

# Global Governance

Our responsibility  
to make globalisation  
an opportunity for all

A report to the Bishops of COMECE



Commission of the Bishops' Conferences of the European Community

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## Foreword

This report on Global Governance has been in preparation for one and a half years. On receiving this timely text, we should like to thank all those who have contributed to its elaboration. We are most grateful to them for the time, thought and work they have invested. Drawing upon personal experience and competence in various fields as well as on the wealth of the Church's social teaching, this report is an expression of the Church's desire to explore and respond to a need expressed by society as a whole.

We welcome this report for three reasons in particular. Firstly, it brings us face-to-face with the concept of global governance. Global governance, as opposed to global government, means a networked approach to global problems that involves governments, business and non-governmental organisations as well as Churches and other religious communities. Real efforts towards a system of global governance can reassure people that our world is not out of control or lacking guidance. Working towards a credible mechanism for global governance offers the prospect of addressing global issues in ways which both protect against hegemonies of whatever kind and also promote the fundamental values of justice and freedom. This is good news. We understand that for good reasons the report does not address every matter that requires a solution at the global level. However, the search for solutions to issues relating to international security, trans-national migration, global media, scientific and technical advances and bio-medical questions, may benefit from the pioneering work that has been accomplished in this report.

*Secondly*, we welcome the report especially on behalf of the Commission of the Bishops' Conferences of the European Community (COMECE) whose task is to monitor and comment on European Union policy. A key conclusion of the following text is that because of its own genesis, architecture and self-understanding, as well as its responsibilities in policy areas such as trade, competition and development co-operation, the EU has a crucial role to play in developing the existing international order into a system of global governance.

We consider that the European Union is a pioneering model of regional integration, setting an example for the future of governance in many other regions of the world, despite its still nascent and therefore contingent character in some policy areas. We hope that this report will also contribute to reviving reflection and public debate on the deeper significance of European integration.

*Finally*, this report comes at a decisive moment for the future of global security and therefore of governance. When the authors decided to present it to us in September 2001, they did not imagine that its publication would coincide with a period of great anguish, pain and uncertainty. The terrorist attacks on the World Trade Center in New York and the Pentagon in Washington on 11 September destroyed thousands of innocent lives and brought grief to the friends and families of the victims. We are all deeply saddened by these events and we are united in condemning the violation of the sanctity of human life.

In the aftermath of these crimes against humanity, there can be no easy solution. Military and security measures alone will not resolve a deep malaise in many regions of the world, where the richer parts of the world are resented as being unfair, selfish and oppressive. It is not only in these regions that fanaticism and extreme hate have developed; poverty, inequality, hunger and humiliation, wherever they are found, provide a fertile breeding ground for fanaticism and terrorism. Reducing the risk of terrorism therefore also necessitates a serious and renewed effort to promote the development of peoples.

Globalisation has been brought about as a result of immense technological progress. It has brought us an exceptional growth in the exchange of information, capital and goods. However, it has not contributed sufficiently to significantly reducing poverty and inequality. We therefore hope that the proposal for global governance, contained in this report, will point towards a new approach to development. We recall what the Second Vatican Council said in its Pastoral Constitution ‘Gaudium et Spes’: “all that men do to obtain greater justice, wider brotherhood, a more humane disposition of social relationships has greater worth than technical advances” (No. 35). The relevance of this statement has been reconfirmed in a real and dramatic sense.

We hope that this report on Global Governance will find many readers among Christians and all people of good will. We invite you to send us your reactions and comments.

Brussels, September 2001

Bishop Josef Homeyer, President of COMECE  
Bishop Adrianus van Luyn, Vice-President  
Bishop Attilio Nicora, Vice-President

## **Executive Summary**

1. The pursuit of the global common good is the core challenge for all concerned with governance today. It is a responsibility shared by all: individuals, families, companies, as well as states and their leaders. Thus far most of these actors have been motivated chiefly by their own specific interests. In the future world of globalisation mankind will need to accept new values in order to alleviate the plight of the poor. The hope for such a new vision has inspired this report on global governance. It was commissioned by the members of the Commission of the Bishops' Conferences of the European Community (COMECE) as a follow-up to the Social Congress on *Europe's Responsibility for Global Development*, held in Brussels 31 March – 1 April 2000, just a few months after trade ministers failed to launch a new trade round at the ministerial conference of the World Trade Organisation (WTO) in Seattle.

### **Deciphering the signs of the time**

2. In the span of one generation global economic interdependence has grown extraordinarily. This development, generally called globalisation, is the consequence of enormous technological progress and the determination, demonstrated by political decisions, to open national economies internally and externally to competition. This process will continue; it will neither stop nor go into reverse. Thus far, globalisation has brought improvements and opportunities for many people in many parts of the world. However, many have not been able to adapt to it and thus were excluded from its benefits. Consequently they are disadvantaged. Whilst globalisation makes it possible to enjoy the experience of encountering a world of diversity and greater efficiency, it also raises fears about the loss of cultural identity. Global governance is the key to ensure that the positive impacts of globalisation are enhanced and that its potentially negative effects are diminished.

3. Whilst economic interdependence has been reinforced in recent years, the absolute number of very poor people has grown worldwide. Material inequality between countries and within countries has also increased. Moreover, significant global environmental risks have made their appearance on the world stage. To date, efforts to reduce poverty and inequality through official development aid (ODA), which in any case is shrinking, have produced only poor results. The same is true for international efforts to reduce global environmental damage.

4. From now on, the world and its peoples - God's Creation - need and deserve another, more coherent approach. Open economies will not be sustainable without the willingness of states to open up politically as well. In a world marked by growing interdependence, the European Union is a unique and convincing example of a governance system based on supranational and multilateral political co-operation. Furthermore, the political will to achieve and maintain a system of global governance must be nourished by firm convictions and values. In a world where no single power – even the strongest – can or should exert full control, worldwide agreement on a list of basic values and principles is essential.

## **Values and principles for global governance**

5. This report proposes a series of core values and principles as the foundation of a system of global governance: respect for human dignity, responsibility, solidarity, subsidiarity, coherence, transparency and accountability. Churches and other religious communities play a vital role in promoting these values.

6. Growing economic interdependence must be matched by political interaction at the global level. This is necessary in order to deal effectively with aspects of finance and trade that cannot be resolved at country or regional level. It is also a prerequisite for engaging in a new joint effort to reduce worldwide poverty and global environmental risks. Global governance should not, however, take the place of national governments and regional organisations such as the European Union. It cannot replace them; it must rather acquire legitimacy from them. Whether poorer countries will develop economically, whether industrialised nations will master the twin challenges of more global competition and an ageing population, depends primarily on the quality of their domestic policies.

