Global challenges: accountability and effectiveness

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Introduction

The paradox of our times can be stated simply: the collective issues we must grapple with are of growing cross-border extensity and intensity and, yet, the means for addressing these are weak and incomplete. Three pressing global issues highlight the urgency of finding a way forward.

First, insufficient progress has been made in creating a sustainable framework for the management of climate change, illustrating the serious problems facing the multilateral order. Second, progress towards achieving the Millennium Development Goals has been slow, and in many places lamentably so. Underlying this fact, is, of course, the material vulnerability of over half the world's population. Each year, some 18 million people die prematurely from poverty-related causes. This is one-third of all human deaths—50,000 every day, including 29,000 children under the age of five. And, yet, the gap between rich and poor countries continues to rise and there is evidence that the bottom 10% of the world's population has become even poorer since the beginning of the 1990s. Third, the threat of nuclear catastrophe may seem to have diminished, as a result of the end of the cold war, but it is only in abeyance. Huge nuclear stockpiles remain, nuclear proliferation among states is continuing, new generations of tactical and nuclear weapons are being built and nuclear terrorism is a serious threat.

In our increasingly interconnected world, these global problems cannot be solved by any one nation-state acting alone

These global challenges are indicative of three core sets of problems we face: those concerned with sharing our planet (global warming, biodiversity and ecosystem losses, water deficits), sustaining our life chances (poverty, conflict prevention, global infectious diseases) and managing our rulebooks (nuclear proliferation, toxic waste disposal, intellectual property rights, genetic research rules, trade rules, finance and tax rules) (cf Rischard 2002). In our increasingly interconnected world, these global problems cannot be solved by any one nation-state acting alone. They call for collective and collaborative action—something that the nations of the world have not been good at, and which they need to be better at if these pressing issues are to be adequately tackled.

The limits of current global governance arrangements

While complex global processes, from the financial to the ecological, connect the fate of communities to each other across the world, global governance capacity is under pressure. Problem-solving capacities at the global and regional level are weak because of a number of structural difficulties, which compound the problems of generating and implementing urgent policy with respect to global goods and bads. These difficulties are rooted in the post-war settlement and the subsequent development of the multilateral order itself.

Among the spectrum of international organisations are those whose primary concerns are technical: the Universal Postal Union, the International Civil Aviation Organisation and the World Meteorological Organisation, for example. These agencies have tended to work effectively, often providing extensions to the services offered by individual nation-states (Burnheim 1986, p. 222). To the extent that their tasks have been sharply focused, they have usually been politically uncontroversial. At the opposite pole lie organisations like the World Bank, the International Monetary Fund (IMF), the UN Education, the Scientific and Cultural Organisation (Unesco) and, of course, the UN itself. Preoccupied with central questions of war and peace, and of resource allocation, these bodies have been highly politicised and controversial. Unlike the smaller, technically based agencies, these organisations are at the centre of continual conflict over aspects of their nature and form, and over the policy that they generate or fail to develop.

The difficulties faced by these more contested agencies and organisations stem from many sources, including the tension between universal values and state sovereignty built into them from their beginning. Many global political and legal developments since 1945 do not just curtail sovereignty, but support it in many ways. From the UN Charter to the Rio Declaration on the Environment, international agreements often serve to entrench the international power structure. The division of the globe into powerful nation-states, with distinctive sets of geopolitical interests, was embedded in the articles and statutes of leading IGOs (see Held 1995, chs. 5, 6). Thus, the sovereign rights of states are frequently affirmed alongside more universal principles. Moreover, while the case can be made that universal principles are part of "the working creed" of officials in some UN agencies, such as the United Nations Children's Fund (Unicef), Unesco and the World Health Organisation (WHO), and NGOs such as Amnesty International, Save the Children and Oxfam, they can scarcely be said to be constitutive of the conceptual world and working practices of many politicians, democratic or otherwise (Barry 1999, pp. 34–5).

Second, the reach of contemporary regional and international law rarely comes with a commitment to establish institutions with the resources and clout to make declared universal rules, values and objectives effective. The susceptibility of the UN to the agendas of the most powerful states, the partiality of many of its enforcement operations (or lack of them altogether), the underfunding of its organisations, the continued dependency of its programmes on financial support from a few major states and the weaknesses of the policing of many environmental regimes (regional and global) are all indicative of the disjuncture between universal principles (and aspirations) and their partial and one-sided application. Four deep-rooted problems need highlighting (Held 2004, ch. 6).

