

I. GLOBALIZATION FOR PEOPLE: A VISION FOR CHANGE

Where do we stand today?

Where do we want to go?

How do we get there?

A stronger ethical framework

Towards a global community: Strengthening dialogue
and governance





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1. The current path of globalization must change. Too few share in its benefits. Too many have no voice in its design and no influence on its course.
2. The results of globalization are what we make of it. They depend on the policies, rules and institutions which govern its course; the values which inspire its actors; and their capacity to influence the process.
3. We, the members of the World Commission represent a very wide diversity of opinion and interests, which are often polarized in the public debates on globalization. But we have come to agreement on a common goal: a fair globalization which creates opportunities for all. We wish to make globalization a means to expand human well-being and freedom, and to bring democracy and development to local communities where people live. Our aim is to build a consensus for common action to realize this vision, and to foster a process of sustained engagement to this end by the actors themselves, including States, international organizations, business, labour and civil society.
4. Ours is a critical but positive message. We believe the benefits of globalization can be expanded; its results better shared; and many of its problems resolved. The resources and the means are at hand. Our proposals are ambitious but feasible. We are certain that a better world is possible.
5. We seek a process which is fair, and which gives all women and men the rights, opportunities and capabilities they need to exercise their own choices for a decent life.
6. We reaffirm the value of values, and the importance of human rights in guiding the governance of globalization, and in defining the responsibilities of its actors.
7. We call for a more cohesive governance of globalization with policies to better link economic growth with social progress and environmental sustainability.
8. We must be realistic. Globalization has many aspects, but our mandate is to focus on its social dimension. We also recognize the many different dialogues and initiatives which are under way and seek to encourage and build on them.

9. Globalization is being judged by what it delivers. Although many of the ills of the world today – poverty, the lack of decent work, the denial of human rights – existed long before the present phase of globalization, there has been growing exclusion and deprivation in certain regions of the world. For many, globalization has dislocated traditional livelihoods and local communities, and threatens environmental sustainability and cultural diversity. As the current process of cross-border interaction and interconnectivity gathers speed, there is increasing debate not only about inequalities between countries but also about inequalities within countries, and its effects on people, families and communities. These concerns lie at the heart of politics. The debate on globalization is fast becoming a debate on democracy and social justice in a global economy.

10. We recognize that globalization has opened the door to many benefits. It has promoted open societies and open economies and encouraged a freer exchange of goods, ideas and knowledge. In many parts of the world, innovation, creativity and entrepreneurship have flourished. In East Asia, growth lifted over 200 million people out of poverty in a single decade. Better communications have enhanced awareness of rights and identities, and enabled social movements to mobilize opinion and strengthen democratic accountability. As a result, a truly global conscience is beginning to emerge, sensitive to the inequities of poverty, gender discrimination, child labour, and environmental degradation, wherever these may occur.

11. Yet there is growing concern about the direction globalization is currently taking. Its advantages are too distant for too many, while its risks are all too real. Its volatility threatens both rich and poor. Immense riches are being generated. But fundamental problems of poverty, exclusion and inequality persist. Corruption is widespread. Open societies are threatened by global terrorism, and the future of open markets is increasingly in question. Global governance is in crisis. We are at a critical juncture, and we need to urgently rethink our current policies and institutions.

Where do we stand today?

12. There are deep-seated and persistent imbalances in the current workings of the global economy, which are ethically unacceptable and politically unsustainable. They arise from a fundamental imbalance between the economy, society and the polity. The economy is becoming increasingly global, while social and political institutions remain largely local, national or regional. None of the existing global institutions provide adequate democratic oversight of global markets, or redress basic inequalities between countries. These imbalances point to the need for better institutional frameworks and policies if the promise of globalization is to be realized.

13. The imbalance between the economy and society is subverting social justice.

- There is a growing divide between a formal global economy and the expansion of an informal local economy in most societies. The majority of the world's people, who live and work in the informal economy, continue to be excluded from directly participating in markets and globalization on a fair and equal basis. They enjoy none of the property and other rights, nor the capabilities and assets they need to enter into productive economic transactions.
- The benefits of globalization have been unequally distributed, both within and between countries. There is growing polarization between winners and losers. The gap between rich and poor countries has widened. In sub-Saharan

Africa and Latin America, more people lived in poverty at the end of the 1990s than at the beginning of that decade.

