FOURTH INFORMAL CONSULTATION BETWEEN THE OECD TRADE COMMITTEE AND CIVIL SOCIETY ORGANISATIONS (CSOs)

Submission by Civil Society Organisation

Towards better integration of populations' concerns in global governance?

Paris, 28 October 2002

This document has been prepared by Thierry Giordano of the Institute du développement durable et des relations internationales (IDDRI) for the informal consultation between the OECD Trade Committee and civil society organisations to be held in Paris on 28 October 2002. The views expressed are those of the author and are not necessarily shared by the institution to which he belongs. The views expressed herein are not necessarily shared by Members of the OECD.
Towards better integration of the populations’ concerns in global governance?¹

Thierry Giordano (IDDRI)

1. Since the Second World War, global governance has dealt solely with preservation of peace and economic policy co-ordination (in particular financial and trade policy). Today, these two functions no longer seem sufficient and many would like to establish a system of global governance that fully integrates the social and environmental dimensions of development.

2. This shift in global governance is being driven by pressure from stakeholders who challenge directly or indirectly the very aims on which its legitimacy was initially based. What they mainly object to is the approach that confines global governance solely to economic issues (the criticism of the “anti-globalists”) and, to a lesser extent, they question whether global governance is capable of ensuring peace (in the light of the difficulties encountered in solving conflicts in Israel, the Persian Gulf or Rwanda).

3. It is often said that both the form and substance of the first criticism of these international policies are due to the institutional shortcomings of a governance system that is insufficiently transparent and democratic and overly focused on economic considerations. And the obvious solution proposed is to carry out institutional reform aimed at making the system more transparent, democratic and open to social and environmental issues.

4. Nevertheless, except for the radical “anti-globalisation” movements, these criticisms do not fundamentally call into question the current system, but seem to recognise that there are market failures that must be corrected. Consequently, the debate on the organisation of global governance remains focused on the market and its failures, economic efficiency and public intervention, collective preferences and international co-ordination.

Specific interests, the general interest and political justice

5. These new developments began to emerge formally with the United Nations Conference on the Human Environment held in Stockholm in 1972. Naturally, certain environmental and social issues had already been introduced in other international forums before this date, but they had never been associated with economic objectives (International Conventions for the Regulation of Whaling [1946] and for the Protection of Birds [1950] and the International Plant Protection Convention [1951], etc.). In Stockholm, for the first time, economic growth as the ultimate objective of development policies was discussed in relation to global concerns that were not solely of an economic nature.

6. Since then, objections to the current system have only increased, and at the Rio Earth Summit in 1992, culminated, not in institutional reform, but in the creation of new institutions in the form of major

¹ This document has been prepared for the informal consultation between the OECD Trade Committee and civil society organisations to be held in Paris on 28 October 2002. The views expressed are those of its author and are not necessarily shared by the institution to which he belongs.
environmental conventions. A further step was taken with the World Summit on Sustainable Development last September, where expectations went beyond institutional approaches to address substantial issues. For example, respect for fundamental rights and access to essential goods and services were added to the concerns of combating poverty and the provision of global public goods.

7. How are these various expectations interrelated? In theory, it would be tempting to follow conventional wisdom and interpret them as being responses to different kinds of market failure, but in practice, it seems more likely that they reflect a common concern for taking better account of national and regional specificities and the issues that they raise.

8. Although it is true that the international community has recognised the need to promote trade, ensure financial stability, fight climate change, preserve biological diversity, combat desertification and ensure that every person has access to safe and nutritious food, in practice, trade liberalisation and financial stability have dominated the discussions and received significant funding. Other battles, such as the fight against desertification and the right to food are at best poor relations. Why are certain issues given priority rather than others? Is it because these issues or their consequences are much more visible, and are therefore seen as the priority? Or is it because they are of greater concern to the international community, but if so, to which international "community"?

9. Certain recent developments can provide some initial answers to these questions. For example, in recent years there have been growing movements of protest against international organisations and institutions; they have denounced the predominance of the World Trade Organization (WTO) in global governance, criticised the policies of the World Bank (WB) and International Monetary Fund (IMF) and demonstrated at G-8 Summits and Davos economic forums. Although these movements led by non-governmental organisations are mainly protesting against the dominant role of trade in global governance, there has been a significant shift in the nature and form of these protests.

