

GLOBAL GOVERNANCE
AND THE UN SYSTEM

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THE OBJECTIVES OF INTERNATIONAL COOPERATION

BASIC OBJECTIVES OF INTERNATIONAL COOPERATION

- Managing Interdependence.
- Fostering the development of societies through common norms/standards (gradually building global citizenship)
- Correcting the asymmetries that characterize the world economic system (Equality of nations).

SOME FEATURES OF THIS TYPOLOGY

- This typology coincides with the historical origin of institutions (pre-WWI, post-WWI, post-WWII)
- The first requires sharing autonomy / responsible sovereignty
- In the latter two, the Nation-state continues to exercise its autonomy, though embedded in agreed principles/norms.
- The UN system is at the center of all of these forms of cooperation.

TWO CONCEPTUAL ISSUES

- ❖ Concept of “global public goods”: should refer either to interdependence of to the whole “global public domain”.
- ❖ In turn, the concept of development has two entirely different meanings:
 - Cooperation with developing countries
 - Development of societies. In terms of the Preamble to the UN Charter, the determination “to promote social progress and better standards of life in larger freedom.”

MANAGING INTERDEPENDENCE

- Responds to different demands:
 - ✓ “Pure” global/regional public goods (in the economic sense).
 - ✓ Goods with significant externalities.
 - ✓ Global/regional commons.
 - ✓ Shared infrastructure.
- Relatively well developed in certain areas: contagious diseases, trade rules, international transportation rules.
- Major gaps: climate change, global macro and financial stability
- No (or very limited) cooperation in others: economic migration, tax cooperation.

DEVELOPMENT OF SOCIETIES

- Economic and social rights.
- International conventions issued approved by UN member states.
- Principles and goals agreed in UN Summits and Conferences (the UN Development Agenda).
- MDGs and post-2015 agenda, with a new focus on rising inequalities.
- This agenda has been built in strong partnership with civil society

ECONOMIC ASSYMETRIES OF THE GLOBAL ORDER

- Technological and productive: technological progress is highly concentrated and diffusion may be affected by IPRs
- Financial and macroeconomic: global reserve system, financial market segmentation, different room of maneuver of counter-cyclical macroeconomic policies
- Asymmetries in the degree of mobility of factors of production: limited labor mobility, particularly of unskilled labor

APPROACHES TO INTERNATIONAL INEQUALITIES

- Two basic forms of interventions:
 - ✓ Global rules (trade, IPRs, financing) that recognize the different levels of development
 - ✓ Financing: ODA, MDBs, climate

- Concepts coined around UN processes:
 - ✓ “Special and differential treatment”
 - ✓ “Common but differentiated responsibilities”.

- With the increased differentiation of developing countries, need to redefine the scope of the first two concepts (already so in trade).

GOVERNANCE STRUCTURES

THE ESSENTIAL DILEMMA OF THE INTERNATIONAL SYSTEM (1)

- ❖ The basic dilemma: contrast between economic globalization and the national (or even local) domain of politics.
- ❖ Rodrik's *globalization paradox*: “we cannot simultaneously pursue democracy, national determination, and economic globalization”.
- ❖ Therefore: “A thin layer of international rules that leaves substantial room for maneuver by nation governments is a *better* globalization”.

THE ESSENTIAL DILEMMA OF THE INTERNATIONAL SYSTEM (2)

- ❖ Kaul's *sovereignty paradox*: "in policy fields marked by GPG-type challenges and interdependence, such behaviour [shying away from cooperation] actually undermines rather than strengthens states' policymaking capacity".
- ❖ Therefore: need to combine openness and policymaking sovereignty = notion of responsible sovereignty: exercise it in a way that is fully respectful of the sovereignty of others.
- ❖ This is particularly true for the first form of cooperation. For the second and third, sovereignty within the boundaries of global rules.

BUILDING A BETTER STRUCTURE

1. Build a dense network of global, regional and national institutions:

- ✓ Recognizes more clear the domain of democratic politics and of the “policy space” that it requires.
- ✓ More balanced in terms of power relations.
- ✓ More consistent with the principle of responsible sovereignty.
- ✓ Strong subsidiarity principle.

BUILDING A BETTER STRUCTURE

2. Need to overcome the tension between inclusiveness/legitimacy and effectiveness (which some time hides a defense of existing power relations):

- ✓ “Elite multilateralism” (G-7/8, now G-20).
- ✓ Veto power: UN Security Council.
- ✓ UN: equal voting power
- ✓ The BWIs model: weighted voting + constituencies
- ✓ WTO model: consensus through “concentric circles” (which may imply unequal relations).

The first three are unacceptable. So, some variant of the last two?

BUILDING A MORE REPRESENTATIVE STRUCTURE

3. Equitable participation of developing countries in global decision-making (the “original sin” of post-war arrangements):

- ✓ Unfinished process of increasing “voice and participation” in the BWIs
- ✓ Do not sideline the UN, as it is the most open forum.

But, equally, give voice to small countries.

BUILDING A BETTER STRUCTURE

4. Effective systems of monitoring, accountability for, and (at the end) compliance with international commitments, which would depend on the type of cooperation:

- ✓ Most developed: WTO dispute settlement.
- ✓ A success story = the Montreal Protocol.
- ✓ Monitoring of international conventions: ILO, CEDAW.
- ✓ Well-developed surveillance: IMF Article IV, WTO's Trade Policy Reviews.
- ✓ The peer review model: OECD, African Union, Human Rights Council.
- ✓ High profile global national evaluations (the MDGs model) + Evolution towards a peer review process

THE COHERENCE OF THE SYSTEM

THE APEX ORGANIZATION

- ❖ “Elite multilateralism” (the G-20): advantages and concerns:
 - ✓ Advance over the G-7/8
 - ✓ But it is a self-appointed, ad-hoc body, with problems of representation and legitimacy.
 - ✓ Awkward relation with existing broad-based multilateral institutions.
- ❖ Desirable evolution towards a decision making body of the UN *system*, based on constituencies: the Global Economic Coordination Council.
- ❖ The UN as a center of analysis, and as a forum for dialogue and consensus.

THE ROLE OF ECOSOC

❖ Basic objectives:

- ✓ Helping the UN work as a system in the policy area
- ✓ Monitoring and mutual accountability for UN Development Agenda
- ✓ Global Development Cooperation Forum
- ✓ Oversight of operational activities (board of boards of Funds and Programmes).

❖ Critical institutional issues:

- ✓ Duplication of functions GA-ECOSOC.
- ✓ ECOSOC itself as a system.
- ✓ Relations with Funds and Programmes
- ✓ Relations with Specialized agencies and with the BWIs – based on issues?

WHAT ARE THE FORCES
FOR CHANGE?

FORCES FOR CHANGE

- ❖ Civil society: good for expanding the agenda, and transparency and accountability, but not necessarily for policy.
- ❖ Rise of emerging powers:
 - ✓ Some have become part of the game, but has it solved the old problem of representation?
 - ✓ Need to redefine “common but differentiated responsibilities”.
 - ✓ It may lead old powers to be less willing to shoulder the costs of global leadership, whereas emerging powers are not willing to do so.
- ❖ The old challenge: unequal power relations – need for leadership by the powerful countries.

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