

# Global Economic Governance: Strategic Crossroads<sup>\*</sup>

By Tom Barry

*(The objective of this discussion paper is to examine in broad terms the emergence of a transnational citizen movement opposed to the current forms of global economic governance, while providing sketches of main analytical tendencies within this diverse movement. Although largely a backlash movement—one that mobilizes against the negative manifestations of economic globalization and the associated role of the institutions of global economic governance—the main theorists and organizers have in the past several years taken tentative steps toward formulating alternative paths for the global economy and its governance.)*

*In the interests of fostering constructive debate, various tendencies in the global economy movement are categorized and described, with special attention to the dynamics playing out in the United States. The strengths and weaknesses of the movement and their various prescriptive approaches are evaluated. The conclusion of the report assesses what may be needed to increase the effectiveness of the global economy movement. The underlying assumption is that citizen movements and citizen agendas are playing an increasingly important role in shaping global affairs and U.S. foreign policy. More reflection and strategic planning will ensure that these movements have a positive impact—especially the global economy movement, which is the most visible and influential manifestation of transnational activism. The paper makes the case that the global economy movement should uphold the principles of multilateral decisionmaking in its pursuit of “fair trade” demands and in its critique of current multilateral institutions.*

*This discussion paper does not necessarily represent the views of the FPIF staff or of the board of directors of either of the project’s sponsoring institutions. It is one of several FPIF discussion papers on related themes. Send comments to John Gershman at <[john@irc-online.org](mailto:john@irc-online.org)>.)*

## What is a citizen agenda?

It is a grassroots agenda, one that arises from citizens’ concerns and becomes part of the policy debate. Under democratic governance, this percolation of grassroots issues into policy debates is a normal part of the political process. Citizen agendas, mediated by politicians can thus be translated into policy. The extent to which this happens depends on the degree of citizen support for these agendas, the strength and political skills of the grassroots organizations promoting these agendas, and the power of affected established interests. Although rarely approaching the ideal—of the people, by the people, for the people—citizen agendas advancing everyday, domestic concerns (gun control, campaign finance reform, gay rights, etc.) routinely shape national political debate.

What’s new is the upsurge of citizen agendas that advance a new vision of global affairs. Foreign policy, even in the most democratic nations, has traditionally been the purview of a narrow policy elite. In the United States, a self-selected core of congressional representatives, high administration officials, and analysts associated with the major think tanks and

universities has constituted this foreign policy establishment. With little public input or review, this elite circle set the directions and crafted the implementing legislation for U.S. foreign policy during the cold war era. At both regional and global levels, representatives of national governments functioned as the sole legitimate actors during this same period. The more powerful the government, the more influence its representatives have historically wielded in international negotiations.

However, the emergence of transnational citizen movements and strong nongovernmental organizations (NGOs) concerned with global affairs has altered this framework for foreign policy decision-making. Although the traditional foreign policy establishments are still central to foreign policy debates on the national level, their ability to dictate

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the terms of these debates has markedly diminished. Among the factors contributing to this more complex foreign policy process are an end to the ideological character and security implications of all aspects of foreign policy, and the intersection of domestic and international issues, particularly regarding the global economy and environment. Paralleling the new influence of nontraditional foreign policy actors on a national level is the expanding influence of NGO networks in domains of global governance historically controlled by governments.<sup>1</sup> Writing about this "power shift" in global governance, scholars refer to a new global structure of "complex multilateralism," referring to non-governmental involvement in affairs heretofore managed by governments alone.<sup>2</sup>

There is widespread agreement that transnational citizen networks and movements are altering the conduct of international affairs.<sup>3</sup> But this is not to conclude that nongovernmental organizations and citizen movements are for the first time making their presence felt in the international arena. Citizen groups, sometimes national and sometimes international, were instrumental in establishing the humanitarian and relief dimensions of global governance. In the U.S., citizen groups were key elements in advancing the idea of establishing the United Nations, and religious and peace groups have long promoted agendas for nuclear nonpro-

liferation and other forms of arms control.

The end of the cold war, the advent of a new era of communications technology, and the integration of corporate marketing and production have given rise to new citizen concerns about the conduct of international relations, while creating new opportunities for citizen action and networking. This is happening on three broad fronts: 1) security/political, 2) environmental, and 3) global economy.

Success in advancing citizen agendas can be noted on all three fronts. Campaigns led by citizens (or with strong citizen involvement) have been instrumental in raising international concern—and in some cases formulating new international norms—regarding deactivating landmines, establishing an international criminal court, and banning the use of child soldiers. Most notable has been the success of such groups as Amnesty International and Human Rights Watch in expanding international monitoring of human rights in the past three decades. Although long-term trends of international environmental deterioration have not been halted, three decades of activism have netted great successes in expanding environmental norms and improving environmental monitoring in multilateral institutions during the 1990s.

The recent insertion of citizen agendas into U.S. foreign policy and international decisionmaking has, however,



## South/North

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revealed itself most dramatically in efforts to influence the management of the global economy. It did not emerge full-blown on the streets of Seattle during the WTO protests in November 1999, but rather has deep roots in the citizen movements active on the security/political and environmental fronts.

### Political/Security

In the United States, citizen groups in the 1970s and 1980s questioned the political uses of U.S. economic and military aid. This criticism of U.S. foreign policies oftentimes led to solidarity networks with countries and societies adversely impacted by U.S. programs, U.S. corporations, and U.S. military intervention. Largely in this political/security context, campaigns emerged to improve bilateral and multilateral aid, cancel third world debts, and create more equitable North-

South terms of trade (mostly concerning commodity exports). Two driving forces of these citizen campaigns were humanitarian/ethical activism (usually with significant involvement by religious communities) and ideological activism (by socialists and anti-imperialists). Outside of the national arena, this strand of political/security activism steadily escalated its critique of multilateralism. In the 1970s this occurred in alliance with countries of the nonaligned movement and supporters of the new international economic order within the United Nations. In the 1980s, the critique was increasingly directed at the policies of international financial institutions (IFIs), principally the World Bank and International Monetary Fund (IMF).

### Environment

Today's citizen movements analyzing globalization also have strong roots in the environmental reform efforts of the 1970s and 1980s. Activists concerned with global environmental deterioration did not overlook the environmental impacts of U.S. aid and other overseas programs, but instead largely and appropriately focused on creating new international environmental norms (usually under the auspices of the UN) and halting the destructive environmental impacts of the IFIs—especially the World Bank and regional multilateral banks. In its evolution from promoting conservation to defining environmentally sustainable development, in the 1980s the environmental community found itself increasingly engaged with the instruments of global economic governance, including the General Agreement on Tariffs and Trade (GATT).

## EMERGENCE OF GLOBAL ECONOMY ACTIVISM

International trade and investment relations received little citizen attention until the 1990s. In the 1980s a few prescient NGOs recognized that the most powerful structural feature of international affairs was neither the bipolarism of the cold war nor North-South politics. Rather it was economic globalization facilitated by new communications technology. Religious activists concerned with debt issues and third world development together with environmental, farm, and consumer safety groups began to organize against the efforts to expand free trade during the Uruguay Round of GATT, the main multilateral instrument for restructuring the global economy.

Although formally a trade agreement and not an institution, GATT was nonetheless a powerful instrument of global governance and was the exclusive domain of trade bureaucrats and

corporate consultants. In the 1980s, GATT not only doubled its country members but also took decided steps to expand its rules beyond trade in manufactured goods to agricultural trade, services, intellectual property rights, and investment. Moreover, by the end of the Uruguay Round, GATT members had created a new institution of global economic governance. The World Trade Organization (WTO) not only boasted a secretariat and a greatly expanded set of rules but also a dispute-resolution mechanism.

Out from under the shadow of the cold war, the attention of a critical mass of progressive international activists shifted to the perils of globalization. This focus on the global economy had great domestic resonance in Northern countries like the United States, whose industrial base was in turmoil as production transferred to new locations that offered cheaper,

nonunionized labor. The main catalyst of the activist upsurge in North America was the proposal launched in 1990 for the North American Free Trade Agreement (NAFTA). Suddenly, American workers felt their country's main competition was not the Soviet Union or even Japan, but \$1-5/day workers on the other side of the border and elsewhere overseas. Even as job productivity increased and the economy boomed, wages remained largely stagnant. Thus a pervasive sense of economic insecurity spread through Northern societies in the 1990s.

The U.S. labor movement also recreated itself, once free from the political imperatives of the cold war. After World War II, organized labor had joined the U.S. government and corporate elites in an alliance perceived to be mutually beneficial. What was good for General Motors was thought to be good for labor (as profits expanded and

foreign sales grew, so did wages). With federal government economic assistance, the AFL-CIO spread U.S. cold war politics to workers throughout the “free world” with its promotion of “free trade unionism”—often just another name for business unionism. Although organized labor never endorsed the free trade agenda of the U.S. government and transnational corporations, neither did it offer strong ideological opposition. When U.S. jobs were threatened by foreign imports, two American unions (UNITE and UAW) responded in the 1980s with “Buy America” campaigns and Japan bashing. However, organized labor (AFL-CIO and international trade secretariats) did play a critical role in alerting U.S. activists to the changing rules and structures of the global economy as well as building links to foreign workers, particularly those in export-orientated assembly and manufacturing plants.

The initial wake-up call to the foreign policy establishment in the U.S. that trade and investment relations were for the first time being subjected to close public and congressional scrutiny came during the NAFTA

negotiations. A reminder came when citizen opposition played a significant role in halting negotiations for an international investment agreement. As the 1990s ended, what is now called the Seattle Coalition delivered another wake-up message that could not be ignored. It was this: the rapid pace of economic globalization and the new rules of the global economy (NAFTA, Uruguay Round, Maastricht Agreement of the European Union (EU), Structural Adjustment Programs (SAPs) of the IFIs, etc.) have created a citizen backlash that will mount in intensity as corporate-driven globalization deepens.

