Reforming global economic and social governance: a critical review of recent programmatic thinking

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Foreword

In February 2002, the ILO established an independent World Commission on the Social Dimension of Globalization, co-chaired by President Tarja Halonen of Finland and President Benjamin Mkapa of Tanzania and comprising 26 eminent commissioners from a wide range of walks of life and different parts of the world, each serving in their individual capacity. Its broad goals were: to identify policies for globalization that reduce poverty, foster growth and development in open economies, and widen opportunities for decent work; to explore ways to make globalization inclusive, so that the process can be seen to be fair for all, both between and within countries; to promote a more focused international dialogue on the social dimension of globalization; to build consensus among key actors and stakeholders on appropriate policy responses; and to assist the international community forge greater policy coherence in order to advance both economic and social goals in the global economy.

The report of the World Commission, *A fair globalization: Creating opportunities for all*, was released on 24 February 2004. It is available on the Commission's website www.ilo.org/public/english/wcsdg/index.htm.

A secretariat was established by the ILO to support the Commission. Among other tasks, it compiled information and commissioned papers on different aspects of the social dimension of globalization. The aim was to provide the Commission with documentation and data on a wide range of options and opinions concerning subjects within its mandate, without committing the Commission or individual Commissioners to any particular position on the issues or policies concerned.

Material from this background work is being made available as working papers, as national and regional reports on meetings and dialogues, and in other forms. Responsibility for the content of these papers and publications rests fully with their authors and their publication does not constitute an endorsement by the World Commission or the ILO of the opinions expressed in them.

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Preface

The Technical Secretariat to support the World Commission on the Social Dimension of Globalization first prepared a synthesis of ILO activities on the Social Dimension of Globalization (published as Working Paper No. 1 in this series). Documentation on the work and outcomes of other major commissions, an ideas bank, a database and knowledge networks of experts and social actors were subsequently developed. These networks have dealt with several topics, including: inclusion at the national level for the benefits of globalization to reach more people; local markets and policies; cross-border networks of production to promote decent work, growth and development; international migration as part of the Global Policy Agenda; international governance (including trade and finance); the relationship between culture and globalization; and values and goals in globalization. Gender and employment aspects were addressed throughout this work. The Reports on the Secretariat's Knowledge Network Meetings are available on the Commission's web site or in a special publication from the ILO (ISBN 92-2-115711-1).

During the course of these activities, a number of substantive background papers were prepared, which are now made available for wider circulation in the Policy Integration Department's Working Paper series (Nos. 16 to 38), as well as on the Commission's website.

Dr. Heimans of Oxford University, reviews in this paper recent contributions to the ongoing debate about the reform of global economic and social governance. Three main categories of proposal are reviewed, each of which suggests a different direction and emphasis for reform efforts. First, proposals are reviewed that seek to address the "leadership gap" in the architecture of global economic and social governance today, ranging from relatively modest plans to modify existing institutional arrangements in the direction of greater inclusiveness and more effective coordination, to more ambitious proposals for the creation of new apex bodies concerned with providing overall economic and social leadership within the United Nations system. Second, this paper reviews proposals the main aim of which is to give non-State actors, such as citizens, non-governmental organizations (NGOs) and others, an institutionalized role in the international system as a means of bridging the *democratic deficit* in international organizations and increasing their accountability to ordinary people. Third, the paper reviews the emerging reform project based on the proliferation and codification of *networked* governance, centring on the use of small, multi-actor mechanisms targeted at particular issues, or at the provision of particular global public goods.

The main purpose of this paper is to review the reform proposals in their various permeations as a means of highlighting the different options available and the areas in which proposals could usefully be developed in more detail. The concluding section considers the different views of global economic and social governance that emerge from the various reform projects and suggests some strategies for overcoming political resistance to some of the more ambitious proposals.

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May 2004

Reforming global economic and social governance: a critical review of recent programmatic thinking

Introduction

This paper reviews recent contributions to the ongoing debate about the reform of global economic and social governance. In spite of deep resistance to and scepticism about the prospects for significant reform of existing institutional arrangements, and a general poverty of detailed programmatic thinking about what such reform would look like, a number of concrete and imaginative reform projects have been advanced in the past decade which are fuelling discussion among scholars, policy-makers and NGO advocates.¹

Three main categories of proposal are reviewed, each of which suggests a different direction and emphasis for reform efforts. First, proposals are reviewed that seek to address the “leadership gap” in the architecture of global economic and social governance today, ranging from relatively modest plans to modify existing institutional arrangements in the direction of greater inclusiveness and more effective coordination, to more ambitious proposals for the creation of new apex bodies concerned with providing overall economic and social leadership within the United Nations system. Second, this paper reviews proposals the main aim of which is to give non-State actors, such as citizens, non-governmental organizations (NGOs) and others, an institutionalized role in the international system as a means of bridging the *democratic deficit* in international organizations and increasing their accountability to ordinary people. In most of the forms they have taken, these first two reform projects have also been motivated by a desire to increase the overall role of the United Nations in global socio-economic and social governance relative to the Bretton Woods institutions, the World Trade Organization (WTO) and developed country forums such as the G8 and the Organisation for Economic Co-operation and Development (OECD). Third, the paper reviews the emerging reform project based on the proliferation and codification of *networked* governance, centring around the use of small, multi-actor mechanisms targeted at particular issues, or at the provision of particular global public goods.

¹ The proposals reviewed here include a number of comprehensive reform studies, several of which were conducted in the mid-1990s to coincide with the 50th Anniversary of the United Nations, as well as many more specific proposals advanced by scholars and international officials. The comprehensive reform proposals include the Commission on Global Governance (1995a), perhaps the best known of the studies and the basis of later work, such as Childers and Urquhart (1994), the Independent Working Group on the Future of the United Nations (1995), Idris and Bartolo (2000), the Global Governance Reform Project (Camilleri et al., 2000) and the Zedillo Report (2001).

The main purpose of this paper is to review the reform proposals in their various permeations as a means of highlighting the different options available and the areas in which proposals could usefully be developed in more detail. At different points, some of the advantages and disadvantages are pointed out and the political feasibility of the various proposals commented upon. The concluding section considers the different views of global economic and social governance that emerge from the various reform projects and suggests some strategies for overcoming political resistance to the some of the more ambitious proposals.

1. Addressing the leadership gap in global economic and social governance

This section reviews reform proposals designed to address the lack of representative, coordinated and effective political leadership in the existing architecture of global economic and social governance. Proponents of reform have argued strongly that existing institutional arrangements, currently dominated by technical forums such as the Bretton Woods institutions and political forums such as the G8, are failing to provide this kind of leadership and are not therefore providing a political means of responding to the polarization associated with the current period of economic globalization. In the words of the Commission on Global Governance (1995a):

The international community has no satisfactory way to consider global economic problems in the round and the linkages between economic, social, environment, and security issues in the widest sense. The boundaries between issues of trade, competition policy, environment, macroeconomic policy, and social policy are increasingly blurred (...) global interdependence is growing, and traditional institutional arrangements no longer suffice. Political structures that can articulate a sense of common interest and mediate differences are not keeping pace (...) at a global level.

1.1 A new global apex body

The creation of a new global apex body within the United Nations to oversee and direct global economic and social policy-making has been the central idea around which several major reform proposals have been organized. Indeed, with one or two exceptions, all reform proposals that have considered the overall institutional architecture of the system have converged around this concept.²

² Proposals for a new global apex body or “security council” concerned with economic and social affairs within the United Nations system have been made, among others, by the *Human Development Report* (1992 and 1994), the Commission on Global Governance (1995), the Independent Working Group on the Future of the United Nations (1995), the Global Governance Reform Project (Camilleri et al., 2000), Stewart and Daws (2000) and the Zedillo Report (2001).

