“The problem with global governance”

Speech by Louise Fréchette to the International Bar Association
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First, let me thank the International Bar Association, Pierre Bienvenu and Laura Christa for inviting me to speak about global governance. My career as a diplomat and as an international public servant has involved me in the work of a broad range of international institutions. I have seen the good, the bad and the ugly. That’s the experience I want to share with you today. How good are these institutions? Can they be improved and how?

The number of global governance instruments is mind-boggling. Practically every field of human endeavours has given birth to countless international norms, a plethora of institutions and a multitude of cooperative arrangements of all kinds.

At the apex of our global governance system sit the United Nations and its related agencies, funds and programmes as well as the Bretton Woods Institutions and the World Trade Organisation. These are the ones I will focus on today but let us not forget that the landscape is a lot more crowded.

There is for instance the vast assortment of regional arrangements and institutions. Their number has been on the rise over the last few decades and they play an increasingly prominent role.

There is also the universe of public-private governance, of which the Global Fund on Aids, Malaria and Tuberculosis launched in 2003 is a good example.

And I have not mentioned yet the endless list of informal groupings that have sprouted like mushrooms over the years and have added to the alphabet soup of acronyms: the BRIC, APEC, the Rio Group, the G-7, 8, 20, alouette.

Why, may you ask, is the international system so complicated? We need look no further than our own countries to understand why: practically every international entity mirrors a similar one at the national level.

The only difference is that at the international level, there is no President or Prime Minister, no cabinet table where competing priorities are reconciled and contradictions resolved.

The Secretary-General of the United Nations is often assumed to be the ultimate boss of the international system. He most certainly is not. His effective authority extends no further than the UN Secretariat. Other bits of the UN system have their own separate budget and take their
marching orders from their own inter-governmental governing boards. And, of course, the Bretton Woods and the WTO – the economic pillars of our international system of governance - are only loosely connected to its political, security and social pillars.

All these organisations come in for a fair amount of criticisms.

Before we consign the current global governance set-up to the ash heap of history, let’s pause for a moment and see what our institutions have done for us over the 60 years of so of their existence.

I would argue that they have helped the world to get through the Cold War without a major blow up. They have shepherded the process of decolonization and continue to this day to be an essential tool for the management of conflicts between and within states. They have also helped to foster the gradual opening of economies and have provided essential support to poorer countries.

For all their imperfections, the United Nations, the IMF, the World Bank and the GATT (now World Trade Organisation) have been the pillars of a world order that has seen tremendous progress and improvement in mankind’s wellbeing.

Our era is immensely less violent than previous ones. Billions of people have been able to lift themselves out of poverty. Human rights are better protected than at any time before in history. At least some of the credit must go to the existence of an ever evolving set of norms and institutions voluntarily accepted by most countries on this planet. Without them, I am certain the world would be in a worse shape than it is today.

Still the system’s inadequacies are real and its weaknesses, glaring. Let’s take as a concrete example the nuclear area which has been so much in the news lately.

International governance of nuclear activities is quite robust compared to other issues like water or drugs.

Nuclear governance is also relatively simple, with a more limited number of institutional arrangements than in many other fields. It rests on a few key international agreements.

The non-proliferation treaty came into force in 1970 and has achieved quasi-universal ratification with only three countries - India, Pakistan and Israel- remaining as non signatories.

The conventions on nuclear safety and nuclear security are of more recent vintage. The Convention on Nuclear Safety, which concerns the safe operation of nuclear power plants, has been in force only since 1996. 72 countries are now parties to it, including all those that operate nuclear power stations.

As for the Convention on the Physical Protection of Nuclear Material, which goes back to 1980, it originally applied only to the transport of nuclear material across international borders. 9/11 triggered a new round of negotiations to amend the convention. An agreement was reached in
2005 to apply its provisions to domestic installations as well. This amendment has not yet entered into force.

International cooperation in the nuclear area is supported by the International Atomic Energy Agency based in Vienna. It is one of the best-run UN agencies with very competent staff and a depth of expertise unmatched in any other organization.

Activities of the IAEA are, in principle, funded out of a common budget to which all member states must contribute according to an agreed scale.

In practice, the voted budget is insufficient to cover all that the agency is required to do by its member states. A significant share of the money has to come from voluntary and therefore irregular and unpredictable contributions.