A first set of problems emerges as a result of the development of globalisation itself, which generates public policy problems that span the "domestic" and the "foreign", and the interstate order with its clear political boundaries and lines of responsibility. A growing number of issues can be characterised as intermestic—that is, issues which cross the international and domestic (Rosenau 2002). These are often insufficiently understood or acted upon. There is a fundamental lack of ownership of many problems at the global level. It is far from clear which global public issues—such as global warming or the loss of biodiversity—are the responsibilities of which international agencies, and which issues ought to be addressed by which particular agencies. The institutional fragmentation and competition

leads not just to the problem of overlapping jurisdictions among agencies, but also to the problem of issues falling between agencies. This latter problem is also manifest between the global level and national governments.

A second set of difficulties relates to the inertia found in the system of international agencies, or the inability of these agencies to mount collective problem-solving solutions faced with uncertainty about lines of responsibility and frequent disagreement over objectives, means and costs. This often leads to the situation where the cost of inaction is greater than the cost of taking action. Bill Gates recently referred to the developed world's efforts in tackling malaria as "a disgrace"; malaria causes an estimated 500 million bouts of illness a year, kills an African child every 30 seconds, and costs an estimated $12bn a year in lost income, and, yet, investment in insecticide-treated bed nets and other forms of protective treatment would be a fraction of this (Meikle 2005, p. 22). The failure to act decisively in the face of urgent global problems not only compounds the costs of dealing with these problems in the long-run, but it can also reinforce a widespread perception that these agencies are not just ineffective but unaccountable and unjust.

There is no clear division of labour among the myriad of international governmental agencies

A third set of problems arise because there is no clear division of labour among the myriad of international governmental agencies: functions often overlap, mandates frequently conflict and aims and objectives too often get blurred. There are a number of competing and overlapping organisations and institutions, all of which have some stake in shaping different sectors of global public policy. This is true, for example, in the area of health and social policy where the World Bank, the IMF and the WHO often have different or competing priorities (Deacon 2003); or, more specifically, in the area of Aids/HIV treatment, where the WHO, Global Fund, UNAIDS and many other interests vie to shape reproductive healthcare and sexual practices.

A fourth set of difficulties relates to an accountability deficit, itself linked to two interconnected problems: the power imbalances among states as well as those between state and non-state actors in the shaping and making of global public policy (Held 2004). Multilateral bodies need to be fully representative of the states involved in them, and they rarely are. The main problem can be qualitative, "how well various stakeholders are represented" (Karl et al. 2003, p. 30). Having a seat at the negotiating table in a major IGO or at a major conference does not ensure effective representation. For even if there is parity of formal representation (a condition often lacking), it is generally the case that developed countries have large delegations equipped with extensive negotiating and technical expertise, while poorer developing countries frequently depend on one person delegations, or have even to rely on the sharing of a delegate. In addition, where there is a clear case for dialogue and consultation between state and non-state actors, conditions to make it happen are often only partially met in multilateral decision-making bodies.

Underlying these institutional difficulties is the breakdown of symmetry and congruence between decision-makers and decision-takers (Held 1995, part I). The point has been well

articulated recently by Kaul and her associates in their work on global public goods. They speak about the forgotten "equivalence" principle (Kaul et al. 2003, pp. 27–28). At its simplest, the principle suggests that those who are significantly affected by a global good, or bad, should have a say in its provision or regulation, ie, the span of a good's benefits and costs should be matched with the span of the jurisdiction in which decisions are taken about that good (Held 2004, pp. 97–101). Yet, all too often, there is a breakdown of "equivalence" between decision-makers and decision-takers, between decision-makers and stakeholders, and between the inputs and outputs of the decision-making process. To take some topical examples: a decision to permit the "harvesting" of rain forests may contribute to ecological damage far beyond the borders which formally limit the responsibility of a given set of decision-makers. A decision to build nuclear plants near the frontiers of a neighbouring country is a decision likely to be taken without consulting those in the nearby country (or countries), despite the many risks for them.

A number of significant governance innovations have been made in recent decades to address such issues, yet the global governance system remains too often weak and/or fragmented. Moreover, there has been a complex "unbundling" of sovereignty, territoriality and political forces (Ruggie 1993). This unbundling involves a plurality of actors, a variety of political processes, and diverse levels of co-ordination and operation, with complex and uneven implications for accountability and effectiveness. Specifically, it includes:

- Different forms of intergovernmental arrangements—eg in the World Bank, IMF and WTO —embodying various levels of legalisation, types of instruments utilised and responsiveness to stakeholders;
- An increasing number of public agencies—eg central bankers—maintaining links with similar agencies in other countries and, thus, forming trans-governmental networks for the management of various global issues;
- Diverse business actors—ie firms, their associations and organisations such as international chambers of commerce—establishing their own transnational regulatory mechanisms to manage issues of common concern;
- Non-governmental organisations and transnational advocacy networks—ie leading actors in global civil society—playing a role in various domains of global governance and at various stages of the global public policy making process;
- Public bodies, business actors and NGOs collaborating, eg on a range of development issues, in order to provide novel approaches to social problems through multi-stakeholder networks.

