

A STRATEGY OF GLOBAL DEMOCRATIC CHANGE

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In our forthcoming book, *Global Democratic Change: World Politics as the Art of the Possible*, we examine the major global democracy initiatives. How are they justified? Who supports them? Are they politically possible and feasible? What are their transformative effects?

On the basis of our analysis of the feasibility and desirability of different initiatives, we develop a systematic strategy for global democratization in the early 2000s. We start from the assumption that democracy is an open-ended process that is produced by actors but not under the circumstances of their own making.

It is not easy to categorize different global democracy initiatives. The scope and depth of proposals differ substantially. Sometimes there is also an important difference between short-term and longer-term aims. Whatever the categorization, many concrete proposals include features of more than one category.

Perhaps the easiest way to categorize the existing proposals is in terms of their attitude towards existing institutional arrangements. On the one hand, there are proposals that aim at reforming existing institutions and organizations, without changing them fundamentally. On the other hand, there are initiatives that imply deeper changes of the global context, perhaps through the establishment of entirely new institutional arrangements and organizations.

Thus, there are dozens of proposals about reforming parts, or the whole of, the United Nations system, without altering its fundamental character. There are numerous initiatives to revise some of the rules and principles of the Bretton Woods institutions or the World Trade Organization. Moreover, it is equally common to advocate reforms of, say, various security, human rights, or environmental regimes.

Examples of proposed new institutional arrangements include a global truth commission, a world parliament, a debt arbitration mechanism, and global tax organizations, as well as various ways to institutionalize civil society meetings and

assemblies. To what extent would these new organizations revise the relevant global contexts? It depends on the concrete details of the proposal. The rationale of some new organizations would seem to be merely symbolic. Thorough reforms of existing organizations would often appear to have much more transformative capacity. On the other hand, some plans for new institutional arrangements are innovative and would democratize some of the relevant contexts quite thoroughly.

In the book we conclude that it is virtually impossible to democratize the UN system or, in particular, the Bretton Woods institutions. The veto rights of the UN system and the one dollar, one vote decision-making of the Bretton Woods institutions mean that there are formal impediments for democratic changes in these institutions, apart from the informal ones that are derived from their financial dependence and other factors. The international courts are best seen as elements in the wider background context. Although important from the point of view of establishing the rule of law globally, the democratizing effects of creating or strengthening international courts are dependent on other reforms.

The World Trade Organization seems to be the existing multilateral arrangement that is most susceptible to democratic change. The one country, one vote principle on which it is in theory based makes changes possible, however difficult they may appear at the moment. The recent failure of the Cancún meeting of the WTO shows that various countries of the South may be ready to demand a significantly more active role within the organization.

The WTO is central to the global project of locking-in orthodox economic policies. The scope and powers of the WTO have been rapidly expanding. In principle, almost anything can now be related to trade and can thus be covered by the process of WTO law-making. Ultimately, trade is absolutely and perfectly 'free' only in an idealized and globalized model of neo-classical free market capitalism. In practice, the WTO is also biased towards serving the particular commercial interests of the powerful. Democratic reforms of the WTO should thus focus, primarily, on reducing and redefining its scope and, secondly, on democratizing its preparatory process, decision-making procedures, and dispute settlement mechanisms. For the poorest countries, a mere General Agreement on Tariffs and Trade (GATT) type trade regime would be quite enough. For the other member-states, there should be opt-out mechanisms and room for different economic and developmental policies. Regulation of trade in services should be clearly disconnected from the project of liberalization and privatization of services. Trade-related aspects of intellectual property rights (TRIPS) should be revised to be more conducive to diffusion of technologies and free communication and also moved out of the WTO, possibly back to the UN. Trade-related investment measures (TRIMS) should be replaced with a new investment regime holding foreign direct investors and transnational corporations accountable to democratically elected and accountable global authorities.

Of the possible new institutional arrangements, a global truth commission and world parliament are interesting but ambiguous possibilities. Both need time to evolve into mature initiatives, and the social conditions for a global parliament in the

currently prevailing sense do not exist. The latter claim could, however, be partially tested by means of a global proto-referendum.

The establishment of a debt arbitration mechanism and global taxes – and the currency transactions tax in particular – emerge as the most prominent possibilities. Since many crucial mechanisms of power in the global political economy are based on financial dependency, both the creation of a debt arbitration mechanism and the currency transactions tax would make a major difference. They would relieve the dominance of global finance over states, and thereby enhance the rule of law and democratic politics. Simultaneously, they would create new and more enabling sources for financing development and for other priorities.