There are several rationales offered for the creation of a high-level “economic and social security council” (ESSC) for economic and social affairs within the United Nations.³ First, the creation of such an apex body would provide leadership, promote greater coherence in the setting of overall global economic and social policies and address the linkages between key policy issues in a way that the Economic and Social Council (ECOSOC) has been generally unable to do. Second, an economic and social security council would be in a position to develop and coordinate policy responses to acute economic and social crises as they emerged. As Falk (2002: 205) points out, “perhaps, the most compelling rationale for an economic security council relates to security dimensions of the world economy”, such as the massive human suffering and disruptions caused by financial crises. Third, such a high-level council could be used to build political momentum for the implementation of globally agreed objectives like the Millennium Development Goals and as a forum to agree on the definition, provision and financing of global public goods. A fourth motivation is that of restoring the coordinating authority and prestige of the United Nations in global agenda-setting, given its political legitimacy, the current weakness and ineffectiveness of ECOSOC and the dominance of the Bretton Woods institutions, the WTO and various forums outside the United Nations system, such as the G8, the OECD and the World Economic Forum in this area. Finally, such a council would be intended to be a more inclusive forum for high-level discussion of economic and social policies than the above mechanisms, giving a real voice to developing countries even if, in order to be politically viable, it is usually envisaged as being less representative than the current ECOSOC.

The following discussion outlines the various permeations that have been proposed of this idea, and identifies areas in which more detailed programmatic thinking is required to develop the concept.

1.1.1 Main functions of an economic and social security council (ESSC)

The Commission on Global Governance (1995a) proposes an *economic security council* that would carry out the following main tasks: assessing the overall state of the world economy; developing a long-term strategic policy framework; securing consistency of policy goals among major international organizations; and promoting consensus-building dialogue between governments on the evolution of the international economic system. This new entity would be comparable in stature to the Security Council, but unlike the latter it would not have the authority to make legally binding decisions. In other proposals, such a council would also assume explicit responsibility for social policy and be constituted as an economic and social security council (Stewart and Daws, 2001). The Report of the Independent Working Group on the Future of the United Nations (1995) proposes a more complex structure, with the creation of parallel economic and social councils. The social council would be charged with the promotion and coordination of all social development policies and programmes associated with the United Nations, enhancing the effectiveness of the United Nations human rights apparatus and alleviating the political and social disintegration of States in distress. The two councils would meet annually to form a Global Alliance for Sustainable Development, which would aim to promote holistic policy-making with a focus on sustainable development.

³ When discussing the concept of a global apex body concerned with economic and/or social affairs, the term *economic and social security council* is used, but when examining specific proposals the term originally employed by the author(s) is used.

1.1.2 *Size, membership and structure*

All the major proposals envisage a relatively small body of no more than 23 members, about half the size of the current ECOSOC, in order to facilitate quicker and more effective decision-making. The Commission on Global Governance (1995a) proposes that membership of the council should comprise a mix the world's largest economies, which would be represented on the council "as of right", with the rest of the council selected on the basis of a rotating regional constituency system, in which strong regional organizations could in some cases act as substitutes for individual governments. This type of structure would make the creation of such a body more politically attractive to industrialized countries, but has been seen in other quarters as being insufficiently democratic and representative of developing countries.⁴ Stewart and Daws (2001) suggest a similar model to that of the Commission on Global Governance, with half of their proposed *economic and social security council* being made up of the world's ten largest economies in terms of GDP, taking into account purchasing power parity, which would therefore include China, India, Brazil and the Russian Federation, and six developed countries. The other ten members would be elected based on existing United Nations categories of regional representation. The result of such a scheme would be a council split evenly between developed and developing countries, positioning this new institution somewhere between ECOSOC (in which developing countries control 65 per cent of the votes) and the Bretton Woods institutions (in which developed countries control around 70 per cent of the votes). Stewart and Daws also propose a scheme for decision-making in such a council, under which a two-thirds majority of the council would be required to pass a resolution, with no country holding veto power.

1.1.3 *Level of representation and frequency of meetings*

The council would need to attract a higher level of representation than ECOSOC in order to achieve the engagement of the Bretton Woods institutions and major States, and to emerge as a genuine alternative to existing multilateral forums, such as the G8. To this end, the Commission on Global Governance proposes that the council meet twice a year, once at Heads of Government level and the other at finance minister level (crucial players in national governments who are rarely seriously involved in United Nations activities). The Independent Working Group on the Future of the United Nations, in contrast, proposes regular meetings of its economic and social councils at the level of senior representatives of national missions to the United Nations, with occasional ministerial level meetings.

⁴ See for example the critique of the Commission on Global Governance's economic security council by Isley (1999).

1.1.4 *Relationship to the Bretton Woods institutions, the WTO and the United Nations*

There is some divergence in the proposals reviewed here over how much authority, if any, a new United Nations apex body would have over the Bretton Woods institutions and the WTO. This is a key issue, because such proposals are partly motivated by a desire to increase the accountability of these organizations to the United Nations, as well as to improve traditionally poor inter-agency coordination. The Commission on Global Governance resists the notion of one central supervisory body overseeing all international organizations within its jurisdiction. It sees an economic security council attracting credibility over time through its “competence and relevance” (1995a: 155), while working to increase communication within the system. The heads of the Bretton Woods institutions, the WTO and other United Nations agencies would be “invited” to report to the council on a regular basis. Russett (1996: 269) points out that there is an “in-built tension” in proposals for an apex body which seek to integrate and consolidate the work of all the United Nations agencies and international institutions because they each pursue very different approaches to economic policies. Russett’s concern is that experimentation and “diversity of goal and doctrine” might be lost with attempts to harmonize policy-making. On the other hand, the proposal of the Independent Working Group on the Future of the United Nations would “require” such reporting to the apex body. The proposal of the Global Governance Reform Project (2000: 56-58) goes further, suggesting that an economic and social security council should be given a special summoning power, so that it could require the Bretton Woods institutions and the WTO, as well as transnational corporations and NGOs, to appear before it at a member’s request. The council that they envisage would be supported by standing committees for particular issues, as well as ad hoc subcommittees formed to address specific issues (such as a financial crisis), which would function in a manner similar to that of a parliamentary committee, with the ability to call upon the testimony of officials and experts and to produce non-binding policy recommendations and research and analysis. The summons power is seen as a way of increasing the accountability of international economic institutions through high-profile public hearings.

Within the United Nations Secretariat, the Commission on Global Governance proposes that the council should be supported by a “small, strategically-minded secretariat” that would be under the supervision of a proposed new Deputy Secretary-General for International Economic Cooperation and Development. The Independent Working Group on the Future of the United Nations suggests that an advisory committee of talented and distinguished individuals drawn from a variety of fields, including the private sector, should support the activities of its two proposed councils.