There is evidence that the politicisation, bureaucratisation and capacity limits of multilateral institutions have been important factors in driving the expansion of new forms of global governance, since powerful governments have sought to avoid either expanding the remit of existing multilateral agencies or creating new ones. Another factor that has been significant has been the normative shift towards "self-regulation", as the private sector has sought to pre-empt or prevent international public regulation while governments have sought to share the regulatory burden with non-state actors.

Key political challenges

The postwar multilateral order is threatened by the intersection and combination of political, economic and environmental crises. Moreover, the very nature and form of globalisation creates a delicate and complex system of structural global vulnerability. As is evident, the world we are in is highly interconnected. The interconnectedness of countries—or the process of "globalisation" as it is often called—can be measured by mapping the ways in which trade, finance, communication, pollutants and violence, among many other factors, flow across borders and lock the wellbeing of countries into common patterns (Held et al. 1999). The deep drivers of this process will be operative for the foreseeable future, irrespective of the exact political form globalisation takes. Among these drivers are:

- The changing infrastructure of global communications linked to the information technology revolution;
- The development of global markets in goods and services, connected to the new worldwide distribution of information;
- The pressure of migration and the movement of peoples, linked to shifts in patterns of economic demand, demography and environmental degradation;
- The end of the cold war and the diffusion of democratic and consumer values across many of the world's regions, alongside some marked reactions to this;
- The emergence of a new type and form of global civil society, with the crystallisation of elements of a global public opinion.

Despite the fractures and conflicts of our age, societies are becoming more interconnected and interdependent. As a result, developments at the local level—whether economic, political or social—can acquire almost instantaneous global consequences and vice versa. If we link to this the advances in science across many fields, often now instantly diffused through global communication networks, it is clear that the global arena has become both an extraordinary potential space for human development as well as for disruption and destruction by individuals, groups or states (all of whom can, in principle, learn the lessons of nuclear energy, genetics, bacteriology and computer networking, among other things).

There are many reasons to be concerned about this. From the point of view of accountable and effective global governance, four distinct reasons are worth stressing: solidarity, social justice, democracy and policy effectiveness. It is important to clarify each of these because they provide a map of the dimensions we need to keep in mind for thinking about the nature and adequacy of governance at the global level. By solidarity, I mean not just empathetic recognition of another's plight, but the willingness to stand side by side with others in the creation of solutions to pressing collective problems. Without solidarity between rich and poor, developed and developing countries, the MDGs will not be met and, as the former secretary-general of the United Nations, Kofi Annan, simply put it, "millions of people will die, prematurely and unnecessarily". These deaths are all the more poignant because solutions are within our grasp. As far as challenges like global warming and nuclear proliferation are concerned, we need to add to the definition of solidarity a focus on our own sustainability, never mind that of citizens of the future. Contemporary global challenges require

recognition of, and active participation in, the forces that shape our overlapping communities of fate.

A second reason to focus on global challenges is social justice. Standards of social justice are, of course, controversial. To make my argument as accessible as possible, I will, following Thomas Pogge, take social justice to mean the fulfillment of human rights in an institutional order to the extent that it is reasonably possible (Pogge 2006). Of course, most argue that social justice requires more, and so it can be claimed with some confidence that an institutional order which fails to meet these standards cannot be just. Accordingly, it can be reasoned that in so far as our existing socioeconomic arrangements fail to meet the MDGs, and the broader challenges of global warming and the risks of nuclear proliferation, they are unjust, or, simply, beyond justice.

The third reason is democracy. Democracy presupposes a non-coercive political process in and through which people can pursue and negotiate the terms of their interconnectedness, interdependence and difference. In democratic thinking, "consent" constitutes the basis of collective agreement and governance; for people to be free and equal there must be mechanisms in place through which consent can be registered in the determination of the government of public life. Yet, when millions die unnecessarily and billions are threatened unnecessarily, it can clearly be held that serious harm can be inflicted on people without their consent and against their will. The recognition of this reveals fundamental deficits in our governance arrangements which go to the heart of both justice and democracy.