7. In addition to governments, a system of global governance has to involve a series of different actors who share a certain number of basic values. The business sector must strive to conjugate its own long-term interest with the global common good. Responsible input by international non-governmental organisations provides a significant contribution to the emergence of a world public opinion.

## **Proposals for the existing international institutions**

8. In institutional terms, the creation of a system of global governance requires the revision of the mandates of existing international organisations. This is necessary in order to address conflicting objectives, barriers to coherent behaviour and gaps in the institutional architecture.

9. The present difficulties related to launching a new round of comprehensive trade negotiations in the World Trade Organisation (WTO) illustrate current problems of governance. The existing WTO agreement on agriculture needs to be revised in order to improve market access for developing countries. Multilateral agreements on investment, on principles for competition policy and rules for public procurement are necessary to safeguard against possible distortions stemming from unilateral actions, to improve investment conditions worldwide, including in the developing countries, and to help to combat corruption. Such agreements could be worked out in the framework of the WTO. Issues relating to social rights and environmental standards need to be addressed. Ultimately they have to be entrusted to the competent international organisations.

10. Recent initiatives by the Organisation for Economic Co-operation and Development (OECD) against money laundering and harmful tax practices are promising and they must be vigorously pursued. These initiatives, as well as those launched by the international financial institutions with regard to stability in financial markets, should be continued.

11. The International Labour Organisation (ILO) needs a stronger mandate to defend core labour standards which aim to guarantee freedom of association and collective bargaining, to eliminate all forms of forced labour, to abolish child labour and to eliminate discrimination in respect of employment and occupation. The ILO should be mandated to deal effectively with social concerns and especially with the problems of unemployed and migrant workers in this era of globalisation.

12. Another lacuna in the international institutional architecture is to be found in the obvious weakness of the environmental pillar. This warrants urgent attention in the form of comprehensive reform of United Nations Environment Programme (UNEP) or even better the creation of a new World Environment Organisation (WEO) to enable it to initiate and supervise international efforts to deal with the deterioration of the global climate, the depletion of the ozone layer, the conservation of bio-diversity, the protection of forests, the ongoing process of desertification and the task of supplying sufficient clean water for all. Other failures or weaknesses of existing international institutions may appear in the course of further analysis, but the above-mentioned require urgent attention.

### **Creating a Global Governance Group (3G)**

13. This report recommends the creation of a Global Governance Group (3G). This Global Governance Group would deal with horizontal matters on the global level and assure a minimum of co-ordination and coherence in the system. Its contribution in this regard is essential, because even after a comprehensive review of the existing institutional architecture, the problem of coherence, orientation and final arbitration is likely to persist. The system of global governance will remain unfinished without this final key stone.

14. If a Global Governance Group is to be effective, its members must be the heads of government. They are the only actors who can deal with horizontal issues in a credible and effective way. A Global Governance Group needs legitimacy through an acceptable representation of all nations. It should therefore be composed of the twenty-four heads of government, which have executive directors on the boards of the International Monetary Fund (IMF) and the World Bank. The selection mechanisms at these institutions are based on a limited number of constituencies which group countries with geographical, historical or economic ties. They have the advantage of being tested and respected for more than fifty years and they are viable at least for an initial phase. The Global Governance Group would be joined by the secretary general of the UN and the director generals of IMF, World Bank, WTO, ILO and the proposed new World Environment Organisation (WEO).

15. It is our hope that the Global Governance Group would give a voice to all regions and peoples of the world and thus bring us closer to the “public authority with universal competence” for which Pope John XXIII called in 1963.

# Global Governance

Our responsibility to make  
globalisation an opportunity for all

The Report

# Global Governance

Our responsibility to make globalisation  
an opportunity for all

*A report to the  
Bishops of  
COMECE*

## Preface

1. Following their Social Congress on Europe's responsibility for global development, the Bishops of COMECE (Commission of the Bishops' Conferences of the European Community) asked a group of experts<sup>1</sup> to prepare a report on the ongoing debate on global governance. This report focuses on the essential underlying conditions and the concrete steps needed to establish a system of global governance. We, as Christian lay people, with varied levels of experience of work in international organisations and businesses, should like to express our gratitude for the opportunity given to co-operate as an international and intergenerational group on this text.

## Introduction

*A public  
authority with  
universal  
competence*

2. Over the last three decades cultural, economic, environmental and political interdependence on the global level has increased and reached a degree that was unknown before. To face this phenomenon of globalisation and to adapt political decision-making to this new situation, this report recommends a stronger system of global governance. It is inspired by Pope John XXIII's prophetic vision - as expressed in his 1963 encyclical letter *Pacem in Terris* - of the "need for a public authority with universal competence" (NO 137). This is not necessarily to suggest that an entirely new set of global institutions is required. The existing institutional framework requires some reform but above all support and resources. Therefore the report focuses on the effective additional steps required to create a coherent global institutional architecture.<sup>2</sup> Given its particular experience over the last fifty years, the European Union and its member states bear a particular responsibility to promote reforms at global level.

3. The report itself contains three parts. The first chapter presents some observations concerning the ever-growing global economic interdependence, the worldwide extent of poverty and inequality, the crisis of our natural environment and finally the spiritual dimension of greater global interdependence. At the end of the chapter a broad definition of "global governance" is given. The second chapter discusses core values and principles that would need to underpin global governance. The third part offers concrete proposals for a number of institutional and collective steps to facilitate a more coherent and efficient system of global governance.

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<sup>1</sup> A list of the members of the group can be found in annex to this report.

<sup>2</sup> Security matters and the specific issue of migration have been deliberately excluded from these considerations. Their complexity would overburden this report. However, possible responses to these matters could be influenced by the proposals, which are developed in the text.

## Part I Living in an interdependent world

4. Since the 1970s, trade in goods and services between countries and continents has almost tripled. The rise in foreign direct investment has risen dramatically, reaching an annual level of more than US\$800 billion. This degree of international financial market integration is unprecedented in history. Growth in trade and foreign direct investment has substantially outperformed growth of world output. This provides evidence of an ever-growing international division of labour and of a deepening interdependence of the world economy.

*Deepening interdependence of the world economy*

5. Globalisation has become a widely used term to describe the ongoing process of increasing global economic interaction. It is spurred by impressive technological progress especially in the fields of information, communication and transport, as well as by political decisions to open up and deregulate markets, and further enhanced by international competition. Although initially facilitated by intentional political decisions, it would seem that the trend towards deepening global interdependence is virtually irreversible.

*Globalisation creates opportunities and systemic risks.*

6. This process brings about fundamental change to the organisation of our economies. It creates new opportunities for all people around the globe, including the developing countries. It is inevitable, however, that in the context of this transformation, new pressures of adjustment arise in both the industrialised and the developing world. Greater economic integration may not always bring the anticipated benefits. Furthermore, as economic and financial interdependence intensifies between countries, the risk of contagion tends to increase and can transform the failure of one actor into a systemic crisis. Global governance is key to ensuring that the positive impacts of globalisation are enhanced and its potentially negative effects are adequately balanced and mitigated.

