

NEW GLOBAL GOVERNANCE: PROPOSALS FOR THE DEBATE

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PROLOGUE

In 2008, the first major financial and economic crisis of global proportions signalled a sharp and painful revision of the global economic landscape. The financial crisis put an end to an era characterised by the dominance of neo-liberal thought and the progressive disengagement of the State as an instrument for reducing market-generated imbalances. Up until then, political discourse had been based on laissez faire economics, and the ultimate goal of its policies was to reduce the role of the State, to eliminate taxes, and to suppress regulatory mechanisms. It had few proposals to offer for solving the problems looming on the horizon.

Economic globalisation cannot be understood as an ideologically-neutral process. Its development over the past two decades has responded to a very concrete and specific manner of understanding economic and social relations. The so-called Washington Consensus promoted an economic dynamic linked to the tenets of neo-liberal economic philosophy, advocating a free market as the only valid regulator of international economic and financial activity.

The free market was presented as the best recipe for world growth and progress: the maximisation of individual welfare was to be the prelude to collective welfare. Nevertheless, many never believed this maxim and continued to defend the role of the State not only as the key to removing the imbalances generated by the market, but also as the guarantor of a just society —without social inequalities— with the ability to achieve a better distribution of wealth and ensure the protection of the environment and cultural heritage: a cohesive society, offering an inclusive solidarity.

With this agenda on the table, every economic, political and social agent, in short, every citizen must now evaluate the validity of our ideas and way of acting in the world. We must reflect not only on new forms of controlling and monitoring the financial systems, but also on the need to construct new relations between private and public companies in societies

which need to become more open, more plural and more democratic, and at the same time which need to heighten their awareness of global problems and exercise greater solidarity with the poorer regions of the planet.

For some time now the majority of the citizens of Asturias have rejected the discourse of neo-liberalism and its perverted ideological phenomenon that appropriated the process of globalisation and converted it into a magnificent instrument to disseminate the so-called «pensée unique» by extolling the virtues of the free market and equating globalisation with total liberalisation. However, globalisation does not imply nor demand the imposition of market forces in any particular manner. Globalisation is not an automaton; it is an instrument for shaping a more balanced and consensual co-existence between countries, markets, and people. This is what we have sought to apply in Asturias by acting locally, but thinking globally. We have tried to overcome the consequences of the old economic ideology with a more competitive economy, but one which also maintains and fortifies our social model.

At this time of international crisis, with its stark increase in social inequalities, the deterioration of the natural environment, risks of global warming, lack of freedom in large parts of the world, and a trend towards the concentration of economic power and technological development, it is necessary to examine the origins of these serious problems and propose progressive solutions for a new paradigm of global governance. This is the aim of this text, produced by Fundación Alternativas at the suggestion and with the support of the Government of the Principality of Asturias. It is an excellent work and, by offering alternatives to those ideas and values that have led us into the current situation, it will help us to make advances in dealing with a complex future.

We are present at the beginning at a new historical stage, and some of us are sure that the strength of our convictions and the result of our long experience in government make us well-placed to promote debate and suggest solutions for the future.

At this new stage in our history, future action requires exactly the opposite of that proposed by neo-liberal thought. We need a State which is more participative and receptive to the new social demands, capable of developing forceful public policies that are subject to constant and transparent evaluation and which aspire to share the benefits generated by an open economy with all the inhabitants of the planet. We also need new international instruments—from financial ones to those of international cooperation—which facilitate the drive towards a more cohesive, productive, sustainable, and people-orientated model of wealth-creation.

Within the ambit of the European Union we have solid experience in the field of international relations and the implementation of public policies of social and territorial cohesion, of international cooperation, and contribution to world security and peace. This is the experience we can bring to the rest of the world and which demands of us a special responsibility.

