Contesting Global Governance

Multilateral Economic Institutions and
Global Social Movements

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In May 1998 a crowd swarmed through Geneva attacking McDonald's restaurants and vandalising expensive hotels as part of their protest against the World Trade Organization (WTO). In preparation for the same WTO meeting a global peasant alliance cemented relations and declared their opposition to the goal of trade liberalisation. In Indonesia social unrest in response to subsidy cuts agreed between the government and the International Monetary Fund (IMF) contributed to the downfall of a government. In the same year the IMF was subject to fierce criticism for its handling of the East Asian debt crisis by Indonesian trade unionists and the prime minister of Malaysia. In South Korea unions engaged in strikes in order to combat IMF and World Bank restructuring prescriptions. The closing years of the twentieth century have been marked by increasing opposition to the operation of multilateral economic institutions.

Although the US scholarship ignores the distributional effect of international institutions, preferring to debate their theoretical relevance to the study of international relations (Martin and Simmons 1998), there is little doubt that for hundreds of millions of people institutions such as the IMF, World Bank and WTO matter a great deal. The terms of IMF structural adjustment programmes influence the life chances of people in developing countries, a World Bank decision to prioritise girls' education can open the possibility for personal and community development; and the ability of the WTO to balance environmental concerns with trade liberalisation may save or condemn an ecological system. The operations of these institutions have serious ramifications for many people far from the decision-making centres of Washington and Geneva. It is little wonder that the people on the receiving end of these institutions' policies are increasingly

mobilised to influence the structure and policies of the institutions themselves. The collision between powerful economic institutions and social movements in many countries has led to a contest over global governance. The contest takes place both over the form of the institutions (their structure, decision-making procedures) and over the content of their policies (free market oriented or a balancing of social values). It is this contest that is the subject of this book.

Contesting global governance

Governance, according to the Commission on Global Governance (1995: 2), is the sum of the many ways that individuals and institutions, public and private, manage their common affairs. Since world politics is characterised by governance without government (Rosenau and Czempiel 1992), the process of governance encompasses a broad range of actors. In addition to the public (interstate) economic organisations such as the IMF, World Bank and the WTO, states retain a key decision-making role. Indeed, most of the international relations literature that deals with regimes views states as the only significant actor (Hasenclever, Mayer and Rittberger 1997). Large scale private enterprises or multinational corporations also participate in governance by attempting to influence the activity of international organisations and states. In some cases, private enterprises have created their own systems of regulation and governance (Cutler, Haufler and Porter 1999). This study focuses on the relationship between multilateral economic institutions (MEIs) and global social movements (GSMs) as one aspect of a much wider global politics (Shaw 1994a) and governance structure. Where possible, we take account of other actors and their relationship to the objects of this study.

Since the early 1980s there has been a gradual change in the functioning of key MEIs. Although the extent of this change has varied across institutions, the pattern of increasing engagement with social groups is noticeable. MEIs are moving beyond their interstate mandates to actively engage civil society actors in numerous countries. In order to gauge the significance of such developments this book investigates the interaction between three MEIs and three GSMs.[1] The MEIs are the IMF, the World Bank, and the WTO while the GSMs are the environmental, labour and women's movements.

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We argue that there is a transformation in the nature of global economic governance as a result of the MEI–GSM encounter. This transformation is labelled 'complex multilateralism' in recognition of its movement away from an exclusively state based structure. To date the transformation has largely taken the form of institutional modification rather than substantive policy innovation. Such changes explicitly acknowledge that actors other than states express the public interest. While signalling a clear alteration to the method of governance, the change in the content of governing policies and the broad interests they represent is less striking. In the short run the MEI–GSM nexus is unlikely to transform either institutional functions or their inherent nature to any significant degree. In the longer run, there is the possibility of incremental change in the functioning and ambit of these key institutions. Complex multilateralism has not challenged the fundamentals of existing world order, but it has incrementally pluralised governing structures.

The relationship developing between MEIs and GSMs highlights a contest over governance between old and new forms of multilateralism. The 'old' or existing dominant form of multilateralism is a top down affair where state dominated institutions are taken as given and minor adjustments in their operation are suggested (Ruggie 1993). The 'new' or emerging multilateralism is an attempt to 'reconstitute civil societies and political authorities on a global scale, building a system of global governance from the bottom up' (Cox 1997: xxvii). The new multilateralism offers a challenge to existing multilateralism not just because it entails institutional transformation, but because it represents a different set of interests.