1.1.5 *Negotiation and implementation*

Very little detail has been offered by the various reform studies as to how an economic and social security council might actually be negotiated or successfully implemented. The Commission on Global Governance envisaged the creation of an economic security council through an amendment to the United Nations Charter. The Zedillo Report (2001) suggests a novel way to move quickly towards the creation of an economic security council. It recommends that the United Nations convene a Global Economic Governance or Globalization Summit, consisting of a small but representative group of Heads of State to

discuss institutional reform questions, with the possibility of the summit deciding to perpetuate itself as an economic security council if its first meeting proves worthwhile. Others have proposed a globalization summit along similar lines. It is not clear whether the Zedillo Report envisaged such a council existing in this unofficial manner in perpetuity or whether, once the body has established its legitimacy and effectiveness, moves would be made to establish it as an official United Nations organ by an amendment to the Charter. Nonetheless, this suggestion offers a way to kick-start the creation of such a body, while initially avoiding protracted United Nations negotiations.⁵

Politically, it would be very difficult to achieve the level of consensus required to create an economic and social security council. European governments are the most promising source of political support among the developed countries. At the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, President Chirac of France, the German Development Minister, Wierzorek-Zeul, and a number of other national political officials supported the establishment of such a council (Langmore, 2002). However, it is still difficult to see how such a body would be more politically attractive to the major economic powers than the G8 or ad hoc mechanisms of their own creation, such as the G20. For the United States, in particular, the location of such a council within the United Nations system would be likely to be seen as limiting its room for manoeuvre and subjecting it to the rules, procedures and frustrations of that organization. That said, it is possible to imagine a scenario in which organized resistance to the current institutional architecture (such as that glimpsed in the wave of anti-corporate globalization protests of recent years), or a major economic crisis, would create pressure on the major economies to create a forum which seriously involved developing countries and which called upon the institutional legitimacy and imprimatur of the United Nations. It is in this space that proposals for an economic and social security council might flourish.

⁵ Indeed, an annual global United Nations summit meeting at Heads of Government level of a small but representative group of countries might be desirable in itself. But linking this idea to the broader and more ambitious project of a permanent economic and social security council would make it less, not more, likely to be accepted.

1.2 Reform of ECOSOC and other institutional reform

In most of the proposals discussed above, an economic and social security council would replace the current ECOSOC, and the creation of such a global council might also be the catalyst for the consolidation or elimination of other United Nations institutions in the economic and social arenas that are seen as being ineffective.⁶ For the Commission on Global Governance (1995a), ECOSOC's membership is too large to be effective and it has never established credibility: "[f]ifty years is long enough to know what works and what does not work within any system. ECOSOC does not work".

However, some of those concerned with achieving the objectives of an economic and social security council, especially that of creating an inclusive and powerful leadership forum for economic and social governance within the United Nations system, have instead proposed more modest institutional reforms based on the reform of ECOSOC or the upgrading of other United Nations organs. These reforms are seen either as an interim strategy to provide enhanced leadership, given the political difficulties of creating a wholly new United Nations organ, or because they see the creation of a wholly new United Nations organ as unnecessary or a reflection of "avoidance reform" (the creation of a new institution, instead of improving the existing one created for that purpose). For Childers and Urquhart (1994: 60-61), creating an economic and social security council would be redundant because "ECOSOC was given precisely the mandates that are now mooted for such a council (...) ECOSOC's original commissions were to be precisely the kinds of high-calibre bodies that would do the necessary committee work, serviced by a world-class Secretariat that would also draw upon the expertise of the specialized agencies". Their

⁶ Proposals have been made on various grounds to eliminate some United Nations organizations concerned with economic and social policy. Not all of them are premised on the creation of an economic and social security council. The Commission on Global Governance (1995) and Gordenker (1996) argue that UNIDO and UNCTAD should be abolished because they overlap with other activities inside and outside the United Nations, have failed to achieve their missions and have reputational problems. The Commission's recommendation assumes both the existence of an economic and social security council supported by a strong secretariat to fulfill the functions of UNCTAD and UNIDO. In contrast, some reform proposals, such as those of the South Centre (1995), have suggested strengthening UNCTAD and UNIDO by expanding their mandates or increasing their financial support because they are seen as more representative of developing countries than some other instruments in the system. Others have proposed the elimination of the regional economic commissions, which Gordenker (1996) describes as "organizations that have neither convincingly approached their goals nor stood the test of time", and which have been overshadowed by other regional organizations, such as ASEAN. Yet others have proposed the strengthening of the regional commissions and regional banks as a means of decentralizing international economic policy-making and facilitating the involvement of local NGOs.

vision is of an upgraded ECOSOC, with the United Nations Secretariat itself playing a key role in terms of coordination and policy development.⁷ Behind many of the proposals to reform ECOSOC is a demand, expressed or implied, that the organ be “allowed to do its work as mandated by the Charter of the United Nations, considering it was pre-empted from performing its tasks (...) with the establishment of the Bretton Woods Institutions” (Idris and Bartolo, 2000: 149).

There are several aspects to the current proposals to upgrade ECOSOC. First, the General Assembly and the United Nations Secretary-General have in recent years urged ECOSOC to assume a role in responding to financial crises and other urgent global economic and social problems by meeting immediately and formulating policy responses (the Bretton Woods institutions and the G8 are currently the focal points for this kind of rapid crisis response). ECOSOC could also meet more regularly, for two or three days at a time, whenever economic or social circumstances seem to demand it (Langmore, 2002). Second, proposals have emphasized ways of improving coordination with the Bretton Woods institutions and the WTO which, until the recent establishment of an annual meeting between ECOSOC and these organizations, did not meaningfully interact with ECOSOC. The International Council on Social Welfare proposes that this high-level meeting should be a vehicle around which ECOSOC could strengthen its hand and increase its relevance. It proposes that a ministerial level working group on economic cooperation be established to set the agenda for these meetings, which would identify and prepare one or two major topics for discussion each year. The Bretton Woods institutions would be key participants in this process, but ECOSOC would have overall control: “If the major economic powers wish to have a significant role in ECOSOC’s coordination, they should do so by seeking election to the Working Group on Economic Cooperation rather than using the IMF or World Bank as their proxy.” Third, proposals to upgrade ECOSOC have recognized the importance of engaging with civil society and the private sector at a high level and in more structured ways. This would include institutionalizing arrangements for the participation of non-State actors in the high-level segment of ECOSOC and in the joint meetings of the international trade and financial institutions and ECOSOC.

All of the above proposals are relatively modest. If implemented, they would contribute to restoring the role of the United Nations in global economic and social policy-making, provided that this was accompanied by the participation and substantial commitment of the political leaders of the world’s major economies. In the current political environment, even given the improvement in ECOSOC’s political standing in the past few years, that still seems a fairly remote prospect. More radical proposals for the reform of ECOSOC seem still less plausible. Idris and Bartolo (2000: 149-151) have proposed altered or new agreements to bring the Bretton Woods institutions and the WTO into conformity with the mandates of the General Assembly, which would give ECOSOC a much larger role in their supervision, even though those institutions would remain under the direct management of their governing boards. The Nordic United Nations Project has proposed the expansion of

⁷ To achieve this, Childers and Urquhart (1994: 194) propose establishing a post of Deputy Secretary-General for International Economic Cooperation, who would be second only to the Secretary-General in seniority (this position, of course, has been superseded by the position of Deputy Secretary-General, who has a broader mandate). The Deputy would have overall responsibility for all United Nations economic and social research, analysis, policy development and programming. The Commission on Global Governance (1995a) made a similar proposal. Such a position was first envisaged in the 1970s, resulting in the creation of a Director-General for International Cooperation, who was quickly marginalized and had little sway over the activities of the United Nations Secretariat, let alone those of the World Bank and the IMF.

ECOSOC to make it a universal body in parallel with the General Assembly, while abolishing the Second and Third Committees of the General Assembly, although such an expansion would be unlikely to attract any significant support because it would work to reinforce one the major criticisms of the body, that is too large to facilitate productive dialogue or quick decision-making.