I have personally had the opportunity in the Council of Regions to defend a thesis on the complementary indicators of GDP for measuring the progression and social welfare of a society, taking into account environmental and social aspects in order to evaluate the actual advances made in any particular country. These additional factors should also be taken into consideration, and will help us to arrive at decisions about globalisation and cooperation processes between countries that are not based solely on such indicators as GDP which can no longer serve as the exclusive means of measuring the welfare of a new model of sustainable and more ecological development.

It is also imperative that we work together, uniting our commitments to progress and welfare and reconciling our various interests, so that the globalisation process heads in a different direction; this is particularly important now that we have already experienced the evil consequences that have befallen our economic activity, the natural environment, and—most especially—the effects that the de-regulation processes and the concentration of resources have had on people.

In Asturias we have defended the concept of globalisation as a process of co-existence and interaction between people, territories and markets. We fully intend to continue to work along the lines stated, using social, cultural, and political alliances to achieve a more equal, sustainable and democratic world—one where the market is at the service of co-existence, peace, and individual welfare—and never to return to the failed ideas that led to the situation we are currently living.

Vicente ÁLVAREZ ARECES
President of the Principality of Asturias

THE DIAGNOSIS

I. THE WORLD SITUATION IS UNSUSTAINABLE AND UNACCEPTABLE. WHY?

The current situation that humanity is experiencing is unacceptable. The aim of progressive forces must be to work towards transforming it and to offer an alternative to the current global governance. This is the moment for change at a world level, just as other historical moments were a time for change at national or regional levels.

The transformation should include three main areas of intervention: *a)* welfare and dignity for all; *b)* the conservation and improvement of the environment in which people live, and the rational use of natural resources which serve as the basis for development; *c)* a realistic and democratic possibility to intervene in our own destinies in the spheres of equality, sustainability and democracy.

The radical and growing social inequalities—in wealth, opportunities, technology, health, education, etc.—, the deterioration of the environment resulting in global warming, the oppression caused by a lack of freedom in many parts of the world are all to different degrees the main, but not the only, cause for the pandemics, the poverty, the wars, as well as the various forms of violence against people and nature.

Once again the historical task of progressive social and political forces is to transform this situation, this time on a global scale, and to build a new theoretical and practical project that can lead to a more equitable, sustainable and democratic world. Furthermore, it is the only way to guarantee peace and general welfare. There are no policies worthy of being called progressive or of the left if they do not have a global discourse and projection. Merely national and/or regional projects are conservative if they are not set within a global framework that takes into account the general interests of an ever more inter-related humanity. Therefore, from a progressive point of view, the task is not to oppose globalisation or the globalisation of processes—which is a fundamentally conservative position—but to work with ideas, actions, and alliances in order for this increasingly universal trend to head in a different direction. Glo-

balisation is not a result of the wickedness of men or of capitalism. On the contrary, it is an objective process that has its basis in scientific and technological advances. Globalisation is a consequence of science; its current direction is the result of determined social and economic forces with very specific interests which do not coincide with the general interests of humanity. Therefore, any attempt to return to a nationalist or protectionist approach is condemned to lead to failure, isolation, or, even worse, to confrontation and possible war.

The world situation is untenable and the lack of sustainability is increasing, particularly in relation to the environment and natural resources which must be considered as a conditional factor for socio-economic development.

Environmental degradation, the contamination of the seas and rivers, chemical pollution, de-forestation, natural disasters resulting from global warming are all as lethal as war, and affect the survival of the species. World energy consumption is undergoing a very significant increase despite the fact that 2,000 million people have no access to affordable and adequate water supplies. Water consumption is increasing every year by 2 % to 3 %; 20 % of the world's population lack access to a secure supply of drinking water and up to 50 % have no access to adequate sanitation facilities. It is estimated that 60 % of eco-systems are already damaged, and that increasing CO₂ and other greenhouse gas emissions since the era of the industrial revolution threaten catastrophic climate change of enormous consequences for hundreds of millions of human beings. In the last fifty years, humankind has changed eco-systems more rapidly and extensively than in any other period of human history.