While both the nuclear safety and nuclear security conventions spell out a number of obligations, safety standards developed in the IAEA are not mandatory and there is no obligation on the part of signatories to open their power plants for safety inspection.

Since Chernobyl there has been greater participation in peer-review processes carried out under the IAEA and more countries have gotten in the habit of inviting the Agency to send evaluation missions. Following the Fukushima disaster, there were proposals to move to a regime of mandatory standards and inspection. While countries like Canada, Germany and France supported such a move, others, particularly the United States, China, India and Pakistan maintained the position that nuclear safety had to remain within the exclusive control of individual states and that cooperation should be entirely voluntary. They won the day.

Needless to say, the international regime regarding nuclear security is even more likely to remain based entirely on voluntary cooperation given the sensitive nature of the information regarding the protection of nuclear installations.

The NPT has more teeth. Signatories must accept mandatory inspection of their nuclear activities to ensure that nuclear material is not diverted towards the fabrication of nuclear weapons. However, these inspections can only proceed after a country has signed a protocol with the IAEA defining the modalities of the inspections.

The IAEA has the power to refer countries that are in breach of their NPT obligations to the UN Security Council but there is nothing automatic about this move since it requires agreement of the IAEA Board. The Security Council can impose punitive measures such as sanctions and can even authorize the use of force against the recalcitrant state. There again, any such action requires 9 positive votes out of 15 and no veto from any of the permanent members of the Council, a tall order in the best of circumstances.

The NPT regime is getting more fragile by the minute.
Two of the non-signatories-India and Pakistan- proceeded openly to acquire nuclear weapons of their own and the third- Israel- is presumed to have done so as well. New fault lines have appeared in recent years. North Korea, Iran, Iraq, Libya have all been found to be in breach, in one way or another, of their NPT obligations and there are disturbing signs that Syria may have too.

Another source of strain is the fact that the NPT is an unequal treaty with different rights and obligations for different categories of countries. The NPT deal, which allowed five countries to keep their nuclear weapons while all others relinquished their right to do so, was widely accepted in part because, when the treaty was concluded forty years ago, only a handful of countries could realistically aspire to develop their own nuclear weapons. Nowadays, this process is within the reach of any number of countries.

Meanwhile, the five countries- USA, France, the United Kingdom, Russia and China- that were allowed to keep their nuclear weapons have not lived up to their Treaty obligation to move towards complete disarmament. Failure to deal with these growing tensions within the Treaty threatens the long-term viability of the whole non-proliferation regime.

The weaknesses in the nuclear governance regime I have just described- norms that fail to keep up with evolving circumstances, patchy financial base, limited to non-existent enforcement capacity, growing strains resulting from the emergence of new politically and economically influent countries, reluctance of countries to accept international oversight – are fairly typical of all our global governance arrangements.

To these problems must be added the challenge of coordinating the activities of a very large number of international entities, a challenge that took up a great deal of my time when I was at the UN. And I have not yet uttered the words “bloated bureaucracies”, “waste” and “corruption” that come up every time there is a mention of international organisations. Examples of all three can indeed be found everywhere (just like in our national administrations, I might add) although, in my experience, they are not as pervasive as is often assumed.

Though problems of coordination and sound management are not easy to fix in a system ruled by 193 masters, each with different priorities and interests, improvements are entirely possible. To take only the example of the United Nations, numerous reforms were implemented in the last couple of decades to improve the organisation’s performance on these fronts and while the current situation is far from perfect, it is significantly better than twenty years ago.

Funding problems are not insurmountable either. International governance does not come cheap. According to a recent study, the budgets for the United Nations and its agencies, funds and programmes totalled about $43 billion in 2009 (incidentally, fully $ 31 billion were voluntary contributions). Large as these sums may be however, the contribution that each country makes towards them represents a very small fraction of its national budget. When the world genuinely decides to tackle a problem – the AIDS pandemic is a good example - international funding can rise dramatically in a short period of time. In many cases, the funding problems are due as much to reluctance to pay as to affordability.
These problems - of coordination, of management, of funding - pale in comparison with the challenge of finding consensus among 193 countries when the issues at hand touch on the economic, political or security interests of countries.

Take the problem of the composition of the UN Security Council. Years of discussions – close to two decades by my count- have not yet led to an agreement to enlarge it and to add new permanent members. The reason is simple: the five current permanent members are not anxious to share the privilege with other countries and the middle powers like Canada, Mexico, Turkey and many others are loath to see some of their peers – countries like Brazil and India- accede to a higher status.