1.2.1 *Adapting the General Committee of the General Assembly*

Given that ECOSOC's size is seen as one of the major barriers to its effectiveness, but also considering the political difficulties associated with the creation of an economic and social security council, Kaul et al. (2003: 35-6) have recently proposed using an existing body within the United Nations system – the General Committee of the General Assembly – to perform the functions of a global apex body. The General Committee would be an attractive venue because of its relatively small membership of 28, and because each of the five permanent members of the Security Council is a member, guaranteeing a seat to some of the world's major economies and most powerful States, including the United States. It is also regionally representative. Kaul proposes that the 28 members of the General Committee and the President of ECOSOC form a G29 that would meet annually at the level of Heads of State for a day at the beginning of the General Assembly session in September. This proposal is a politically adept response to the difficulties of reform and the creation of new institutions, and its size would allow for more decisive discussion, although it would still be somewhat larger than the proposed economic and social security council. However, unlike the major proposals for an economic security council, the composition of the General Committee would still favour developing countries, which is likely to make it a less attractive instrument for the governments of the major economies. Its location within the United Nations institutional apparatus would make the upgraded General Committee more politically legitimate for some countries than ad hoc bodies such as the G20, but would also be a political negative in others, most notably in the United States.

1.2.2 *Reforming the Bretton Woods institutions and the WTO*

Reform of the Bretton Woods institutions and WTO is crucial to the broader project of building a more legitimate and effective institutional architecture. Even if the United Nations were to significantly strengthen its hand in global economic policy-making, this would have only a limited impact without corresponding changes to the balance of power in relation to the World Bank, the IMF and the WTO. As such, while the main focus here is on leadership institutions, I will point briefly to directions for reform of the governance of these institutions.

Many of the proposals for reform of the governance of the Bretton Woods institutions have focused on changes to voting rules and on transparency and accountability processes.

Various reformulations of the present voting rules have been suggested, generally with the aim of making the IMF and the World Bank more representative of developing countries. Woods (2000) and You (2002: 222) raise the possibility of a system of double majority rule, in which a majority both of quota votes and basic votes (one vote, one value) would be needed to make decisions. The Commission on Global Governance (1995a: 188) suggests shifting the criteria for weighted voting from conventional GDP to GDP based on purchasing power parity, which would tend to benefit developing countries. A report by New Rules for Global Finance (Caliari and Schroeder, 2003: 4) recommends that the ratio of basic votes to quota votes should be restored to at least the 1944 levels, when basic votes made up a much greater proportion of total votes. Some have advocated setting the supermajority level below the voting share of the Fund's largest member, the United States, to prevent one country exercising veto power of the decisions of the Fund (ODC, 2000). Other key studies, such as that of the Meltzer Commission (2001) and the Zedillo Report (2001), notably do not address or do not advocate changes to voting arrangements in the World Bank and the IMF, with the latter noting that to do so would risk the withdrawal of vital donor support.

To increase accountability and transparency in the Bretton Woods institutions beyond the advances made in recent years, many proposals have emphasized the need to replace consensus decision-making with more open discussions and voting procedures in order to expose interests and allegiances more clearly (Woods, 2001), including making the agendas, transcripts and minutes of World Bank and IMF board meetings publicly available in most cases (Caliari and Schroeder, 2003: 4).

Calls for reform of the governance of the WTO began even before it came into being. The WTO's consensus-based decision-making system has been widely criticized as being both unwieldy for an organization of 140 members and as tending to reinforce the power of the major trading countries. To remedy this, some form of executive or steering committee arrangement has been proposed to allow a more focused and representative venue for key negotiations on future trade accords and other issues before they are taken up by the WTO General Council. The Zedillo Report (2001) envisages a committee that would be representative of the broader WTO membership, and would not need weighted or proportional voting. Sutherland and Sewell (2001: 99-100) propose a committee of roughly 24 members selected according to some combination of geographical balance, importance in the multilateral trading system (measured by trade volume) and caucus size (measured by the number of countries in a particular income grouping). Such proposals have emphasized that a committee of this kind would not have any final authority, but that it could attract legitimacy over time as a place for building consensus and recommending action to the WTO General Council.

2. Proposals to enhance the role of non-State actors in global economic and social governance

States are the only officially recognized participants in the proposals discussed above, and NGOs, individual citizens and other non-State actors would be left with a fairly peripheral role. However, another set of proposals sees the reform of global economic and social governance as being advanced through the creation of permanent institutions within the United Nations system to facilitate the participation of citizens and other non-State actors in dialogue and policy-making. Proponents of such bodies view them both instrumentally as a means of producing policy outcomes that are more consistent with the interests of the people of the world, as part of a project to make the existing intergovernmental organizations more accountable to ordinary citizens, and as an end in itself to increase the level of democracy at the global level, by narrowing the democratic deficit which characterizes the institutions of global economic governance. This section examines the various proposals for the creation of new global assemblies or plenary bodies to achieve these ends. Two main types of assemblies have been proposed: global citizens' assemblies and assemblies comprised of NGOs and other associations.

2.1 Citizens' assemblies

2.1.1 *Main functions of a popularly elected people's assembly*

Falk and Strauss (2000 and 2001), Childers and Urquhart (1994) and the Global Governance Reform Project (Camilleri et al., 2000: 28-29), among others, have proposed popularly elected assemblies as a voice of global citizenry with broad responsibilities to act as a kind of house of review for other United Nations institutions and activities, but with few formal powers. Childers and Urquhart's (1994: 176-81) proposal for a United Nations Parliamentary Assembly, for example, would have the following main responsibilities: expressing citizens' views on major international problems and crises, and on the United Nations' response to them; influencing government formulation of United Nations policies; watching over the management and financing of the United Nations; and enhancing the collective accountability of its member governments. It would need to be consulted by the General Assembly, could hold readings of major decisions before ECOSOC, convey opinions to other United Nations organs, hold question times with the Secretary-General and the presidents of United Nations organs and request amendments to policies, but would lack budgetary powers. Such an assembly could adopt its own programme of work, and part of its brief would be to work on issues requiring innovative citizen-led solutions to global problems.

In contrast to the proposals for world parliaments made by the World Federalists,⁸ none of the proposals reviewed here would give legislative powers, including budget control, to such an assembly. However, the experience of the European Parliament, as the world's first popularly elected transnational body, is seen as a model of how the influence and powers of such an assembly could expand over time. The European Parliament was initially regarded as a very weak body, but has gained expanded legislative powers since direct elections to the Parliament were instituted in 1979 and with successive European integration treaties over the past two decades. Falk and Strauss (2000) imagine that their Global People's Assembly would be subject to a "socio-political dynamic of empowerment", in which the assembly would gradually acquire prestige as a popularly elected global body which governing elites and international institutions "could not afford to ignore". Falk and Strauss' vision raises the possibility that such an assembly might, in the longer term, begin to usurp some of the intergovernmental processes that they regard as the source of the "democratic deficit" in global policy-making, in which ordinary citizens (and especially the world's poor) are far removed from the possibility of influencing the activities and decisions of international institutions.

2.1.2 *Structure and method of election*

The question of how representatives to a global citizens' assembly would be selected presents enormous political and logistical challenges. The ultimate aim of all the proposals reviewed here is for representation to be based on direct elections with universal suffrage in all participating countries. The challenges that this would entail include the generation of global electoral rolls, the creation of electoral constituencies around the world, the establishment of a system of campaign finance and some process to monitor or supervise elections. The Global Governance Reform Project (Camilleri et al., 2000) proposes that a United Nations election commission could take on these kinds of responsibilities, although none of the proposals address these issues in detail, other than to acknowledge the size of the task. The difficulties involved in drawing analogies between national and global electoral democracy also become apparent from these proposals. For example, operationalizing the principle of one person, one vote at the global level, which is an important part of the concept of democratic equality, would give China and India in particular huge influence over the assembly, presenting both political and practical problems. Among other considerations, this would lead to an assembly of unworkable size if every country were to be represented (constituencies of six million, as proposed by the Global Governance Reform Project, would mean an assembly of 1,000 members). For this reason, Childers and Urquhart (1994) suggest that a sliding scale requiring increasing numbers of citizens for each additional representative could be agreed. Moreover, maintaining the democratic quality of the assembly itself, considering the unevenness of democracy around the world, would simply not be possible in the short term if membership were universal.