- There is imbalance in the global rules. Economic rules and institutions prevail over social rules and social institutions, while the effectiveness of existing rules and institutions themselves are being tested by current global realities. Trade in manufactures is liberalized, while agriculture remains protected. Goods and capital move much more freely across borders than people do. In times of crisis, developed countries have wider options for macroeconomic policy, while developing countries are constrained by demands for adjustment. International policies are too often implemented without regard for national specificities. Unbalanced global rules can reinforce initial inequalities. The rules of world trade today often favour the rich and powerful, and can work against the poor and the weak, whether these are countries, companies or communities.
- Structural change, without adequate social and economic provision for adjustment has brought uncertainty and insecurity to workers and businesses everywhere, both in the North and in the South. Women, indigenous peoples, and the working poor without skills and assets, are among the most vulnerable. Unemployment and underemployment remain stubborn realities for the majority of the world's population.

14. The imbalance between the economy and the polity is undermining democratic accountability.

15. Institutions for governance today – whether national or international – do not adequately meet the new demands of people and countries for representation and voice.

- Globalization has made public opinion a potent political power in its own right. It now presses insistently on all established political institutions – ranging from national States and political parties to international organizations – creating new tensions between representative and participative democracy. International organizations, in particular the United Nations, the Bretton Woods institutions and the World Trade Organization (WTO), have come under increasing pressure for fairer decision-making and greater public accountability. There is a lack of public trust in global decision-making.
- Global markets lack institutions for public supervision which, in many countries, provide national markets with legitimacy and stability. The present process of globalization has no means to keep the balance between democracy and markets.
- In many countries, the compulsion of international markets is seen to narrow the options available for national economic policies. Many people feel that this abridges national sovereignty and shifts power from elected governments to transnational corporations and international financial institutions.

16. Everywhere, expectations have run ahead of opportunities, and resentments have clouded hope. At the same time, people recognize the reality of globalization, and few wish to opt out or reverse the process. They are in favour of freer cross-border exchanges of ideas, knowledge, goods and services. What women and men seek is respect for their dignity and cultural identity. They ask for opportunities to earn a decent living. They expect globalization to bring tangible benefits to their daily lives and ensure a better future for their children. And they wish to have a voice in the governance of the process, including the extent and nature of the integration of their economies and communities into the global market, and to participate more fairly in its outcome.

17. We believe it essential to respond to these aspirations. The potential of globalization must be used to create a better world.

Where do we want to go?

18. Our vision is of a process of globalization which puts people first; which respects human dignity and the equal worth of every human being.

19. We seek a more inclusive process which is fair and brings benefit and real opportunities to more people and more countries; and one which is more democratically governed.

20. We seek a globalization with a social dimension which sustains human values and enhances the well-being of people, in terms of their freedom, prosperity and security. Globalization is seen through the eyes of women and men in terms of the opportunity it provides for decent work; for meeting their essential needs for food, water, health, education and shelter and for a liveable environment. Without such a social dimension, many will continue to view globalization as a new version of earlier forms of domination and exploitation.

21. The essentials of this social dimension include:

- A process of globalization based on universally shared values, which require all actors – including States, international organizations, business, labour, civil society and the media – to assume their individual responsibilities. It demands respect for obligations and duties under international law. And it requires economic development to be based on respect for human rights.
- An international commitment to ensure the basic material and other requirements of human dignity for all, enshrined in the Universal Declaration of Human Rights. The eradication of poverty and the attainment of the Millennium Development Goals (MDGs) should be seen as the first steps towards a socio-economic ‘floor’ for the global economy.
- A sustainable path of development which provides opportunities for all, expands sustainable livelihoods and employment, promotes gender equality, and reduces disparities between countries and people. It calls for greater coherence between economic, social and environmental policies.
- A more democratic governance of globalization, which allows for greater voice and participation, and ensures accountability, while fully respecting the authority of institutions of representative democracy and the rule of law.