The concept of a state centric multilateralism as form of international organisation has been outlined by John Ruggie. In an attempt to re-establish the importance of cooperative international institutions to the study of International Relations, Ruggie and a number of colleagues have argued that 'multilateralism matters'. He defines multilateralism as 'an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct' (Ruggie 1993: 11). There are two elements of this definition which help us understand the tension between existing and new forms of multilateralism in the MEI–GSM relationship. The first is the limiting of multilateralism to 'three or more states' and the second is the status of 'generalized principles of conduct'.

The conduct of the IMF, World Bank and the General Agreement on

Tariffs and Trade (GATT) before the 1980s was indicative of this state form of multilateralism. The organisations were dominated by member states, had little institutionalised connection to civil societies within member states and were intent upon generalising a particular set of principles. Under increased pressure from some elements of civil society for transparency and accountability the institutions have in the 1990s embarked upon a strategy of incremental reform. The intent is to extend and universalise existing multilateralism while blunting opposition through coopting hostile groups. Existing multilateralism can be universalised through geographic extension to new countries as well as a strengthening of the generalised rules of conduct. An example of the first is bringing China into the WTO while an example of the second is a strengthening of the WTO dispute settlement mechanism. One method of blunting opposition to this extension is to create links with hostile groups and integrate them into a governing structure so that their outright opposition is diminished.

This form of multilateralism has recently been challenged by a strategy termed 'new multilateralism' by its proponents. The concept, and political project, of new multilateralism has emerged from a four-year project on Multilateralism and the United Nations System (MUNS) sponsored by the United Nations University (Cox 1997; Gill 1997; Krause and Knight 1994; Sakamoto 1994; Schechter 1998a, 1998b). Its goal is to foster a form of multilateralism which is built from the bottom up and is based upon a participative global civil society. It differs in three major respects from existing multilateralism. Firstly, the new multilateralism is an emerging entity that does not yet exist in its final form. It is slowly and painfully being created through the interaction of numerous social groups around the world. Secondly, while engaging with existing multilateralism, it attempts to build from the bottom up by starting with social organisations independent of the state. It does not view the state as the sole representative of people's interests. Thirdly, the new multilateralism is an attempt at post-hegemonic organising. This last point requires some clarification.

A hegemonic approach to multilateralism takes a dominant set of assumptions about social life and then attempts to universalise these principles through expanding key institutions. For example, hegemonic assumptions might include the primacy of free markets in the allocation of resources or the naturalness of patriarchal social relations. A post-hegemonic approach to multilateralism must begin with far more modest assumptions. It acknowledges the differences in

assumptions about the social world and attempts to find common ground for cooperation. In the place of universalistic principles of neoclassical economics one is aware of alternative methods of social organising and cultural diversity.

The advent of a new multilateralism is itself marred by uncertainties. The challenging of states' legitimacy to act on behalf of peoples raises questions about the relationship between other forms of representation or advocacy. Is the dominance of Northern interests reproduced in the new multilateralism? Does it weaken the power of all states or have a disproportionate influence upon those states that are already weak? Does it excessively complicate the functioning of existing multilateral institutions or provide an opportunity for them to serve the interests of a broader community? The exercise of power by dominant states, institutions or social groups remains an issue of concern.

Our argument is not that the various organisations and groups encountered in this book would necessarily identify themselves as defenders of an established, state centric multilateral system or part of the new multilateralism project, but that their actions are contributing to just such a contest. On one side an effort is being made to reform existing MEIs so that they can better perform their liberalising agenda. On the other side is an attempt to transform the institutions so that policy process and outcomes are radically different. Our research captures a particular moment in the meeting of old and new forms of multilateralism. The relative opening of MEIs to GSMs reveals their attempt to adjust to a new structural environment. However, this opening is often limited by a preference to maintain policy effectiveness and pre-empt a far reaching restructuring of multilateralism or transformation of the principles underlying existing policies. Although the nature of interaction varies across the MEI–GSM nexus, the obstacles to mutual accommodation are large. The developments sketched in this book are likely to be only a brief chapter in the struggle to influence the structures of global governance.

The evidence of our investigations suggest that we are witnessing the development of a hybrid form of multilateralism. We call this hybrid *complex multilateralism*. It is discussed in more detail in the final chapter, but its outlines can be sketched here. Complex multilateralism has five central characteristics. The first characteristic is varied institutional modification in response to civil society actors.