⁸ See, for example, Harris and Yunker (1999).

2.1.3 *Negotiation and implementation strategies*

In recognition of the political and practical difficulties involved in securing universal agreement for the creation of a popularly elected people's assembly along the lines described above, various provisional institutions and strategies have been suggested with a view to developing a basis for full implementation later.

In view of the possible need for an internationally agreed treaty to establish a popularly elected assembly, Falk and Strauss (2000), most radically, challenge the notion that such a body would have to be formally or legally constituted in the first place. They argue that the legitimacy of international institutions is no longer exclusively reliant on State consent, and therefore propose that civil society, aided by willing States, should simply go ahead and create such an assembly, "because the citizenry rather than the sovereign is the fundamental source of political authority". They argue that "citizens can bypass their sovereign intermediaries and act directly to create an international organization". Falk and Strauss suggest that the political impetus to do this would come from a concerted campaign by NGOs, and that these same organizations would be key players in its implementation. They point to the key role played by civil society in the 1990s in advocacy on issues such as climate change and the creation of the International Criminal Court as evidence that this is possible, although they do not explain how the advocacy skills of NGOs could be harnessed to undertake the quite different task of designing a new institution and conducting national elections, even with government help. More recently, Falk and Strauss (2001 and 2002) have further argued that a group of as few as 20 geographically and economically diverse countries could lead the effort to establish a global people's assembly in pilot form, with other countries joining later in response to pressure from civil society if the experiment seems to be working. This could be achieved in a way that bypasses the traditional inter-State treaty mechanism altogether, or through the implementation of a treaty negotiated according to the "single negotiated text" method used for the development of the Land Mines Convention, in which countries would use a single text as the basis for negotiation, with the ratification of a certain number of countries required for it to take effect.

While the suggestions of Falk and Strauss are designed to make the realization of such an assembly more politically plausible, their proposal would seem to require that the body should exist outside the United Nations system, at least initially. If created by a coalition of States and NGOs without recourse to a treaty, the body would initially have the same kind of status in the international system of organizations as the Red Cross. This might make it difficult for such an assembly to establish its initial political legitimacy or, on the other hand, if it attracted considerable attention, there would be a risk that it would undermine the activities of the United Nations. The relationship between the global people's assembly and the United Nations would "eventually have to be resolved", argue Falk and Strauss, with one possibility being the eventual joining of the global people's assembly with the General Assembly to create a bicameral legislature.⁹

⁹ Falk (2002) has argued elsewhere that such a body could also be created as a United Nations organ in parallel with the General Assembly.

In contrast, Childers and Urquhart (1994) are concerned to ensure that their assembly has legal status as a United Nations body (“for its political legitimacy”) and that its functions do not “abridge or confuse” the United Nations’ intergovernmental processes (as such a body might), but rather that it should complement the “knowledge and perspectives brought to intergovernmental organs by government delegations”. Their assembly would require an amendment to the United Nations Charter and involve lengthy political negotiations, both of which would significantly reduce the political appeal of their plan. They propose that the General Assembly should establish the United Nations people’s assembly under Article 22 as a subsidiary body made up of delegates selected by the national parliaments of member States (which would itself be a difficult political task). This body would then develop proposals for converting itself into a popularly elected world assembly, which would be followed by a period of “several years” discussion at the national and international levels, centred in the General Assembly, at the end of which agreement would be reached to amend the United Nations Charter to establish the body as an additional principal organ.

Some political support for the concept of a global people’s assembly has already been expressed by the European Parliament and the Canadian House of Commons but, as Falk and Strauss themselves argue, it is difficult to see the political impetus for the creation of such a body coming from governments. Serious arguments against such an assembly would be made if a concerted NGO campaign for a global body were to be initiated, including that it would encroach on the mandates and legitimacy of elected governments, that it would be the harbinger of a larger and more threatening project to turn global governance into a kind of world government, and that it would in any case be impractical because, as Nye (2002) has argued (echoing Habermas), no shared global identity currently exists, which would be a precondition for the peoples of the world to cooperate effectively in this way.

2.2 NGO assemblies

The proposals for popularly elected people’s assemblies emphasize the role of individual citizen-legislators and are based on an attempt to mirror national political processes at the global level. As Falk and Strauss (2000) ask, “[i]f democracy is so appropriate in the nation-State setting, why should not democratic procedures and institutions be extended to the global setting?” While these scholars recognize the importance of NGOs as transnational actors and potential allies in the construction of their projects, they are more attracted to the possibilities of directly elected, parliamentary style structures as the organizing principle for introducing greater democracy and accountability in global governance. For Childers and Urquhart (1994), for example, the best service provided by NGOs in connection with the United Nations is to “inform their particular constituencies and add voice through their particular professional, technical, or humanitarian concerns”, but they are not seen as political representatives in themselves. In contrast, proposals for assemblies of civil society envisage NGOs (and possibly other non-State actors), not elected representatives, as the principal political units and instruments for grassroots participation.

Such assemblies would perform the same basic consultative and monitoring functions envisaged by the proponents of popularly elected assemblies. For the Commission on Global Governance (1995a: 258-60), however, “an assembly of parliamentarians is not the answer to the need for involving new actors in global governance”. They see more promise, and political appeal, in harnessing the voice and legitimacy of NGOs. The Commission advocates the creation of a Global Forum of Civil Society, based at the United Nations, which would comprise accredited representatives of NGOs to the General Assembly. The Forum would meet once a year and would be an opportunity for civil society to influence the intergovernmental debate at the General Assembly and provide an entry point for NGOs into the United Nations system. It would, like the proposals for a global people’s assembly, be of parliamentary proportions, consisting of between 300 and 600 organs of global civil society.

Other proposals advocate the participation of a broader set of non-State actors, including the private sector. The Global Governance Reform Project (Camilleri et al., 2000) suggests that, in addition to a people’s assembly modelled along the lines discussed earlier, a second consultative assembly should be established made up of representatives of the private sector (represented through regional and international umbrella organizations), the trade union and professional sector (also through their umbrella organizations), as well as NGOs relevant to United Nations activities. Edwards and Zadek (2003: 215) propose “a series of non-representative bodies designed to provide a space for debate on particular international institutions or regimes”. As examples, they suggest: the establishment of a World Financial Forum for non-State actors to complement the work of the IMF, provide a space for a range of non-State actors to debate the Fund’s policy and performance every two years; and a multi-stakeholder forum for the WTO along similar lines.

2.2.1 *Selection of representatives*

Selecting representatives to NGO-based assemblies would raise the kinds of questions about the legitimacy and accountability of NGOs that have accompanied their growing influence in world politics. None of the proposals outlined above make detailed suggestions as to how non-State representatives to these assemblies would be selected. Because such bodies are envisaged as large, formally-constituted assemblies (and not the kind of loose networks of experts described later in this paper), the methods used to select the participants in such assemblies would be especially crucial to their legitimacy and political viability.