10. After having focused on environmental protection, these movements are now increasingly supporting the defence of basic human rights, the provision of global public goods and universal access to essential goods and services. These are issues that are either ignored by economists as being demands that have no economic basis, or analysed and then criticised for their weak theoretical basis. This is because these issues are more concerned with correcting injustice -- and consequently, the need to create political justice -- than with correcting market failures2.

11. However, until now, international negotiations -- with the exception of the World Summit on Sustainable Development, to which we shall return -- have never been able commit themselves to courses of action other than the peaceful coexistence of nations (preservation of peace) and/or mutual co-operation, particularly on financial and trade issues. Introducing justice as a frame of reference for negotiations has never been decided, the reason being that the dominant international institutions were often created to promote objectives and viewpoints shared by a limited number of countries, which believe that they can best defend their interests by promoting peaceful coexistence and mutual co-operation between nations.

2. We should point out that if they were approached from the standpoint of justice, the questions raised might take an entirely different form: what are the feelings of injustice of the world’s citizens in response to events resulting from human or natural actions? This is said without specifying which is most appropriate level for addressing these issues.
Possible evolution of the global governance system

12. It is for these reasons that the current global governance system is often criticised as only reflecting the shared interests of the great powers. This perception of the hegemonic nature of the system is one of the basic arguments of protest movements, and no doubt rightly so.

13. Let us take the example of the 1992 Rio Summit. It was undoubtedly the international summit in which the largest number of delegations from developing countries and representatives of civil society participated, and it is true that an exceptionally wide range of specific concerns were expressed and taken into account in the negotiations. Nevertheless, results obtained were based on a minimum consensus, which meant that most of the issues raised were eliminated and only a few retained. Consequently, there is reason to question the priorities chosen by the international community at this Summit (climate change, desertification and biodiversity), if we recognise that the negotiating process, although more participative, did not succeed in ensuring that specificities were better taken into account.

14. If we accept that the aim is to respond better to the expectations of the different countries, how can we bridge the gap between their individual and collective concerns and the outcome of negotiations? At least three approaches are possible. The first is the approach traditionally advanced by those who promote the current governance system: since this system is the best possible (being based on negotiation between stakeholders), each of them must find innovative ways of using the system with maximum effectiveness so as to meet their interests to the greatest extent possible. But do these countries have the means to do so?

15. The second approach would consist of reforming the negotiating procedure -- which would mean questioning and possibly replacing the outcomes reached previously -- by changing the method used to aggregate preferences, since there are doubts as to whether the current process is able to reflect the general interest. There now appears to be unanimous support for this approach among the proponents of more transparent, participative and egalitarian international institutions.

16. Under this system, shared concerns should be able to emerge from the heterogeneous array of individuals and communities, each with their own individual and collective preferences. However, this universal vision raises a question and entails a risk. The question is how, starting from fundamentally different situations, it will be possible to reach common conclusions and define the international general interest. The risk is that it may prove extremely difficult to go beyond the current system of minimum consensus, in which two criteria always ultimately prevail: economic rationality -- since it is the only real dominant frame of reference -- and, hidden behind it, “the” hegemonic power.

17. The third approach considers that there is no system that will make it possible to decide that one concern is superior to another and that, since it is impossible to rank them by order of priority, they must all be taken into account. The main problem with this approach is that the policy selection process will no longer be based on rational choices, but on the nature and content of the discussions between the various actors. This situation seems paradoxical, for, while it would not necessarily lead to “good” decisions, it would give these decisions greater legitimacy (since they would more closely reflect the choices of the world’s citizens). By the same token, the ability to take into account all the concerns expressed would become a criterion for evaluating what constitutes a “good” policy. Consequently, it would be necessary to find a way to create a common culture and a mutual awareness of each other’s problems so as to be able to respond to each individual concern and satisfy each specific interest.

18. Our last two hypotheses would not be feasible unless the international community creates the necessary means for enabling its different viewpoints to be expressed by identifying the appropriate actors and procedures for doing so. What is more, when these actors disagree about priorities, then the
international community would have to respect these disagreements and provide institutional channels through which these conflicts might be expressed -- rather than seeking a minimum agreement that ultimately satisfies no one and has no chance of being implemented effectively. The World Summit on Sustainable Development is a first step in this direction, but appropriate institutional structures have yet to be developed.