A key obstacle to most global reforms is the strong opposition and hard hegemonic will of the U.S.. Depending on the context, a number of other countries also tend to have reasons to oppose democratic reforms. In the case of the currency transactions tax, for instance, a number of off-shore financial centers and tax havens are opposed to bloc reforms. The only way forward may thus be to proceed without some countries. Indeed, what has been common to successful global initiatives of the 1990s is that they have been based on the possibility that a grouping of countries can proceed, at first, without the consent of the others. This has been true in the cases of the International Criminal Court and the Ottawa mine ban convention. This is also the only realistic way of materializing the currency transactions tax and greenhouse gas taxes in the early 2000s.

The debt arbitration mechanism might be an exception. Occasionally, it has seemed that the possibility of some kind of debt arbitration mechanism has been taken seriously also by the U.S. and the Bretton Woods institutions. Yet it is quite evident that they would like to retain the power to control, effective to varying degrees, the economic policies of sixty to eighty Southern and Eastern states. Some kind of compromise might be possible particularly in the longer run, given the inadequacy of the World Bank's HIPC I and II debt initiatives and the pressures to recognize the *de facto* insolvency of a large number of states struggling with the debt problem. It is not inconceivable that this component in a strategy for global democratization might thus be nearly universal, comprising all major states and perhaps also giving the civic actors and movements a right to speak. Most likely, however, the only way to realize a rule-of-law-based and democratically organized debt arbitration mechanism is to proceed without the U.S..

Financial reforms should come first in the strategy for global democratization. By tackling important aspects of the power of finance and by creating democratic forums and new public sources of finance, the world political context can change. Most importantly, by relieving the effects of debt and short-term finance on the policies of states, the debt arbitration mechanism and currency transactions tax would make a number of states also more autonomous in the WTO negotiations. Also, for instance, UN reforms will become more likely once new sources of funding the UN system have been institutionalized. Partial reforms will in this way create new opportunities for further transformations.

Both the financial and the WTO reforms will be uncertain and contingent on the process of building political and social support. The precondition for this strategy is thus the empowering of new political forces. There must be a strong transnational movement for global transformations. The World Social Forum (WSF) process stands out as a new major space created by and for global civil society. It is noteworthy that the WSF process has been independent of any state (except for the support of the Brazilian state of Rio Grande do Sul). In a relatively short time, it has built the capacity to generate new projects and alliances. The further empowerment of the democratic elements of the global civil society, especially via the WSF process, would seem to be a fundamental component of a strategy for global democratization. More controversially, it is also possible that the WSF itself may emerge as a major political force.

The WSF is sometimes criticized for being merely an empty—and often rather chaotic—space for encounters. The original organizers of the WSF process have been reluctant to conceive the WSF as an entity with political goals. It is indeed important that the process retains and develops its openness and pluralistic and non-violent nature. New institutional developments are, however, needed for making the WSF more empowering and adequate. The International Council has become an increasingly important decision-making body within the WSF process, responsible for deciding upon the location and various other key aspects of the main WSF events. While most decision-making in the council has until now been based on consensus, it would be useful to create transparent mechanisms for voting when needed. For instance, the International Council could select its secretariat on an annual basis.

The question of who should form part of the International Council has become an increasingly contested topic. In order to keep the council open and democratically selected, its membership could be restricted for three or four years only, with the principle of rotation and possibly even lottery as the means to elect new members among those qualified for, and interested in, membership. The need to maintain the institutional memory would be ensured by the fact that each year most members would continue.

One of the biggest challenges of the WSF is how to build in mechanisms to further substantial projects, without giving in to the idea of a hierarchical and monological party of opinion. One possibility is that while the WSF itself continues to avoid taking stands on particular issues, it better facilitates the possibilities for its participants to find common grounds for shared political action. To a certain extent, this has already taken place through the declarations of social movements that have gathered in the annual WSF events. A more controversial possibility is that some could be empowered to speak from within the internal bodies of the WSF, although no one would represent the WSF as a whole.

It is, of course, possible that the WSF may fail to take a key role in transformative civil society projects and that other parts or (possibly already existing) projects of global civil society will assume a more predominant role in the future. Whatever form the strengthening of global civil society will take, it is important that concrete strategies of change will emerge from within. According to our analysis, the key is to tackle, first,

the most immediate forms of financial dependency by establishing a debt arbitration mechanism and the currency transaction tax. Both can be created by a group of willing countries, supported by local, national, and transnational civil society organizations. This would also empower a number of weak parties in the WTO to adopt more independent positions. Since the WTO allows for the possibility of majority decision-making (one country, one vote), this would open up the prospect for drastic but carefully prepared WTO reforms.

Rather than a closed model of global democracy, the proposed strategy is meant to constitute only the first steps in an open-ended process of global democratization. A key aspect of our strategy is that seemingly modest reforms can open new possibilities for radical transformations.

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