22. This is a realizable vision. The resources exist to overcome the most pressing problems of poverty, disease and education. Mahatma Gandhi put it very simply: “There is enough in the world for everybody’s need, but there cannot be enough for everybody’s greed”.

How do we get there?

23. Our greatest asset is the multilateral system of the United Nations, which is essential for global action. Recent events have dramatically highlighted its importance in the changing world in which we live. The events of September 11 and global terrorism have brought home the reality of our common vulnerability and the need for unified action. The erosion of organized society through disease, civil strife and the collapse of governance in various parts of the world have reinforced the need for multilateral cooperation and collective action. There is growing recognition that solutions to these problems cannot be sought independently of the context of a globalizing and interdependent world.

24. Globalization is making multilateralism both indispensable and inevitable. The multilateral system of the United Nations and its related organizations provide the basis for the global policies which are needed in the areas of development, trade, finance and international peace and security, as well as in a variety of social and technical fields. Its declarations and covenants reflect universally shared values, and universal participation gives the multilateral system a global legitimacy which no individual state, however powerful, can match. It provides a time-tested framework to guide the process of globalization in accordance with the international rule of law.

25. There is no durable alternative which can respond to the needs and aspirations of people in an interdependent world. Multilateralism ensures transparency, and provides protection – however inadequate – against the asymmetries of power and influence in the international community. But, globalization is also making multilateralism an increasingly valuable asset for the rich and the powerful. It has become essential to their prosperity and security. In a world with emerging centres of economic power and vast sources of untapped consumer demand, a rule-based multilateral system is the only means of ensuring a fair and sustainable expansion of global markets. In an unstable world, such a system also ensures that bilateral economic conflicts do not automatically translate into bilateral political conflicts. And the proliferating demands of global security make multilateral cooperation essential for all, including the most powerful countries.

26. However, at the very moment when it is most needed, multilateralism has come under challenge. The conflicts in the Middle East, and the persistence of global poverty and inequality, have demonstrated the urgent need to bring together the contemporary realities of state power and public opinion in a durable alliance for peace and development.

27. The United Nations system and its Member States have to adjust to a globalizing world. The current structures and workings of the multilateral system are premised on the post-war balance of power between Member States. But globalization is changing the underlying configurations of economic and political power, and the strains are being felt in the United Nations system. The multilateral system also has to accommodate insistent demands from developing countries for a larger role in decision-making, and from civil society for greater voice and transparency. Many of these tensions have been building over the years. As globalization gains momentum, they have broken out into the open, disrupting international negotiations, leading to anger and frustration for all parties, and diminishing the effectiveness of international organizations.

28. This situation must be redressed. As Kofi Annan said, we need “stronger international solidarity and responsibility, together with greater respect for decisions reached collectively and greater determination to put them into effect. The question that inevitably arises is whether it is sufficient to exhort States and individuals to more enlightened attitudes and greater efforts, or whether a radical reform of our international institutions is also needed. My own view is that Member States need at least to take a hard look at the existing ‘architecture’ of international institutions and to ask themselves whether it is adequate for the tasks we have set before us”.¹ We fully support the view of the Secretary-General.

29. We need to devise better instruments for the governance of globalization, and the functioning of the multilateral system. Specific proposals are made in Parts III and IV of the Report for more coherent international policies and institutional reform.

¹ UN: Implementation of the United Nations Millennium Declaration: Report of the Secretary-General (General Assembly, A/58/323, 2003).

30. A fairer globalization has to be built upon a productive and equitable global economic system.

31. An open market economy is today generally recognized as the necessary foundation for development, growth and productivity. No country can today opt out of the global economy. The challenge is to manage interaction with global markets to ensure growth, development and equity. That requires successful and responsible enterprises, which can generate jobs, wealth and innovation and contribute to public resources, as well as strong and representative organizations of employers and workers, to ensure sustainable growth and equitable distribution of its outcomes.

32. Efficient markets require effective States. If countries are to benefit from globalization, they need a State which can develop the institutional capabilities – both social and economic – needed for sound and equitable economic growth. Local action is as important as national and global action. Strong and democratic local authorities and communities are central to effective States.