The “Turtles to Teamsters” movement that manifested itself in Seattle included a wide range of progressive activists and signaled that the long-guarded distance between citizen activists and organized labor was narrowing, at least in the United States. The most prominent voice in this informal coalition was that of the Citizens Trade Campaign (a coalition led by Public Citizen, and housed at Friends of the Earth), whose anti-free trade and anticorporate agenda represented the antithesis of the economic

liberalism and business-enhancing agenda of the WTO.

The main targets of the backlash movement are the triad of global economic governance institutions: the World Bank, IMF, and WTO.<sup>4</sup> In fall 2001, the global economy movement will aim its sights on the annual meetings of the World Bank and IMF, and on the WTO ministerial meeting. Such a focus faces the risk of fostering populist and nationalist critiques against all forms of global governance and all multilateral institutions. Another related risk is that, at least in the public mind, the antiglobalization critique will be more associated with concerns about multilateral management than with those about the dominant private forces in the global economy, namely the transnational corporations, investment houses, and bond markets. Although there is much talk in academic and think tank circles about the influence of the Washington Consensus and the key role of the U.S. government in setting the directions for the global economy, such leading U.S. actors as the Treasury Department and the Federal Reserve have not been targeted.

## THE DIFFUSE POLITICS OF BACKLASH

Like other social movements, the transnational social movement driving the backlash against globalization has both reformist and radical tendencies. But unlike most other progressive social movements (national or international), the tendencies and ideological bearings of the global economy movement are only rarely self-articulated.<sup>5</sup> One can only speculate why this is the case.

One factor could be the disenchantment with ideology that came with the implosion of state socialism and the deepening recognition (based on their own experiences and those of leftist movements internationally) among

progressives that dogma leads to authoritarianism. Another reason might be the tactical consideration that any attempt to define clear positions would lead to the fracturing of the loose coalition. Global Exchange’s Kevin Danaher, alluding to the amorphous character of the Seattle coalition, called the citizen global economy movement a “coalition of coalitions.” Although concentrated in the progressive community, these coalitions were not restricted to self-described progressives, but in some cases extended to overtly nationalist groups such as the America Firsters of the Reform Party. A related factor that may be contributing to the absence of an ideological defini-

tion to this movement is a recognition that there exist deep fissures on such related issues as improved market access for Southern exporters, WTO membership for China, and the need for social clauses in trade agreements.

Another contributing factor might be the movement’s deep roots in the advocacy community, which is more inclined toward tactical and short-term considerations than to strategic or historical analysis. Finally, the originality of this powerful, transnational social movement confronting an array of new economic and political forces that are not clearly understood could be contributing to the movement’s lack of

direction and definition. For the most part, it is a backlash movement, although there are multiple efforts to move beyond criticism toward formulating an agenda for the future.

Even without a coherent agenda, the worth of global economy activism as a backlash movement is widely accepted. It's a wake-up call that has been appreciated by broad sectors of the prevailing camp of free traders who recognize that global economic liberalization needs to be better managed. Many global lead-

ers, from Bill Clinton to Kofi Annan to George Soros, have—as a result of citizen activism—pointed to the urgent need to put a “human face on the global economy.” The movement has also sparked an upsurge in interest about global economic conditions among masses of otherwise disaffected youth in the United States, Europe, and Australia. By drawing media attention, the militancy of sectors of this citizen movement has thrust the issues of global economic governance and corporate power into the public policy debate.

Now that it has gained the world's attention, what does this activist coalition want? Most of the demands regard the state and the future of global economic governance. However, there are sectors of the global economy movement whose efforts are directed not at the institutions and norms of governance but more toward creating alternative economies, fighting the ills of globalization on a local level, or empowering consumers.

## A LIBERAL WORLD ORDER

To better understand the context for the converging, diverging, intersecting citizen agendas with respect to global economic governance, it may help to first discuss the existing governance framework—both ideological and structural. In the midst of World War II, political leaders and economists from the Allied nations, particularly Great Britain and the United States, began laying the foundation for a new system of global economic governance. In these discussions, there existed two chief operative assumptions:

1. Multilateral institutions were needed to monitor and regulate economic relations among nations to ensure that there was not a repetition of the beggar-thy-neighbor trade and protectionist practices (including competitive devaluation of national currencies) that characterized the interwar period, and which contributed to that period's deflationary economic conditions.
2. Capitalism was the only viable system, and the best way to extend the benefits of capitalism was through liberalized international trade or free trade.

A year before the United Nations was established, two new entities of global economic governance were created, namely the Bretton Woods institutions—the World Bank and the International Monetary Fund (IMF). Soon thereafter the General Agreement on Tariffs and Trade (GATT) was established.<sup>6</sup> As in the negotiations to establish them, each of these entities began with what one scholar termed an “embedded liberalism”—meaning that they existed to promote and strengthen a global system of economic liberalism.<sup>7</sup>

Also underlying the creation in the mid-1940s of this system of global economic governance were several other assumptions. It was assumed that the U.S., as the strongest capitalist nation, would function as the main source of capital for postwar reconstruction and development. Furthermore, the U.S. dollar (linked to gold reserves) was the currency against which all other currencies would be measured. Moreover, there was wide agreement that national governments had an important role to play in ensuring full employment and in managing the stability of their own national economies. Although this general understanding existed, there were also differences around the edges. As the least vulnerable economy,

the U.S. was generally the country pushing the hardest to liberalize the rules of international trade. It was also the least wedded to macroeconomic policies that would promote full employment and the least willing to consider trade rules that would alter the terms of trade (one of the reasons why the proposed International Trade Organization was never established, and the less intrusive GATT was created as an alternative).

In the early 1970s, as the United States faced a trade and capital deficit for the first time in the postwar period, the system of global economic governance was shaken by President Nixon's decision to detach the dollar from its gold reserve standard. This decision, an inevitable but nonetheless shocking one, greatly undermined the International Monetary Fund's mission—to provide currency stability—and signaled that new mechanisms were needed to ensure global economic stability. In the United States, the roots of today's prevalent economic insecurity began to take hold. For the first time, wage levels started to fall when measured against the cost of living—a condition characterizing the past quarter-century in America. At the same time, the economic scene was

being shaped by the rising power and global character of U.S. corporations.

But global economic governance did recover from the currency shock, and the world's wealthiest nations formed the G7 to coordinate macroeconomic policies, among other things. By the late 1970s, the IMF redefined itself (with nudging from the U.S. Treasury Department) to focus almost exclusively on furthering stabilization and structural adjustment policies in third world economies. With many developing countries facing unpayable debt burdens (largely as a result of reckless private lending by foreign banks), the IMF and subsequently the World Bank gained the leverage they needed to advance economic liberalization policies.

Meanwhile, GATT was slowly moving forward and consolidating its negotiating process. In the 1980s, GATT gained new prominence as Great Britain, Australia, Canada, and the United States moved at various paces to embrace more ideologically driven policies regarding economic liberalism—neoliberalism and monetarism—and gave new emphasis to the private sector as the motor of development. Many developing countries were recognizing the limitations and pitfalls of socialist and import-substitution approaches to national economic development, and were being coerced by the World Bank and IMF into abandoning inward-looking development strategies. Not wanting to risk being left out of whatever benefits liberalized trade could bring, scores of nations joined GATT before the conclusion of the Uruguay Round.

By the mid-1990s—the half-century mark for GATT, the IMF, and the World Bank—these institutions and other manifestations of global economic governance, such as the G7, were giving themselves high marks. The cold

war had given way to a world penetrated to virtually every corner by market economies. Although it is difficult to prove a causal relationship, free trade advocates make a strong case that the “embedded liberalism” of these expressions of global economic governance was largely responsible for obviating trade wars, associated international conflict, and drastic downturns in the global economy. Moreover, at least in terms of global per capita income growth, there appeared to be clear evidence that increased trading relations resulted in increased overall growth. Under the watch of these institutions, the kind of economic retributions that had followed World War I were avoided, and vanquished nations soon

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became valued trading partners and economic powerhouses. Not only did the devastated economies recover, but also under this system of global economic governance a new set of industrial competitors emerged in the Asia Pacific and Latin America (albeit with economic development policies that violated many of the tenets of today's free trade dogma).

A triumphal spirit spread through the global economy and its institutions of governance. This spirit was most evident in the newly created World Trade Organization, which was ready to extend the rules of economic liberaliza-

tion to all types of trade and to investment policies. This triumphalism was aptly expressed in Margaret Thatcher's phrase: “There is no alternative,” or TINA, as this conviction came to be known.

By the end of the decade, however, the triumphalism of economic liberalism had diminished. This was mostly the result of the scare triggered by the Asian financial crisis in 1997-98, which gave new credibility and prominence to critics of free marketeerism, especially when extended to capital markets. The failed economic prescriptions of the IMF and World Bank were revealed, as many critics—including those firmly in the camp of economic liberalization—charged that IFI policies contributed to

the crisis and that IFI rescue packages compounded it. Both institutions were beset with identity crises and sought frantically to retool and reformulate their missions, to improve their public images, and to ensure continued government support. Although the global economic growth figures related to increased trade were impressive, they could no longer hide another set of statistics showing widening gaps between rich and poor in most countries, and the marginalization of many countries and

entire regions from the “integrated global economy.” Corroborating this more sobering picture of global economic liberalization was the declining quality of life in many transitional states, and the damning social and environmental critiques that rose from the ranks of the citizen movements.

Symbolizing the “business as usual” approach to global economic governance in this new era of globalization was the World Trade Organization. Confident that there was indeed no other alternative, the WTO began to move rapidly to apply the old formulas of economic liberalism to all aspects of the integrating global economy. In

Seattle, the WTO leadership got its comeuppance. Although it was differences among groups of member nations that prevented the establishment of a new round of trade/investment organizations, the underlying crisis of global economic governance was highlighted by the Turtles to Teamsters coalition.

Before the forces of globalization had pushed their way into national

economies and national systems of governance, it seemed that there had been more room for domestic policies promoting general welfare, fostering full employment, creating welfare nets, boosting local economic development, protecting the environment, and recognizing the value of labor unions. In the global arena, where the rules of globalization were being formulated, there was now less room for noneco-

nomie considerations. Instead, the clean logic of profits and efficiency shaped rulemaking. In reaction, a clamorous social critique of globalization was heard around the world. At the onset of the new century, globalization and its governance structures were in crisis. But the citizen agenda was unclear. Did the world need more or less global governance?

