

## **Globalization, Civil Society, and International Governance**

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I HAVE BEEN ASKED to speak about the interrelationships between civil society organizations, policy research organizations (think tanks), and international governance. I want to cover four topics, and I will try to make my points in a way that will provoke your own thinking and facilitate further discussion.

The four topics I would like to cover are (1) the critical elements of globalization that will have a major impact on civil society; (2) the implications of globalization for civil society organizations, governments, and multilateral organizations; (3) the role of policy research organizations, one of the important components of civil society; and (4) the experience of the Overseas Development Council (ODC), which recently transformed itself from an American organization into an international think tank focused on the emerging interrelationships between globalization and development.

### THE IMPACT OF GLOBALIZATION

Let me turn first to the critical elements of globalization. We now take globalization as a given. As the discussions at this meeting have shown, globalization has a significant impact on civil society. It opens vast opportunities for economic and social progress not available before, but,

if not managed wisely, it also brings costs. These costs involve both instabilities, as Asia is now experiencing, and marginalization of individuals or countries not equipped to take advantage of the opportunities opened by globalization. The challenge for policymakers and civil society is how to maximize the benefits and buffer the inevitable costs.

Second, the forces of globalization have diminished the capacities of national governments to deal with many critical issues. Many of the key decisions that need to be made are moving in two opposite directions—down to the local, and even grass-roots, level where most civil society organizations are active, or up to the level above the nation-state where increasingly cooperative actions will be necessary to address global problems. A growing number of civil society organizations are active on the multilateral level but to nowhere near the same extent as on the domestic level. If civil society organizations are to maximize their effectiveness in the future, they will have to operate on both levels.

Third, addressing the challenges is made more complex because national governments are no longer the only important actors making decisions on critical global issues. There are at least three other key sets of organizations. One is the existing multilateral institutions, some of which (such as the International Monetary Fund [IMF] and the World Bank) are powers unto themselves. Then there are the very powerful economic actors—transnational corporations, transnational financial institutions, and the autonomous traders of currency—that operate on a twenty-four-hour basis because at least one market somewhere around the globe is open at any given time. Finally, there are transnational civil society organizations. Their influence is illustrated by the recent campaign to ban land mines, which won the Nobel Prize. Organizations such as Amnesty International for human rights and the World Wildlife Fund in the environmental field are now trusted providers of information on public policy issues on a global level.

The activities of these various actors are particularly important because all of the existing international institutions, policies, and practices are going to need either reform or restructuring to cope with the new challenges posed by globalization. But reforms will come only slowly and will be quite dramatically affected by the activities of civil society and its organizations.

Fourth, the revolution in global communications, which has been a large factor in creating globalization, also opens up vast new opportunities for both cooperation and collaboration on a global level, particularly

among nongovernmental actors. The development of the facsimile machine and the Internet, as well as the dramatic drop in the cost of telephone service, has enabled organizations and even individuals to better understand how their interests are interconnected and to be in constant touch around the world. These technologies mean that both civil society organizations and policy research institutions can work together in ways that were not imaginable only two decades ago.

### IMPLICATIONS FOR CIVIL SOCIETY AND OFFICIAL INSTITUTIONS

Globalization has profound implications for both civil society and multilateral organizations, as well as for the interrelationships between the two. Here I am only going to raise questions to which I do not have answers, in the hope that these questions will generate further discussion both at this meeting and in other forums.

*What are the implications for civil society organizations?* Most civil society organizations will have to broaden their issue agenda and deepen their expertise to deal with globalization. Many organizations traditionally have thought of themselves as addressing essentially domestic problems, but now they can not afford to neglect the international aspects of such problems. By the same token, civil society organizations will need to seek international alliances not only with like-minded organizations in other countries, particularly powerful countries that have a large voice in international decision-making, but also with other participants in the emerging global policy environment. For instance, I think it is very important for civil society organizations and policy research organizations to deepen their linkages because each brings strengths to the other. Civil society organizations usually bring much greater local-level experience; think tanks tend to have technical information and analysis on oftentimes complex issues such as trade and international monetary policy. Both think tanks and civil society organizations need to seek out nontraditional alliances with sectors such as business and labor.

Further, civil society organizations will also need to seek mobilization points, some of which will emerge in the normal course of negotiations—for instance, environmental conferences or trade negotiations. But where such points do not emerge, they will have to be created as was done in the case of the land mine ban. One of the important mobilization points for

civil society in the immediate future will be workers' rights and their relationship to the next phase of trade liberalization.

*What are the implications for governments?* Governments are going to have to decide why they are concerned about civil society. Are civil society organizations simply a cost-effective way of delivering social services in their respective home countries or internationally? Or are they, as I would maintain, a good thing in and of themselves and an essential component of democratic societies worth supporting?

*Finally, what are the implications for multilateral organizations and their owners in the more powerful countries?* These institutions are going to have to become more transparent and accountable for their actions. I am not a great believer in conspiracy theories, but one does not have to believe in conspiracies to see that the activities of institutions like the IMF and even the World Bank are rather opaque. The multilateral institutions, therefore, will need to look for new ways of seeking the participation of civil society organizations. The World Bank is already moving in that direction; other institutions are not.

These are not easy problems to address. It will be difficult for existing multilateral institutions to open themselves up or seek civil society participation. These institutions are organizations of governments, some of which are not particularly willing to have civil society participation even within their own societies, let alone on the global level. In fact, the only existing multilateral organization that has formal representation of civil society is the International Labor Organization, which includes business, labor, and government representatives from each country.