33. Better governance of globalization must enlarge the space for national policy to stimulate enterprise development, employment creation, poverty reduction and gender equality. It must reinforce social protection and enhance skills and capabilities. It must support action to overcome informality, inequality and exclusion. It must help each country and community to define its own path of growth and development and achieve its own social and economic goals. Better governance of globalization to ensure sustainable development requires greater coherence between economic and social policies.

34. Good governance at all levels of society – in terms of the rule of law, democracy, human rights and social equity – is essential for a fair and productive process of globalization. It ensures the public accountability of both the State and private actors, as well as the efficiency of markets. No country – whether rich or poor, North or South – has a monopoly of good governance, and there is no unique institutional model to achieve it.

35. We do not seek the utopian refuge of world government. We recognize the realities of power and inequality. But we draw our inspiration from the determination of men and women today to exercise greater control over their own destinies, and from the potential of a fairer and more inclusive globalization to deliver on their needs.

36. Where do we begin?

A stronger ethical framework

37. The governance of globalization must be based on universally shared values and respect for human rights. Globalization has developed in an ethical vacuum, where market success and failure have tended to become the ultimate standard of behaviour, and where the attitude of “the winner takes all” weakens the fabric of communities and societies.

38. There is today a deep-seated desire by people to reaffirm basic ethical values in public life, as seen, for example, in calls for a more “ethical globalization”. Values are also the driving force behind the many public campaigns for universal causes, ranging from the abolition of child labour to the banning of landmines.

39. Cohesive societies are built around shared values, which create a moral and ethical framework for private and public action. Globalization has not yet created

a global society, but the increased interaction between people and countries throws into sharp relief the urgent need for a common ethical frame of reference.

40. To a large extent, such a framework can already be found in the declarations and treaties of the multilateral system of the United Nations. They are enshrined, for example, in the Charter of the United Nations, the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and, more recently, in the United Nations Millennium Declaration. These universal values and principles represent the common ground of the world's spiritual and secular beliefs. They must provide the foundation for the process of globalization. They should be reflected in the rules of the global economy, and international organizations should apply their mandates in accordance with them.

41. Certain aspects of these universally shared values and principles are repeatedly echoed in the public debate on globalization. They express the concerns of people at a time of great change and uncertainty:

- Respect for human rights and human dignity, including gender equality. This lies at the heart of commitments already undertaken by the international community.
- Respect for diversity of culture, religion, political and social opinion, while fully respecting universal principles.
- Fairness. Fairness is a notion which is deeply felt and clearly recognized by people in every country. It is a standard of justice which many use to judge globalization and the equitable distribution of its benefits.
- Solidarity is the awareness of a common humanity and global citizenship and the voluntary acceptance of the responsibilities which go with it. It is the conscious commitment to redress inequalities both within and between countries. It is based on recognition that in an interdependent world, poverty or oppression anywhere is a threat to prosperity and stability everywhere.
- Respect for nature requires globalization to be ecologically sustainable, respecting the natural diversity of life on earth and the viability of the planet's ecosystem, as well as ensuring equity between present and future generations.

42. Universally shared values and principles have to be the basis of the democratic governance of globalization. They include those values which are essential for an open and effective market economy – responsibility, initiative, respect for the law, honesty and transparency.

43. A fairer and more prosperous world is the key to a more secure world. Terror often exploits poverty, injustice and desperation to gain public legitimacy. The existence of such conditions is an obstacle in the fight against terrorism.

44. The problems lie in bridging the gap between principles and practice. The international community makes more commitments than it is prepared to implement. Nowhere is the gap between declaration and practice more glaring than in the record of Official Development Assistance (ODA) to the world's poorest countries.

45. Action to realize values in a global economy must come from both individual actors and from institutions.

46. Actors in globalization – States, civil society, business, trade unions, international organizations and individuals – must be inspired by these values to accept their own responsibilities, and be publicly accountable for respecting them in all

their transactions. The rich and the powerful – whether States or corporations – have special responsibilities, as their actions have the widest impact on global welfare.

47. There are a variety of voluntary initiatives which need to be strengthened. They include the social responsibilities of business; movements to mobilize the ethical concerns of consumers and investors; campaigns by unions to promote labour standards, and by civil society to inform and mobilize opinion on a variety of public issues.