International public institutions are modifying in response to pressure from social movements, NGOs and business actors, but this varies across institutions depending upon institutional culture, structure, role of the executive head and vulnerability to civil society pressure. A second characteristic of this institutional form of international relations is that the major participants are divided by conflicting motivations and goals. The goal of the institutions and their supporters is to maintain existing policy direction and facilitate its smoother operation while the goal of many civil society actors, and certainly social movements, is to change the policy direction of the institutions.

The clash of rival goals leads to a third characteristic, namely the ambiguous results of this form of organisation to date. If accomplishments are defined in terms of the actors achieving their own goals, both institutions and social movements have enjoyed only limited success. A fourth characteristic of complex multilateralism is its differential impact upon the role of the state depending upon the state's pre-existing position in the international system. It tends to reinforce the role of powerful states and weaken the role of many developing states. A fifth aspect of complex multilateralism is a broadening of the policy agenda to include more social issues. MEIs are finally being forced to address the social impacts of their policies.

Context of the MEI–GSM relationship

The MEI–GSM relationship is embedded in a broader context that provides the opportunities and incentives for increased interaction. This section briefly reminds the reader of the context. Three areas are noteworthy. The first is a series of structural changes in the global political economy that are often referred to as 'globalisation' which has laid the groundwork for greater MEI–GSM interaction. The second is a transformation of the mandate and roles of the MEIs. New mandates and greater responsibilities of the IMF, World Bank and WTO have increased the importance of these institutions for civil society actors. A third development is the increasing significance of global social movement politics.

Structural transformations in the global political economy

Five of the most significant structural changes in the global political economy which provide a background to increased MEI–GSM contact

are: the liberalisation of economies; innovation in information technology; the creation of new centres of authority; instability in the global financial system; and changes in ideology. Let us briefly consider how each of these affects our area of study.

Liberalisation of economies

The decade of the 1980s witnessed a three pronged advance of economic liberalisation in the global political economy. In developed countries a process of deregulation, including financial deregulation and globalisation, liberalised OECD economies. Although this was much more pronounced in Britain and the United States, other countries have also been opening up their markets and deregulating. In the developing world the search for capital following the debt crisis resulted in the 'triumph of neoclassical economics' in many states (Biersteker 1992). This involved the liberalisation of economies following IMF/World Bank structural adjustment programmes, as well as unilateral liberalisation. Finally, the collapse of communism in Eastern Europe and the former Soviet Union brought vast new areas into the global economy that had been relatively insulated for at least forty years. Even in China a process of selected opening to Western investment added to the liberalisation bandwagon. The exposure of increased numbers of people to market forces has also led to greater concern about how such markets will be regulated.

Increase in information technology

An increase in the ability of people to communicate with each other over vast distances has had two significant effects. Firstly, it has facilitated liberalisation by providing an infrastructure for increased capital mobility. This has occurred both in the area of linking financial markets and in facilitating the operation of multinational companies. Secondly, developments such as faxes, the Internet and e-mail have facilitated the networking of groups in civil society. The rise of the network society (Castells 1996) lets groups that were formerly isolated communicate with each other and share information about common concerns. In some dramatic instances this has facilitated political mobilisation and democratisation (Jones 1994).

New centres of authority

A third factor has been the creation of new centres of authority beyond the state (Strange 1996). Some of the centres have been in the

private sector, such as bond rating agencies (Sinclair 1994) while some have taken the form of regional regulation such as the European Union or NAFTA. In other cases it can be seen in the increased importance of MEIs in making authoritative statements about how state economic policy should be conducted. This dispersal of authority across national, regional and global levels has implications for citizens. In order to influence such authorities citizens must either force their states to engage actively with these new centres or they must attempt to engage the authorities directly. In practice both options may be pursued. In some cases this necessitates the trans-nationalisation of citizen activity.

Global financial instability

The 1990s has seen a series of financial crises sweeping over Mexico, Russia, Brazil and East Asia. This instability has led to a questioning of the principles and institutions governing global finance. The East Asian crisis, in particular, has created calls for reflection and action. In the second half of 1997 a financial crisis began in Thailand and swept its way through a number of South and Southeast Asian countries including Indonesia and South Korea. Countries that had only recently been regarded as development miracles by the World Bank (1993a) suddenly seemed very fragile. A currency crisis turned into a financial crisis, threatening the health of a number of countries and the stability of the international financial system. This had three important implications for our study. Firstly, the damage inflicted by rapid capital movements on formerly thriving countries led to an intense debate over the desirability of capital controls (Wade and Veneroso 1998). The relative insulation of countries which had systems of capital control such as India and China encouraged other states to consider and implement controls. This challenged MEI economic orthodoxy and provided the context for a much wider debate about MEI policy and policy formation.