## REFORM OR ABOLITION

Those who took to the streets of Davos, Seattle, DC, Melbourne, Prague, and Genoa represented the public face of widespread citizen concerns about the dangers and impacts of globalization. They were self-described as a transnational backlash movement. They demanded that rulemaking about the global economy not go forward until there was more consideration of globalization's social and environmental consequences. Theorists within this movement advocate "deglobalization" and "halting the globalization of capital."

In the mix of backlash there also emerged elements of different agendas for global economic governance. Broadly characterized, these agendas fall into two camps: reform and abolition. While useful for discussing the dominant tendencies, the abolitionist and reformist categories are not absolute. Critics may take an abolitionist stand with regard to one institution like the World Trade Organization but may believe that the World Bank plays an essential role, albeit in need of serious reform.

When looking at the citizen demands, it should also be remembered that the citizen demands for altered global economic governance are not the only agendas being discussed. Within the scholarly, think tank, and policy communities, as well as within the multilateral institutions and forums themselves,

there are vibrant discussions of the future of global economic governance. These discussions are certainly influenced by the concerns and demands of citizen movements, but there is little intersection between the main actors of the antiglobalization movement (increasingly in the past year self-described as a "global justice" movement) and these other traditional venues for agenda setting.<sup>8</sup>

Abolitionists are the leading voices in the backlash politics of globalization movement. They believe that the absence of global economic governance would be better than the existing corporate-led and corporate-serving system. To some, like Walden Bello of Focus on the Global South, the absence or dramatic downsizing of global economic institutions would be especially beneficial to the developing world, creating new opportunities to pursue country and regional development plans that depend on expanding local markets and production. Among abolitionists from the South, there is an assumption that global economic governance, even if reformed, would still represent the interests of the world's most powerful nations and corporations. Far preferable to them would be more anarchic economic relations among nations and a devolution of governance functions to the regional and national levels.<sup>9</sup> This devolution would create more freedom to develop, since

nations would regain their sovereignty. Other Southern analysts whose statements are more abolitionist than reformist, like those of the International South Group Network, stress the structural impediments to equitable and sustainable development. In large part, the structuralists within the global economy movement are declared or undeclared marxists/socialists who regard the fight against global economic governance as another dimension—and the most critical one at this moment in history—in the struggle against capital. They have not abandoned the center-periphery framework of dependency theory, and analysts like Samir Amin of World Forum of Alternatives advocate a "delinking" of the periphery from the center as an essential precondition for development.

In the North, too, the abolitionists dominate activism around global economic governance, and they also apply a strong admixture of anarchist, radical, environmental, and socialist critiques of the existing system. The intellectual centers of analysis often foster, or at least rationalize, the violent backlash on the streets. In his new book, American University professor Robin Hahnel, a frequent contributor to *Z Magazine*, writes: "We must act like Lilliputian Luddites first, and stop corporate-sponsored globalization by any means necessary." To this camp, the campaign against globalization is the defining

struggle of our era—a life and death struggle that requires all means necessary to oppose current forms of global economic governance and to stop corporate forces.

The reformers pose their agendas within a system (actual or proposed) of global governance. Among the reformist forces are radicals and moderates. The moderates within the citizen movements are often indistinguishable from the political liberals in the Democratic Party, think tanks, and universities. They believe that mechanisms of global economic governance are urgently needed to protect the environment and to guarantee that development is equitable (or at least not polarizing). Whereas the liberal political community believes that the effort to humanize and naturalize globalization can be pursued effectively in the halls of Congress and through intellectual engagement, the moderate reformers within citizen movements say these efforts, though worthy and necessary, are not enough. Citizen action is also necessary, ranging from consumer activism to street protests (although nonviolent).

There is also an ideological divergence. Whereas the liberals are general-

ly firm believers in the capitalist economic system, the moderate reformers of the citizen movements are more ambivalent. Liberal think-tank analysts, opinion leaders, and scholars openly argue that reforms are needed to maintain a stable capitalist system, but the citizen reformers are generally more focused on the sectors they represent (consumers, farmers, workers, environment, etc.) rather than on system-based reform and maintenance.

The radicals within the reform camp are frequently abolitionists in disguise. Rather than presenting an abolitionist agenda, they advocate reforms that, if implemented, would effectively shut down global governance with respect to maintaining an international system of trade and investment rules. Appeals to national sovereignty and human security would always be allowed to supplant global rules. Controls on capital would be so severe that they would effectively socialize capital. “The fix it or nix it” agenda is driven by a belief that the targeted institutions do more harm than good. If the problems of process and impact are not quickly fixed, it would be better to dissolve the institutions—either starting over again with a new institution or leaving nations free to develop their own systems of trade,

investment, and financial stability outside a global framework of rules for trade and investment.

Radicals within the reform camp and declared abolitionists believe that liberal reformists are not addressing the structural inequities and power dynamics of global economic governance but rather are only tinkering with structural problems at the edges. As the reformist agenda is implemented, they fear that corporate rule and the underlying capitalist system would be stabilized and consolidated. A middle ground between the abolitionist and liberal reform camp is occupied by radical reformers, who see the necessity of some form of global economic governance and advocate for reforms that would place the Bretton Woods institutions and the WTO under the UN flag—thereby establishing a platform for a more democratic system of governance and one less controlled by the transnational corporations. Strong support for a reformed system of global economic governance is also found among the environmentalists, who regard reformed multilateral institutions as the only effective safeguard against further international environmental deterioration.

## CITIZEN GLOBAL ECONOMY MOVEMENT: A QUILT OF MANY TEXTURES

Separating the tendencies within the global economy movement into abolitionist and reformist offers only a glimpse at the complexity and diversity of the global economy movement. Other tendencies within this broad movement include those categorized below, but these categorizations are generally not self-defined and are largely overlapping. Reformers and abolitionists are found in most but not all of these tendencies.

### Localists

There are two distinct strains of localism, one from the South and the other from the North. Southern localist thought is more traditional, with strong roots in the import-substitution school of thought. There are also strong nationalist and Gandhian sentiments that fuel a populist opposition to the flood of foreign merchandise and the undermining of traditional economic sectors. Globalization has largely undermined the industrializa-

tion component of strategies that advocated protected national development. Currently dominant within localist thinking in the South, are concerns about the international competition rural sectors are increasingly facing—and the threats to their cultures. The delinking school (neomarxist) that calls for “peripheral” countries and regions to “delink” from the center of the global capitalist economy (in Africa, Latin America, and Asia Pacific—but with little resonance

among governments) could also be categorized as localist.

Localism in the North is promoted by “new protectionists” like Colin Hines, proponents of cooperatives and barter economies, municipal development advocates, and people-centered development advocates like David Kortzen.<sup>10</sup> Basically, the concept is that development should originate with and be controlled by communities, businesses should be small, and capital flows should be controlled by government regulation. There are socialist and capitalist tendencies within Northern localism. On the left, the emphasis is on the social control of capital, markets, and production; while on the right the emphasis is on supporting local and small businesses. Utopianism runs through both approaches.

In the United States, localism appeals to anarchist youth, back-to-the-earth proponents, cooperativists, anticorporate activists, and “new age” sectors. Localism also appeals to doomsday believers, and, given that scenario, localism would indeed be a rational survival option. In the South, resource, technology, financing, and skills constraints limit the type of goods that can be produced, but Northern localists see the potential for producing most of their needs within their small communities. In this regard, localism appeals mostly to highly privileged communities. This is not to say that localist and self-reliant development strategies that enhance the quality of life on the local level are not worthy of support, but merely that they should not be regarded as models for the global economy. The large degree to which global economy activists have embraced localism illustrates the degree to which this influential tendency is distanced from the realities of workaday Americans and from the complexities of international development.

## Anarchists

It is not by chance that the antiglobalization movement has attracted anarchist tendencies, since so much of its rhetoric is abolitionist and fundamentally anti-global governance. The current institutions are typified as being undemocratic, as constituting assaults on national sovereignty and local control, and as governing in the interests of elites. In Seattle, the anarchists helped make the WTO and the Seattle Coalition the top news story around the world. In the wake of Seattle, global economy activists encouraged an

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increased street response to business-as-usual global governance. Following the DC demonstrations in the spring, the Melbourne, DC, Prague, and Genoa protests turned increasingly violent, as small groups of anarchists and other street-fighting activists retained the media spotlight.

There does exist an influential intellectual core to the part of the antiglobalization movement that, although not explicitly anarchist, does advance an anti-governance position. This argument holds that under the current conditions of corporate and U.S. power there can be no beneficial system of governance. Convincingly supported, this principled position is essentially that no global economic governance is better than corporate and U.S.-dominated governance, and activists should therefore increase their efforts to

undermine the credibility and legitimacy of the existing institutions.<sup>11</sup> On the whole, though, the anarchism of the global economy movement is less an expression of intellectual reflection but more a reaction among youth to the dehumanization and denaturalization of modern life by corporations and undemocratic global bureaucracies.

## Socialists

Outside of academia, marxist groups, and communist parties, the socialist critique of globalization and global economic governance is seldom aired. However, the antiglobalization message of many citizen groups and their leaders has socialist implications. The critique is at heart a critique of capitalism. Rather than calling for increased regulations on capitalist practices, socialists tend to point to the underlying structural character of the economic system that exploits poor, weak, and disadvantaged sectors, while privileging the advantaged sector. This structuralist critique is seldom accompanied by concrete proposals for structural transformation. The strength of the socialist critique is its focus on capitalism as the engine of globalization. If indeed globalization is to be controlled, then a credible and practical agenda must propose either a new form of economic relations (socialism, barter, feudalism, cooperatives, state ownership, etc.) or regulations that constrain and guide capitalism (social democracy, a third way). An interesting development in today's post-state socialist world is that the socialist critique is often framed in moral and ethical terms, such as justice and retribution, rather than in the traditional class analysis. There is a strong socialist tendency among localists who advocate that private capital should essentially be converted to social capital through strict regulation of compa-

ny size, siting decisions, profit levels, etc.

