

Open up global governance to business and civil society

*Providing Global Public Goods: Managing Globalization**, suggests that an overhaul of the rules of global governance is needed to ensure that the views of governments are balanced by those of business and civil society. The book argues that globalization requires a new way of looking at such issues as international air traffic control, peace and security, global health, financial stability, fair trade, clean water and biodiversity: all of which are “global public goods”.

The book contains a chapter on “non-state actors”, a term which includes both business and civil society. These groups influence global public goods in three main ways:

- **By setting new agendas:** The goals of the NGO (non-governmental organization) campaign Jubilee 2000, on Third World debt relief, have been increasingly adopted by governments. And business concepts such as social auditing and ethical trade have now become part of the language.
- **By negotiating the details of agreements:** NGOs helped write the Ottawa land-mines treaty, and business played a major role in designing the 1997 OECD anti-bribery convention.
- **By monitoring and enforcing agreements:** Timber certification schemes, and measures to combat child labor in Asia, are primarily monitored by NGOs and business, says the report.

The influence of non-state actors on the international system has greatly increased in recent years.

- **Civil society** organizations are enjoying an unprecedented upsurge in their profile and – to a lesser extent – their influence over global debates and decisionmaking. Over 30,000 NGOs are now active on the world stage, and it is claimed that 49 million people are affiliated

**Providing Global Public Goods: Managing Globalization*, edited by Inge Kaul, Pedro Conceição, Katell Le Goulven and Ronald U. Mendoza, Oxford University Press, New York, 2003. The issues covered by this briefing note are dealt with in the chapter “Governing the Provision of Global Public Goods: The Role and Legitimacy of Non-state Actors”, by Michael Edwards and Simon Zadek.

through their organizations to a pan-American campaign against free trade.

- **Business:** There are now 60,000 to 70,000 multinational corporations, and 51 of the world's 100 largest "economies" are now businesses rather than nations, says the report. General Motors has annual sales equivalent to the GDP of Denmark, and Sears Roebuck has sales comparable to the annual income of 100 million Bangladeshis.

Both civil society and business already play a considerable role in managing, or lobbying about, global public goods. International action on land-mines, on debt relief for developing countries, on "blood" diamonds, on drugs to treat HIV-AIDS in South Africa, on the International Criminal Court, and on the anti-corruption convention spearheaded by Transparency International, are among the major achievements which would probably not have happened if left to governments.

The link between business and global public goods is more contested. For some, market liberalization is the most effective means of enhancing the delivery of all global public goods. And some businesses are active in lobbying for certain global public goods, such as bridging the "digital divide". But the book warns that corporate activities can sometimes damage the health of local economies and communities, exacerbate civil unrest, and contribute to sustaining war.

What right have non-state actors to participate in global governance at all? NGOs are often accused of not truly representing anyone, of not being accountable for their actions, of having no roots in national politics, and of sensational, poorly-researched policy positions. Similarly, business is often charged with exerting undue influence in the narrow interest of managers and shareholders.

The book agrees that, indeed, there are many questions to be answered about the legitimacy of both civil society and business. Nevertheless, the increasing voice of non-state actors adds essential checks and balances to the international system and helps ensure that excluded voices are heard. Problems of legitimacy are not, therefore, a justification for turning back the tide.

The influence of both civil society and business on international governance is likely to continue to increase. The issue is not whether but how best to realize the potential of non-state actors, who offer enormous resources – in

innovation and thought leadership, advocacy, popular mobilization, financial investment and service delivery.

The book argues that non-state influence on global governance should become more structured to guard against the potentially distorting effects of those who shout loudest. These structures should be as light and non-bureaucratic as possible, to avoid eroding the passion, spontaneity and diversity that are the hallmarks of a healthy civil society and of a dynamic business community.

The report urges that a variety of mechanisms should be explored to increase civil society and business input into the international system. These include:

- **Multi-stakeholder bodies**, such as the International Labor Organization's tripartite machinery (government/business/labor) for setting labor standards;
- **"Pre-meeting meetings"** with non-state actors, the day before official intergovernmental meetings;
- **The "Arias formula"**, which allows invited NGOs to address UN bodies outside official sessions;
- **"Alternative reports"** from non-state actors, to be considered alongside governmental reports, as the UN Commission on Human Rights has done;
- *Amicus curiae* (**"friend-of-the-court"**) **briefs** from non-state actors, for example at World Trade Organization appeal hearings.
- **Non-state global forums**, such as a World Financial Forum to debate the policies and performance of the International Monetary Fund every two years.