Finally, the failure to act sooner rather than later on pressing global issues generally escalates the costs of dealing with them. For instance, it has been estimated that the costs of inaction in dealing with communicable diseases in Africa are about 10 times greater than the costs of corrective action (Conceição 2003). Similar calculations have also been undertaken in areas of international financial stability, the multilateral trade regime and peace and security, all of which show that the costs of deficient provisions of global public goods are extremely large, and outweigh by significant margins the costs of corrective policies. And yet we too often stand paralysed in the face of urgent collective challenges, or actively engage in the reproduction of political and social arrangements that fail to meet the minimum standards that solidarity, justice and democracy require.

Global economic governance: problems and opportunities

These points are well illustrated by reflecting on key elements of global economic priorities and their impact on governance arrangements. For the last two to three decades, the agenda of economic liberalisation and global market integration—or the Washington consensus as it is sometimes called—has been the mantra of many leading economic powers and international financial institutions. The standard view of economic development has maintained that the path to economic and social wellbeing is economic liberalisation and international market integration. As Martin Wolf put it, "all else is commentary" (2004, p.144). But is this true? There are strong grounds for doubting that the standard liberal economic approach delivers on promised goods and that global market integration

is the indispensable condition of development. Moreover, their forceful implementation by the World Bank, IMF and leading economic powers has often led to counter-productive results, at national and global levels.

Countries that have benefited most from globalisation are those that have not played by the rules of the standard liberal market approach, including China, India and Vietnam (Rodrik 2005). In addition, those that have, for example the Latin American and the Caribbean countries, have done worse judged by the standards of east Asia and their own past. In other words, the link between growth, economic openness and liberalisation is weaker than the standard liberal argument suggests. The widespread shift among developing countries to greater openness has coincided with a slowdown in the rate of world economic growth compared to earlier in the post-war period, from 2.7% in 1960–78 to 1.5% from 1979–2000 (Milanovic 2005).

The link between growth and poverty reduction is also not as close as the liberal argument would predict. Accounts of this type generally assume a catch up or convergence story whereby poorer countries, opening their markets and liberalising, are expected to grow faster and richer so that income differentials narrow over time. However, the evidence to support this is controversial, at best. In the first instance, outside the phenomenal development of China and to some extent (urban) India, the reported number of people living below the World Bank poverty line of $1 a day has actually risen in the two decades since 1981 (Wade 2006). In addition, there is a near perfect correlation between a group's relative standing at the beginning of the 1990s and its real cumulative income gains in the years that followed (Pogge 2006). The evidence shows that the gains at the bottom of the global income hierarchy were minimal or even negative, as the first, that is to say bottom, percentile, lost 7.3%, and the second gained only 1%. Moreover, the World Bank's measure of absolute poverty, based on $1 a day, is to a large extent arbitrary. If you take the figure of $2 a day you can actually show the reverse trend (Held & Kaya 2006).

When examining and evaluating trends in income inequality between countries, it is clear that much depends again on how, in particular, China's economic success and subsequent reduction in poverty is treated. If China is excluded from consideration, inequality between countries can be shown to have increased since 1980. 1980 is an important date because it is often claimed to be the moment when income inequality between countries reached its peak. Of course, there is much to be said for including China in the account but then it has to be borne in mind that China's success has depended significantly on a host of factors, not all of which fit neatly into the liberal argument. For example, China has staggered and regulated its entry into the global market; tariffs have been cut, but after economic take-off, particularly heavily in the last 10 to 12 years; capital movements have remained tightly regulated; and FDI is locked into partnerships often with significant political controls.

None of this is to argue that trade and international capital flows do not provide important potential gains to many countries. The question, rather, is: under what conditions are trade and capital flows (and what kinds of trade and capital flows) introduced to maximise benefit. Thinking of globalisation as either an inextricably positive force or the opposite is likely to miss the core conditions for successful development and political change. The choice is not between globalisation in its liberal free market

form and no globalisation. Rather, what is at issue is the proper form globalisation should take, ie how it should be governed.

This critical issue cannot be resolved within the terms of the Washington consensus because its thrust is to enhance economic liberalisation and to adapt public policy and the public domain to market-leading institutions and processes. It thus bears a heavy burden of responsibility for the common political resistance or unwillingness to address significant areas of market failure, including:

- The problem of externalities, such as environmental degradation;
- The inadequate development of *non*-market social factors, which alone can provide an effective balance between "competition" and "cooperation" and thus ensure an adequate supply of essential public goods such as education, effective transportation and sound health;
- The under-employment of productive resources (eg in the pharmaceutical industry) in the context of the demonstrable existence of urgent and unmet need (eg the provision of anti-virals for the treatment of Aids/HIV).