The Bretton Woods institutions face a similar problem: Europe is still over-represented on their governing boards in relation to the emerging countries but no one is volunteering to step down. Between what would be good for the institution and the interests of individual countries, there is rarely any contest.

The problems we face are more and more global. Climate change, international terrorism, the drug trade, human trafficking, cybercrime, infectious diseases control, nuclear proliferation, financial turmoil: none of these problems can be managed by 193 countries pursuing each their own preferred course of action. This is the flip side of globalisation and the inescapable interdependence that now connects us to all parts of the world. Yet, we are reluctant to commit ourselves to pursue a common course and to accept the constraints that come with it.

What is happening in Europe at the moment illustrates the point most eloquently. The stakes cannot be higher – the future of the Euro and perhaps the unravelling of 50 years of economic integration – yet European leaders and their public opinion are very reluctant to accept new disciplines on the management of their economy and new institutional tools to ensure compliance with their common commitments.

If Europeans find it so difficult to strengthen their own governance arrangements, we should not be surprised that building robust global governance is proving to be so hard.

While our problems are increasing global, our politics remain local. That is true in all countries. What matters to us is what happens in our community, in our city, in our country. This is what motivates our political choices. We are not thinking as global citizens, not by a long shot, and neither are our political leaders.

None of this means that we have to stop trying to improve our global governance arrangements. But knowing how difficult it is, we need to be smart and strategic in how we go about it.

First, let’s be clear about what reform can and cannot accomplish. Reform cannot produce political agreement where there is none. There is no institutional reform that will fix the climate change problem or guarantee success at the Doha round. Nor can it produce instant solutions to intractable problems. I cannot think of any reform that will ensure that we can quickly generate
stability and prosperity in failed states like Somalia or that we can stop gross human rights abuses anywhere and everywhere.

In my opinion, we should also stay away from too broad an agenda. A lot of people yearn for a new “Bretton Woods moment”, a grand reform exercise that would allow us to start afresh and build the governance system that our times require. I would love to see that happen but I doubt very much that it will.

For one thing, as far as I know, there aren’t any blueprints for the perfect governance waiting to be embraced (save for utopian notions of some form of world government which are simply not in the cards).

Furthermore, I do not think the circumstances are ripe for such an ambitious project. Power is much more diffuse around the globe than it was in 1945 and rallying a broader, more diversified range of countries around visionary schemes is perhaps a bridge too far.

Better, then, to be somewhat opportunistic and seize favourable conditions when they arise. That is what happened 20 years ago when the Cold War came to an end and many countries embraced democracy.

Taking advantage of this exceptional degree of political convergence, a number of reforms were implemented to reinforce global governance in the area of human rights and international criminal justice.

I have in mind the creation of the post of UN High Commissioner for Human Rights, the establishment of ad hoc tribunals for war crime in Rwanda and the Former Yugoslavia leading to the creation of the permanent International Criminal Court and, more recently, the emergence of a new norm on the international responsibility to protect civilian populations against the abuses of their own government which was invoked for the first time in the case of Libya.

I also have in mind the dozens of complex peacekeeping missions that have been deployed since the end of the Cold War to buttress fragile peace agreements, protect civilian populations and help restore a modicum of stability and civility to war torn countries. These missions represent real innovation compared to the Cold War era when concerns for sovereignty and superpower rivalries made this kind of intrusive international action unthinkable.

Today, the financial crisis and the growing popular discontent it has generated could open a similar window of opportunities for some much needed strengthening of our global economic governance. Will the moment be seized? The answer is far from clear at this point.

The future of global governance depends as much on the emerging countries as on the choices that America and its western partners make in the coming years. But emerging countries do not as yet have very clear views to offer on where they want to take global governance and are hesitant to exercise leadership on the world scene. There is still lots of room for Western, particularly American, leadership.
America can no longer dream of a “unipolar world” but it will remain, for a long time to come, an “indispensable nation”, to borrow a term that was dear to Madeleine Albright when she was Secretary of State. Will it continue to “stand tall”, to “see further into the future”, as she put it then? Or will it turn inwards, giving in to fear and resentment?

Governments are facing complex, life-changing challenges that simply cannot be solved within national borders. The decisions they take about the future shape of global governance will influence the course of history for decades to come. Let us hope that they do not shy away from the bold actions and necessary reforms that the circumstances require.