7. The post-world war period has witnessed unprecedented economic growth around the globe. Average living standards have improved across the world, life expectancy has risen, access to health care has improved, infant and child mortality has fallen, school enrolment has increased and the gap between girls and boys in school enrolment is narrowing. However, notwithstanding the remarkable success of the world economy, at the dawn of the 21<sup>st</sup> century the vicious circle of stagnation and poverty in the poorest countries remains unbroken. Despite a decline in the proportion of people living in extreme poverty since the early 1990s, about one fifth of the world's population continues to live on US\$1 or less per day, and a further quarter lives on less than US\$2 a day. Poverty is particularly serious in Africa, where nearly half the population lives on less than US\$1 per day.

*Worldwide poverty increases*

8. The international community is entering the new millennium with the largest difference ever recorded between rich and poor countries. Whilst some countries experienced strong economic progress, economic growth in others remained moderate, stagnated or even declined. In a large number of poor countries during the last 25-30 years the per capita income did not rise but fell in absolute terms. Today, the per capita income of the richest 20 countries is almost 40 times higher than that of the poorest 20 countries. Forty years ago it was less than 20 times higher. At the same time, the gap between the rich and poor is increasing within many countries

*An increase in inequality*

and regions. In all countries it is the less skilled who are more likely to be in poverty rather than those with the required education and skills.

*Lack of access  
has its roots in a  
lack of freedom*

9. Growing inequality is both a result of existing poverty trends and an impediment to poverty reduction. Overall, it threatens the cohesiveness of local and regional communities and could ultimately lead to upheaval, political instability and violent conflicts within and between countries and regions. Sharp differences in income levels are also a major reason for migration, which can further dampen the development potential in the country of outward migration. A just and balanced form of global governance may help to prevent such an outcome.

10. Poverty is a multifaceted phenomenon that is best characterised by a lack of freedom, which leads to a lack of access to opportunities: access to sufficient nutrition, to decent clothing and housing, to basic health services and education, to transport and communication, to credit and insurance against natural disaster. The Human Development Report of the United Nations Development Program (UNDP) notes that some 90 million school-age children in the developing world are denied the chance to go to primary school. The consequences of the lack of access to adequate health services combined with poor disease prevention are particularly serious and severely threaten the development perspectives for many countries. By the end of 1999, nearly 34 million people were infected with HIV, 23 million in Sub-Saharan Africa. Approximately 5 million die annually from the three major communicable diseases: AIDS/HIV, tuberculosis and malaria.

11. Access to markets also plays an important role: the potential gains from liberalising trade for developing countries are estimated to be far greater than today's volume of official development aid. Only recently have steps been taken by the European Union to open its markets and abolish tariffs and quotas for the least developed countries.

12. It is the prime responsibility of every country to ensure sound economic, social and environmental conditions and to put in place domestic policies aimed at effective poverty reduction. Poor domestic management, overburdened and inefficient administrative systems, outright corruption, and more generally the lack of the rule of law are among the reasons why in the past indigenous development has frequently remained disappointing, and why official development aid has often not fulfilled its expectations.

*ODA has  
continued to  
decline*

13. Despite rising GNP levels in the industrialised countries during the 1990s, total official development aid (ODA) has continued to decline. Far from reaching the objective of 0.7 percent of GNP, ODA has decreased over the last decades on average to a mere 0.2 percent. While the growing role of private financial capital flows renders it imperative to ensure sound domestic policy conditions, the multitude of challenges faced by the poorest countries cannot be met without continued support from the international community. Private capital flows, including foreign direct investment, today account for approximately 80 - 90 percent of total resource flows to developing countries. But the lion's share of these private flows has so far bypassed the poorest countries. According to the World Bank, all of sub-Saharan Africa received only 1,2 percent of international financial flows to developing

countries in 1998. These are the countries most vulnerable to diminishing aid budgets.

14. Based on the outcome of various UN conferences, the international community has set itself a number of international goals for global development, such as the objective to halve the number of people living in extreme poverty by 2015 compared to 1990 levels. Current trends are not encouraging. In a world characterised by rapid population growth in the South, the achievement of these goals can only be realised if underpinned by appropriate international support and a clear commitment to enhanced efforts for poverty reduction both domestically and internationally. Better global governance is necessary to identify priorities and to ensure that the challenge of poverty reduction is addressed effectively through a coherent and comprehensive approach.

15. The interdependence among states in a globalised world has drawn attention to the need to protect the environment for the sake of all nations. Scientific research indicates that our planet is increasingly threatened by a severe degradation of the environment. Whilst in some respects significant progress has been made in industrialised states, the developing states show alarming signs of ecological deterioration rather than advance. On the other hand, recent decades have witnessed growing awareness of these new environmental issues, which are truly global in nature.

*The emergence  
of global  
environmental risks*

16. The *global climate* is changing as a consequence of the so-called greenhouse effect. The Framework Convention on Climate Change and the Kyoto Protocol are the first, limited international steps to reduce the emission of greenhouse gases on a worldwide scale. However, more effort is required and the final success of these endeavours will depend on political will and the successful outcome of future negotiations. The depletion of the *ozone layer* is another global environmental concern. The Convention for the Protection of the Ozone Layer, together with the Montreal Protocol, has proved to be one of the most successful international environmental agreements. The conservation of *biological diversity* has also been recognised as a common concern of humanity. So far, however, the Convention on Biological Diversity has not effectively provided protection for endangered species. Biological diversity is linked to the protection of our *forests*, which are also endangered, but so far lack a coherent framework for international action. Furthermore, *desertification* and drought have been recognised as problems with a global dimension. Finally, *water quality degradation and overexploitation of marine resources* threaten international waters. In many regions of the world, fresh drinking water is a scarce resource. A sustainable form of global governance is urgently needed to solve global environmental problems.

17. Worldwide economic integration and new ways of communication have brought people closer to one another. This is clearly a positive development but, in concrete terms, people around the world sometimes fear the possible loss of their national identity through the demise of their culture and its value systems as they are submerged by global homogenisation. However, the maintenance of a culture is dependent on the will and commitment of its people to protect the customs, traditions, language and values against the tide of one global cultural movement.

*The fear of a  
uniform  
global culture*

Realistically, any system of global governance can only provide limited help in this respect.

18. Though it should provide a means to defend cultural diversity, global governance itself depends on a fundamental set of values and principles that must be accepted universally. It is clear that international institutions and national governments can support cultures, but global institutions cannot generate them. A realistic form of global governance must be sustained by a fundamental set of values and principles, which people all around the world - from a great variety of cultures and creeds - could accept.