The Commission on Global Governance, in its proposal, essentially passes the responsibility of selecting representatives onto NGOs themselves: “civil society itself would need to have a key role in determining the character and functions of the forum, including how representatives to the forum would be selected”. The Global Governance Reform Project (Camilleri et al., 2000: 28-29) suggests that the General Assembly determine the membership of such an assembly on the recommendation of the United Nations Secretariat. This seems curious, given that one of the justifications they offer for creating such forums is that “many member States have tenuous or poor democratic credentials and questionable legitimacy”. Edwards and Zadek (2003) acknowledge the difficulties inherent in selecting representatives through mechanisms such as elections across diverse constituencies, and so simply suggest that the multi-stakeholder bodies they are proposing be “non-representative (...) with participants selected according to expertise or material interest”.

2.2.2 *Negotiation and implementation strategies*

Assemblies of NGOs and other non-State actors could have more political appeal than popularly elected people's assemblies, both because they tap into the current popularity of NGOs and the idea of multisectoral governance, and because they would bypass the practical difficulties associated with holding elections.

The Commission on Global Governance's proposal envisages only an annual forum of civil society, which would not require any formal status in the United Nations system and so would be relatively easy to implement (indeed the Secretary-General advocated such a forum for the United Nations Millennium Summit). A more permanent body with status as a parallel organ to the General Assembly would require an amendment to the United Nations Charter, with the attendant political difficulties.¹⁰ The General Assembly would determine the membership of the consultative assembly on the recommendation of the United Nations Secretariat.

It should be noted that the proposals outlined here are much more ambitious versions of other proposals designed to increase the role of NGOs in the activities of international institutions in the short term. They would be in keeping with recent efforts to do just this within the United Nations system. Edwards and Zadek (2003: 218) outline some of the possibilities, including meetings with non-State actors on particular topics the day before official intergovernmental meetings, as in the committee process used by the OECD, and requesting "alternative reports" from non-State actors to be considered alongside country reports from governments.

2.2.3 *Direct representation of non-State actors in international organizations*

An alternative, but no less contentious path for the participation of non-State actors in the activities of international institutions is for them to be represented directly as members of the governing organs of international institutions.

Except for the ILO and UNAIDS, no other agency has seen fit to include representatives of non-State actors in its governing council. None of the major reform studies of the past decade have advocated changing the constitutions of existing United Nations agencies or international institutions to allow for the formal participation of non-State actors in this way. Indeed, even with the growth of, and official enthusiasm for global civil society in recent years, such a change in the governance arrangements of established institutions would be so radical, and would meet with so much resistance from governments, that it seems politically implausible today. Even the much simpler issue of the participation of NGOs in the debates of the General Assembly has been discussed for a decade without any solution being found. Moreover, despite the benefits that NGOs could bring in terms of knowledge and energy, there is a risk that the independence and integrity of civil society

¹⁰ Under Articles 108 and 109, an amendment to the United Nations Charter requires the approval of a two-thirds majority of member States, as well as the approval of all five permanent members of the Security Council. As Kapur (2002: 348) points out, "the circumstances under which such a majority can be mustered are truly exceptional and certainly is not the case at present".

could be seriously jeopardized, without offsetting gains in the realization of their objectives. Civil society could find itself in the unenviable position of responsibility without power. The bureaucratic and political constraints imposed by the working methods of United Nations agencies may not be suited to the approach of NGOs and may have a negative impact on their originality and vitality.

In contrast, the direct participation of non-State actors, including NGOs, the private sector and the research community, is often a feature of more informal governance mechanisms and of the experiments in networked governance discussed in the next section, such as the new Global Fund to Fight AIDS, Tuberculosis and Malaria, in which NGOs and the private sector sit on the governing board alongside governments, making key decisions about the allocation of funds. The role of non-State actors in networked governance is a source of controversy. According to one view, their participation is a precondition for realizing the benefits of networked governance, because the private sector and civil society can only be expected to engage seriously when they are treated as equal partners. Others argue that non-government actors cannot be held accountable for the responsible use of funds in the way (democratically-elected) national governments can. This tension reflects a much broader debate about the democratic accountability of NGOs and their role in global governance.

3. Networked governance

The proposals discussed so far rely either on the creation of new international institutions or the substantial reform of existing institutions. In recent years, however, much of the energy in the debate about global economic and social governance has turned away from this kind of ambitious institutional reformism and focused instead on the possibilities of *networked governance* as a means of addressing the inadequacies of existing arrangements and institutions. As Deacon (2003: 27-28) observes:

Because significant global institutional reform seems check-mated ... and because there are now so many loci of action and initiatives on global social issues, we may be witnessing a shift in the locus and content of policy debate and activity from those more formally located within the official UN policymaking arenas ... and focussed on UN/Bretton Woods institutional reform such as the establishment of an Economic Security Council to a set of practices around Networks, Partnerships and Projects which in some ways bypass these institutions and debates and present new possibilities for actually making global change in particular social policy arenas.

This emerging reform project seeks the proliferation and institutionalization of a new set of transnational governance mechanisms that are generally referred to as policy or issues *networks*. Although definitions vary, such mechanisms have a number of common characteristics. First, they are multisectoral, in that they involve the participation of some combination of national governments, multilateral agencies, non-governmental organizations and the private sector. Second, they are usually designed to address very

specific issues or problems, rather than a general set of issues within a broad mandate.¹¹ Because of this, *experts* or epistemic communities often play a major role in them. Third, they tend to be much smaller in organizational terms than broad-based international institutions and their governance structures are likely to be more ad hoc or informal.

Global networks of this kind may fulfil a number of functions, such as placing particular issues on the international agenda, setting standards and international norms, gathering and disseminating valuable knowledge (Reinicke and Deng, 2000) or mobilizing and distributing international financial resources. Some prominent examples of such networks are the Global Fund to Fight AIDS, Tuberculosis and Malaria, a major new financing mechanism based on these principles and one of a growing number of “multisectoral global funds” (Heimans, 2002). Other examples include the World Commission on Dams, a multisectoral commission which sets global standards for the construction of large dams, and the Medicines for Malaria Venture, a global partnership designed to create incentives for pharmaceutical companies to develop new anti-malarial vaccines.

The increasing popularity of networked governance as a mode of reform is a reflection both of the difficulties of implementing institutional solutions to address urgent global problems and of the comparative advantages of these new mechanisms. Rischard (2002: 31) speaks to the political difficulties: “In effect, global issues networks are supplements in leveraging the best out of the existing international architecture. This alternative is far better than creating entirely new institutions from scratch or endlessly working to reform existing ones – each option requiring the kind of time the world does not have”. Second, there is a strong perception that networked governance has certain advantages that traditional institutional solutions lack. The most commonly claimed benefits of global networks are that they are non-bureaucratic and fast-acting, facilitate innovation through their size and flexible governance structures, are able to mobilize diverse opinions, skills and increased cooperation by including non-State actors as equal partners and have a results-orientation because they are focused on specific issues.

There have been as a yet only a few significant attempts to think in detail about how such networks should be operationalized and what their place would be in broader efforts to reform the architecture of global economic and social governance. Rischard (2002: 24-29), for example, imagines that a web of global issues networks would deal with each of a list of 20 “inherently global issues” that he identifies as requiring immediate action. Networks would finally evolve into rating agencies, which would monitor standards and rely on reputation concerns to “enforce” the norms that the network has established through its deliberations. Ratings for each issue could be aggregated to produce overall country ratings.

