



Progressive governance 2008: the path to a global progressive consensus

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London, 2008

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It is almost five years since a British prime minister hosted a Progressive Governance Summit of centre-left leaders from some 15 democracies in Europe, Africa, South America and Australia/New Zealand.

Policy Network, the international progressive network and thinktank, is delighted that Gordon Brown invited us to organise the associated Progressive Governance Conference, just as it did for Tony Blair in July 2003. Friday's conference will bring together policymakers and academics from some 40 countries. The Conference agenda is tailored to that of the Summit: the big challenges for global governance. Participants in Friday's Conference will attend and observe the Saturday roundtable of heads of government. Policy Network commissioned papers from leading experts on the main agenda topics which will be published on the website in the days leading up to the conference. These papers have already been discussed at a series of preparatory seminars.

Since 2003 a lot has changed – and not just in personalities. The problems of Iraq and Afghanistan of course still make headlines. These conflicts symbolise the inability of the United States (and its allies, including Britain) to solve problems by military superiority alone. The last five years have seen a decline in the United States' power and influence – contrary to the hopes of Washington's neo-conservatives who saw regime change in Iraq as a means of asserting it.

Few can now doubt that security in the age of globalisation requires a broad agenda that includes economics, poverty, migration and climate change and effective global governance. That is the agenda of our Conference and the Leaders' Summit.

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The economic balance of power in the world is shifting rapidly to Asia. The United States is now the world's largest debtor nation – the reverse of the position that enabled America to shape

the post-second world war international order. China and India's spectacular growth is fuelling energy demand and commodity price rises. On the back of its oil and gas, Russia has reasserted itself. There is a new scramble for Africa, with China aggressively competing for influence in what was once Europe's backyard. Commodity producers in poorer countries around the world now have a golden opportunity to dynamise their economic development. The poorest, however, without these natural endowments are still waiting for the rich nations to deliver in full on the promises of increased aid, made at the 'Make Poverty History' G8 Summit at Gleneagles in 2005. For them high oil prices wipes out any benefit they may have had.

Europe is hopefully emerging from a long period of slow growth and institutional introspection. Germany has recovered to be the largest exporting nation in the world, though China will overtake it at some stage. The EU, with Britain working effectively with France and Germany, for

once at least, has fought hard to advance a more progressive agenda: through its pledges of increased aid reconfirming the commitment to the Millennium Development Goals and its global leadership on climate change. The US has moved in response, but the commitment of the present administration is at best partial.

Global governance is in a poor state. In economics, as Ngaire Woods points out, the emerging economies have been largely left on their own to ride the tigers of financial crises, unstable exchange rates and soaring commodity prices. The Doha Trade Round remains stalled; the IMF and World Bank hobbled by their antiquated structures and unrepresentative governance in the emerging world order and are, as a result, weaker, for all their potential. The mechanisms to monitor progress towards achievement of the Millennium Development Goals remain problematic. There was progress at Bali in securing agreement to negotiate a post-2012 framework for limiting greenhouse gas emissions, but the present positions of the United States, on the one hand, and China and India on the other look hard to reconcile.

Politically, UN reform remains stalled despite widespread support for a more representative Security Council membership that embraces all major nations as permanent members. The legacy of Iraq has stymied debate over new principles for interventionism based on a tightly defined “responsibility to protect”.

The Conference and Summit focus on global governance is therefore timely and much needed.

The preparatory papers published on our website do not contain a comprehensive agenda for an inclusive globalisation, but they do contain important pointers for the future. This paper focuses on the politics of securing a more inclusive globalisation.

Optimists believe that the world will find solutions to these global problems on the basis of enlightened self-interest. After all, climate change has potentially devastating consequences for us all. Migration, the risk of global pandemics, the consequences of failed states, religious extremism and terror in the modern age all land themselves, as it were, on the developed world’s doorstep: they are no longer simply questions of conscience, but of vital national interest. And in economics and trade there is no alternative for the developed world but to adjust to powerful new players and new global forces: indeed, deepening and sustaining economic openness is for the optimist a “win-win” all round.

On this analysis, the task is one of bringing all to recognise the stark realities of interdependence – and once this is acknowledged, practical solutions will ultimately be found. One cannot be so confident.

First, in much of the world, regimes in power put their own self preservation and the opportunities for personal enrichment that place and position offers before any clear concept of the public interest. Even in democracies, effective solutions to the problems the world is grappling with are medium to long term. They exceed the time horizons of elective office. It is

uncertain whether electorates will back statesmen and women with long-term vision when that vision brings with it short-term costs. That is why this initiative of Gordon Brown's should be applauded, as it will require real statesmanship if many of these global issues are to be addressed.

Second, many of the issues at stake touch centrally on the most sensitive of political questions: distribution. For example, whether commodity-rich, poor countries obtain a fair share of tax revenues for their national exchequers as world commodity prices rise; the terms on which the developed world lends to emerging and poor countries; or the willingness of countries to open up markets to free trade when domestic vested interests are threatened – whether these are farmers in Europe and America, or heavily protected domestic manufacturers in both emerging and developed countries.