### Social Democrats

The social democrats within the global economy movement are mostly policy advocates who work to advance reforms in the sectors they promote: labor, environmental, human rights, corporate accountability, etc. They are not ideologues, rather they are reformers who may be lobbyists but who have close connections to the grassroots, often internationally. They are not foreign policy analysts or political economists but rather pragmatists. They strongly believe in governance, although they may believe that the present institutions are beyond hope or reform (and therefore propose new institutions and mechanisms). Though part of the global economy movement, they generally do not focus on the theoretical questions of shaping a political economy. They are generally not proponents of capitalism, but they see no viable alternatives and are therefore focused on reforms that can be realized in the short and medium terms.

There does exist discussion within the global economy movement about the degree to which the reforms advocated by the social democrats strengthen or weaken corporate control. If the institutions of global governance are reformed, they become more legitimate, so the argument goes; they create an international framework that is more conducive to stable corporate operations around the globe. This perception marks the division between the abolitionists and reformers.

Because the social democrats within citizen movements are generally advocates rather than analysts, they are not the most articulate voices of social democratic global governance. These are found in the think tank and academic world. Many of them are diehard

Keynesians; others are more free-form political economists. Also at the core of the social democratic response are the AFL-CIO and other union federations.

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### Protectionists

Protectionism is the antithesis of free trade, and the dominant sectors in the citizen movements against globalization are protectionists. They reject the argument that liberalizing international trade rules promotes productivity, efficiency, and prosperity. They believe that when international trade threatens vulnerable industries and workers, these industries and workers should be protected with higher tariffs, quotas, and retaliatory measures (countervailing tariffs, antidumping measures, nontariff barriers, etc.) Although certain industries may promote freer trade as a general good, they are protectionist when their own industries are threatened. Labor unions, bound to protect the jobs of workers, are consistently and understandably protectionist. In recent years, however, the union movement in the United States has made important strides to defining a “new internationalism” that would be built largely on an international movement against “downward harmonization” of labor standards and the insertion of enforceable social clauses in trade agreements.

Within the citizen movements, protectionism is approached in two slightly different ways: One, it is rejected as a label for the global economy movement, because it implies opposition to

international trade. They accept the necessity of some international trade, but insist that trade should always serve people and never threaten public welfare. Two, protectionism is embraced under the name of national sovereignty and human values. Rather than just protecting jobs and industries, the “new protectionists” believe that nations should protect consumers, communities, and the environment against incursions of foreign trade. The self-labeled new protectionists represent a “protectionism plus” approach to international trade: all imports deemed to affect “human security” elicit protectionist responses.

Protectionism also differs from North to South. In the developing world, protectionism has been regarded as a development and industrialization strategy called import-substitution. As enthusiasm for import-substitution has waned, protectionism in developing countries is mostly found in the agricultural sector. Rather than a theory of development, this protectionism is geared to defend large rural sectors from the inroads of cheaper agricultural production, particularly in basic grains. Developing country governments and activists are unified in their demand that Northern countries end the protectionism that has guarded vulnerable sectors from developing country exports: mostly textiles and agricultural commodities (sugar, tobacco, cotton, wool, etc.).

In the political battles against globalization and free trade agreements, a narrow protectionism frequently unites disparate sectors. Labor may unite with the industries it organizes (especially true for national industries like steel, less so for transnational industries like autos), citizen activists who may embrace internationalism in other political arenas oppose increased market access for developing countries, and right-wing xenophobes join with leftists

concerned about trade deficits. Among citizen groups in the U.S., there is no acceptance that certain vulnerable industries should pass to developing countries. All sectors are protected against trade threats: from high-tech steel industries to low-tech textile industries. In the political battle against globalization, such a strategy of broadening alliances makes good organizing sense. However, the tactics of opposing free trade do not translate into coherent agendas for managing international trade and investment. Instead they often fall into traditional protectionism. (The proposal for social clauses and social charters forwarded by organized labor and other sectors in the global economy movement represents a positive step away from traditional protectionism toward a more internationalist approach, although this too has been criticized in the South as a Northern protectionism in disguise.)

Protectionism, as both citizen agendas and scholarly analyses point out, should have a place in international trade rules. The debate is really over how extensive this place should be. Most free traders will accept a degree of protectionism, particularly for less developed nations, if it is phased out over time. (In practice, developed countries continue to protect vulnerable industries, although this is meeting increased challenges.) Fair traders, as citizen activists sometimes call themselves, believe that all sectors are worthy of protection if jobs are threatened. Oftentimes, the support for protectionist responses is posed as a response to unfair trade. This was the case when, during the years 1997-99, citizen groups supported the Steelworkers Union's demands that the U.S. government block foreign steel imports. In the case of its campaign to halt Mexican trucking in the United States, the Teamsters focused not on job losses in its own ranks but on the purported

safety dangers of allowing Mexican drivers and trucks on U.S. roads.

A challenge facing citizen activists in wealthy nations, if they are to advance persuasive agendas, is to address the issue of protectionism with intellectual and political consistency. They need to respond to the consensus opinion that the protectionism of the interwar period exacerbated the global economic downturn in the interwar period and renewed international tensions that led to the second world war.<sup>12</sup> Are they calling only for restricted protectionism (offering time-limited protection to vulnerable economic sectors or in response to grossly unfair trade practices) or for a protectionism of all workers and all industries at all times? There is an emerging consensus that trade and

*Another question facing Northern trade activists concerns the wisdom and ethics of agendas that are undifferentiated between developing and developed countries.*

investment should be managed in accord with international social norms. In the United States, which enjoys advantages in infrastructure, skills, and technology, should citizens respond to trade threats to vulnerable workers with protectionism or with stronger calls for national policies that provide training, education, and economic security to affected workers?

Another question facing Northern trade activists concerns the wisdom and ethics of agendas that are undifferentiated between developing and developed countries. In a world marked by grave economic divisions between the North and South, fair trade may entail differ-

ent measures depending on a country's level of development. As it is, citizen agendas are largely undifferentiated. Both North and South assert the right to protect vulnerable sectors. It may be, however, wealthy and poor nations should be subject to different international rules regulating the extent of permissible protectionism (and such related issues as the differentiated imposition of performance requirements and the different stipulations on the use of local inputs) make both good economic and social sense.

### Critics of Corporate Rule

This camp spans the entire citizen movement, and its critique of unregulated corporate operations is perhaps the movement's most persuasive and valuable contribution. When the existing institutions of global economic governance were created, the phenomenon of transnational corporations (TNCs) did not exist. Today, the power of these corporations is such that they constitute a form of global governance themselves. There is little doubt that they are the prime (although not only) beneficiaries of the systems of global economic governance.

Although the condemnation of corporate-led globalization is universal in citizen global economy coalitions, there are different agendas. Among leading sectors of the movement, such as those associated with the International Forum on Globalization, the extent of corporate rule is perceived to be so deep that reform of the present institutions is next to impossible. Others believe that the institutions of global governance, especially the UN, are the only entities that could possibly put the brakes on corporate rule—and that is precisely why their radical overhaul reform is such a pressing concern.

For many in the anticorporate movement, targeting transnational corpora-

tions is the best way to organize citizen opposition to the capitalist system. Others have a more moralistic approach, arguing that corporations are undemocratic and unjust. Many see the fight against corporations mostly as a convenient and constructive way to mount citizen resistance to the destructive impacts of globalization. With respect to “free trade,” most anticorporate activists would contend that you cannot have free trade when at least a third of international trade occurs in the form of intrafirm transfers.

The agendas with respect to corporate rule extend, as they should, beyond the reform or abolition of institutions and forums of global economic governance to the creation of new institutions and regulations focused on corporate regulation and to proposed measures to downsize and even eliminate transnational corporations. The citizen movement is not alone in its recognition that new mechanisms of governance are needed to tax and otherwise regulate corporate operations.<sup>13</sup> The radicals (from localists to socialists) advance proposals to rid the planet of TNCs, while the social democrats and reformers debate the merits of corporate codes and regulation (both national and multilateral). The UN’s recent initiative to establish a Global Compact coalescing labor, NGOs, and corporations to advance labor and environment standards and to encourage dialogue, exposed new divisions within the citizen movements. Labor and more established environmental and human rights groups agreed to enter this UN-hosted dialogue while an array of antiglobalization groups led by the Transnational Resource and Action Center (TRAC) condemned the UN initiative as a sell-out to corporate rule.

### Developmentalists

In the new framework of globalization, developmentalism has been

shunted aside in the debate about the inequities of the global economy.<sup>14</sup> Earlier policy discussions often revolved around the competing benefits of trade and aid. Aid was criticized by radicals (analysts, governments, and intellectuals) as serving the political and economic interests of the donor nations, while it was posited that true development could only occur if the terms of trade were more equitable. Reformers have long advocated increased economic aid flows from the North, but the failures of many development para-

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digms (infrastructure development, protected industrialism, agrarian reform, integrated rural development, cooperative production, private sector support, etc.) have created persistent questions about the possible contribution of foreign aid to domestic economic development. Strong cases are now being made for major increases in economic aid for public health and educational services, technology transfer, and communications infrastructure (bridging the digital divide, and in doing so, allowing developing nations to leapfrog over the development stages followed by industrialized nations).

Developmentalists within the global economy movement focus on the following issues: the failures of standard structural adjustment programs (SAPs), debt relief, social investment among communities and sectors marginalized by new economic forces and rules, gender issues, and greater attention by the IFIs to poverty alleviation. A common

concern among developmentalists (groups such as Oxfam, Bread for the World, Bank Information Center) is that free trade has become the new development paradigm. Some applaud (with a healthy dose of skepticism) the new poverty alleviation measures adopted by the World Bank and to a much lesser extent by the IMF, but they express grave concerns about the new “integrated framework” in which the WTO, IMF, and World Bank coordinate programs for developing countries.<sup>15</sup> While the developmentalists offer strong arguments for increased aid to the South, against SAPs, and for debt relief, they do not offer a compelling vision of how economic development can be furthered in the age of globalization. This lack of a cohesive prescriptive approach is shared among reformers within the multilateral development banks, leaving free market and “third way” strategies to dominate development thinking, in both North and South.