*Coherence  
and  
efficiency*

19. It is evident that global problems need global solutions. The present lack of coherence in international economic, social and environmental decision-making is a significant obstacle to more and better global governance. The efficiency of the international institutional family is severely hampered by the lack of coherent mandates and a sometimes-inadequate degree of complementarity and co-operation between individual institutions. A pertinent example became evident during the November 1999 World Trade Organisation (WTO) ministerial meeting in Seattle. On the one hand, there were far-reaching decisions taken by governments - in the framework of the twin Bretton Woods institutions (International Monetary Fund (IMF) and the World Bank) - to reduce significantly the debt of 41 heavily indebted poor countries. On the other hand, these same governments failed only two months later - through the structure of the WTO - to launch a new trade round which would have attempted to eliminate trade barriers to exports from developing countries, which is a key precondition to any sustainable reduction of poverty. A failure to revive the trade talks in the near future would make a mockery of the debt initiative.

20. In more general terms, the fragmented institutional architecture of the international economic system makes it virtually impossible to address the issue of interdependence in an effective and coherent manner. Calls for closer co-operation between institutions are not a new phenomenon, nor are complaints about overlap and duplication. They can be interpreted as symptoms of the lack of an effective overarching framework to ensure coherence and a complementary division of labour. One reason for this lack of coherence in dealing with global challenges can be found at the domestic level, where different sections of national administrations are not always aware of international engagements, which are the responsibility of other departments. Therefore, if more coherence and convergence is needed at the global level, this is also true at the national level.

*Global  
governance  
means effective  
and legitimate  
decision-making*

21. Global governance does not mean global government in the form of a centralised body that holds exclusive world power and controls global economic flows and information. Rather, it would provide the capacity for effective and legitimate political decision-making at the global level through international institutions and structures of co-operation, co-ordination and perhaps even shared sovereignty. Global governance implies that nation states pay more attention to the international impact of their domestic policies, respect their global obligations and accept the basic principles of multilateralism. International institutions themselves have to learn to co-operate in a more coherent and structured way. Global governance will also require the emergence of public opinion with a more global view, in order to promote, develop and enforce globally agreed behaviour. Such global public opinion

will be assisted in its formation by transnational businesses and labour unions, non-governmental organisations and private foundations, and by politicians. The Churches and other world religions will also have to play their role. This development has to be supported by the media, their plurality and independence being essential.

22. The 1991 papal encyclical *Centesimus Annus* outlines the Catholic Church's thinking on global governance: "The increasing internationalisation of the economy ought to be accompanied by effective international agencies which will oversee and direct the economy to the common good, something that an individual State, even if it were the most powerful on earth, would not be in a position to do. In order to achieve this result, it is necessary that in evaluating the consequences of their decisions, these agencies always give sufficient support and consideration to peoples and countries which have little weight in the international market, but which are burdened by the most acute and desperate needs, and are thus more dependent on support for their development." (No. 58)

23. It will not be necessary to build a new system of institutions and organisations from scratch to achieve global governance. The existing international system of organisations can be adapted. Improvement is required, not replacement. Major decision-making will still come from consensus among the nation states, which will continue to be the basic unit, at least for the foreseeable future, as they adapt to new global changes.

24. Global governance is currently characterised at best as an intergovernmental as opposed to a supranational arrangement like the European Union. The latter will perhaps inspire further advances over time. However, even the current intergovernmentalism will not function without a basic set of core values and principles that are universally accepted, as discussed in the next section.

## **Part II**

### **A set of core values and principles to make global governance work**

25. No real progress in global governance is possible without a values system that is jointly embraced and respected. In this regard too, the social teaching of the Church offers its insights "to all men and women of good will". In the light of these teachings, the reality of the life of the Church and the world unfolds. The Church offers her social teaching as a definition of values and principles for a system of global governance.

26. Human dignity is the core value of Christian social teaching, which must be respected and pursued in all human activity. This value has already been embraced by the full membership of the United Nations. In the preamble of the UN Charter we read: "We, the people of the United Nations, determined ... to reaffirm faith in fundamental human rights, in the dignity and worth of the human person ... have resolved to combine our efforts to accomplish these aims." Admittedly, universal respect for human dignity is far from being a global reality, but it is a goal, an orientation for global policies.

*Human dignity is  
at the core*

27. This innate dignity confers on human beings a set of fundamental rights, as expressed in numerous human rights declarations. Exercising one's fundamental rights goes together with obligations towards others and the community as a whole, as has been expressed again, for example, in the preamble of the Charter of Fundamental Rights of the European Union. Enjoying one's fundamental rights and assuming obligations towards others are necessary if we wish to improve the human condition in both material and spiritual ways.

28. Truthfulness is a clear obligation that derives from human dignity. Honesty is essential for the respect of human dignity and produces real consequences for the economy and public life. For instance, there has been a multiplication of tax havens in various parts of the globe over the last decades that have encouraged tax evasion. For the sake of the community it is vital that everyone pays their taxes in full; tax havens encourage cheating, which is unacceptable.

29. Allied to respect for personal human dignity, a sense of responsibility for the global common good is indispensable. In particular we have to face the challenges that are posed by the management of the world economy. Responsibility is a key aspect of Christian anthropology and ethics. Pope Paul VI, in his 1971 Apostolic Letter *Octogesima Adveniens*, put it this way: "To take politics seriously at its different levels – local, regional, national and world-wide – is to affirm the duty of man, of every man, to recognise the concrete reality and the value of the freedom of choice that is offered to him to seek to bring about both the good of the city and of the nation and of mankind" (No. 46). At decisive turning points in history, this responsibility has taken on a variety of forms and challenges.

*A sense of  
responsibility for  
the global  
common good*

30. The consequences of globalisation, the persistence of poverty, the growth of inequality and the increase of environmental stress on a global scale call for a renewal of the human sense of responsibility in at least three respects:

- The *responsibility of each country* - large or small - for the world at large;
- the *responsibility of the world community* to put in place an ethically-grounded new development paradigm;
- the *responsibility of all actors in society* - and not just governments - to play their part in the direction the world takes to reach the above-mentioned goals and to espouse the idea of world citizenship

31. *The responsibility of each country*: due to the intricate relationships between countries in a globalised world, economic events in one country can have an unintentional effect elsewhere. Thus, when Thailand defaulted on its debt payments in 1997, the confidence of global financial markets in developing economies was severely shaken. The Thailand crisis provoked a string of subsequent shocks in Korea, Indonesia, Russia and Brazil, even though they had limited or no real relationship with the Thai economy. This is just one example of the series of financial crises the world experienced during the last decade of the last century. It demonstrates that today, whether a country is large or small, any crisis can become systemic through contagion in the globalised market. Domestic economic policy therefore must, now more than ever, take into account its potential worldwide impact. A duty of universal responsibility is incumbent upon all. All countries and not just the strongest ones are responsible for the stability and quality of world

*Any financial  
crisis can  
become systemic*

growth. This adds a new dimension to the duties required of every government in the management of its economy.