The emergence of climate change as the greatest global challenge makes these questions of distribution even starker. China and India recognise the problem, but do not see why they should bear the burden of its solution: after all, they argue, industrial growth in the developed world has caused the greenhouse gas problem in the first place. Yet this requires significant transfer of resources from rich countries to emerging nations who are also our strongest industrial competitors: a formidable political challenge once populists realise what is at stake. And at the same time the “bottom billion”, as identified by Paul Collier, especially poor countries hit by rising oil prices, need more “aid” not less.

Third, the present structures of global governance are not fit for purpose. Existing institutions are outdated and ineffectual. Targets are aspirational: the scope for “free riding” immense. But binding targets with enforceable commitments require some sacrifice of national sovereignty, to which China and Russia appear as resistant as the US Congress. Progress in sovereignty pooling at regional level eases the task of global governance, but the EU is streets ahead of the African Union and even more the tentative attempts at regional cooperation in Asia and Latin America.

So finding solutions to global problems requires more than nations recognising their interdependence in the hope that they will work together out of enlightened self interest. Rather it requires visionary leadership with a long-term plan for the future; a passion for social justice that extends beyond national boundaries and is prepared to advocate the legitimacy of global redistribution; and a willingness to sacrifice and pool national sovereignty in order to achieve the better global governance necessary to deliver results. In other words it requires a global progressive consensus. That is why the endeavour behind this Progressive Governance Conference and Summit is so worthwhile and potentially significant.

The hope of course is that a new progressive consensus for change can animate political leaders throughout the world; that the European Union can be made an effective force for good, as on climate change, it proved capable of being at Bali; that the United States will elect a new president with a broader, more progressive global agenda; that the Republic of

South Africa as a beacon of democracy in Africa, will demonstrate leadership in support of democratic principles in its whole continent, particularly Zimbabwe; that Latin American progressives will turn the tide against Chavez-style anti-globalisation populists; and that the new government in Australia, with the support of New Zealand in its renewal internationalist commitment, will lead to greater progressive engagement with Asia on key questions such as climate change.

There are, however, three caveats that need to be entered, and they concern respectively the United States, Europe and Britain.

There is eager anticipation in Europe that the next US president will usher in a new transatlantic partnership to achieve a more inclusive globalisation. But these hopes will be aborted if the protectionist rhetoric of the Ohio primary is sustained in November. What hope is there of engaging the Chinese and Indians in a progressive dialogue on climate change, if at the same time the new administration sounds as if it wants to close off American markets to foreign exports and investment? The Democrats are right to press for strengthening the US welfare net in order to help American workers adapt to painful economic change, but foolhardy to think they can brake the pace of change itself.

Second, a huge gap remains between the EU's ambitions to be a global player and its capacity to act. Ratification of the Lisbon Treaty provides an opportunity to achieve a step change in

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Europe's external effectiveness. But strong candidates must be chosen if the new posts of permanent president of the council and high representative for foreign affairs are to make an impact. National interests need to be set aside and the commission given delegated authority under member states supervision, as it is in trade, to negotiate on Europe's behalf on energy, security and climate change, as well as coordinate member states' aid efforts.

And perhaps, of most immediate importance in terms of global governance, Europe needs to accept the consequences for itself of what a credible reform of the IMF and World Bank must mean: a reduced voting weight, collective EU representation through a single European seat, the rationalisation of the present bloated system of national directors, and an end to the "custom and practice" where the IMF managing director is always a European. How else are China and the other emerging nations to be brought into the reformed structures and dissuaded from setting up separate institutions of their own?

Nor are these choices from which Britain can stand aside, on the grounds that the UK is not a member of the Euro. Can anyone see France being willing to surrender its separate seat on the IMF board if Britain is not prepared to do the same?

Third, Britain's global role. It is a matter of pride that a British prime minister can host a Summit that attracts to it an impressive range of leaders from around the world. Britain can still play a

“pivotal” world role with channels of influence running through our membership of the EU; our historic relationship with the United States; Commonwealth links; the City of London’s global role; and the global reach of our universities, the BBC and our NGOs and charities. All these channels offer influence. But where lies the power to make a difference?

As a medium-sized power in a world where China, India and other nations are on the rise, Britain’s capacity on its own for effective “moral” leadership in the world is bound to wane. It was even an illusion in the 1950s; it is a delusion in the 21st century. Iraq demonstrated the limitations of the so-called “special relationship”. In future a stronger transatlantic partnership needs to be built between the United States and the EU, with Britain making a stronger commitment to think and act European. In the British polity, recognising that reality is more difficult for some than for others. But it should not be difficult for a New Labour project that aims to shape globalisation in a socially just way. Indeed, it will be more difficult to translate the ambitious words of the Progressive Governance communiqué into practical deeds, the longer Britain holds back from asserting its modern European role.



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