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Global Governance: The European Union's Contribution

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The seminar's purpose was twofold: (a) to reflect on the prospects and difficulties of global governance, a notion that can be linked to the idea of effective multilateralism, and (b) to analyse the actual and potential roles of the European Union in global governance. Even though global governance is not currently high on the international agenda, owing to pressing specific issues, the need for concerted management of global challenges, such as climate change, extreme poverty, illegal immigration, lack of resources and financial instability, remains paramount. The EU and its member states have declared that effective multilateralism, well functioning international institutions and a rule-based international order are their priorities. Now the question is how to put into practice those principles.

First session: Multilateralism in crisis

The seminar's point of departure was the following paradox: globalisation without governance. Globalisation appears to be expanding, in the economic, security and other fields, while the appropriate instruments to manage its consequences are lacking. Neither individual states nor multilateral institutions and regimes are responding to global challenges satisfactorily.

One participant to the seminar suggested that the situation would become more worrying in the future if the projections contained in the EUISS study Long Term Vision 2025 are accurate. Differences between the global 'haves' and 'haves-not' will increase. Both within states and internationally economic and social gaps will grow, making it more difficult to introduce rules to maintain order. Some regions, and in particular Africa, seem doomed to economic failure. In other words, 'globalisation will not be global'. This prospect makes the European Union's contribution to the governance of global challenges all the more important. The central question is, 'will the Europeans be mere spectators of those developments, or will we be able to shape in one way or another the future of the international order?'

In the European Security Strategy (ESS) of December 2003, the European Council supported multilateral solutions to global challenges. However, two and a half years later, one can argue that multilateralism has not made a lot of progress in international affairs. It can be even maintained that multilateralism is in crisis. In the seminar's first session, some recent examples were considered:

1. The NPT review conference in March 2005 did not produce encouraging results. Political stalemate at the conference hampered advancement on various fronts: the CTBT, a verifiable ban on the production of fissile material, nuclear disarmament, strengthening of the IAEA inspections regime and the treaty's

withdrawal provisions. The effectiveness of UN bodies dealing with WMD and disarmament was also put into question during the seminar.

2. The United Nations 60th anniversary summit in September 2005 did not result in a clear reinforcement of the organisation. In this particular case – some participants argued – the EU Member States failed to seize that symbolic opportunity to define a common vision for the future of the United Nations. More specifically, instead of negotiating a common position on UN Security Council enlargement, the Europeans showed profound divisions.

3. In a different context, negotiations to complete the World Trade Organisation's Doha round advance very painfully. The WTO's Director, Pascal Lamy, has recently declared that only 30 percent of the necessary work to agree on a framework for cutting tariffs had been done by the April 2006 deadline.[1]

With an aim to reverse this situation, the seminar's first session discussed both the idea of 'effective multilateralism', which was introduced by the ESS, and the more ambitious notion of 'global governance'. Some participants pointed out that the latter had been defined in the 1990s, and it remains to be seen whether it could be resuscitated. Indeed, some general obstacles and difficulties related to global governance were raised during the debate:

- Leadership: Who is going to take the lead to respond to global threats and challenges that require rapid reaction? Who is leading the reform of the international order? The real problem of global governance today – one participant suggested – is not a crisis of multilateral institutions, but the crisis in global leadership due to the United States' weakness on some accounts.
- Complexity: What are the respective roles of states, international organisations and regimes, and other actors, such as multinational corporations and non-governmental organisations? The traditional balance of power cannot apply today, since we are living in a heterogeneous international system, where the various actors enjoy different types of power.
- Multilevel multilateralism: International structures co-exist, organised in various layers, and they share responsibilities with states, which makes management of global challenges more difficult.

Second session: Global governance: the supply/demand gap

While the objective of the seminar's first session was to analyse recent cases of failed multilateralism, the second session had a more constructive aim. In this session, participants were invited to discuss the global governance gap and deal with the question: what can be done to improve global governance in specific areas?

Knowledgeable experts were invited to address the issue of global governance in the following fields: the world economy, energy resources and security.

The picture of global economic and financial imbalances is discouraging. The global economy is still managed according to the 'Westphalian' and 'elitist' approach that stemmed from the Bretton Woods conference, whereas, today, other international actors, such as the emerging powers, have an important de facto role in economic and financial matters. As a result, a crisis in the legitimacy of international economic institutions can be detected. New mechanisms to deal with economic and financial issues globally should be explored. One

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[1] Mark Landler, 'After missed deadline, WTO chief fears for talks', *International Herald Tribune*, 4 May 2006.

speaker proposed that the European Union should have a single representation in the IMF, which would give the Europeans a veto right, as is the case with the United States today. On the other hand, the limits of economic growth were also discussed. In this respect, one expert affirmed that 'continued growth of China and India is unsustainable in the long run'.

Governance of <u>energy resources</u> is problematical, for global demand is rising and global supply is set to diminish. Both the West and the emerging powers are 'energy hungry'. The consumer countries need energy and, therefore, the producers will become more powerful. A number of solutions to this problem were mentioned: (a) uninterrupted dialogue between consumers and producers, (b) diversification of energy sources, (c) saving energy. The impact of increased energy consumption on the environment, climate change and global warming was also considered. From the security point of view, it was underlined that most of the fossil fuels that Europe needs are located in the Middle East region, and a large proportion of those resources is shipped through 'dire straits', which makes lines of supply vulnerable. Other participants argued that 'securitisation' of the energy issue was a mistake. Stability in the Middle East could only be attained through political and economic initiatives.