*A new  
two-way  
development  
paradigm*

32. *The responsibility of the world community:* the world community as a whole must assume responsibility for putting in place a new ethically-based development paradigm, where the international rules for trade and investment, together with the integrity of international monetary and financial management on the one hand and policies to reduce poverty on the other hand, form a two-way relationship. All countries must be encouraged not only to seek balanced books, but also to discover and realise what their global responsibilities imply. This of course includes obligations relating to prudence in domestic policies. In this context the monitoring by the International Monetary Fund (IMF) is particularly important. Poverty reduction will not be achieved without sound economic policy; equally, economic policy is not ultimately sustainable if patent inequality and poverty are left unaddressed. The necessary popular support for a stable economy and reform efforts cannot be guaranteed unless the whole population, including the poorest, is able to have its say in the formulation of the policies adopted, and of course to benefit from them. This two-way relationship is part of an emerging and more comprehensive development paradigm in which moral values are an integral part. The new paradigm also tries to take into account different cultural and social models and to follow a more pragmatic country-by-country approach.

*Becoming global  
citizens*

33. *The responsibility of all actors in society:* by suggesting a contribution from all actors, the third aspect of responsibility becomes apparent. To care about the direction that the world community takes is no longer the sole responsibility of governments, politicians and international or regional organisations. Other actors must take part: companies, financial institutions, labour unions and non-governmental organisations, as well as Churches. Every person must play a role in the success of the newly emerging development paradigm and thus become a global citizen. In other words, what is needed is a stronger sense of world citizenship.

34. The growing relevance of non-governmental organisations, which spearheaded many important initiatives in recent years, shows that the concept of world citizenship is becoming more and more a reality. However, NGOs should refine what has always been central to their achievements: patient and non-violent efforts to seek the truth in order to help public opinion become more aware and enlightened. NGOs must above all respect the democratic political process and act accordingly.

*The search  
for a new  
generation of  
opinion leaders*

35. Many people lack a sense of the universal. It has not been possible for them to integrate the impact of the rapid developments in economics, finance and information. Their sense of the universal has been undone by these changes. They feel cut off from the universal, just as after the Treaty of Versailles in the 1920s Europeans did not have a sense of identification with Europe. The potential of the 21<sup>st</sup> century will not come to fruition if a new generation of opinion leaders does not deliberately accept the responsibility for giving public opinion a global conscience. A new kind of citizenship must be created, one that is not simply a vague cosmopolitanism, but a genuine citizenship, and rich in the appreciation of our affiliations at all levels: local, national, regional and global.

*Solidarity is essential*

36. To combat poverty and to deal with widespread corruption, crime, money laundering and threats to the environment, more solidarity is needed. The pursuit of solidarity is essential for effective global governance. When José Angel Gurria, the Finance Minister of Mexico, spoke about poverty at the outset of the Asian crisis as the “ultimate systemic threat”, his reference to the health of the system of global finance echoed the remarks of Pope John Paul II in his encyclical letter *Sollicitudo Rei Socialis*: “Either development becomes shared in common by every part of the world, or it undergoes a process of regression even in zones marked by constant progress” (No. 17). While active solidarity is necessary to help the poorest, it also provides safeguards for the future generations of rich countries. Active solidarity is therefore also in the enlightened self-interest of the more wealthy societies.

*Justice is participation*

37. Solidarity is not only about generosity. It calls for the appropriate participation of every person in society and of every country in the world economy. Even in pragmatic terms, it is now widely recognised that ownership of economic and social policy by public opinion is a necessary condition for their success. The slogan “Globalisation without marginalisation” can be restated as: global justice as participation. Social justice is essentially participation in society. Justice as participation means strengthening a rule-based world system that allows for market participation.

*Solidarity requires change in the North and in the South*

38. Solidarity is central to organising and strengthening the very fabric of a world economy, which is now ‘one’ in a real sense. For industrialised countries, global solidarity does not simply mean sacrifice of the superfluous; it means dealing with vested interests and entrenched power structures, with life-styles and models of consumption. The change needed for genuine human development involves equally radical reforms in the South. In both the North and the South, it is a matter “of orienting the instruments of social organisation according to an adequate notion of the common good in relation to the whole human family” (*Centesimus Annus*, No. 58).

*Subsidiarity as a core principle*

39. The principle of subsidiarity occupies an important place among the core principles for global governance. Unless we pay due respect to this principle, which Catholic social teaching has long advocated, organising change will be difficult if not impossible. In fact, a major factor behind the resistance to change stems from the fear that national sovereignty might be handed over to anonymous and distant institutions that are not accountable to any democratic control. As Pope John XXIII clearly states in his encyclical letter *Pacem in Terris*, it is “necessary that the relationship that exists between the world-wide public authority and the public authority of individual nations be governed by the same principle (of subsidiarity). This means that a worldwide public authority must tackle and solve problems of an economic, social, political or cultural character, which are posed by the universal common good. Indeed because of the vastness, complexity and urgency of those problems, the public authorities of the individual states are not in a position to tackle them with any hope of a positive solution. The worldwide public authority is not intended to reduce the sphere of action of the public authority of the individual states, much less to take its place. On the contrary, its purpose is to create, on a world basis, an environment in which the public authorities of each state, its citizens and intermediate associations, can carry out their tasks, fulfil their duties and exercise their rights with greater security” (No. 140-141).

*Rules should not contradict each other*

40. The teaching of the Church on subsidiarity is formulated by considering “the way God acts in governing the world, which bears witness to such great regard for human freedom” (*Catechism of the Catholic Church*, No. 1884). This suggests that the more we see the need to consolidate or to grant new responsibilities to world bodies, the more it is also necessary to recognize the limits of their contribution. It should be clearly understood that nothing can be accomplished at the global level unless it has been taken up at the grassroots level and supported by the entire institutional chain, in which non-governmental organisations can play an ever-greater role. Responsible citizenship at all levels is a key to the global challenges of the 21<sup>st</sup> century.

*Governments must own their international institutions*

41. Greater coherence, transparency and accountability of international organisations to the public should equally apply to the core principles of global governance. Too often, international institutions are portrayed as unaccountable and technocratic. The truth is that they are in fact responsible and accountable to their member governments. The problem is that they are not perceived as such. One reason for this lack of transparency is that governments have an interest in obfuscating their role in decision-making on the international level. On the one hand, they tend to refer to the imperative logic of the international regime to justify measures that are unpopular at home. On the other hand, they claim the positive achievements for themselves. This contributes to an often-distorted perception of international organisations by the public. As a result, international organisations are often primary targets of public outrage about the deplorable state of global living conditions and the focal point of fears about the consequences of unleashed globalisation. In order to enhance global governance, national governments must voice their unequivocal support for the positions taken in the executive bodies of these institutions.