Some 60 % of the largest eco-systems (15 out of 24) are degraded or used in an unsustainable way, and the degradation of their services is a significant barrier to reaching the UN Millennium Development Goals (MDGs). These were established in 2000 with the aim of achieving significant but attainable progress by 2015 in eradicating the various deficiencies and challenges of globalisation (eliminating hunger and extreme poverty, achieving universal primary education, promoting gender equality and female autonomy, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, guaranteeing environmental sustainability, developing global development partnerships).

According to UN assessments, there is a risk that many of the poorest countries will not achieve the MDGs if current trends are maintained and, as Kofi Annan pointed out in 2005, «considering the progress

made, this would constitute a tragic missed opportunity». The regions facing the greatest challenges in achieving these goals are the same as those facing the most serious problems in terms of eco-system degradation. It is unlikely that many of the objectives will be reached if there is no significant improvement in the management of eco-systems and the services they provide, such as food, water, disease management, climate regulation, spiritual satisfaction and aesthetic pleasure.

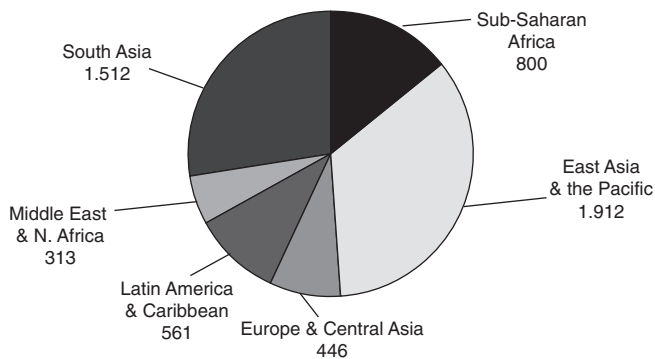
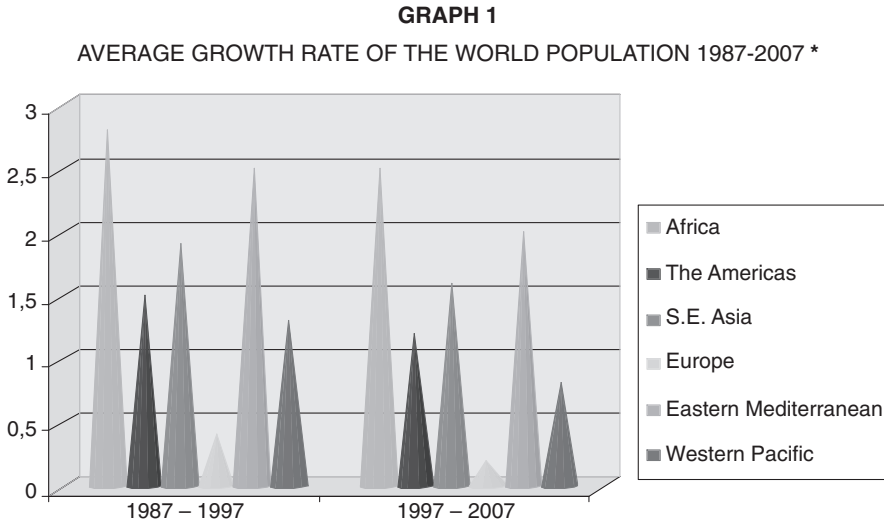
Climate change, as a result of the global warming associated with greenhouse gas emissions from anthropogenic sources such as the intensive burning of fossil fuels, is already an unequivocal reality. The average global temperature has risen by 0.7° C over the last hundred years. This warming has also had an effect on the diseases that afflict the planet: it is as if fever had risen by seven tenths of a degree. In fact, even if climate change had not occurred, there would still have to be changes made to the development and globalisation processes because of the environmental, social, and economic lack of sustainability. Climate change challenges, which demand a future society fuelled by lower energy intensity and lower carbon emissions, offer us the opportunity to retreat from this lack of sustainability, and to do so in time. These challenges also offer a response to the current crisis —a crisis which is not simply financial but also affects energy, climate and the environment.