**Johannesburg: an ongoing process**

19. The World Summit on Sustainable Development has once again highlighted, in an official negotiation forum, the diverging views on the objectives to be attained, the differences in the powers that countries wield because of the procedures used, and the distrust of the social and environmental dimensions of development shown by different countries (often for opposing reasons). The difficulties encountered in the preparatory process demonstrated the existing deadlocks, which were only very partially resolved in the official negotiating process.

20. It is difficult to say whether this “foreseeable failure” of the official negotiations played a role in the success of the initiatives proposed outside the framework of these negotiations (known as Type II initiatives). The fact remains that non-governmental actors participated massively in the Summit -- albeit in difficult conditions -- and were able to suggest new answers to specific public concerns. Does this mean that Johannesburg was a first step towards taking fuller account of the needs and expectations of a broad range of actors?

21. To answer these questions, we must look at a number of elements more closely. The first of these is the large number of Type II initiatives registered, and the diversity of the issues that they cover. This increased participation of non-governmental actors is a factor that can give greater legitimacy to the final policy decision, provided that it can have a long-term impact on the official negotiations.

22. The second element is the fundamental difference between the Johannesburg process and the previous trade and even environmental negotiations. Earlier negotiations produced a minimum consensus dominated by the strongest actors, while Johannesburg was more of a forum where specificities were expressed and taken into account in a process that, rather than resulting in a minimum formal agreement, made it possible to identify a vast array of projects, which were admittedly developed outside the official forum, but which respond to the expectations expressed.

23. The third element concerns the private sector, which showed a willingness to refer to other criteria besides short-term economic profitability so that its activities might help promote forms of development that are not solely economic, but also social and environmental. This made it possible to develop projects on access to drinking water for the most disadvantaged populations, access to energy, carbon sequestration and improvement of health care systems, etc. Although it may seem that there is nothing new about these projects, they entail a shift in the type of actors involved, for they establish a direct interface between the expectations of populations and proposals by operators (whether public, private or from civil society) that made it possible to develop initiatives that will satisfy all stakeholders. The real challenge of this process is to succeed in bringing together actors who are motivated by different rationales to reach a mutually satisfactory outcome.

24. Thus, in Johannesburg there was a striking contrast between the international negotiations, which became bogged down in the process of trying to select a limited number of issues to be placed on the

---

3. See IDDRI (2002), *Pourquoi faut-il aller à Johannesburg?* (Why should we go to Johannesburg?) Note by IDDRI.
agenda, and a myriad of projects that succeeded, albeit imperfectly, in taking into account the particularities of civil society. The political process was inconclusive, mainly because it proved itself incapable of aggregating the collective preferences of countries except in the form of “minimum agreements” that do not reflect the “general” or “universal” interest. On the other hand, the stakeholders representing specific interests succeeded in expressing their views, which were taken into account. This process went beyond the logic of minimum agreements by seeking to identify the common ground between stakeholders with different agendas, and can be seen as a stage in a complex process aimed at bridging the institutional gap that impedes the establishment of more genuine political justice.

25. However, this process is only one stage in a necessary evolution of global governance. Ultimately, the purpose of the multilateral governance system is to provide -- although it does not always succeeding in doing so -- greater international equity, more coherence, and more policy effectiveness, with full legitimacy. At the same time, the Type II initiatives developed in Johannesburg provides effective tools for innovation and for responding to the specific expectations of populations, which the multilateral system is only able to do very imperfectly. Currently, the gap between these two systems is too wide. There is a real risk that projects will be developed that are inconsistent with one another, by actors who are not formally accountable, and that these projects will lack legitimacy or democratic accountability and will not be sustainable in the long term. It is therefore indispensable to readjust this system of initiatives in order to provide it with a general framework to ensure that it serves the public interest and that is implemented by competent actors working in co-operation with each other in a long-term perspective.

---

4. By “universal”, we mean that which applies to everyone on the basis of a common commitment, rather than that which would apply “naturally” to everyone on the basis of natural or transcendental factors.