*Coherence, transparency and accountability*

42. If the above-mentioned values and principles are to become the foundation of a system of global governance, it will be a task that must involve everybody who can contribute, for it can offer a response to the search for a sense of purpose in peoples’ lives, especially among the world’s youth. Vaclav Havel, the President of the Czech Republic, admirably suggested this in September 2000, when he delivered a speech to Ministers of Finance, Central Bank Governors and other bankers from around the world on the occasion of the annual meeting of the IMF and the World Bank in Prague. He said: “We often hear about the need to restructure the economies of the developing or the poorer countries and about the wealthier nations being duty-bound to help to accomplish this. If this is done in a sensitive manner against a backdrop of sound knowledge of the specific environment and its unique interest and needs it is certainly a worthy and much needed effort. But I deem it even more important that we should begin to also think about another restructuring - a restructuring of the entire system of values which forms the basis of our civilisation today. This, indeed, is a common task for all. And I would even say that it is of greater urgency for those who are better off in material terms...” There is little chance that this will happen unless it becomes possible to connect these values to something that lies beyond the horizon of immediate personal or group interest. So, how can this new value system be achieved without the recognition of the significance of the spiritual dimension of human existence?

*Values and the search for purpose*

43. Values and principles for global governance must be acceptable to non-believers and believers alike. They are not the exclusive concern of the world's religions. It is

noteworthy to observe that the values and principles which Christians have been given by Christian social teaching - human dignity, responsibility, solidarity, global citizenship, justice, participation, subsidiarity, coherence, transparency and accountability - are values and principles shared by many people of good will around the world. They can therefore offer a basis for a more human system of global governance.

### **Part III**

#### **Concrete steps towards global governance**

44. One particular characteristic of the current and future global governance system is the involvement of a series of responsible actors instead of one single body. Together these actors form a network that can drive global governance. For this reason, the following proposals are addressed to a number of important actors.

#### ***The involvement of Churches and other religious communities, of NGOs and private business, and of states and regional blocs in global governance***

*The contribution of Churches and other religious communities*

45. Churches and other religions can inform themselves and their followers about the global challenges and encourage them to take up their responsibilities. The issues of global governance need to be included in educational and catechetical programmes. Churches could make the theme of global governance an issue for ecumenical and inter-religious dialogue. Within the Catholic Church, for example, the network of universities, 'Justice and Peace' Commissions and "Semaines sociales" could be a resource for use according to their original mandates for monitoring and analysing developments. They could then respond as necessary with appropriate suggestions and ideas.

*NGOs play an important role*

46. On the international scene, non-governmental organisations will continue to play an important role. They can echo and develop proposals. Currently they monitor developments at the international and state level and concentrate on one single issue. They have a particular capacity within the general political arena. This leverage permits them to influence the way decisions are formed at international level. However, the principles of transparency and accountability must be part of their operation. It is vital that they respect the role of democratic institutions so that they are a positive influence on society. Perhaps the time is right for them to play a more formal role in international public life; this is an issue for further debate and discussion.

47. Multinational companies have become key actors for global governance. The authors of this report encourage efforts to introduce social responsibility reports, which reflect the "social policy" of a company, and board committees on ethical and social responsibility. The work of these committees could be directed by guidelines for multinational enterprises as drawn up by various institutions. The guidelines published by the Organisation for Economic Co-operation and Development (OECD)

*The UN Global Compact*

*Efforts to involve business*

and reviewed in 2000 by OECD ministers are an internationally agreed “code of conduct” that governments expect domestic companies to apply wherever they operate. The revised guidelines cover all areas of corporate social responsibility: human rights, the rejection of child labour and forced labour, social relations, environmental protection, consumer protection, transparency and disclosure, fight against corruption, transfer of technology, competition and taxation. National contact points in countries adhering to the guidelines (currently the 30 OECD countries and Argentina, Brazil and Chile) are in charge of mediating where specific problems arise. The Secretary General of the United Nations proposed in 1999 a ‘Global Compact’, based on nine key principles, for consent by business partners. This promising approach merits the close attention of the public. The initial success of these and other positive initiatives shows that complying with these obligations is conceived more and more as serving the enlightened self-interest of the private economy. Christians have an imaginative and constructive role to play here to broaden these initiatives in the light of Christian social teaching. It is particularly true with regard to international finance, which has become predominantly private over the last decades. Under these new conditions, private banks and other private financial institutions have been given the opportunity and the responsibility to contribute to the production of essential public common goods. This issue would require further reflection and dialogue with professionals and specialists.

48. It is desirable that not just multinationals but also small and medium enterprises commit themselves on a voluntary basis to accepting and promoting basic fundamental rights for their workers, rules for the environment and minimum safety standards for their products. Even if the problem-solving potential of the market economy is not underestimated, an exclusive reliance on "soft-law" like codes of conduct and guidelines is not sufficient. If necessary, governments may have to consider legislation and regulation in these areas.

*Responsibility of nation states*

49. The main responsibility for global governance rests with the nation states, whose sovereignty has to be respected. Each government should express its willingness to contribute to the construction of a system of global governance and decide on the best means to organise itself in respect of this commitment. National parliaments need to be more closely associated with these issues of global governance. Each state, provided it does everything possible to put its own house in order, as suggested in paragraph 12, should be able to count on the solidarity of the international community in order to adapt its institutions to the challenges of growing global interdependence.

50. At the end of the year 2000, 200 regional trade groupings existed worldwide, compared to 50 in 1990. This increase demonstrates that regional agreements between countries have become an important instrument to deal with the challenges of globalisation. They must therefore be included in a system of global governance, but they remain complementary to international institutions with a global outreach; they cannot replace them. Among the various examples of regional agreements, the European Union is the most complete. The sharing of sovereignty in the European Union has reached a degree that is unknown in other places of the world, even though its member states share a long history of violence and war. It should be noted that the agreed policies of the European Union reflect majority or unanimous decisions by currently fifteen member states. For this reason, the EU can represent

more effectively a concern for the universal common good. One of the founding fathers of the European Union, Jean Monnet, considered that, “the community itself is only a stage towards forms of organisation for the world of tomorrow”. The European Union therefore bears a particular responsibility for promoting the cause of qualitative global governance. To the authors of this report it seems evident that the European Union and its member states in particular must become champions of reform for global governance, based upon their unique historical experience of fighting wars, of making peace and of co-operating at an unprecedented high level.