The dominant anticorporate focus shared by the leading elements—North and South—of the citizen movements has left little room to advance new thinking about development within the movement. The largely undifferentiated global thrust of their critique helps to explain this failure to present economic analysis and prescription reflective of the differing states of development among nations. Under the prevailing description of globalization, corporate operations polarize both Northern and Southern societies and create widespread economic insecurity (downward harmonization). Working together with a common anticorporate agenda, Northern and Southern activists believe they can halt the reigning forces of economic globalization. There is little differentiation among their expressed concerns and demands. Whereas Northern activists, who emphasize international economic dis-

parities, strove in the 1970s and 1980s to advance preferential and nonreciprocal measures to benefit developing nations, this development focus has now largely been abandoned.

The developmentalism (aside from the common demands for the termination of SAPs and for debt relief) advanced by leading global economy activists could be described as protectionist: each nation (and for the localists, each community) should be completely free to protect and promote its own development. As such, it is a rejection of rules-based governance and of the premise that international trade (under free trade, not mercantilist, conditions) fosters prosperity.

One of the main challenges of citizen movements and of global economic governance is to formulate new development strategies that blend the benefits of the market with appropriate government/multilateral regulation and intervention. The political economy of this century will be defined by the balance/imbalance of this interaction.<sup>16</sup>

### Social Clause Advocates

Advocates for the insertion of social clauses into trade agreements and for greater social/political conditionality in the IFIs are generally from Northern NGOs. The common critique from the South—from both governments and activists—is that such clauses and conditionality will be used by Northern governments and interest groups in protectionist ways, such as imposing trade sanctions on a Southern exporting nation on social grounds.<sup>17</sup> The U.S. proposal for a WTO working group on labor standards—a proposal championed by the AFL-CIO—was viewed with great suspicion by developing countries, and it contributed to the failure of the WTO to reach a consensus on a new round of negotiations. In response, the AFL-CIO and the

International Confederation of Free Trade Unions (ICFTU), which also represents Southern unions, argue persuasively that a social clause linking trade rules to ILO standards would have a substantial development impact by helping to raise living standards and working conditions. As a substitute for inserting social clauses in trade and investment agreements, some propose new forms of global governance that would provide for overlapping jurisdictions among UN agencies (UNEP and ILO, for example), international treaties, and the multilateral economic institutions.

Advocates of social reforms and social conditionality generally belong to the

measure the conduct of institutions and corporations.

### Democracy Advocates

One of the strongest critiques of global economic governance is that it is undemocratic, nontransparent, and unaccountable. This is a critique made by both abolitionists and reformers. For the abolitionists, global economic governance will never be democratic, because corporations and national elites control it. For reformers, this critique has met with some success, particularly within the World Bank, as institutions have opened up more room for NGO participation, created inspection panels, and made more documents available.

The democracy critics can count on support from reform factions within the institutions, from national policymakers, and to some extent from free market ideologues who contend that the free flow of information fosters good decision-making. This support largely explains the measurable success the democratizers have had in opening up previously guarded institutions and processes. Much more progress is certainly needed, and it is reasonable to expect that the advances will continue at a rapid rate. As their critics are quick to note (and as reformers within these institutions have readily acknowledged), multilateral economic institutions rely to a great extent on their credibility and perceived legitimacy. The more democratic, transparent, and accountable these institutions become, the greater their credibility and legitimacy.

Yet citizen agendas often lack clarity about what would constitute an acceptable level of democracy. In many cases, the implication of democracy critiques is that citizens should have a place at the table of global economic governance. There exist no clear and accepted guidelines for the participation of

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reformist camp. However, demands for social clauses that extend to wage levels (and not just core labor rights) are so far out of the realm of possibility that such advocates hold little hope for reform, and are rather using social clause demands as a hook for popular organizing. A credible critique of social clauses that are not backed by enforcement measures (e.g., corporate codes of conduct) is that they are merely public relations strategies to dampen opposition to the business agendas of these institutions. A counterargument is that, even if nonenforceable, social clauses and corporate codes create new language and new standards for consumers, governments, and advocates by which to

civil society in global governance, but there is a growing consensus that non-governmental actors can play a key role in governance—as consultants, agenda setters, program implementers, and sounding boards. This reflects a “power shift” in the process of global governance, and the new framework creates room not only for moderate reformers but also for ultrademocratizers.

Demands for direct participation in multilateral decisionmaking tend to place citizen movements at odds with national governments. Instead of working in conjunction with one another to advance common agendas, governments and citizen groups often view each other as usurpers. One problem is the lack of clarity in citizen agendas about the extent of the democracy and transparency they are demanding. Another problem is the generalized character of most of these demands for democratization, which for the most part are not articulated as specific reform proposals for each insti-

tution. Although the WTO is commonly labeled as the most undemocratic of the multilateral institutions, its structure is theoretically much more democratic than those of the financial institutions, where voting power is determined by contributions.

A key challenge of transnational social movements is to chart out a practical place for civil society in global governance. The best hope for more democratic global governance may indeed not reside with civil society or groups but with empowered multilateral governance based on more input and more informed participation from member nations of the multilateral institutions. Reformist NGOs commonly recognize that an “open access regime” for civil society representatives in global economic governance is not a viable agenda.<sup>18</sup>

In the North, labor unions and environmentalists have made important strides in increasing their participation

in global forums and institutions as well as opening new spaces for consultation about multilateral decisionmaking with representatives of their own governments. In the South, the Third World Network (TWN) has created good models for effective NGO participation. Though it takes full advantage of opportunities to present its own positions in open forums, where civil society organizations are invited, the TWN also makes a concerted effort to promote the voices of developing country officials at media briefings during international meetings.

### Deep Ecologists

This is probably the most distinct grouping. Although the deep ecology environmental critique is occasionally borrowed by other tendencies, most citizen activists would not fully endorse the deep ecology view that all human activity should be evaluated in terms of its impact on the planet’s ecology.

## STRENGTHS & WEAKNESSES OF CITIZEN GLOBAL ECONOMIC GOVERNANCE AGENDAS

Among the strengths of the global economy movement are its inclusiveness, its lack of dogmatism, its appeal to youth, its South-North links, its focus on corporate influence and conduct, and its accurate identification of many of the most pressing global challenges. The presence of longtime social activists and leaders within the antiglobalization coalition (many of them active with the International Forum on Globalization) has given the movement a credibility and a depth that has forced global leaders and institutions to listen to its critiques. And its methods of organizing and education have created important models for other developing transnational social movements.

While still largely a backlash movement, global economy groups in their literature, conferences, organizing, and speeches have also started to offer agendas that offer alternative visions of the future of global economic governance and a collection of proposed reforms. Although inchoate, these agendas for change point the way toward a more powerful engagement with institutions of global economic governance. The movement faces enormous challenges. As it moves forward, some of the weaknesses it faces include the following:

### Consensus Politics

In an attempt to gain wide approval and support from participating groups and individuals, the agendas and

demands of these coalitions are decided by consensus, or simply included in a grab-bag listing. Deep differences between North and South groups and between reformists and abolitionists often disappear or are papered over. The result is that agendas are often riddled with contradictions and have no clear intellectual foundations.

### Backlash Reigns

Although the violence in Seattle was widely condemned by citizen leaders, much of the militant “shut it down” rhetoric used by these same leaders fosters a violent backlash. If the goal is to close down these institutions, the question facing protestors becomes tactical: how to shut down the meetings and

institutions. Since the IMF, World Bank, and WTO are not going to voluntarily shut down, militancy and violence are considered valid tactics by some, albeit a small minority, of the activists.

Clearly, the militancy of the demonstrations has successfully focused media—and, to some degree, public—attention on the institutions of global economic governance. There is also growing recognition by global leaders that the negative impacts of globalization need to be addressed. Seeing this success, antiglobalization groups have adopted “shut it down” strategies at international meetings of globalization forums and institutions. The hope is that successive Seattle-modeled protests will increasingly delegitimize the institutions of global governance and draw in greater numbers of disaffected citizen groups, coalescing into a truly international movement that can turn around globalization.

One possibility is that such a backlash movement could indeed be successful at undermining the credibility of current institutions. In the process of stressing the importance of national sovereignty and local development, such a movement may also help build a global consensus against all forms of global governance—a frightening scenario. Another possibility is that the media and public will grow weary of street demonstrations of disaffected youth, the message of the reformers will be lost in the cacophony of street battles, and the concerns and positive agendas of the antiglobalization coalition will be dismissed. In an attempt to address this issue, leading activist groups are declaring their own commitment to nonviolent tactics and their condemnation of violent factions.

## Triumphalism

Mirroring the triumphalism of neoliberal globalists (“end of history,” “there is no alternative,” etc.) is a new

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triumphalism among antiglobalization activists and organizations. Many global economy activists predict an ever-expanding international backlash against transnational corporations and the institutions of global governance. Contrary to the prevailing sentiment, they do not see global economic integration as inevitable. To a large extent, the movement sees itself as the core of new progressive thought and as an umbrella coalition for other progressive movements.

For many in this movement, the rejection of free trade defines which organizations are progressive. Bolstered by the growing numbers and enthusiasm of supporters, the movement believes (or at least propagandizes) that it can stop the forces of globalization, counter the logic of free trade, and topple multilateral institutions. For example, Mark Weisbrot of the Center for Economic and Policy Research declared in May 2000 that “Washington’s globalist agenda has been stopped dead in its tracks.”<sup>19</sup> This triumphalism is accompanied by dubious evaluations of the progress of globalization. Among the obvious hazards of such triumphal-

ism are the further isolation of the global economy movement from nonactivist sectors, an inability to move beyond backlash politics, alienation from other progressive sectors, and growing public skepticism and criticism.

