

Global Governance: Getting Us Where We All Want to Go and Getting Us There Together

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The world of today is virtually unrecognizable from the world in which we lived at the turn of the millennium. The last ten years have given rise to new actors playing prominent roles on the global stage, new technological breakthroughs that have changed the way we interact and new challenges so serious in nature that they require all our collective energies and talents to confront them.

The sea change that has washed over our planet during the past decade means that we need to view the world in a different way. Long-standing methods of addressing global problems need to be scrutinized, updated or re-tooled if we are to tackle adequately the problems of today and tomorrow. This is not to suggest that existing institutions of global governance need to be scrapped or that new ones need to be created. It may be that the institutions of today can better respond to our needs if we can conceive of a superior method of interaction among institutions and governments.

What do I mean by global governance? For me global governance describes the system we set up to assist human society to achieve its common purpose in a sustainable manner, that is, with equity and justice. Growing interdependence requires that our laws, our social norms and values and our mechanisms for framing human behaviour be examined, debated, understood and operated together as coherently as possible. This is what would provide the basis for effective sustainable development in its economic, social and environmental dimensions.

Whether public or private, governance needs to provide leadership, the incarnation of vision, of political energy, of drive. It also needs to provide legitimacy, which is essential to ensure ownership over decisions that lead to change; ownership to prevent the inbuilt bias towards resistance to modify the status quo. A legitimate governance system must also ensure efficiency. It must bring about results for the benefit of the people. Finally, a governance system must be coherent. Compromises need to be found over objectives that often may contradict one another. It cannot be about the right hand not knowing what the left hand is doing. Or, even worse, it cannot be about knowingly moving them in different directions.

As we consider the most viable means of global governance in the 21st century we must start with the fact that

there are many more players on the scene today than there were at the turn of the century. No longer do we live in a bipolar world as we did in the cold war, when the two superpowers exerted powerful influence on much of the world. In trade terms, the days when the European Union, the United States, Japan and Canada could decide the way forward for the rest – as they did in the 1994 Uruguay Round trade accord – are over. Even the often stated and usually polemic rhetoric of a north–south divide describes a paradigm that no longer holds true today. There are many different ‘norths’ and also many different ‘souths’.

In its place we have a sort of galaxy of players, with emerging countries asserting their new roles as traditional powers seek means of influencing outcomes in the global policy debate. Today countries like China, India, Brazil, South Africa, Indonesia and Mexico are major players in the global economy and increasingly as well in the arenas of health care, climate change and diplomacy. But even as these relatively new actors seek to establish their place in the world, the mutual interdependence of all countries is more evident today than ever before.

From production processes to finance to trade policy, the world's economy is integrated as never before. Global challenges like climate change, pandemics, terrorism and bringing greater equity and relevance to the multilateral trading system require global responses. Since the end of the Second World War, we have had in place an international system with the United Nations at its epicentre, supported by specialised agencies like the World Bank and International Monetary Fund (IMF), the World Health Organization (WHO) and the International Labour Organization. The World Trade Organization, like its predecessor, the GATT, while not a UN agency, has largely the same members and is dedicated to the same principles of openness, transparency, stability and sustainable development. We have also had the G8 grouping of countries.

By and large, this system has worked. But with the world so very different today, many are asking whether these institutions and systems are adequate for the challenges we face in the 21st century. Are they reflective of the geopolitical reality of 2010? Do developing countries

have sufficient weight in these organizations to ensure credible and legitimate outcomes?

I think we can all agree that the answer to these questions is no. The replacement of the G8 group of industrial countries as the principal grouping of nations with the more economically and geographically diverse G20 is an acknowledgement that, in the recent past at any rate, developing countries were not accorded sufficient say in global policy making. This grouping is better placed to provide the leadership needed to address today's global challenges.

