 52). Therefore this particular brand of liberalism not only increases global social divisions, but more dangerously it is legitimising global inequalities of life-chance, legitimising a situation where inequalities are greater than at any period in history.

We are witnessing and we are part of the process whereby the ideology of dominant groups, presented as universal, is used to legitimate the marginalisation and neutralisation of competing visions and values. This is evident across a wide range of issues and areas, encompassing development, finance, trade, aid and economic policy generally, as well as ecology, human rights, law and so forth. This particular brand of liberalism may not, however, be as universal as is often suggested. The global power structure favours a Western knowledge and a Western representation of events and processes.

Since the process is not truly universal or comprehensive, counter-hegemonic groups are able to continue offering alternative visions and practices. This was evident in the November–December 1999 Ministerial meeting of the WTO in Seattle. High-profile street protests by civil society groups, the rejection by developing country governments of the agenda of the developed countries, and disagreement between developed countries themselves all contributed to the collapse of the meeting. This eroded the façade of legitimacy and universality surrounding global governance institutions and their policies.

Global governance: in whose interest?

The debate on globalisation and its effects on the poor is legitimate and necessary. No-one has a monopoly on the truth. Everyone should have a voice, particularly the poor themselves. (James Wolfensohn, *World Bank Development News*, 22 February 2000)

The post-cold war period has seen the move from a bipolar world in which the two superpowers governed separate spheres of influence, to a world in which global governance flourishes. But with what authority, and in whose interest? Who has a voice in global governance? Third World states have long been distinguished by, among other factors, their perception of themselves as vulnerable to external factors beyond their control, and in particular to decisions and policies—primarily economic—which they do not own. Do these Third World states, which now include the former Second World states within their ranks, perceive themselves as having a say in global governance? Or is someone speaking for them?

In this section most attention is paid to the public agencies of global governance, especially the IMF, the World Bank and the WTO. The reason for this focus on public agencies is simple: they are supposed to be representing the interests of global citizens and promoting global public goods. (See Table 2 for an overview of global economic governance institutions and their respective memberships and remits.)

TABLE 2

Major agencies of global economic governance (with membership figures as of the mid-1990s)

BIS	Bank of International Settlements. Established in 1930 with headquarters in Basle. Membership of 40 central banks. Monitors monetary policies and financial flows. The Basle Committee on Banking Supervision, formed through the BIS in 1974, has spearheaded efforts at multilateral regulation of global banking.
G7	Group of Seven. Established in 1975 as the G5 (France, Germany, Japan, UK and USA) and subsequently expanded to include Canada and Italy. The G7 conducts semi-formal collaboration on world economic problems. Government leaders meet in annual G7 Summits, while finance ministers and/or their leading officials periodically hold other consultations.
GATT	General Agreement on Tariffs and Trade. Established in 1947 with offices in Geneva. Membership had reached 122 states when it was absorbed into the WTO in 1995. The GATT co-ordinated eight 'rounds' of multilateral negotiations to reduce state restrictions on cross-border merchandise trade.
IMF	International Monetary Fund. Established in 1945 with headquarters in Washington, DC. Membership of 182 states. The IMF oversees short-term cross-border money flows and foreign exchange questions. Since 1979 it has also formulated stabilisation and systemic transformation policies for states suffering chronic difficulties with transborder debt or transitions from communist central planning.
IOSCO	International Organisation for Securities Commissions. Established in 1984 with headquarters in Montreal. Membership of 115 official securities regulators and (non-voting) trade associations from 69 countries. The IOSCO develops frameworks for transborder supervision of securities firms.
OECD	Organisation for Economic Cooperation and Development. Founded in 1962 with headquarters in Paris. Membership of 29 states with advanced industrial economies. Drawing on a staff of 600 professional economists, the OECD prepares advisory reports on all manner of macroeconomic questions.
UNCTAD	United Nations Conference on Trade and Development. Established in 1964 with office in Geneva. Membership of 187 states. UNCTAD monitors the effects of cross-border trade on macroeconomic conditions, especially in the South. It provided a key forum in the 1970s for discussions of a New International Economic Order.
WBG	World Bank Group. A collection of five agencies, first established in 1945, with head offices in Washington, DC. The Group provides project loans for long-term development in poor countries. Like the IMF, the World Bank has since 1979 become heavily involved in structural adjustment programmes in the South and former East.
WTO	The World Trade Organization. Established in 1995 with headquarters in Geneva. The WTO is a permanent institution to replace the provisional GATT. It has a wider agenda and greater powers of enforcement.

Source: Scholte (1997: 431).

However, this should not be taken to suggest the lesser importance of private groupings that operate alongside states and international institutions in the global governance fraternity. TNCs, for example, have a powerful influence on global economic agenda setting. They work with a range of private business interests through fora such as the International Chamber of Commerce (ICC) and the

annual World Economic Summits (WES) at Davos. Moreover, Gill notes that:

At the heart of the global economy there is an internationalisation of authority and governance that not only involves international organisations (such as the BIS, IMF, and World Bank) and transnational firms, but also private consultancies and private bond-rating agencies ... (Gill, 1995: 418)

Sinclair (1994) and Van der Pijl (1998) develop ideas about the roles of private bond-rating agencies and management consultancies respectively in global governance. Indeed, Sinclair refers to these as 'private makers of global public policy' (1994: 448).