The Washington consensus has weakened confidence in public authority and in that authority's ability—locally, nationally and globally—to govern and provide urgent public goods. Economic freedom is championed at the expense of social justice and environmental sustainability, with damage to both. It has, moreover, confused economic freedom and economic effectiveness. The question is (and it is, of course, a big question): how can markets, democratic choices about public goods and a concern with basic universal standards such as human rights and environmental protection be pursued systematically and simultaneously? What follows constitutes some first steps in addressing this question.

Economic freedom is championed at the expense of social justice and environmental sustainability, with damage to both

To begin with, bridges have to be built between international economic law and human rights law; commercial law and environmental law; and state sovereignty and transnational law (Chinkin 1998). It is as if all these things refer to separate domains and do not speak to each other, with the consequence that entrenched interests trump social and environmental considerations, among other urgent matters. What is required is not only the firm enactment of existing human rights and environmental agreements, and the clear linking of these with the ethical codes of particular industries, but also the introduction of new terms of reference into the ground rules or basic laws of the free market system. Precedents exist in the social chapter of the Maastricht Agreement and in the attempt to attach labour and environmental conditions to the NAFTA regime, which are helpful in this regard.

At stake, ultimately, are three interrelated transformations. The first would involve engaging companies in the promotion of core universal principles, as the UN's Global Compact does at present. To the extent that this led to the entrenchment of human rights and environmental standards in corporate practices, this would be a significant step forward. But if this is to be

something other than voluntary, and therefore vulnerable to being ignored, then it needs to be elaborated in due course into a set of more codified and mandatory rules. Thus the second set of transformations would involve the entrenchment of revised rules and codes on health, child labour, trade union activity, environmental protection, stakeholder consultation and corporate governance in the articles of association of economic organisations and trading agencies. The key groups and associations of the economic domain would have to adopt in their very modus operandi a structure of rules and procedures compatible with universal social requirement, and be held accountable for them. Now, of course, it can be countered that poorly designed regulatory structures can harm employment levels but Scandinavian countries show that it is possible to be both business-friendly and welfare-orientated.

There are several possible objections to the scheme set out. However, most of these are misplaced (Held 2004). The framework of human rights, democratic standards and environmental values is sound because it is preoccupied with the equal liberty and equal development possibilities of all human beings, and is consistent with the universal principles enshrined in the post-1945 multilateral order. But it has to be conceded that without a third set of changes the advocacy of such standards descends into high-mindedness because it fails to pursue the socio-economic changes that are a necessary part of such a commitment.

At a minimum, this means that development policies must be linked to:

- Promoting the development space necessary for national trade and industrial incentives, including infant industry protection (and recognising that "one size" in economic policy does not fit all);
- Building robust public sectors, capable of nurturing political and legal reform;
- Ensuring long-term investment in health care, human capital and physical infrastructure;
- Challenging the asymmetries of access to the global market which are often hypocritical and indefensible;
- Ensuring the sequencing of global market integration into a framework of fair rules for trade and finance;
- Taking steps to match the movement of labour to the movement of capital—including creating a system of temporary work permit schemes of three to five years to allow for economic migration within an agreed multilateral framework;
- Increasing developing country participation in the running of the IFIs;
- Moving the headquarters of the IMF and the World Bank, on a rotating basis, to developing countries.

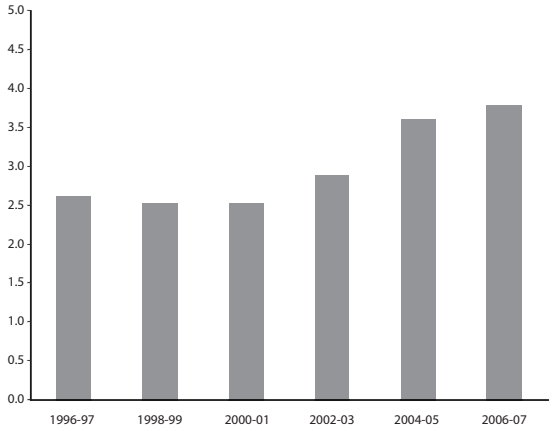
In addition, if such measures were combined with a turnover tax on financial markets, and/or a consumption tax on carbon emissions, and/or a shift of the priorities from military expenditure, now running at $1,000bn per annum globally, towards the alleviation of severe need—direct aid amounts only to some $50bn per annum globally—then the development context of the western nations and northern nation-states could begin to be accommodated more adequately to those nations struggling for survival and minimum welfare.