In the United States, this triumphalism began with the defeat of fast-track legislation and was boosted by the OECD’s decision not to promote the proposed Multinational Agreement on Investment. It reached new heights in the aftermath of Seattle, with global economy activists taking credit for the failure of WTO member nations to reach consensus about a new round of liberalization. This triumphalism was then taken to the streets of DC, Melbourne, Prague, and Genoa.

## Ambivalent Multilateralism

One of the most striking inconsistencies among progressives is the ambivalent embrace of multilateralism. In the political/security arena, multilateralism is supported as the only viable method for advancing international peace and security. Multilateralism in the form of the UN is strongly supported, and unilateral foreign policy operations by the U.S. is sometimes condemned. The citizen movements that focus on global economic issues make no such principled declaration in support of multilateral governance, however. The political leaders of other nations, like those of the U.S., are regarded to be the servants of corporate and elite rule. When making the critique that the current governance institutions are incapable of reform, many global economy activists do not at the same time assert that some form of multilateral economic governance is a fundamentally important instrument to manage human affairs.

## Ambiguity about Capitalism, Free Trade, and Fair Trade

The diffuse character of citizen agendas for global economic governance and their failure to resonate beyond activist sectors is due in large part to the failure of these agendas to define themselves within the terms of the existing economic framework. Key terms here are capitalism, free trade, and fair trade—none of which are systematically examined by citizen movements.

It is unclear whether the citizen agendas are rejecting the capitalist system along with the current institutions of governance, or whether they are arguing for a political economy characterized by new structures of governance that regulate private capital. Similarly it is unclear whether the entire concept of free trade is being rejected, or if citizen activists just want improved and expanded rules to limit adverse social and environmental impacts. The movement's failure to define its frequent use of the term "fair trade" with respect to free trade is also problematic.

If the target of the antiglobalization movement is capitalism, then the challenge of agenda setting is to outline a new economic system, to name that system, and to organize the forces necessary to overturn the present system—that is, global revolution. However, if capitalism is accepted as the only

known viable form of economic organization, then the challenge is to understand this system and to determine ways that it can be better managed for the global social good—that is, a social democratic political economy (a mix of governance and economic forces).<sup>20</sup> This is not to say that simply positing a new political economy is sufficient; citizen mobilization is essential to create the political will necessary to implement the new forms of economic governance.

Global economy activists are clearly right in their criticism of free trade as an ideology, and are again right in pointing out that markets are generally managed by rules (and that these rules privilege corporations). But it is unclear whether they completely reject the proposition that liberalized international trade promotes greater prosperity (through increased productivity, lower prices, and greater efficiency) than would an international economic regime where protectionism and mercantilism prevail.

The ambiguous use of "fair trade" seems to indicate that the fair traders are against a rules-based system of trade. In the free trade framework, the term "fair trade" is used to indicate that countries respect the established rules on tariff levels, subsidies, dumping, etc. In the most open-ended use of this term by global economy activists, fair trade signifies trade in which there are

no sectoral winners and losers. If trade adversely impacts communities and workers, it is unfair. The only rule under such a fair trade system would be that countries have the right to protect all sectors from competitive imports. Fair trade is also a term used by some reformers to refer to trade that includes preferential rights for less developed countries and responsible social/environmental standards. Under this more limited use of the term, fair trade is a variation and upgrade of the free trade system.

## Moving Toward Alternatives

The leaders and members of the global economy movement are well aware of the need to move beyond the politics of backlash toward the formulation of coherent alternatives for global economic governance. Meanwhile, however, economic globalization continues to advance, and the movement is continually compelled to organize against the proposals for new free trade/investment accords and for the incorporation of new sectors into the current system of economic governance. The movement's economic resources are limited, and its leadership resources are overtaxed. Addressing its shortcoming and new challenges is complicated by the movement's many dimensions and concerns. The dual challenge—to protest and propose—is a daunting one.

# SUMMARY AND CONCLUSIONS

Citizen movements that focus on the global economy have played a central role in alerting the public, policymakers, and the institutions of global economic governance about the many social, political, economic, and environmental problems associated with globalization. Many of these same concerns have been

addressed in the literature and forums of the think tank and scholarly community, but it has been the militancy and organizing power of citizen movements that have forced national and multilateral debates on these issues.

The worldwide global economy movement has a dual focus: the power

of transnational corporations, and the shortcomings of the current institutions of global economic governance. In many nations, mainly in the North and particularly in North America, the movement has also targeted new international trade agreements that advance the process of economic integration. The movement can cite important suc-

cesses in all areas, such as the promulgation of new corporate codes of conduct; the successful consumer pressure to change corporate practices; the reforms in the World Bank (and to a lesser extent in the IMF) to support poverty alleviation and to become more transparent, accountable, and environmentally sensitive; large advances in the debt reduction agenda; the new commitments by global political leaders to “put a human face on the global economy”; the blocking of fast-track trade legislation in the U.S.; the OECD’s decision not to propose a Multilateral Agreement on Investment for multilateral approval; and the movement’s role in the 1999 decision by WTO member nations not to launch a new negotiating round.

These successes have generated a triumphalist spirit within the movement and have led to a wave of militant street protests aimed at shutting down meetings of the international financial institutions and of elite global forums. Those seeking to abolish the institutions of economic governance have failed to seriously debilitate them, largely because these institutions retain the support of their member nations (although there are some signs that this is weakening as WTO tentatively moves toward another round of negotiations, and as the identity-crises of the World Bank and IMF deepen). Currently, the main thrust of the global economy movement is to halt rather than to guide the process of globalization. Pointing to global environmental deterioration and economic polarization, the movement justifies its antiglobalization agenda. It is here, in its attempt to turn the tide against the forces of globalization, that the movement can demonstrate the least success. As the integration of markets, production, and finance continue to proceed at a rapid pace driven by new communications technology and new bilateral

and regional agreements, there is a political consensus among leading national actors around the globe that accepts the basic premise of trade liberalization (although differing about the most beneficial pace and scope of this

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liberalization), especially given the lack of a tested alternative.

The reform agenda of the global economy movement focuses almost exclusively on the WTO, IMF, and World Bank. The reforms that have been successfully adopted by those institutions and the new attention by their leadership to the reformist concerns raised by the global economy movement underscore the value of the “complex multilateralism” that now characterizes global governance in the political/security, environmental, and global economy arenas. With greater financial support, stronger international linkages, and a more balanced (national/multilateral) and integrated agenda, the reformists would be able to extend their string of successes and increase their standing as a fundamental component of an evolving system of global economic governance.

The abolitionist and structuralist sectors of the global economy movement have set forth a more challenging agenda. Although largely supportive of the reformers, they increasingly express concerns that reforms are helping to consolidate the existing system of global economic governance, thereby further complicating the abolitionist/

structuralist objective of forging a new world order. This essentially revolutionary agenda—creating a new economic logic different from capitalism and tearing down the current economic system’s superstructure of global governance—subjects the abolitionists and structuralists to higher evaluative standards. Short of formulating a convincing new agenda and effecting structural change, the strong presence of radicals and militants in the global economy movement—like those of any citizen movement—does help strengthen the hand of the reformers, who advance a more pragmatic, manageable agenda.

The new global order rhetoric raises hard questions that must be answered. How would the collapse of economic multilateralism affect international security, and how would the rules of this new order be established? Given the failures of socialist projects, wouldn’t new nonmarket economic systems experience the same failings, inefficiencies, and devolution to state control? Given that abolitionists are not proposing simply experimental or local development projects, how would such a new order be established without widespread violence? What do they offer as a viable alternative to actual systems of multilateralism and macroeconomic policy coordination by the wealthiest nations?

The escalating calls for a radical restructuring of the global economy and the abolition of all forms of current global economic governance may indeed be the only solution to the world’s many economic and environmental problems. But to be constructive, credible, and worthy of broader support, such an agenda must be more than simply statements of position. It must be the product of serious systemic analysis of the current economic structures, it must provide convincing counterarguments to the prevailing positions supporting a liberal (political and economic) world order, and it must offer

more details on how a postliberal global economy would be achieved and how it would be ordered. Clearly these are daunting tasks for a movement of NGOs and citizens, but as their abolitionist and revolutionary rhetoric intensifies, so do their intellectual obligations. Otherwise, the antiglobalization agendas will at best only increase citizen backlash and at worst lead to the further marginalization of progressive thought.

### More Effective Citizen Agendas on Global Economic Governance

Given the critical importance of furthering complex multilateralism in global economy issues (and the critical role of foundation funding for NGOs that challenge the current manifestations of globalization and its governance), careful consideration is needed regarding ways to deepen the strengths of this international movement/network and to address its weaknesses in five strategic areas.

#### 1. National and International Balance

Antiglobalization movements have focused a public policy spotlight on the unsatisfactory performance of the institutions and norms of global governance in addressing the new social, political, environmental, cultural, and economic impacts of globalizing trade, production, and finance. Clearly the forces of globalization have placed new constraints on national governance. As a result, citizen and labor movements that would have earlier focused their agendas on national policies now concentrate on international trade agreements, WTO rules, structural adjustment programs, and other global targets.

In both the South and the North, the new attention centered on global

instruments of governance has yielded high dividends. Southern activists (with little access to their own governments) have found that by networking with Northern activists, particularly those in the United States, they have been able to create international pressure and attention (most notably within the World Bank) regarding their concerns.

*The worldwide global economy movement has a dual focus: the power of transnational corporations, and the shortcomings of the current institutions of global economic governance.*

Activists in the North have found great success in rallying constituents—from students to workers—around globalization issues, focusing their attention on trade agreements and the workings of the WTO and the IFIs.