## THE ROLE OF THINK TANKS

My third point addresses the role of policy research organizations, or think tanks, in globalization, governance, and international civil society. Policy research organizations are an important—perhaps even critical—component of civil society. They provide three important functions: research and analysis on critical issues; evaluation of official policies and actions and of new policy ideas and proposals; and in many cases a neutral venue for policymakers, civil society organizations, and corporations to convene and informally discuss issues that can not yet be discussed formally.

Let me give you two examples of the third function—a neutral venue for convening—provided by my own organization to illustrate my point.

Two years ago, the ODC convened a meeting of major aid donors and civil society organizations to talk specifically about how bilateral and multilateral aid donors could support civil society. The participants raised many of the same questions that have been discussed in this meeting. The meeting was very helpful in allowing donors and civil society groups to gain a much better understanding of the opportunities for mutual collaboration. More recently, we have been running a series of track two negotiations—off-the-record, informal discussions among policymakers from major governments and private stakeholders. One addresses the future financing of multilateral foreign aid, particularly concessional aid provided by the multilateral development banks; the other considers the framework for international health cooperation in the twenty-first century.

It is important to underscore that think tanks are different from academic institutions. If they are to fulfill their appropriate function, they should focus on “issues” and not just on “problems.” Allow me to explain the difference between these two. The world is filled with problems of all kinds. Problems become issues only once they move on to decision-makers’ agendas, i.e., when someone in a policy-making position begins to pay attention to them. For example, land mines have been a problem for many decades, but a ban on their use did not become an issue until a relatively small group of committed individuals and nongovernmental organizations decided to make it an issue—and did so very effectively.

Furthermore, problems become policy issues when decisions have to be made. At that stage, the role of policy research organizations becomes very important because they provide basic data and information (as objectively as possible, ideally), weigh the costs and benefits of alternative policies and proposals, and estimate the relative costs of action and inaction.

This distinction between problems and issues illuminates the potential synergies between think tanks and civil society organizations. Think tanks usually can not turn problems into issues; that is one of the important roles of civil society, particularly when its organizations use new information technologies to exert political pressure in many different countries at the same time. Again, the land mine campaign is a good example. But once a problem becomes an issue, linkages between civil society groups and policy research organizations enable the former to access the analysis and data needed to deal with complex global issues, and the latter to appreciate the insights that come from working in civil society.

It is important for think tanks to be able to assess their own impact. Those of us who run research organizations often are tempted to measure our impact by how many books or articles our staff have published or how many times they or their ideas have appeared in the media. But those are not adequate measures of effectiveness. My colleagues at the ODC have devised three relatively concrete criteria for measuring our organization's impact. First, have we been able to alter the terms of a debate? Second, have we been able to directly affect policy outcomes? Have our analysis and recommendations resulted in actual policy changes? Third, have we been able to reconfigure the politics of a particular issue and change the constituencies—organizations and interest groups—that are advocating policy changes?

Let me use the example of a particular current concern of mine to demonstrate how the ODC attempts to impact policy: a proposal for a new, one-time Global Economic Summit designed to focus high-level attention on the issues of globalization. This summit would involve not only the more mature industrialized countries but also the newly emerging powers of Asia and Latin America, as well as those countries that risk becoming marginalized. This proposal, which could be used to attract attention to an important set of issues, is now under serious consideration by several different governments. (For more details on this effort, see Peter Sutherland and John Sewell's paper, "The Challenges of Globalization," published by ODC in January 1998).

Think tanks and civil society organizations should be natural partners, for obvious reasons. But in many cases they are not, and this is one of the new challenges for both policy research and civil society organizations.

I would like to take up our chairperson's request for specific ideas for further work. I believe four or five issues have emerged out of the discussions over the past day and a half that urgently need to be addressed by both think tanks and civil society organizations, ideally working together. The first issue is to identify new ways of assessing globalization and its impact. What do we really know about it? Who gains and who loses? The second is to determine appropriate levels of policy response. What issues can and should be dealt with regionally? Globally? Locally? The third concerns domestic adjustments to globalization, particularly the design of safety nets for citizens of countries that undergo wrenching economic adjustments. The fourth is the interrelationships of workers' rights, trade, and environmental issues.

In addition to these four issue areas, a range of other issues exists. For example, how should civil society organizations be supported? What should be done about countries that are marginalized, and so forth?

## THE TRANSFORMATION OF THE ODC

Finally, let me just say a word about changes that have taken place at the ODC. Driven by the issues of globalization, ODC's board and staff have transformed a distinguished American organization focused on American policy into an international think tank that "seeks to improve decision-making on multilateral policies to improve both development cooperation and the management of related global problems." The board has been internationalized and a new international research program has been developed focusing on five key issues, all under the general heading of globalization and development.

We have developed a new collaborative operating style with policy research organizations and researchers around the globe, as necessitated by our functional agenda. ODC's mission is to provide analysis and information on multilateral policies and institutions to generate innovative policy ideas. We seek to provide opportunities for the key actors who make and influence policy decisions to participate in a structured set of discussions on issues either too sensitive to talk about in official forums or for which the official forums fail to adequately cover the issues or to bring the appropriate participants together. ODC's new program parallels the Global ThinkNet of the Japan Center for International Exchange, except that it is functionally, rather than regionally, oriented.

Globalization, which is still in its early stages, marks a historical shift with profound implications for international governance and, therefore, civil society and policy research institutions. To effectively meet its challenges, changes in perceptions and policies will be required of all participants in the policy process. In the near term, most governments and, to some degree, international institutions will be restricted by the domestic politics sparked by globalization. Therefore, deeper collaboration on a global basis between civil society organizations and policy research institutions will help to lay the groundwork for the policy choices necessary to ensure that the benefits of globalization are disseminated and its costs buffered.