Increasingly, business interests are co-operating not only with individual governments but also with international organisations. This is seen in UN Secretary General Kofi Annan's Global Compact, for example. The rise in collaboration between agencies mandated to provide public goods with private interest-based agencies is clearly visible. For example, even international organisations such as the UNDP increasingly seek collaboration and funding from private businesses. This closeness between the private and public spheres raises important issues, especially about the democratic process. The work of Sharon Beder on corporate influence on environmental policy is indicative (Beder, 1997). Here, however, our focus is primarily the contributions and implications of public institutions in global governance.

Turning to public global governance, it is noteworthy that a recurrent theme on the liberal agenda is the presentation of a picture of a unified global necessitating and legitimising a common response in terms of management. Thus in the 1980s we heard UN-inspired think-tanks talk of 'Our Common Future', 'Common Security' and so forth. In the 1990s we heard references to a number of global crises, including the environment, refugees and population, each requiring global management. Also in the 1990s we witnessed a series of UN-organised, partly privately funded, global conferences. These included: the UN Conference on Environment and Development (UNCED), or Earth Summit, at Rio, 1992; the World Summit on Social Development in Copenhagen, 1995; the 1995 International Conference on Population and Development in Cairo; the 1995 World Conference on Women in Beijing; the 1996 Human Settlements Conference in Istanbul, and in the same year the Rome Food Summit.

The inclusive language of such conferences, and their associated declarations, raise some important questions. Whose globe are we talking about? Who is to manage it? With what authority? In whose interest? Global management assumes a common understanding of a particular problem and agreement about how it is to be addressed. These global conferences have undoubtedly played an important and positive role in raising awareness of pressing problems, and have helped to create the space in which debate can occur. Yet the debate has been neatly circumscribed. These conferences have lent legitimacy to a broad neoliberal framework for understanding development, and thus they have a direct bearing on human security. The liberal ideology espoused by powerful states and institutions, and accepted by the majority of governments, has offered a blueprint for global development. This model of development, with its associated methods and objectives, is assumed to be in the interest of all humanity, and it is assumed to

have unquestionable authority as it is presented as common sense.

Global governance is increasingly reflected in a conscious co-ordination of policies between the IMF, the World Bank, other regional multilateral development banks, the WTO and a growing number of other arms of the UN system. Recently it has been seen in aspects of the work of the UNDP and the United Nations Conference on Trade and Development (UNCTAD). The most recent of all these policy co-ordinations is evident in the integration of the International Labour Organisation (ILO). To different degrees and in different ways, these key institutions have been adapting their general orientation, and their respective institutional structures and policies, to facilitate movement towards a world in which for capital, if not for citizens, national economic sovereignty is an anachronism.

Influence within the public institutions of global governance directly reflects the material inequality of states. Only a handful of states exert meaningful influence in institutions such as the IMF, World Bank or WTO. While the Group of 7 (G7) has been transformed into the Group of 8 (G8) with the addition of Russia, it is the case that G7 sets the norms and rules of global economic policy. As Sachs points out:

The G7 countries, plus the rest of the European Union, represent a mere 14 per cent of the world's population. Yet these countries have 56 per cent of the votes in the IMF Executive Board ... The rest of the world is called upon to support G7 declarations, not to meet for joint problem solving. (Sachs, 1998: 2)

Whence does it derive the authority and legitimacy to do so? Particularly given that the G7 is not very representative in terms of global population or indeed number of states (see Table 3). This is striking when compared with the Group of 77 (G77).

In this context, it is interesting to ponder for a moment the source of democratic legitimacy of the IMF and the World Bank. As key institutions pushing the neoliberal development model that favours the private rather than the public sector, they are not models of democratic representation. This is evident in Table 4.

The thoughts of the former Managing Director of the IMF on this matter are interesting and revealing. Just before leaving his post, Camdessus was asked during a videoconference with journalists in three African countries whether he

TABLE 3
Global economic governance, 1997

<i>Title</i>	<i>Institutional grouping</i>	<i>Membership</i>	<i>% world GDP</i>	<i>% world pop</i>
G7	Western economic powers	Canada, France, Germany, Italy, Japan, UK, USA	64.0	11.8
G77	Developing and some transition countries (not Russian Fed or Poland)	143 members	16.9	76.0

Source: Adapted from UNDP (1999: 109).