48. The multilateral institutions of the United Nations system have a special role to play, as they set and promote international norms and policies. Universally shared values and the rule of law must guide the terms of international engagement and systems of national and global governance.

49. We believe globalization has made it imperative to have a better international dialogue on universally shared values. Values have become central to many political negotiations because of the dynamics of globalization. Structural adjustment often gives rise to domestic tensions and suspicions as to whether other countries are playing by the same ethical rules. This is seen, for example, in international debates on trade, finance, human rights and development assistance. Such tensions impair solidarity between people in rich and poor countries.

50. Culture is a potent symbol of identity and belonging. Globalization should lead to multi-cultural diversity, not homogenization, undesired integration or static preservation. It must be a process of creative redefinition in which global and local traditions and ways of life join to recreate new forms at all levels. There must be recognition of the integrity and autonomy of different national and local cultures as the source of confidence and energy for people to undertake creative endeavours across borders.

51. Ultimately, a common commitment to a fair and inclusive globalization must be based on a common perception of a shared humanity and a shared planet. Such a perception is the basis of stable national communities and States. We have an increasingly global economy, but we are far from being a global community. However, some elements are beginning to emerge, which need to be promoted and supported.

Towards a global community: Strengthening dialogue and governance

52. The post-war order was set up on the basis of an international community of nations. States were then the prime actors, although some non-State actors, such as business and labour, have been represented in the ILO since 1919.

53. Today, a myriad of actors, both State and non-State, play critically important roles in shaping the evolution of globalization. In addition to the organizations of the United Nations system, they include parliamentarians and local authorities, multinational corporations, trade unions, business groups, cooperatives, religious groups, academia, economic and social councils, foundations and charities, community-based organizations and non-governmental organizations (NGOs), and the media. Global networks bring together diverse groups such as youth and consumer associations, farmers, scientists, teachers, lawyers and physicians, women and indigenous peoples.

54. These emerging networks increasingly relate to each other through bonds of common interest or conviction. Many initiatives are already under way to address

common problems. They range from the management of the Internet to issues of gender equality, migration, health and human security.

55. We can already discern some distinguishing features of these processes. They are usually defined in terms of specific issues. They involve many actors, both State and non-State, interacting from the local to the global level. In all cases, they are marked by expanding public dialogue and public participation. The new technologies and the networks they support are creating the conditions for expanding and innovative forms of interaction.

56. It is far too soon to call this assembly of various players a global community. It is far from being a unity. There are great inequalities of power and influence. There is an often explosive diversity of opinions and interests. It is fragmented and incomplete, hardly touching the millions who live on the margin of subsistence.

57. Yet the human interactions are multiplying, and the networks are becoming more dense. It is an evolution driven by globalization itself, by the increasing integration of trade and production, and by the expansion of communication, travel and exchange of ideas.

58. The potential for a more participatory and democratic system of global governance lies today more in the future evolution of these expanding networks of people and institutions, rather than in blueprints for world government or institutional re-engineering. These networks complement – and extend beyond – the existing system of international organizations. They can be the seedbed of a future global community with shared interests and common goals.

59. The way forward is to encourage more systematic dialogues within and between these emerging networks of State and non-State actors in specific domains. Such dialogue widens participation, builds consensus and identifies needs from the perspective of those most directly concerned. It helps mediate the inevitable tensions arising from economic transition and global adjustment and provides a means of translating values into action through setting common objectives and fixing individual responsibilities. These dialogues need to take place at all levels. They are the basis for more coherent action to link economic growth with social progress.

60. This Report is a call for action based on dialogue as the foundation for a genuine global community of the future. Though interests often diverge, we believe that there is an increasing convergence of opinion throughout the world on the need for a more fair and inclusive globalization. This convergence is based on growing awareness of our interdependence, and the danger of inaction. Such awareness is being expanded and heightened by globalization itself. We base our confidence in the future on the power of this reality.

61. We believe that if the recommendations we propose are adopted in a reasonable period of time, globalization as we know it today can significantly change for the better, bringing benefit and stability to more people and countries.