### ***Changes at the level of international institutions***

51. One of the priorities for change at the global level is the need to review the mandates of existing international organisations within the perspective of the search for the universal common good, and with a view to identifying sources of conflicting objectives, barriers to coherent behaviour and gaps in the institutional architecture. As examples of this review of mandates, this report calls for a new round of multilateral negotiations in the World Trade Organisation (WTO), a strengthening of the International Labour Organisation (ILO) and the creation of a World Environmental Organisation (WEO). It also outlines a mechanism to provide the basic framework the system requires.

52. It is not necessary to reopen here the discussion about the changes needed in the role, instruments and governance of international financial institutions such as the International Monetary Fund and the World Bank. As the Mexican and Asian crises during the 1990s revealed many deficiencies in the international financial system, and as the slow progress in the fight against poverty showed the need to reduce the debt burden of the poorest countries, these institutions have undertaken major reforms during the second half of the 1990s. Several of them are noteworthy:

- the strengthening of the Highly Indebted Poor Countries (HIPC) Initiative, which increased the amount, speed and breadth of debt relief on the basis of programmes that focused on human development spending, with a significant emphasis on ownership by the people;
- the effort to promote increased transparency and accountability in the system and the institutions;
- the importance given to the fight against corruption and money laundering;
- the stronger supervision of financial institutions and the emphasis on technical assistance for institution-building in order to assist developing countries in their efforts to adapt their own governance to new world standards.

While much remains to be done and progress must be encouraged, the direction for further progress is clear. Political will is necessary to determine the next steps.

53. One of the most important lacunas in the field of global governance is a new comprehensive trade round at the WTO. The WTO is a common institutional framework providing for trade negotiations amongst its 141 members (at May 31, 2001). Since the last successful round, the Uruguay Round, WTO rules stretch ever further beyond traditional ‘border issues’ like tariffs and quotas. The important agreement on trade-related intellectual property rights (TRIPs) and an agreement on agriculture are just two examples of a tendency that makes sense in a globalised economy, although the trend to deal more and more with “internal trade barriers” has

added a lot of complexity to the system. However, developing countries have complained about the unbalanced relationship between the results of the negotiations, their application and the ultimate benefits for poor countries. The United States and the European Union in particular are accused by developing countries of doing too little to open their markets. This was an important factor in the breakdown at the last ministerial meeting in Seattle.

*A new  
broad world  
trade round  
is needed*

54. Another attempt to launch a new trade round, for which the name “Development Round” has been proposed, will be made at the next ministerial meeting in Doha, Qatar. The authors of this report wish to express their support for a comprehensive round of multilateral negotiations. While concentrating their remarks on the institutional issues, they would like to mention the importance they attach to several other aspects of this broad negotiation. In its contribution, the European Union should show its willingness to review certain aspects of its own policies – including the Common Agricultural Policy, which is seen by many countries in the rest of the world as questionable from a global perspective. The merits of holding negotiations in a “single undertaking” - which means that no result of the negotiations is finalised until an agreement has been reached on all issues on the agenda - should be reconciled with the need to provide for an “early harvesting” of the initiatives to abolish as soon as possible tariffs on exports from the poorest countries.

*A framework for  
foreign  
investment*

55. Rules for the treatment of foreign direct investment are an important issue. Foreign direct investment (FDI) is a highly important means for developing countries to achieve far-reaching economic change. However, in 2000 only US\$178 billion out of US\$1.1 trillion of FDI went to developing countries; and the least developed countries accounted for a meagre US\$4.5 billion. This lack of investment is partly due to the lack of a proper legal framework for the investor in poor countries. That is why the need for an international investment regime cannot be disputed. Discussing this issue within the framework of the WTO, and perhaps agreeing on basic principles for the treatment of foreign direct investment, would provide the opportunity to revisit the issue after earlier negotiations in the OECD failed. The large membership of the WTO would also allow an inclusive debate and allow time on the agenda for the needs of developing countries.

56. The need to establish a global competition/anti-trust body that works either under the auspices of the WTO or independently could also be examined in the course of a new round, although progress in this complex area can be expected to be slow. Priority should be given to an agreement on the principles needed for competition rules in the main trading blocs and to support developing countries in their efforts to shape domestic anti-trust legislation and administration.

*Discuss labour  
standards*

57. The final agreement of a new trade round should include a reference to the declaration of the International Labour Organisation (ILO) on fundamental rights at work, dealing with freedom of association and collective bargaining, non-discrimination, the prohibition of forced labour and extreme cases of child labour. WTO members should pledge their support to strengthening the ILO in order to enable it to promote and monitor more effectively the agreed labour standards.

58. In recent years the WTO has become a cornerstone of the international system. This is mainly due to the sanctions mechanism, which gives the organisation real

*The risk of over-  
stretch*

clout where member states do not follow the rules. However, there is a risk of overstretching the dispute settlement procedures. Negotiations are a better way of resolving disputes. Whilst fully accepting the need for (and the right to) sustainable development, protectionism through the use of environmental and social standards has to be avoided.

*Strengthen the  
ILO*

59. The International Labour Organisation is one of the oldest international institutions, with 175 member countries. Its basic aim is to improve working conditions around the world and create the conditions for decent work. In order to reach this objective 183 international conventions have been approved, setting out minimum standards for working conditions and employment. Five conventions concerning the freedom of association and collective bargaining, non-discrimination in the work place, and the prohibition of forced and child labour have been identified as particularly important. The capacity of the ILO to monitor these core labour standards must be strengthened and needs to be recognised by all of its member states.

60. A particular problem concerns the enforcement of the core labour standards. In November 2000, for the first time in its history, the ILO went beyond its usual practice of simply naming offenders against conventions. In the case of the continued use of forced labour by Burma/Myanmar (the military regime is said to use up to 800,000 forced labourers on public work and army projects), it asked its tripartite constituents and other international organisations to review their relations with Burma/Myanmar and to consider taking appropriate measures. So far, however, no state - even among those who expressed support for the idea of trade sanctions - has availed itself of the possibility thus offered. One reason for passivity may be the fact that Burma is also a member of WTO: trade sanctions against Burma/Myanmar, for example on exports of textiles, could be challenged on the basis of WTO-rules with a result that could set a precedent either way. Another possible reason is that the action taken by the ILO has proved quite effective even in the absence of trade sanctions; in leading the authorities firstly to adopt legislative change and secondly to allow, for the first time, an ILO high-level team to assess freely the real situation of forced labour in the country. This development shows that the capacity of the ILO to define and monitor core labour standards can be further reinforced. Migration is another area where the ILO will have to play a more important role in the future, particularly regarding the fate of migrant workers.

*A multitude of  
multinational  
environmental  
agreements*

61. Given global environmental problems, the question has been raised as to whether the international institutional architecture for the protection of the environment is still adequate. A number of different multilateral agreements have today led to the proliferation of environmental institutions for individual conventions located in different parts of the world. Their mandates are often not clearly delineated, which leads to overlapping responsibilities and unnecessary duplications.

