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International Institutions Need Injection of Democracy

Global civil society campaigns an opportunity, not a threat

Manila, 24 July 2002—Protesters in both developed and developing countries in recent years have been motivated by concern that poor people and countries are losing out in the way that global affairs are managed. Whether it is the trade barriers and subsidies that keep poor country farmers out of rich country markets, or the slow response to the spread of HIV/AIDS in Africa, the leading global powers and institutions stand accused of being unfair and out of touch.

But it doesn't have to be this way, says this year's *Human Development Report*, commissioned by the United Nations Development Programme (UNDP) and released today.

The Report calls for concrete reforms to increase the role of developing countries in international institutions and make them more open and accountable to the people and countries whose lives they affect. Nearly half of the voting power in the World Bank and International Monetary Fund (IMF) rests in the hands of seven countries. And though all countries have a seat and a vote in the World Trade Organization—in practice, decisions are taken in small group meetings and heavily influenced by Canada, the European Union, Japan and the United States. In 2000, 15 African countries did not have a single trade representative stationed at the World Trade Organization (WTO).

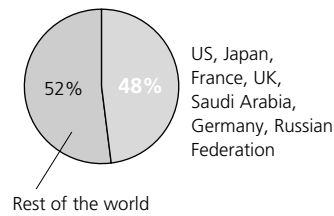
"Powerful states are always going to have a major role in global decision-making" said Mark Malloch Brown, UNDP Administrator, "But there is plenty of room to give poorer countries a real say in helping confront the challenges of a more interdependent world."

The Report highlights a number of reforms that could address some of the more obvious imbalances in global decision-making. These include: eliminating the UN Security Council veto, reforming the selection process for the heads of the IMF and World Bank (currently controlled by Europe and the United States, respectively), and new programmes to help the poorest countries better represent their interests at the WTO. In the UN

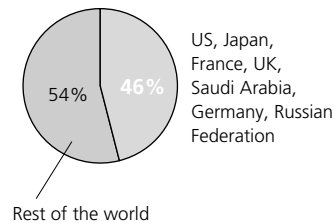
FIGURE 5.2

Whose voice counts at the IMF and World Bank?

Voting power at the IMF



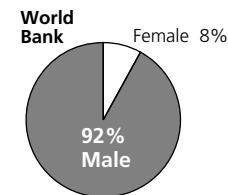
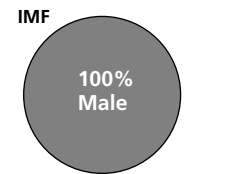
Voting power at the World Bank



Source: IMF 2002a; World Bank 2001b.

FIGURE 5.3

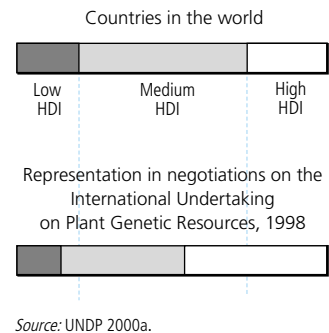
Women on the boards of directors of international financial institutions



Source: Women's Environment and Development Organization 2002.

FIGURE 5.4

Whose voices are heard in international negotiations?



Security Council, the majority of vetoes do not concern vital international security issues: 59 vetoes have been cast to block admission of member states, and 43 vetoes have been used to block nominees for Secretary General in closed sessions of the Council.

“People need to believe their elected representatives will have a fair chance to represent their interests on decisions or policies that impact their lives and the well-being of their families,” said Sakiko Fukuda-Parr, chief author of HDR 2002.

The Report says that recent global civil society campaigns—on everything from reducing poor country debt to accessing essential medicines under the TRIPS intellectual property agreement—have pointed at ways to reach more collaborative solutions to global problems in an interdependent world. Over 1,000 civil society organizations across the world worked together in a campaign to establish an International Criminal Court (ICC). Due in large part to the efforts of this coalition, it took just four years for the 1998 ICC Treaty to be ratified by more than 60 countries and come into force: a milestone some thought would take decades to achieve.

Rather than feeling threatened by such global activism, the international community should see it as an opportunity to inject new energy and popular legitimacy into global decision-making, the Report argues. There are already some promising examples along these lines. The Report mentions the World Commission on Dams that brought together not only governments and financing institutions but also people to be resettled, the engineering firms, non-governmental organizations (NGOs) and other

stakeholders into defining guidelines and good practices. Another example is the United Nations new Global Compact on Corporate Social Responsibility that brings global corporations to reexamine their commitments to upholding basic public values.

“Global civil society movements have been behind some of the most significant global policy shifts of the last decade,” Fukuda-Parr stated. “But civic activism is not a substitute for democratic principles in formal decision making structures. Just as consulting with a few NGOs is not a substitute for a parliamentary debate at the national level, democratic principles require that all countries get a hearing in global institutions and decisions.”

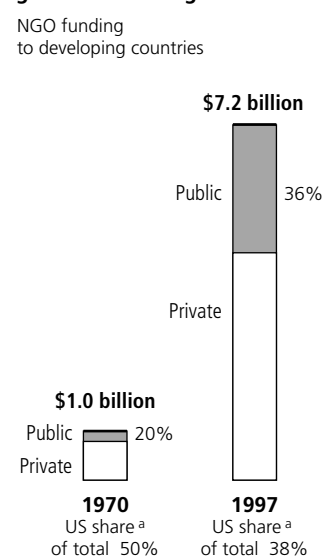
ABOUT THIS REPORT: Every year since 1990, the United Nations Development Programme (UNDP) has commissioned the *Human Development Report* (www.undp.org/hdro) by an independent team of experts to explore major issues of global concern. A worldwide advisory network of leaders in academia, government and civil society contribute data, ideas, and best practices to support the analysis and proposals published in the report. The concept of Human Development looks beyond per capita income, human resource development, and basic needs as a measure of human progress and also assesses such factors as human freedom, dignity and human agency, that is, the role of people in development. The HDR argues that development is ultimately a process of enlarging people’s choices, not just raising national incomes.

TABLE 5.1
International NGOs grew quickly in the 1990s

Purpose	1990	2000	Growth (percent)
Culture and recreation	2,169	2,733	26.0
Education	1,485	1,839	23.8
Research	7,675	8,467	10.3
Health	1,357	2,036	50.0
Social services	2,361	4,215	78.5
Environment	979	1,170	19.5
Economic development, infrastructure	9,582	9,614	0.3
Law, policy and advocacy	2,712	3,864	42.5
Religion	1,407	1,869	32.8
Defence	244	234	-4.1
Politics	1,275	1,240	-2.7
Total	31,246	37,281	19.3

Source: Anheier, Glasius and Kaldor 2001.

FIGURE 5.1
Development funds increasingly flow through non-governmental organizations



Note: Includes official development assistance contributions to NGOs and official development assistance grants through NGOs.
a. Average of public and private contributions.
Source: Lindenberg and Bryant 2001.

The ***Human Development Report*** is published in English by Oxford University Press, 2001 Evans Rd., Cary, NC 27513, USA. Telephone (919) 677-0977; toll free in the USA (800) 451-7556; fax (919) 677-1303.

ABOUT UNDP: UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.