For Rischard (2002) and Reinicke and Deng (2000), international institutions would support this web of networks by acting variously as convenors, platforms, networkers or, in some circumstances, as providers of seed funding. International organizations would become *policy entrepreneurs* assembling or facilitating global networks in response to

¹¹ The growing interest in the concept of global public goods is another manifestation of the same trend, especially in terms of the disaggregation of key governance tasks. Indeed, proponents of a global public goods agenda have generally embraced networked governance as an important means of producing and in some cases financing these goods (see, for example, Kaul et al., 2003).

global problems, in the way that Secretary-General Annan provided the initial impetus for the Global Fund to Fight AIDS, Tuberculosis and Malaria and moved to establish the Global Compact, in part as a location for dialogue between the private sector, civil society and the official sector. The United Nations could also use international conferences to kick-start global networks. There could be a particularly important role for the United Nations as a legitimizing actor in these networks.

A project to reform global economic and social governance based on the proliferation of networked governance raises two major problems. The first is the lack of policy coherence and structural thinking resulting from the development of a series of issue-based silos. For this reason, Deacon (2003) warns that policy-making in these disaggregated networks might take place in a vacuum, with actors lacking a set of policy principles against which they could assess their proposals for action. The result of the proliferation of such networks could be the undermining, downgrading or under-funding of those international institutions that are concerned with long-term, holistic policy-making, a shift Kapur (2002) has already identified in the context of the operations of existing international organizations.¹² The second is the lack of clear lines of democratic accountability in such networks. Unlike agencies within the United Nations system, there is often no supervisory body or constituency to which networks as corporate entities, or the individual actors in them, are accountable. Like international institutions, such networks may not be inclusive of developing countries and their interests, and the involvement of the private sector and NGOs in decision-making within these mechanisms raises the potential for conflicts of interest.

In response to these concerns, a set of proposals is emerging which seeks to make such networks subject to some codification and systematization, while retaining the spirit of entrepreneurship and experimentalism that is seen as key to their success. Kaul and le Goulven (2003: 394-6), for example, have set out the contours of “second generation” partnerships. Their proposals include grounding partnerships in multilateral agreements to enhance their legitimacy, ensuring broad stakeholder representation on the supervisory boards of these mechanisms, including a close relationship to a multilateral agency serving as the secretariat for a specific international agreement and the establishment of clear contractual arrangements setting out what goods a partnership would produce, over what period and in consultation with whom. Such partnerships should be led by “issue-focused CEOs” who would act as policy entrepreneurs given broad scope to lead and innovate, including “anticipating, coordinating and linking, planning and restructuring, providing incentives, purchasing inputs, and accepting responsibility to shareholders in the venture”.

Benner et al. (2003: 2) also argue that partnerships should be closely tied to overall globally agreed priorities, as reflected in the outcomes of international conferences and the action agenda of intergovernmental organizations. They advocate setting up a multisectoral negotiation framework (possibly convened by the United Nations) to set basic rules of the game for partnerships, with a role for intergovernmental organizations (such as the United Nations’ newly created partnership office) in developing the systematic monitoring and evaluation of partnerships. Deacon (2003), along similar lines, argues that issue-based networks need to be accompanied by broader global political alliances composed of

¹² Kapur (2002: 352) compares the funding provided for intergovernmental humanitarian response organizations within the United Nations with those that are focused on long-term development. The World Food Programme, for example, has dramatically shifted the focus of its work to humanitarian response as a result of donor pressure.

governments, intergovernmental organizations and international NGOs concerned with spelling out a coherent reform agenda and articulating a broader set of principles to guide policy-making by these mechanisms.

Rischar (2002: 26-30) suggests that accountability concerns relating to networked governance could be overcome if each network developed its own “code of conduct” and shared best practices about how to “organize, operate and communicate” with other global networks. This would be supplemented by a system of consultative electronic voting by the public about issues facing the network and an independent advisory panel that would provide technical advice. For Rischar, these initiatives would together ensure a level of popular participation and expert advice sufficient to create a kind of “horizontal accountability” that would complement the “vertical accountability” of elected officials to their constituents. None of these suggestions, however, would in themselves do much to prevent a network from being captured by a few powerful actors or, as Woods (2001) warns, by a group of experts with no democratic accountability.

Despite the emerging efforts to think about networked governance as a coherent reform project with potentially major implications for other forms of global governance, there remains a great deal more work to be done to map this out in detail.

4. Conclusions

4.1 Three fault lines in the reform debates

The proposals reviewed in this paper reveal several markedly different images of the future of global economic and social governance. A first issue raised is the relative role and influence of States and non-State actors in governance arrangements. The economic and social security council proposal is based on the premise of intergovernmental cooperation and leadership. States are at the centre of the various comprehensive reform proposals of the mid-1990s, which recognize the growing importance of NGOs, but still view them as agitators and advocates outside the international system to be consulted by decision-makers, but as too unaccountable and disaggregated to be decision-makers themselves. Proponents of multisectoral governance, in contrast, advocate fully integrated multisectoral institutions (as well as smaller, ad hoc arrangements) in which non-State actors share decision-making responsibilities with governments. According to this logic, there is no reason why an economic and social security council could not be conceived of as a multisectoral institution (a precedent, the ILO, already exists). For Edwards and Zadek (2003), “in the future the very notion of non-state actors may seem outdated and unhelpful as today’s emerging coalition of business, non-profit organizations, and public agencies become tomorrow’s permanent institutions – blending different forms of accountability that have historically separated state, civil society, and business”.

These different forms of accountability raise a second issue arising from this review – the conceptions of democracy that underpin the different reform projects. The proposals for an economic and social security council employ the traditional notion of democratic legitimacy used by intergovernmental organizations, emphasizing the role of national governments as the link between decision-making in international institutions and accountability to the citizens who (in some cases) elect them. The strength of this link has been widely challenged by democratic theorists such as Dahl (1999), who argue that the distance between ordinary people and the technocratic elites who represent their governments in international institutions is too great for genuine accountability to exist. The argument is further weakened by the fact that many governments are not, in any case, democracies. The proposals for a global people's assembly hope to close this *democratic deficit* by aspiring to replicate national democratic politics at the international level. The accountability relationship of the citizen-legislator to his or her constituents in a popularly elected global assembly is purposely modelled on that of a national parliamentarian. In contrast, the proposals for NGO-based assemblies or the principles underlying networked governance assume a less formalized and more diffused notion of accountability and democracy. The NGO or private sector representative in a mechanism such as the Global Fund to Fight AIDS, Tuberculosis and Malaria is not popularly elected, does not derive his or her legitimacy from an elected government and may not have a clearly defined constituency. As Woods (2001: 6) points out, the “democratic legitimacy of ‘network governance’ relies on a new way of conceiving democracy which (...) shifts the focus from the ‘inputs’ of the decision-making system (i.e. elections and representative government) to the quality of the ‘outputs’ of the system.” In this conception, formal systems of representation might actually impede governance outcomes because they would encourage factionalism rather than an unimpeded deliberative process among experts. Indeed, in their current form, most manifestations of networked governance have given low priority to questions of formal representation, accountability or ensuring democratic process. Held and McGrew (2003: 194) would respond to this by introducing more rigorous conceptions of democracy into networked governance in ways that would make them more compatible with other forms of national and international organization: “basic democratic institutions and democratic law can in, principle, be entrenched and drawn upon in diverse, self-regulating associations [including global networks]”. More experimentation needs to occur to see if this optimism is justified.