Yet globalization has become a convenient scapegoat for the failure to build constituencies for the reform of national economic policy. Clearly there is a need for improved global economic governance that does not undermine national development strategies that are sustainable, are equitable, and contribute to commonly beneficial forms of economic integration. At the same time, however, domestic legislation is needed to put full employment, income distribution objectives, workers' rights, public infrastructure investment, and educational and health services at the top of the policy agenda.<sup>21</sup>

For the United States, the prescription—thinking globally and acting locally—has special relevance, given

America's modeling impact on the global economy. A renewed and expanded commitment to the social democratic management of the economy at home is the essential first step for any campaign that hopes to build international consensus for the same set of reforms at a global level.<sup>22</sup>

U.S. activists have a special responsibility to advance national policies that help shape global economic governance, limit corporate power, and ensure that those adversely affected by globalizing markets and production are attended to. This responsibility accompanies America's privileged place in the global economy, its influence over the institutions and forums of global economic governance, and its position as the source of the dominant economic agendas (the so-called Washington Consensus being a prominent example).

But the same need for more balanced economic agendas is also evident outside the United States. A longstanding problem impeding the establishment of good systems of global governance has been the failure of other G7 countries—particularly Japan, Germany, and France—to exercise global leadership. Given the stronger social democratic foundations in the EU and in Japan's state-led corporatist development model, the governments of these nations—if backed by strong and forward-looking citizen movements—could take the lead in advancing economic governance agendas that have better national/international balance.

In such an economically polarized world, aid and altruism must be part of the solution to the global development gap. But such a response can only play a small part in creating a more equitable global economy and a more equitable system of global economic governance. Power and vision from the developing

world must also come into play. Global economy activists from the South cannot alone exercise such power, and their agendas will stall if not supported by the political parties, intellectuals, and governments of their countries. Currently, the divides separating Southern global economy activists from the centers of political power in their nations are generally much wider than those in the North. These divides must be bridged if the developing/marginalized nations are to have a chance of countering the power of the G7 nations and of successfully advancing their own visions and agendas for global economic governance. Central to these Southern agendas will be proposed rules for global economic governance that expand the preferential treatment granted poorer nations in trade and investment rules. With such preferences in place and with the help of increased flows of economic aid, the responsibility will rest with national governance systems (enriched by the participation of civil society organizations) to plan for sustainable economic development. But increased market access, as economist Dani Rodrik has convincingly argued is no substitute for national economic development plans that broaden local markets, address social and economic infrastructure deficiencies, and stimulate national production and processing.<sup>23</sup>

## 2. Intellectual Exchange and Engagement

The global economy movement has necessarily been a reactionary, backlash coalition. To a large degree, this is recognized by the movement's leaders themselves—thus the recent attempts to articulate more forward-looking agendas that create hope, rather than just mobilizing reaction.

The continuing value of this movement as a backlash phenomenon is evident. Without these networks of

antiglobalization activists, there would be less public and policy attention to the need for more effective national and international governance of globalization forces. Without the backlash, the academic and think-tank critiques of globalization and the current system of global economic governance would not be given the hearings they have been receiving in the past couple of years. Without the backlash, corporations would not be formulating corporate codes of conduct, the OECD would not have placed such a high priority on completing its own standards for corporate conduct, and the UN would not have established its own Global Compact to improve corporate social, labor, and environmental operations. Backlash movements serve to advance liberal reform agendas.

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If a system of global economic governance that ends corporate-led globalization is to emerge, then citizen movements will need to be more serious about the intellectual integrity and consistency of their agenda setting. If agendas are considered primarily as mobilizing instruments rather than proposals for alternative paradigms of governance, then these citizen movements will remain mired in backlash politics. Although backlash efforts do have benefits, they also have costs, such as keeping citizen movements marginalized, feeding populist sentiments against all forms of global governance, and undermining the credibility of associated demands and concerns.

As is, citizen agendas are too often shaped either by consensus politics involving coalition members or by tactical considerations. Such considerations cannot be skirted, if these agendas are to retain their strength as citizen agendas—ones that arise from and give voice to citizen concerns. But the intellectual core of these agendas can be deepened without taking them out of the hands of citizen coalitions. For this to happen, the agenda setters within the movement will need to end their largely self-imposed isolation from noncitizen-based forums of discussion about global economic governance. The value of this intellectual engagement and exchange with think tanks, intergovernmental forums, and academic institutions should be readily apparent. While advocates are busy mobilizing and responding to new globalization initiatives, analysts associated with the above sectors could provide more in-depth policy studies. A good example of this type of interchange happened following the 1997 Asian financial crisis, when globalization activists (focused largely on trade dynamics) incorporated the prescriptions of financial analysts into their own agendas. There has been no similar merging of agendas in trade policy, except agendas related to social/environmental issues.

If citizen agendas regarding global economic governance are to be more than instruments of popular mobilization, they will need to increase their level of intellectual engagement and exchange. Groups, like Center of Concern, that invite scholars and think tank analysts to meetings with advocates have created good models for such engagement. For the most part, however, global economy activists speak and listen only to themselves. They have created an international following, but have little engagement with policymakers, think tanks, scholars, columnists, and other opinion shapers. Although

transnational social movements and the new potential role of civil society in global governance are the subject of much discussion and debate among international affairs experts and officials, the actual agendas of the global economy movement are given little credence. The marginalization of the citizen global economy agendas may increase, if this movement is typecast largely as disaffected youth who break the storefront windows of McDonald's and Starbucks. In short, this transnational movement needs to advance agendas that are backed by serious scholarship, if it is to have more than a backlash impact on global economic governance.

### 3. Integrated Global Affairs Agendas

All citizen movements must necessarily concentrate on their own concerns and targets. Citizens concerned with small arms trade cannot be expected to integrate the concerns of all other movements into their agenda. When there are obvious connections, these should be acknowledged and addressed. How do the citizen movements focused on the global economy measure up in this regard? They are admirably inclusive, inviting into their coalitions a myriad of groups and issues. Indeed, a criticism by the media and the targeted institutions is that these "coalitions of coalitions" are amorphous and have no intellectual core. The inclusive/amorphous identity of the global economy movement would seem to indicate that it has excelled at issue integration—perhaps to a fault.

But as shapers of the dominant transnational citizen movement, the leaders of global economy activism have thus far failed to meet the high standards they have set for themselves and their movement. To a much greater degree than other citizen-based movements, the global economy movement posits that its issues are the paramount

issues of our age. Its leaders position their movement at the center of global affairs, giving little heed to other, more traditional frameworks for examining and managing international relations. International affairs issues are thus refocused and often distorted through the prism of anticorporate globalization. In the United States, the blinders of the global economy movement were all too

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evident in the debate over approval of permanent normal trade relations status for China. Strong arguments about the virtues of multilateralism, about the security dangers of isolating China, and about U.S. unilateralism were largely ignored.

Unlike sectoral movements, such as those concerning debt or landmines, the global economy movement considers itself the defining movement of our times. If indeed the issue of governance of the global economy is the most pressing international affairs issue, and if the global economy movement maintains its position as the leading transnational social movement, then there needs to be much greater integration of traditional international affairs issues, especially security issues. An underlying danger is that the current focus on the negative impacts of current manifestations of global economic governance will strengthen populist sentiments (right and left) that oppose the concept of global governance in the name of localism and national sovereignty.

### 4. Addressing the Gaps in the Globalization Debate

There is a strong argument that the global economy movement already has too expansive of an agenda without incorporating more issues into its purview. Nonetheless, there are some salient omissions in the discourse of the global economy movement, some of which have been mentioned elsewhere in the sections on balance, integration, and new internationalism. In addition to the ones briefly described below, other salient gaps in the globalization debate include militarization and arms production, the uneven South-North power of citizen groups, and the paramount role of the U.S. government.

#### Development Conundrum

The conundrum of economic development is closely related to the subject of global economic governance, but as a subject of discussion, debate, and concern it is regularly overshadowed by concerns about the environment-trade and labor-environment linkages, corporate practices, and the intricacies of trade agreements. While the phenomenon of economic globalization is a defining element of our times, an exclusive focus on the downward harmonization of labor/environmental standards and on corporate predatory practices leaves the ever-deepening problem of underdevelopment largely unaddressed. Even if social clauses were implemented and corporations brought under international control, impoverishment would remain a core human condition. The global economy movement at the very least should acknowledge the problems of wealth and resource distribution and third world underdevelopment have roots that extend deeper than economic globalization.

#### Immigration Flows

As goods and investment flow more easily across national boundaries, so do

immigrant flows. The more closely integrated global economy has stimulated increased migration of workers and family members, but these human flows are, for the most part, not regulated by the type of international accords that are being formulated to manage capital and trade flows. This migration in search of opportunity and advancement is largely illegal and has led to an array of new social problems, including rampant human rights abuses, trafficking of women, nationalist backlash against immigrants, and the disintegration of the social fabric of sending communities.

Increasingly, borders are transcended by markets, but not by global society which remains constrained by strict immigration laws that restrict the entry of low-skilled labor and refugees from poorer nations. These restrictions maintain the global social and economic divide between the “developing” and “developed” nations highlighting the myth that globalization is an equalizer. Deepening the divide are liberal immigration laws in many countries that welcome skilled labor (technicians, scientists, and doctors) from less developed nations, thus undermining their human resources base for national development.

There are no easy answers or model solutions that can be applied to the problem of immigration flows. But it is clearly an issue that cannot be shunted aside in favor of a narrow focus on refining the rules of trade and investment. Just as labor rights and environmental impacts must be considered in the shape of the new global economy, so must the increasing integration of societies and workforces.

### Financial Flows

The Asian financial crisis brought to the fore of the globalization debate the problems of destabilizing financial

flows. Caught up in the logic of liberalization, the mandarins and institutions of the global economy had been encouraging not only the deregulation of trade and production but also of financial flows, including speculative capital. The crisis did spur increased reflection by the international financial institutions and the global economy movement (until then focused primarily on issues of trade, debt relief, structural adjustment, investment rules, and corporate control). But the macroeconomic stabilization of many of the Asian economies has shifted concern away from the complex issue of regulating international financial flows. The crisis did give some impetus to citizen

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movements advocating global taxes, including the “Tobin tax,” on nonproductive financial flows, but there has been little progress on restructuring the global economic governance and its nexus with national financial institutions to institute mechanisms to ensure that sudden flights of capital do not set off a chain of financial collapses. This prospect of global financial crisis remains the main threat to the stability of the global economy and to welfare of the two-thirds of the global society closely linked to globalized markets. While citizen groups quickly responded to the Asian crisis with demands that speculative capital be tamed, it has

proved a challenge to maintain public concern in a dimension of international economics that is so complex.