The UN budget is $3.8bn per annum plus peacekeeping, but the US and Europe each spend vastly more annually on chocolate and bubble gum, alcohol, cars, pet food and so on. The expenditure on each of these items dwarfs the amounts available for direct poverty alleviation and for dealing with urgent diseases. The US and its allies went to war after 9/11; 9/11 was a serious matter, a crime against the United States and a crime against humanity. But every day 10 times as many people die as were lost on 9/11 of poverty, malnutrition and poverty-related diseases and, yet, there is no war or, better still, decisive social change in relation to these life and death issues. The resources are available, but the question is political will and choice. Figures 1 to 5 and Table 1 disclose some interesting detail in this regard.

The politics of global governance change

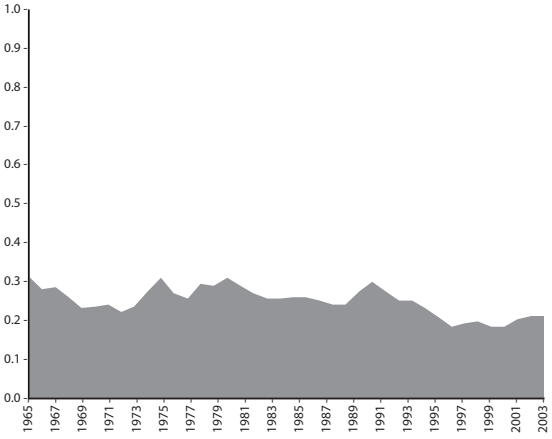
There are many pressing questions that need addressing further, and the time has come, to say the least, to address them. Surprisingly perhaps, it is an opportune moment to rethink the nature and form of global governance and the dominant policies of the last decade or so. The policy packages that have largely set the global agenda—in economics and security—are failing. The Washington consensus and Washington security doctrines have dug their own graves. The most successful developing countries in the world, as already noted, are successful because they have not followed the Washington consensus agenda, and the conflicts that have most successfully been diffused (the Balkans, Sierra Leone, Liberia, among others) are ones that have benefited from concentrated multilateral support and a human security agenda (Human Security Center 2006). Here are clear clues as to how to proceed in the future. We need to follow these clues and learn from the mistakes of the past if

Figure 1: UN core budget, 1996–97 to 2006–07



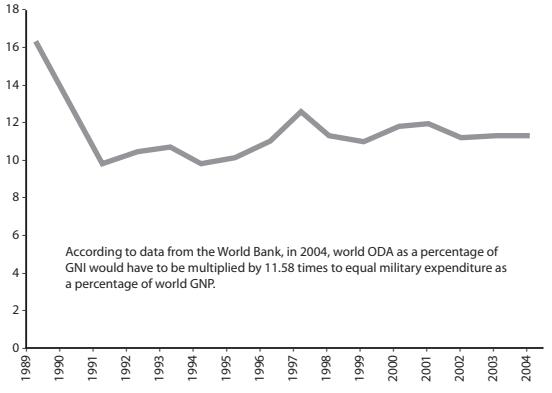
Source: 1996–2005 data drawn from UN press release, 'General assembly adopts 2006-2007 budget of $3.79bn, as main part of sixtieth session concludes', available at: http://www.un.org/News/Press/docs/2005/ga10442.doc.htm. 2006–2007 data drawn from UN factsheet, 'Growing share of UN resources in field operations', available at: http://www.un.org/reform/pdfs/factsheet.pdf. All figures exclude peacekeeping budgets and extra-budgetary UN expenses.

Figure 2: International aid as a percentage of gross national income (world)



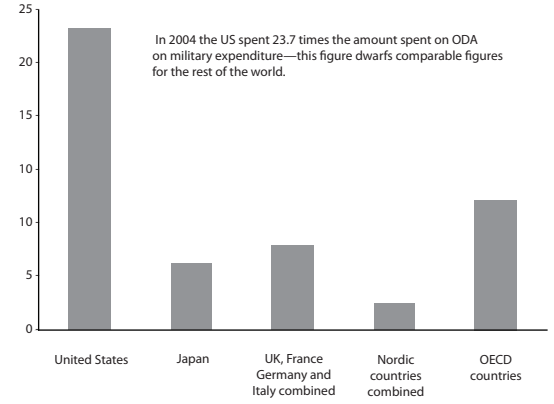
Source: Based on data drawn from World Development Indicators 2006, WDI Database, Washington D.C., World Bank.