Third, there is a distinction between reform projects that emphasize the creation or modification of broad-based institutions, like the economic and social security council and global people's assembly, and the forms of organization that networked governance promotes. The former tend to be centralized and would be general-purpose institutions with broad mandates (reflecting the modernist, institutionalist thinking that prevailed at the time of the creation of the United Nations, described by Emmerij et al. (2001: 2002) as the “good old days” of State-centric authority), while the latter are decentralized, generally smaller (explicitly aiming to be “non-bureaucratic”) and focus on specific issues or provide a particular global public good. That said, the two projects are not mutually exclusive. As Kaul and le Goulven (2003: 398) argue in the context of the production of global public goods, looser partnership structures tend to be appropriate for projects with concrete, measurable outputs and definite time horizons, while for certain goods that need to be provided on a continuing basis, or for which a high level of legitimacy is needed (such as in the case of an International Criminal Court), existing intergovernmental organizations, or the creation of new ones, might be more suitable.

4.2 Politics and the future of reform

Where should those of us who are interested in improving global economic and social governance direct our reformist energies? The current politics of reform strongly suggest that the creation of major new institutions within the United Nations system, such as those canvassed in this paper, or even the comprehensive reform and upgrading of existing institutions such as ECOSOC, face huge obstacles in the short to medium term. The deep scepticism of multilateralism currently prevailing in the United States alone guarantees this, and the attitude of the United States remains the single most important barrier to ambitious reform. Some of this can be understood in terms of the policy settings of the present United States administration. As the lead-up to the conflict in Iraq demonstrated, the administration's hostility to the United Nations runs deep and its political leverage there may be weaker than in other international institutions. It is therefore unlikely to support proposals that would shift the institutional balance of power away from the Bretton Woods institutions and towards the United Nations, as the proposals for an economic security council appear to do. Future administrations may be more open to multilateralism, but recent history suggests that even those, like the Clinton administration, which have been relatively sympathetic to the United Nations are almost reflexively opposed to proposals for major institutional overhaul, and are in any case not especially engaged in debates about global economic and social governance reform of the kind discussed in this paper. Even an administration coming from the liberal internationalist tradition of American politics might judge the political costs of seeking congressional support for institutional reform as being too onerous to attempt.

There are some areas of reform to which future United States administrations, and to some extent the present one, may be more open. The United States has supported networked governance initiatives, such as the new Global Fund to Fight AIDS, Tuberculosis and Malaria, and has pushed for a greater role for non-State actors in their governance arrangements. As the fund's negotiation process showed, the United States was initially attracted to the idea of the global fund as an innovative and non-bureaucratic mechanism in which NGOs (mainly from the North) and the private sector would play major roles, rather than relying on the United Nations and developing country governments as the key actors (Heimans, 2002). Even under these circumstances, however, the present administration has expressed a preference for acting unilaterally, as demonstrated by its decision to allocate only a small fraction of the US\$10 billion that it has promised for AIDS to the Global Fund to Fight AIDS, Tuberculosis and Malaria. The administration can be expected to support or even initiate certain kinds of experiments with networked governance and other efforts which give a very substantial role to non-State actors, but only when it is able to retain substantial control and ownership over these processes, which it ultimately felt it was unable to do in the case of the Global Fund.

Other barriers to the advancement of institutional change, such as path dependency, the impact of organizational characteristics, such as an institution's articles of agreement and decision-making rules requiring super-majorities or allowing for vetoes, have been well documented.¹³ Richard Falk (1999) has predicted that the Commission on Global Governance, the flagship of the 1990s reform studies, will be the last commission of its kind to offer a comprehensive investigation into institutional reform in the "liberal internationalist" mould. For Falk three factors make the Commission on Global

¹³ See, for example, Kapur (2002).

Governance's recommendations seem "out of synch with the manner in which ... the world is drifting":

[T]he discrediting of utopianism and all forms of social engineering in reaction to the collapse of the Soviet Union; the profound postmodern distrust of metanarratives, including universalizing programs of reform; and the mood of disillusionment surrounding the United Nations in relation to global security and well-being.

In contrast, networked governance seems more in synch with the political sensibilities of the first decade of the 21st century, with its emphasis on decentralization and rejection of bureaucracy, its orientation towards specific issues and tasks in support of a focus on "results" and the notion of partnership, in which non-State actors are key players and international organizations are seen as stakeholders playing narrower, targeted roles. For this reason, experimentation in the form of global networks is likely to proliferate, and some promising and effective forms of governance can be expected to emerge. There is also clearly much work to do in thinking through how such networks can be regularized in a way that maximizes their potential as agents of change while addressing the concerns that have been raised about their democratic accountability and their overall place in the international system. There is also a particular need, as Woods (2001) emphasizes: "to bring to light whose interests [these new forms of governance] further".

Yet the focus on networked governance should not come at the expense of the continuation of detailed and politically relevant programmatic thinking about the institutional architecture of global economic and social governance, and the development of reform projects that consider the system as a whole. As the Zedillo Report (2001) argues, "to demand that the world work permanently with the set of institutions that it happens to have inherited from the past is to allow the forces of inertia a quite irrational weight in decision-making". The need for better and more inclusive leadership at the global level, and the ambition of making global governance more democratic and accessible to ordinary citizens, are unlikely to be addressed solely by informal arrangements and networks. Moreover, the history of international organization demonstrates that major institutional reform is possible, if not probable. The past ten years has, among other developments, witnessed major international agreement on climate change, as embodied in the Kyoto Protocol, and the creation of a new international legal institution, the International Criminal Court. As Kapur (2002: 339) points out, crises are often a key agent of change in international organization. Recent events have already resulted in some shifts in global financial governance. For example, "financial crises have ... forced an acknowledgement of the growing economic and financial importance of the larger developing countries and have resulted in some efforts to engage them in hitherto closed groups", such as the OECD and through the creation of the G22 and the Financial Stability Forum in the wake of the financial crises of 1997-98.

There are several ways in which more ambitious agendas might be advanced politically. Rather than attempting to build consensus for the creation of major new institutions from scratch, proponents of institutional reform could adopt a number of interim strategies along the lines suggested by some of the proposals reviewed in this paper. For example, new institutions could be initiated by a small coalition of countries, with the expectation that other countries would join if the institution proved viable and attractive. Or an even larger coalition of countries could choose to go ahead with certain kinds of institutional reform even without the support of certain powerful states. Given the current lack of engagement by the United States, this seems an increasingly promising route. The Kyoto Protocol and the International Criminal Court (ICC) have been advanced without support from the

United States. It has already been noted that the ambitious British proposal for an international finance facility to help finance the attainment of the Millennium Development Goals might evolve into a European finance facility if the United States does not endorse the plan. Ad hoc bodies, international partnerships and networks, or an international conference, could all be seen as precursors of more permanent institutions, and their governance arrangements could be constructed to maximize this future possibility. Reform proponents could look for ways in which existing institutions or bodies could be upgraded or adopted to fulfill a different purpose. It is also politically important that proposals for new institutions be accompanied by a realistic analysis of the current institutional architecture, including the institutions that are not working and should be replaced or phased out.¹⁴ Finally, proponents of institutional reform, such as an economic and social security council, may need to relax their State-centred assumptions and look for meaningful ways for non-State actors to be represented on such bodies, while retaining a focus on overall democratic accountability. Politically, such an approach would tap into the current enthusiasm for multisectoral governance and would also attract civil society advocates, who are able to exert powerful pressure for change.

Experimentation and diversity in institutional forms are an important part of the process of improving global economic and social governance. For that reason, there is much to gain from the continuation of scholarship and debate, such as that reviewed in this paper, which engages current realities, as well as programmatic imagination.

¹⁴ In doing this, a balance needs to be struck between preserving a range of institutions as a means of generating choice and useful competition and the benefits of consolidating the number of institutions.

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