International organizations are where global decision making takes place. It is true that some of these organizations still have some way to go in terms of reforming their governance structures in order for them to adapt to today's realities, as is the case with the World Bank and the IMF. The challenge for international organizations is one of coherence. There are many issues that cut across more than the principal area of expertise in any single agency. Aid for Trade is a very good example of this. While we in the World Trade Organization (WTO) are the coordinating hub, we depend on the expertise and resources of many other international and regional organizations to make the programme function as it should. Trade and environment, trade and health, trade and development – these are all issues that we address in the WTO and on which we need cooperation and assistance from the United Nations Environment Programme (UNEP), WHO, the World Bank and others. While better coherence and improved coordination can be induced by the secretariats of the different organizations working together, it is primarily in the hands of the members of these organizations. As the saying goes, 'coherence starts at home'.

In the family of the international organizations the WTO provides a unique example. The WTO makes its decisions on the basis of consensus of its 153 members. It is not the easiest method of decision making. Other organizations have voting take place in various configurations including weighted voting and qualified majority voting. In the WTO, the smallest countries can raise their hands and say 'I object', and those concerns must be addressed. It means, very often, that negotiations require more time. The Doha Round has taken nearly nine years and will most likely continue into a tenth.

But our rules are binding in a sophisticated dispute settlement system with real enforcement capability. If our agreements are to be legitimate and sustainable, they must be accords that have been accepted by all. This also means that you cannot have a system based on rules that are precisely the same for all countries. Common principles, yes,

but adjustments must be made for developing countries through what we call, in our WTO jargon, 'Special and Differential Treatment' – 'Common but Differentiated Responsibility' in climate change terminology.

The flexible structure of the WTO has also coped well with the rise of emerging economies. We have seen the role of developing countries – and not just the large emerging ones – growing in strength for some time. At Ministerial Conferences in Seattle, Doha, Cancun, Hong Kong and at numerous high-level meetings here in Geneva, developing countries pushed hard to see their views and interests reflected in the outcome of those meetings. Some of these meetings ended in chaos and confusion and some ended with agreement among the members. But one thing was constant – developing countries were at the centre of the decision-making process. If this were not the case the ongoing WTO negotiations under the Doha Development Agenda would never have been launched. Developing countries have also become important actors in the WTO dispute settlement.

The third leg of the global governance triangle is the United Nations. It is truly universal in membership and therefore legitimate. It has a very important role to play as a forum for accountability. But for that I believe it would be important to sharpen its functioning, in particular that of the UN Economic and Social Council.

It is clear to me that, if we are to improve the way we work together and deliver the best possible results

for our citizens, we must network global governance in a better way. Yet it is equally clear that many governments and citizens are not at the point where they are prepared to cede sovereignty to international organizations on certain politically sensitive issues. Simply put, the problems we face today are increasingly global in nature while politics, all politics, remains local. If we cannot address the democratic deficit in global governance, we cannot expect citizens to agree to cede sovereignty to international organizations.

Legitimacy would be greatly enhanced if international issues became part of the domestic political debate; if national governments were held accountable for their behaviour at the international level. The exercise of democracy at the national

level needs to integrate an international dimension to foster legitimacy at the global level. The fact that the governments that represent countries at international organizations are the result of citizens' choices through domestic elections is, in itself, not sufficient to ensure the legitimacy of the international organizations. The fact that in an organization like the World Trade Organization decisions are taken by consensus and each country has one vote may not be enough to

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create a sense of legitimacy in the actions of the organization. More is required. National actors – political parties, civil society, parliaments and citizens – need to ensure that issues that are part of the ‘global level’ are discussed at the ‘domestic level’.

Multilateralism is a messy business. It is not easy and it is not clear-cut. But it is indispensable, particularly now as we encounter a world with so many pillars of influence and so many seemingly divergent interests.

But the international community must do a better job of adequately reflecting the interests of citizens. This means integrating democracy more fully into global governance. It means creating decision-making structures that promote the majority while protecting the minority. It means ensuring that the many different spokes of the international community intersect and work together in a manner that gets us where we all want to go and gets us there together, in a coherent manner.