Figure 3: Amount world ODA as a percentage of GNI would have to be multiplied to equal world military expenditure as a percentage of GDP, 1989–2004



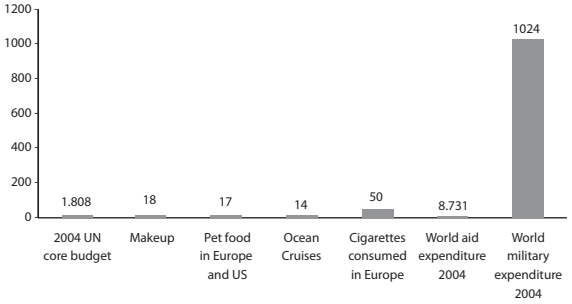
Source: Calculations based on data drawn from World Development Indicators 2006, WDI Database, Washington D.C., World Bank, 2006.

Figure 4: Ratio of military expenditure to official development assistance, selected countries 2004



Source: Data and chart adapted from Worldwatch 2006, *Vital signs 2006–2007*, Washington, D.C., Worldwatch Institute. Figures are extracted from the Stockholm International Peace Research Institute 2005, *SIPRI Yearbook 2005*, New York, Oxford University Press, and from OECD, 'Aid rising sharply, according to latest OECD figures', available at www.oecd.org/dac

Figure 5: Global consumption priorities (billions of US dollars)



Sources: 2004 UN core budget, 1.804, based on UN core budget figure for 2004–2005, divided by two. See UN press release, 'General assembly adopts 2006–2007 budget of $3.79bn, as main part of sixtieth session concludes', available at: http://www.un.org/News/Press/docs/2005/ga10442.doc.htm; Makeup, 18, From Table 1-6 in World Watch Institute 2004, *State of the world 2004: consumption by the numbers*, Worldwatch Institute, January 8. Available at: http://www.worldwatch.org/node/1783; Pet food in Europe and US, 17, From Table 1-6 in Worldwatch Institute 2004, *State of the world 2004: consumption by the numbers*, Worldwatch Institute, January 8. Available at: http://www.worldwatch.org/node/1783; Ocean cruises, 14, From Table 1-6 in Worldwatch Institute 2004, *State of the world 2004: consumption by the numbers*, Worldwatch Institute, January 8. Available at: http://www.worldwatch.org/node/1783; Cigarettes consumed in Europe, 50, From Anup Shah, 'Behind consumption and consumerism', available at: http://www.globalissues.org/TradeRelated/Consumption.asp. This report is based on data from the UNDP World Development Report 1998; World aid expenditure 2004, 8.731, Figure of 8,730,715,297, which is based on WDI indicators for World GNI and Aid as a Percentage of World GNI 2004. See World Development Indicators 2006, *WDI database*, Washington D.C., World Bank; World military expenditure 2004, 1024, Stockholm International Peace Research Institute 2004, *SIPRI yearbook*, New York, Oxford University Press.

solidarity, democracy, social justice and the multilateral order are to be advanced.

In addition, the political tectonic plates appear to be shifting. With the faltering of unilateralism and US foreign policy, uncertainty over the role of Europe in global affairs, the crisis of global trade talks, the emergence of powerful authoritarian capitalist states (Russia, China), the growing confidence of leading emerging countries in the world economy (China, India and Brazil), and the unsettled relations between elements of Islam and the west, business as usual seems unlikely at the global level in the decades ahead. It is highly dubious that the multilateral order can survive for very much longer in its current form.

The political space for the development of more effective and accountable global governance has to be made, and advances are being achieved, by the activities of all those forces that are engaged in the pursuit of greater coordination and accountability of the leading processes of globalisation; the opening up of IGOs to key stakeholders and participants; the protection of human rights and fundamental freedoms; sustainable development across generations; and peaceful dispute settlement in leading geopolitical conflicts. This is not a political project that starts from nowhere. It is, in fact, deeply rooted in the political world shaped and formed after the Holocaust and the second world war. Moreover, it can be built on many of the achievements of multilateralism (from the founding of the UN system to the development of the EU), international law (from the human rights regime to the establishment of the International Criminal Court) and multilayered governance (from the development of local government in cities and sub-national regions to the dense web of international policy-making forums).