In the area of global <u>peace and security</u> the governance gap was described as a combination of under-institutionalised international order and uneven distribution of power. Collective action and UN reform have been put aside in the last few years and have been replaced by coalition building and unilateral action, leading to a structural failure of the international order. As a consequence, we are witnessing a paradox in the security field: 'a prevailing logic of anarchy in a highly interdependent world'.

The debate on global governance on peace and security issues focused on the <u>reform of the United Nations</u>. The following aspects were mentioned:

- Some participants maintained that the UN Security Council should be expanded in order to ensure its perceived legitimacy.
- Other participants said that an enlarged Security Council would be inefficient because it will be unable to take decisions.
- Opinions were split on whether the industrialised countries or the less industrialised countries were hampering change in the United Nations Charter.
- Some experts advised the creation of a single European group at the UN General Assembly, including all the EU Member States.
- The need for assigning the UN better resources for peacekeeping, and increasing its budget, was a point of view shared by several participants.

Third session: Options for global governance

The following illustrative options were presented to the seminar:

1) <u>Status quo option</u> – Management of global affairs is done as in the present. No major change is introduced in the foreseeable future. Individual states continue to take the lead, while international institutions and regimes languish.

2) <u>*Directoire*, or governance through power</u> – The select clubs existing today (G-8, IMF, UN Security Council, etc.) have an increased role in world affairs. The current members of the exclusive clubs and ad hoc groups refuse to admit new members.

3) <u>Reformist option</u> – Little by little, international institutions and regimes are reformed and adapted to the new needs. In this scenario, painful negotiations

lead to modest but useful changes in the UN, the Bretton Woods institutions, the EU and other regional bodies, and international regimes. However, synchronization between them is less than perfect.

4) <u>Transformation of existing institutions and regimes</u> – Acknowledging that states and international institutions, as they are now defined, are incapable of managing the world's problems, governments decide to transform existing institutions and regimes profoundly. Greater coordination between institutions is agreed upon.

5) <u>Networks</u> – In addition to governments and international organisations, multinational companies and NGOs representing civil society are involved in the management of global problems through the creation of governance networks.

6) <u>Bottom-up governance</u> – A number of cosmopolitan and anti-globalisation movements are proposing an increased role for the global civil society in global governance.

7) <u>Constitutional option</u> – Following a global catastrophe, such as a nuclear accident or drastic climate change, states and other international actors decide to convene a global constitutional conference, which leads to the creation of new global institutions and regimes.

Speakers recognised that the current political circumstances are <u>not the most propitious</u> to envisage a bold reform of global governance. Therefore, a <u>combination of the *directoire* and reformist options</u> seems the most likely prospect for the foreseeable future.

Nevertheless, a whole range of questions can be contemplated from a policy-planning point of view: should the European Union decide to shift gear from the concept of 'effective multilateralism' to the more ambitious notion of 'global governance'? Would the 25 EU Member States reach consensus on this issue? Which political leaders in Europe can push to include global governance into the EU agenda? And when? Should the Europeans promote global governance with or without the United States? Should the Europeans wait for the November 2008 US Presidential elections in order to check whether the new American Administration has a more pro-multilateral stance and is more sensitive to global challenges?

Be it as it may, the less-than-favourable current political circumstances must not discourage the Europeans to think about those questions. One participant in the seminar supported the <u>EU's 'intellectual autonomy'</u> to – at least – reflect on such crucial issues. The growing tension between the foreign policy agendas of major international actors, which are mainly national, and the 'globalisation without governance' syndrome, which is getting worse, largely justifies that attitude.

Fourth session and conclusion: What role for the European Union in global governance?

Potentially, the European Union can contribute to global governance in a number of ways, for instance:

a) Reinforcing international institutions through budgetary and political measures;
b) Helping to reform the United Nations;
c) Negotiating a intra-European agreement on UNSC enlargement;
d) Promoting region-building across the world;

e) Promoting rule of law and human rights more resolutely;
f) Further upholding international law;
g) Proposing the creation of new international bodies and regimes for the protection of the environment;
h) Contributing to better governance and development in Africa.

However, before identifying specific measures, the European Union and its Member States should decide what kind of world order they would like to see in the future.

The EUISS Director, Nicole Gnesotto, suggested that, despite the adoption of the European Security Strategy and other documents and declarations, the European Union has not addressed this question in depth, which also implies to ascertain what are the EU's long-term interests. Three possible models of world order are worth mentioning: the American model, which intends to transform multipolarity into a new sort of bipolarity between good and evil; the Chinese model, which combines economic development with realpolitik; and the European model, based on the conviction that diplomacy, permanent negotiation and consensus, with the exclusion of the use of force, is the best solution for any international issue and controversy. The Europeans should strife for the survival of their model, because it is not clear whether the emerging powers and other international actors will share European principles and values, in the multipolar world looming on the horizon.

During the debate, there was consensus that the European Union's contribution to the international order requires a more determined European foreign and security policy. The Europeans should first concentrate on the internal disagreements and misunderstandings that get in the way of such policy: the respective roles of Member States, the Council, the Presidency, the Commission and other bodies, unanimity vs. qualified majority voting, etc. Secondly, the Europeans should try to reach agreement with the United States not only on specific issues but also on the grand design of the world order. However, if this agreement is not possible, the Europeans should be ready to act alone. It is not possible to conceive of the European Union as the leading actor in the world, but it can influence other actors to engage in a global order that is inspired by principles and rules.

The long-term defence of principles and values, such as democracy, human rights and human dignity, rule of law, international law and multilateralism, in a multipolar, multi-cultural and rapidly changing global environment, necessitates a sound and durable European commitment.

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