TABLE 4
Formal distribution of voting power in the IMF, 2000

<i>Country</i>	<i>Pop (millions)</i>	<i>% IMF executive vote</i>
USA	276	17.68
UK	59	5.1
Germany	82	6.19
France	59	5.1
Japan	126	6.33
Saudi Arabia	21	3.27
Total of above	623	43.67
Other countries (c 190)	5.4 billion	56.33

Source: Compiled from IMF data, April 2000, IMF website, and UN Population Division, Charting the Progress of Populations, 2000, <www.undp.org/popin/wdtrends/chart/15/15.pdf>.

felt the IMF was in the hands of the big powers. His answer is quoted at length:

The IMF is in the hands of its membership. As you know each country has a voting power that is in proportion to its quota, its share of IMF capital, which is itself determined more or less by the size of the country's economy. On that basis, the United States has 17.4 per cent of the voting power. That means that the rest of the world has 82.6 per cent. If my countrymen, our friends, our brothers in Europe, were united, it would be even more, something like 30 per cent of the capital of the IMF. Nobody says that Europe is controlling the IMF, even if it's a European who is sitting in this chair.

No, depending on the issues, the decisions go in one direction or another. But it's true that the developing countries, when they sit together and they join their forces in what we call here the G-11 group, represent an extremely important part of our membership.

The fact is that, in general, our decisions are not taken by a vote where a majority imposes its solutions on a minority ... [but] ... by consensus after a long process where people in a dialogue try to understand each other's views and see where the best solution lies. At the end of the day, all of them coincide in supporting that. (Camdessus, 2000a)

The following statement, made at the end of his answer, may vindicate critics who charge the key institutions of global governance with hegemonic behaviour: 'Frequently, the Americans suggest good solutions. After all, they are present in many parts of the world. They are familiar with international life. But it is not always the case ...'

Camdessus's remarks, while factually accurate, only illuminate part of this picture. The USA is the only country in the IMF with enough votes to exercise a unilateral veto power. The very existence of this veto is itself enough to ensure that the USA doesn't need frequent recourse to it. The potential veto power in itself is an effective deterrent, and can be an influential factor in effecting a predetermined outcome in the form of a 'consensus'.

It is not surprising that many countries perceive a lack of distance between IMF

policy and US policy. The handling of the financial crises in the late 1990s in East Asia, Russia and Brazil further eroded the trust of developing countries in the independence of the IMF. South Korea, for example, perceives congruence between IMF and US policy agendas. It regards the USA as having taken advantage of the crisis to work via the IMF to push through its pre-existing trade and investment agendas (Feldstein, 1998: 32). This criticism comes from a country perceived by many to be a traditional US ally, which is also a member of the Organisation of Economic Cooperation and Development (OECD). IMF restructuring of East Asian economies has enabled First World companies to take advantage of bargain basement priced East Asian companies. In 1998 European and US companies mounted over US\$30 billion in take-overs of Asian companies—a fourfold increase on 1997 (Bello, 1999). One commentator has described this as ‘the greatest global asset swindle of all time’ (Hahnel, 1999). The Asian crises have also heightened awareness of the ability of a handful of relatively new private financial actors such as hedge funds to exert massive leverage. They can force currency devaluation at a breathtaking pace, undermine national economic policy, erode national development and throw literally millions below the poverty line. Global governance does not work to restrain these actors; indeed it often seems to support them.

Another important forum for global economic governance is the OECD. In reality, this is a negotiating body for the industrialised democracies, though membership during the 1990s extended to South Korea, the Czech Republic, Hungary, Poland and Mexico. (Interestingly, Turkey was a founding member in 1961.) The overwhelming majority of developing countries do not belong to the OECD, and therefore a question arises as to its legitimacy as the negotiating forum for policies and agreements of global reach. The choice of the OECD as the negotiating forum for a Multilateral Agreement on Investment comes to mind here.

The scepticism and cynicism of developing countries and global citizens regarding global governance is understandable. From their vantage points, global governance has all the hallmarks of being ‘organised under US hegemony and the international institutional structure that conforms to the interests of, broadly speaking, the G7 core capitalist states and their corporations’ (Wilkin, 2000). Democratic potential at all levels, from the local to the global, is diminished by placing key decisions over policy making in the hands of ever further removed officials and institutions. It is also reduced by the influence of private interests on the public process, referred to above.

Conclusion

This article has provided an overview of the relationship between global governance, development and human security, especially in the 1980s and 1990s. At the beginning of the 21st century the globalisation of inequality at the inter-state, intra-state and private company levels seems to be entrenched. This will affect security from the human to the intra-state, inter-state, regional and ultimately global levels. IMF and World Bank managing directors are right to be concerned about the link between development and security. The globalisation process is

resulting in highly uneven distribution of gains and, without concerted action, inequality may deepen further, with all its attendant implications. Alternative pathways for the pursuit of human security must be explored. Mindful of this, and especially of the threat thus posed to continued global economic integration, champions of neoliberal global development policies are in the process of articulating modified development policies. So far this represents business as usual, but with slight modifications. Ultimately human security requires different developmental strategies from those currently favoured by global governance institutions, strategies that have redistribution at their core. It also requires a different type of global governance, one that better reflects the concerns of the majority of the world's states and citizens.

Note

The ideas explored in this article can be found in expanded form in Thomas (2000).

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