The story of our increasingly global order is not a singular one. Globalisation is not, and has never been, a one-dimensional phenomenon. While there has been a massive expansion of global markets which has altered the political terrain, the story of globalisation is far from simply economic. Since 1945 there has been a significant entrenchment of universal values concerning the equal dignity and worth of all human beings in international rules and regulations; the reconnection of international law and morality, as sovereignty is no longer merely cast as effective power but

Table 1: Comparisons of annual expenditure on luxury items compared to estimated funding needed to meet selected basic needs

Product	Annual expenditure	Social or economic goal	Additional annual investment needed to achieve goal
Makeup	$18bn	Reproductive health care for all women	$12bn
Pet food in Europe and United States	$17bn	Elimination of hunger and malnutrition	$19bn
Perfumes	$15bn	Universal literacy	$5bn
Ocean cruises	$14bn	Clean drinking water for all	$10bn
Ice cream in Europe	$11bn	Immunising every child	$1.3bn

Source: Table 1-6 in World Watch Institute 2004, *State of the world 2004: consumption by the numbers*, Worldwatch Institute, January 8. Available at: http://www.worldwatch.org/node/1783. The Worldwatch figures are drawn from the UNDP Human Development Report 1998.

increasingly as legitimate authority, defined in terms of the maintenance of human rights and democratic values; the establishment of new forms of governance systems, regional and global (however weak and incomplete); and the growing recognition that the public good—whether conceived as financial stability, environmental protection, or global egalitarianism—requires coordinated multilateral action if it is to be achieved in the long term (Held 2004). These developments need to be, and can be, built upon.

A coalition of political groupings could emerge to push these achievements further, comprising European countries with strong liberal and social democratic traditions; liberal groups in the US polity which support multilateralism and the rule of law in international affairs; developing countries struggling for freer and fairer trade rules in the world economic order; non-governmental organisations, from Amnesty International to Oxfam, campaigning for a more just, democratic and equitable world order; transnational social movements contesting the nature and form of contemporary globalisation; and those economic forces that desire a more stable and managed global economic order. To the extent that the 2007 Bali discussions on a comprehensive global deal on climate change were a success, it is attributable to an increasingly effective EU, positive action by key developing countries, and continuing pressures by leading environmental INGOs.

Europe could have a special role in advancing the cause of more effective and accountable global governance (McGrew 2001, 2002). As the home of both social democracy and a historic experiment in governance beyond the state, Europe has direct experience in considering the appropriate designs for more effective and accountable supra-state governance. It offers novel ways of thinking about governance beyond the state which encourage a (relatively) more democratic—as opposed to more neoliberal—vision of global governance. Moreover, Europe is in a strategic position (with strong links west and east, north and south) to build global constituencies for reform of the architecture and functioning of global governance. Through interregional dialogues, it has the potential to mobilise new cross-regional coalitions as a countervailing influence to those constituencies that oppose reform, including unilateralist forces in the US.

Of course, this is not to suggest that the EU should broker an anti-US coalition of transnational and international forces. On the contrary, it is crucial to recognise the complexity of US domestic politics

and the existence of progressive social, political and economic forces seeking to advance a rather different kind of world order from that championed by the Republican right of the political spectrum (Nye 2002). Despite its unilateralist inclinations, it is worth recalling that public opinion in the US (especially among the younger generation) has been quite consistently in favour of the UN and multilateralism, and slightly more so than European publics (Norris 2000). The 2008 US presidential campaign has drawn upon some of these cultural resources. Any European political strategy to promote a broad-based coalition for a new global governance arrangement must seek to enlist the support of these progressive forces within the US polity, while it must resist within its own camp the siren voices now calling with renewed energy for the exclusive re-emergence of national identities, ethnic purity and protectionism.

Although some of the interests of those groupings which might coalesce around a movement for such change would inevitably diverge on a wide range of issues, there is potentially an important overlapping sphere of concern among them for the strengthening of multilateralism, building new institutions for providing global public goods, regulating global markets, deepening accountability, protecting the environment and ameliorating urgently social injustices that kill thousands of men, women and children daily. Of course, how far they can unite around these concerns—and can overcome fierce opposition from well-entrenched geopolitical and geo-economic interests—remains to be seen. The stakes are very high, but so too are the potential gains for human security and development if the aspirations for global democracy and social justice can be realised.

Conclusion

The post-war multilateral order is in trouble. Clear, effective and accountable decision-making is needed across a range of urgent global challenges; and yet, the collective capacity for addressing these matters is in doubt. The dominant policy packages of the past several years have not delivered the goods, and a learning opportunity beckons. We need to build on the universal steps of the 20th century and deepen the institutional hold of this agenda. Further steps in this direction remain within our grasp, however bleak the first few years of the 21st century—post 9/11—have been. A change of direction in the governance of the world economy, linked to a new direction in the management of human security, would both buttress international law and multilateral institutions and ensure that the wisdom embedded in the universal principles and institutional advances of the post-1945 era is safe-guarded, nurtured and advanced for future generations.

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