62. This fragmentation highlights the need for a world environment institution to co-ordinate the existing efforts in a more effective and coherent way. Among the international institutions dealing with environmental problems, the United Nations Environment Programme (UNEP) has an especially important mandate. UNEP was intended to be a “small secretariat to serve as a focal point for environmental action” and to “co-ordinate environmental programmes within the United Nations system”

(UNGA Resolution 2997 (XXVII), 15 December 1972). In practice, its catalytic effect has remained weak due to the lack of means and power needed for such an important and difficult task. There is therefore at the moment no global environmental institution on the international level with the mandate and means to articulate global environmental concerns effectively. This clear institutional weakness of the international environmental pillar warrants urgent attention through the comprehensive reform of UNEP or, preferably, the creation of a new world environment organisation (WEO). A world environment organisation could play an important role in serving as an effective global voice in defence of the environment and in monitoring international environmental developments. It could be empowered to assess progress and deficiencies in implementing international environmental agreements.

63. Furthermore, a WEO could co-ordinate the international efforts to protect the environment and promote coherent and consistent decisions. It should have the mandate and means to articulate environmental concerns in an audible, credible and effective manner. To fulfil its tasks, it would need the right infrastructure in terms of personnel, funding and location. In preparation for negotiations on such a new institution, more political leadership and a broader debate on the responsibilities of all states and the need to respect development priorities will be required. Developing countries need financial and technological assistance in order to be able to develop sustainably and to integrate environmental aspects into their national development strategies. A new dialogue between North and South about the need to protect the environment and the financial and technological preconditions necessary for developing states to respond effectively must be opened.

*Environment  
and trade*

64. Finally, the relation between environmental and trade policy needs to be addressed. Environmental rules and trade and investment rules have to be developed coherently. A World Environment Organisation with a special mandate and specific knowledge and means could serve as a counterweight to the WTO, and could also allow the WTO to focus on those issues within its own specific mandate.

### ***The keystone: A Global Governance Group (3G)***

65. The lack of coherence and the deficit in inter-institutional arbitration between international organisations need to be confronted. A framework should be created in which leaders, at the highest political level, could define strategies on issues whose multifaceted aspects are currently dealt with in different bodies governed by officials reporting to different departments in their national administrations. The challenge of addressing and deciding on key issues and value choices ultimately falls upon heads of government. Their attention to horizontal issues is essential for enhancing coherence of the global economic system.

*Heads of  
government  
must be  
involved*

66. All countries must be linked in a structure that is both sufficiently restricted and legitimate. The authors of this report therefore recommend complementing the current G7/G8 mechanism and creating a Global Governance Group (3G), made up for instance of the 24 heads of governments that have executive directors on the boards of the IMF and the World Bank, as provided for in their Articles of Agreement. Whilst several other systems of representation could be imagined, this

*3G =  
Global  
Governance  
Group*

formula for a selection mechanism could be adopted, at least on a temporary basis, as it has the advantage of being based on international treaties, has been tested and is respected at least for dealing with issues of an economic or financial nature. Under this system, all member countries participate in the election of their directors, the five members with the largest quotas appointing their representatives; the other member countries electing the other 19 directors in the framework of agreed regional constituencies. This formula would have the additional merit of providing the Global Governance Group (3G) with full legitimacy to give political guidance to the institutions responsible for key aspects of development issues.

*A Global  
Governance  
Group to assure  
coherence and  
co-ordination*

67. The Global Governance Group would hold an annual summit on economic, social and environmental issues and make decisions on the basis of consensus<sup>3</sup>. It would function as a watchdog and assure a minimum of coherence, co-ordination and arbitration among international institutions. Its members would have to tackle major problems and issues. They should be invited to provide responses to key issues on which insufficient progress has been made so far: the strengthening of the ILO in order to enable it to advocate social concerns in the context of globalisation; the construction of an institutional pillar for global environmental risks on the basis of existing international conventions and UNEP; the resolution of pending problems in the field of foreign direct investment and global competition policy. One of the most urgent points they could act on is financial crime and tax evasion at global level through co-ordination of different initiatives against money laundering and tax evasion. They could also devise strategies to combat worldwide corruption through a better implementation of the OECD convention on bribery.

68. At their summits, the heads of government of the Global Governance Group would be joined by the Secretary General of the United Nations and the General Directors of the IMF, World Bank, WTO, ILO and the new World Environment Organisation (WEO). The various directors would together prepare the agenda of the summit. The national governments would be part of the preparatory work through a Sherpa system (a network of personal representatives of the heads of government), similar to that of the G7.

## Conclusion

69. This report has developed the argument for a stronger system of global governance by laying a foundation based on a set of core values and principles, by activating a network of actors that could create its framework, by strengthening and rebuilding certain institutional pillars and by putting in place the keystone in form of a Global Governance Group (3G). The system of global governance has to address the two main challenges of our times: to preserve the environment for the generations that will follow us and to offer more and better opportunities to the poorest.

*Better  
opportunities  
for the  
poorest*

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<sup>3</sup> In order to tackle global security risks heads of government could meet in the formation of the UN Security Council and alternate their summits with the Global Governance Group (3G).

## Annex

### COMECE ad-hoc Group on Global Governance\*

#### *Members of the group*

- Michel Camdessus**, former Managing Director of the International Monetary Fund, Paris (chairman of the group)
- Rudolf Dolzer**, Professor for International Law, former Director General in the Office of the Federal Chancellor, Bonn
- Michel Hansenne**, Member of the European Parliament, former Director General of the International Labour Organisation, Brussels
- Onno Ruding**, Vice-Chairman of Citibank, President of UNIAPAC and former Dutch Minister of Finance, Brussels
- Peter Sutherland**, Chairman of BP plc, former European Commissioner and former Director General of GATT and the WTO, London
- Paul Trân van Thinh**, former chief negotiator of the European Community at the GATT/WTO, Geneva
- Simona Beretta**, Professor for international economic and financial organisations, Milan
- Franz Eckert**, Adviser for European Integration, secretariat of the Austrian Bishops' Conference, Vienna
- Reinhard Felke**, Administrator in the European Commission, Brussels
- Flaminia Giovanelli**, Pontifical Council for Justice and Peace, Rome
- Charlotte Kreuter-Kirchhof**, Assistant teacher for International Law, Bonn
- Stefan Lunte**, Assistant Secretary General of COMECE, Brussels (secretary of the group)
- Matthias Meyer**, Head of the Public Policy Department in the secretariat of the German Bishops' Conference, Bonn
- Noël Treanor**, Secretary General of COMECE, Brussels

\* The views expressed in the text are personal and should not be attributed to institutions or companies to which members of the group are related.