

To better manage globalization developing countries need to be heard

Developing countries should have more say in discussions about the provision of global public goods, the analyses in *Providing Global Public Goods: Managing Globalization** suggest. According to the book, while the world has become more democratic in the past 20 years, international decisionmaking is still too exclusive to respond adequately to the policy challenge presented by globalization.

Exactly how to rethink and reorient global policymaking to catch up with globalization is the challenge the book sets itself. The book calls for the democratization of globalization. But how can this be achieved? Contributors to the book, who cut across various academic disciplines, offer a range of proposals. They say, for example, that representatives of developing countries should be included in some of the highly exclusive meetings dealing with issues that affect everyone, including international financial issues. The book asserts that the right of people to have a say in matters that affect their lives is a widely recognized basic principle of equity.

The book suggests that both the state and the market have a crucial role to play in the adequate provision of global public goods. Involving both the state and the market is the best way to ensure sustainable development. Problems with multilateral decisionmaking often stem from the fact that it leaves developing countries feeling marginalized. Thus, the book indicates that multilateral bodies would be more effective if they were fully representative and that if arrangements were put in place for systematic dialogue and consultation between state and non-state actors.

* *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.

Two of the contributors to the volume, Pamela Chasek and Lavanya Rajamani, say that even in instances where developing countries are represented in multilateral bodies, some states form the core and leave others out. Chasek and Rajamani argue that the G-77, set up in 1964 by developing countries, has become obsolete, as developing states have become highly diversified in their economies and levels of development. They say that while many developing countries do their best to cover multilateral negotiations, they often do not have the expertise or personnel to do so effectively. These contributors to the book state that most developing countries are “agenda-takers and even policy-takers”.

The book suggests that a G-29, to be made up of members of the General Committee of the United Nations plus the president of the Economic and Social Council of the United Nations, could be an effective forum to discuss global issues: “If this group were to convene annually at the level of heads of government, say, for a day at the beginning of each year’s General Assembly meetings, the world would have a representative, manageable, intergovernmental forum to provide global vision and policy guidance.”

But authors do not just call for the democratization of globalization and multilateral bodies. Richard Musgrave and Peggy Musgrave, eminent public finance scholars, write in the book’s Prologue: “Truly global public goods stand at the end of a chain stretching from local street cleaning to national defense and environmental protection to global warming.” Policies for the provision of global public goods need to take into account equity considerations, so that the distribution of benefits across countries, both rich and poor, is not systematically skewed.

Public goods – a basic economic term that refers to goods that benefit all once produced – cannot be looked at in isolation, detached from globalization. Effective management of globalization requires the shaping of the provision of global public goods to benefit every corner of the world. Openness of borders and a free flow of private economic activity is one side of globalization. Concerted cross border public policy action, however, must be the other side if globalization is not to create havoc but instead serve as a means of improving people’s lives.

How can this be done, given that globalization has been felt largely as a “loss of autonomy” by most developing states? One of the biggest

challenges confronting the world is that there is a mismatch between the global nature of the challenges posed by globalization and the exclusive and fractured way in which public policy is made. Countries cannot choose whether to become a part of the globalization process. However, what they can do is work together to ensure that globalization benefits every part of the world.

Another challenge faced in the book is the gap that exists between public goods theory and the constantly evolving political and economic realities of the day. The theory lags behind the realities of globalization, making it difficult for the theory to give guidance to countries and policy makers.

The book challenges the stigma attached to public goods and the role of the state: “public goods are most appropriately described as goods in the public domain – not as state-provided goods - and that state agencies and markets can be viewed as public goods”. It also seeks to break down the false dichotomy between the state and the market, saying that both can actually be seen as public goods. The state is a public good, as are markets. Markets can also be seen as public institutions. In fact, markets have always been open institutions and events.

In a section that is likely to be of particular relevance to developing countries that often find themselves competing with non-governmental organizations for international attention, the book indicates that the public (domain) is wider than civil society organizations, the nonprofit, nonstate actors that tend to take center stage in these discussions. It also includes individuals, households, and families when they act in public on matters of shared concern.