### 5. New Internationalism

As the world’s preeminent transnational social movement, the network of global economy activism has helped to reinvigorate and reshape the politics of a new internationalism. As distinct from the ideology of liberal internationalism that has dominated U.S. foreign policy (for both good and bad), the internationalism of the global economy activists is based on social and environmental values promoted by citizens, rather than economic and political values promoted primarily by U.S. business and government. This international citizen movement has the potential for creating a new dimension of global economic governance involving civil society. Fortunately, the leaders of this movement have strong internationalist leanings, and the Northern dominance of the movement is somewhat balanced by principled, articulate, and persuasive leaders from the South.

Yet despite this internationalist foundation, the global economy movement is beset with weaknesses, including: an undifferentiated analysis of globalization and governance solutions; a lack of alliances with the governments, political opposition, and intellectual sectors of developing nations; and frequent lapses by national components, particularly in the Northern nations, into nationalistic and protectionist campaigns.

The corporate world, armed with new communications technology, has advanced a new internationalism called globalization, creating a world of global consumer citizens. Many global economy activists, energized by expanding crossborder networks of civil society groups, herald a new kind of interna-

tionalism that they call “globalization from below.” This globalization of activism has not only been on the forefront of identifying the problems with corporate globalization but also in promoting new norms and standards. Consumer boycotts and citizen protests have, in some cases, forced corporations and multilateral institutions to change their policies and practices. Clearly, this surge of citizen activism and the emergence of citizen agendas addressing global economy issues constitute one of the most hopeful political trends of our time. In the end, however, the success of the “globalization from below” phenomenon will be measured by the degree that it advances multilateral management of the global economy. If this era of globalization is to serve the interests of equitable and sustainable development, then a credible system of global economic governance is essential.

Unfortunately, however, there is no consensus in the antiglobalization

movement about the need for international norms and institutions that establish rules and guidelines for the global economy. Too often the “shut it down” rhetoric aimed at the IMF, World Bank, and WTO conflicts with the core progressive principle affirming

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the importance of multilateralism—not only for political/security issues but also for economic ones. A central part of the work of forging effective citizen agendas is how to promote such a progressive multilateralism around global economy issues. Once having affirmed

the fundamental need for global economic governance, citizen activists and analysts can continue their critical discussion about tactics and strategy—whether, for example, it is feasible to start all over to create new multilateral institutions or whether it is more practicable to work to reshape the current institutions.

A system of global economic governance based on the principles of sustainability and equity will not be created by good intentions alone, but must be forged from new international power dynamics. Certainly, a powerful transnational social movement will contribute greatly to the conception of such a system. But to be truly powerful, this movement needs new allies, and a more intellectually consistent agenda. It must have an internationalist game plan characterized not by backlash rhetoric and populist strategies but rather by its analytical depth and political maturity—and its clear commitment to the principles of multilateralism.

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## Notes

- <sup>1</sup> As described by one scholar, global governance consists of “sets of implicit or explicit principles, norms, rules, and decisionmaking procedures around which actor expectations converge.” Stephen Krasner, *International Regime* (Ithaca, NY: Cornell University Press, 1983). See O’Brien et al., eds. *Contesting Global Governance* (Cambridge: Cambridge University Press, 2000) for another description of governance: “The sum of the many ways that individuals and institutions, public and private, manage their common affairs.”
- <sup>2</sup> John Gerard Ruggie, *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993).
- <sup>3</sup> See Manuel Castells, *Rise of a Network Society* (Oxford: Blackwell Press, 1996). For an honest appraisal of the character of North-South networks, see Jonathan Fox and David Brown, eds., *The Struggle for Accountability: The World Bank, NGOs, and Grassroots Movements* (Cambridge, MA: MIT Press, 1998). They conclude: “We do not find that Northern-Southern advocacy coalitions are becoming robust transnational movements. Most are politically contingent, tactical coalitions, not strategic long-term alliances.”
- <sup>4</sup> This overview does not examine the different functions and structures of these institutions, nor does it delve into the varying citizen-based agendas of each institution. For an excellent overview of the interaction of “global social movements” and these institutions, see *Contesting Global Governance*. The authors conclude: “For those who see moderate social movements as the hope for increasing global democracy, complex multilateralism needs to be strengthened and supported. People with a more radical agenda seeking greater transformation away from the liberal program may view complex multilateralism as a threat because of its ability to co-opt parts of the social movement community and deradicalize their project,” p. 231.
- <sup>5</sup> Fortunately, this lack of self-reflection is changing. Two examples are the FPIF discussion papers by Ian Robinson, *Progressive Unilateralism? Unilateralism in the United States, Progressive Internationalism, and Alternatives to Neoliberalism*, and by Patrick Bond, *Strategy and Self-Activity in the Global Justice Movements*.
- <sup>6</sup> These three institutions-IMF, World Bank, GATT/WTO—are commonly described as the troika or triumvirate of global economic governance. Other important institutions that have played a key (though decreasing) role in governance are UNCTAD and the ILO, both of which rely more on the promotion of ideas and standards rather than economic power or negotiating rules. These are joined by informal (though often powerful) groupings of nations, the most influential of which is the G7. With regard to the G7, see Tom Barry, “G8/G7 and Global Governance,” *Foreign Policy In Focus*, July 2000.
- <sup>7</sup> John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organisation*, Spring 1982.
- <sup>8</sup> One indicator of this lack of intersection is that in the dozens of recent books and journal articles on the subject of global economic governance reviewed for this paper, there were only a few passing references to the governance agendas forwarded by citizen groups.
- <sup>9</sup> In international affairs, anarchic relations among nations is how the school of political realists and many national policymakers regard normal relations between nations, with the governance institutions as merely the instruments of national policy. To argue for the logic of anarchy in international relations is a position occupied by realists as well as anarchists.
- <sup>10</sup> See Colin Hines, *Localization: A Global Manifesto*; David Korten, *When Corporations Rule the World*; and Michael Shuman, *Going Local: Creating Self-Reliant Communities in a Global Age*.
- <sup>11</sup> See Walden Bello, “The Iron Cage: The WTO, Bretton Woods Institutions, and the South,” in *Why the Reform of the WTO is the Wrong Agenda* (Focus on the Global South, February 2000) and Bello, “From Melbourne to Prague: The Struggle for a Deglobalized World,” *Focus on Trade*, No. 53, September 15, 2000.
- <sup>12</sup> As global governance scholar John Dunning warns: “The real danger, unless determined efforts are made by national governments both to better coordinate regulatory responses to globalization and to build up an ethos of trust, cooperation, and transparency, [is that] the retrenchment of the world economy in the 1930s could be repeated in the next two decades by [following] protectionist policies. Backtracking on all that has been accomplished over the past half century would be much more serious, not just to the growth and stability of the world economy but to the very foundations of the modern global community,” in Dunning, ed., *Governments, Globalization, and International Business* (New York: Oxford University Press, 1997), pp. 23-24.
- <sup>13</sup> One such proposal for the creation of a World Investment Organization, which would among other things centralize the taxation of transnational corporations, comes from the Institute for International Economics. See Peter Kenen, *Managing the World Economy: Fifty Years After Bretton Woods* (Washington: IIE, 1994).
- <sup>14</sup> For an excellent discussion of developmentalism, see: Mahbub ul Haq, *Reflections on Human Development* (Oxford: Oxford University Press).
- <sup>15</sup> For a critique of the integrated framework approach under the free trade paradigm, see: Lisa Jordan, *Death of Development* (Bank Information Center, 2000).
- <sup>16</sup> A useful discussion of possible new directions in the global political economy is found in Charles Whalen, ed., *Political Economy for the 21st Century* (New York: M.E. Sharpe, 1996). It is argued that the key issue for economic governance is addressing rising economic insecurity. In addressing this issue, actors need to “consider questions of distribution and allocation provisioning” in frameworks other than the traditional scarcity framework. There needs to be “a shift from neoclassical to political economy” and a “move beyond equilibrium and efficiency to human values and welfare” aided by creative state interactions with capital and markets.
- <sup>17</sup> This threat of “new protectionism” in the North “includes health, environmental, and labor regulations with restrictive consequences that can take effect in conjunction with antidumping practices.” Gavin Boyd and John Dunning, *Structural Change and Cooperation in the Global Economy* (London: Edward Elgar Publishing, 1999), p. 229.
- <sup>18</sup> Steve Charnovitz, “Participation of Nongovernmental Organizations in the WTO,” *University of Pennsylvania Journal of International Economic Law*, vol. 7, no. 1, 1996.
- <sup>19</sup> Mark Weisberg, “Globalism for Dummies,” *Harper’s*, May 2000.
- <sup>20</sup> The collapse of state socialism in the 1980s and 1990s—the main systemic alternative to capitalism—has ushered in an era of competing capitalist nations and unimpeded corporate expansion. See Barrie Axford, *The Global Economic System: Economics, Politics, and Culture* (New York: St. Martin’s Press, 1995).
- <sup>21</sup> In reflecting on the possible new dimensions of global economic governance, it is worth remembering that the postwar system of global governance was built on common assumptions about national economic policy. As Peter Kenen of the Institute for International Economics points out, “The ability of governments to manage change internationally has depended on their ability to manage it domestically and achieve agreement at home concerning the structure of the economy and distribution of income.” Kenen, ed., *Managing the World Economy: Fifty Years After Bretton Woods* (Washington: IIE, 1994).
- <sup>22</sup> Above paragraph largely taken from Tom Barry, “Challenges and Conundrums of a New Global Affairs Agenda,” in *Global Focus* (New York: St. Martin’s Press, 2000), p. xix.
- <sup>23</sup> Dani Rodrik, *The Global Governance of Trade As If Development Really Mattered*, (June 2001, UNDP).

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