The achievements attained so far illustrate the progress already made in recognising the problems, particularly our awareness of the unsustainability of the situation and the dire global outlook if we continue to maintain the current approaches. There is general consensus regarding the challenges our society faces, and even about what should be done about them; but we are incapable of establishing and, above all, applying the basic measures for a new logic for globalisation which entails that «some of us must change in order for all of us to live better».

II. THE FACTS AND THEIR EVOLUTION

What concerns us most about these facts is how they affect the lives of the 6,610 million people living on our planet. According to projections based on current growth rates, the human population will number 7,000 million in 2015 and will reach 9,000 million by 2050. Almost half of the world population is concentrated in the Asian Pacific and East and South Asia, although most of the population growth rate superior to 2 % will occur in sub-Saharan Africa, North Africa and the Middle East. This is in sharp contrast to the estimated population development in the

regions of Europe —which does not reach 0.5 %—, and the Americas — which taken together barely reach 1 %.



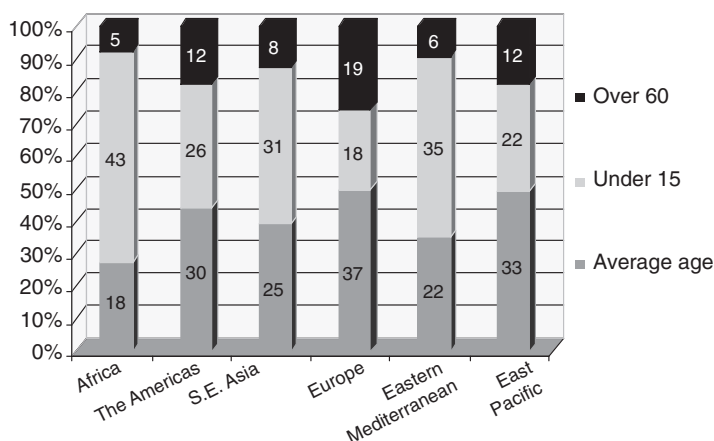
* Source: Authors own, with data taken from the World Health statistics 2009, WHO, and the World Development Indicators, World Bank. Revised April 24th 2008

Moreover, the ageing population continues to grow in Europe, and will do so in the Americas and the Western Pacific in the coming decades; while in Africa, the Eastern Mediterranean, and the densely populated areas of S.E. Asia the population is very young (almost half is less than fifteen years old).

By linking these two variables of age and/or young population with life expectancy and fertility rates, we can predict that while in Europe

there is no guaranteed replacement of the population the converse is true in Africa where high rates of population growth will be offset in some countries such as Botswana, Swaziland, Lesotho and Zambia by a population decrease caused by AIDS —and its combination with other diseases and malnutrition— which will be greater than that which occurred in France after the Great War.

GRAPH 2
WORLD POPULATION ACCORDING TO AGE DISTRIBUTION
AND GEOGRAPHIC AREAS, 2007



One of the most serious aspects of the world population data is infant mortality. The figures from the WHO already indicate that few advances have been made in combating this factor because the intensity of the efforts to reduce the rate are not maintained; so that in large parts of the world —Africa, S.E. Asia, and the Middle East— the rates are superior to 50 deaths per 1,000 live births.

We should therefore not be surprised about the occurrence of large-scale migration, and that a report of the United Nations shows that the number of migrants in 2005 was double the figure of 1980. Contrary to public opinion on this subject, it must not be overlooked that south-to-south migration is almost as large as the migratory flows from south to north; and that, indeed, the vast majority of the 200 million migrants have moved from one developing nation to another one, or from one developed nation to another developed one ¹.

¹ *Report on Human Development, 2009, «Overcoming barriers: mobility and human development», October.*