Secondly, the crisis revealed the extent to which MEIs were vulnerable to civil society pressure. In developed states the IMF's seemingly inadequate response to the crisis unleashed a wave of criticism and necessitated a strong defence (Feldstein 1998; Fischer 1998, Kapur 1998). In developing countries the IMF and the World Bank were forced to seek strategic social partners that might help them implement their economic packages. The political vulnerability of financial reform packages became apparent to MEIs and provided an unprece-

dented opportunity for civil society groups to influence institutional policy. Details of this process are contained in the case studies later in the book.

The third implication was that the financial uncertainty arising from the economic crisis fed a broader reconsideration of ideological positions. A limited, but significant ideological shift can be detected in MEIs and amongst state elites in the late 1990s.

Ideological shifts

By the mid-1990s leaders in several Western states were turning away from the pure liberal principles of the Thatcher/Reagan years. In pursuit of the 'radical centre' President Bill Clinton in the United States and Prime Minister Tony Blair in the United Kingdom sought to facilitate the restructuring of their economies in a way that would make them more competitive, but with some attempt to temper market excesses. Although continuing to give emphasis to the market, they called for new methods of regulation and policy prescriptions to temper the excesses of the market or to carve out competitive niches within the market. Labour, environmentalist and women's groups encountered a more friendly reception in the halls of power even though their agendas were not automatically taken up.

In the international arena a number of voices, sometimes from unlikely sources, called attention to the issue of social provision and the reregulation of markets. After making a fortune through financial speculation, financier George Soros became a leading figure calling for increased social and financial regulation (Soros 1997). By 1998 a Senior Vice President of the World Bank could be found making speeches about the failure of the 'Washington consensus' (neoliberal policy prescriptions) to assist in development (Stiglitz 1998). During the 1999 annual meeting of the World Economic Forum the UN Secretary General added his voice to the growing numbers of prominent people calling for social regulation to soften the impact of globalisation (Annan 1999). Concern was expressed at the social costs and political fragility of neoliberal globalisation. This marked a significant shift from earlier agendas of preaching rapid liberalisation as the solution to the world's problems.

Thus, from a perspective of what resonated with governing ideology, by the end of the 1990s more interventionist policies could once again be considered. This was not a return to Keynesianism, but it was a more open arena for people suggesting that neoliberalism

should be tempered in the interest of domestic and/or global society. Although a far cry from the favoured policies of environmentalists, labour unions or women's movements, the shift in governing rhetoric to calls for a tempered form of liberalism provided a more inviting space for the social movement advocates that feature in this study.

Institutions in transition

MEIs have been transforming in response to structural changes in the economy. In general, they have taken a more prominent role in governing the economy and expanded or modified their mandates for action. For example, following the outbreak of the debt crisis in 1982 the IMF took on a significant role in guiding the restructuring of indebted countries so that private capital would renew flows to such countries. This process involved the negotiation of structural adjustment programmes (SAPs) with debtor governments. SAPs advocated the liberalisation of economic policies and the privatisation of many state owned industries and some government services. In the 1990s the IMF has also served as a key institution in attempting to stabilise an increasingly volatile financial system as short term capital movements undermined the Mexican economy in 1994 and attacked East Asian economies in 1997. With the end of the Cold War the IMF began to play a prominent role in the transition economies in Eastern Europe and the former Soviet Union. The East Asian crisis of 1997 also expanded the IMF's geographic scope as it shifted its attention from the debtors of the 1980s to the tiger economies of Asia. It has also brought it into negotiating the liberalisation of these states' economic policies and the restructuring of their financial sectors to achieve greater transparency.

The World Bank has also gone through an extensive transition in the past twenty years. It has moved away from financing particular development projects to supporting policies which facilitate structural adjustment (Gilbert *et al*. 1996). Investment in physical infrastructure was increasingly replaced with investment in economic infrastructure in the form of 'appropriate' policies and sectoral restructuring. It has moved closer to the IMF's role of reorganising domestic economies so that they are more competitive in the international market. Conditionality attached to loans has become the key mechanism for ensuring compliance with this restructuring imperative. Since 1997 the Bank has begun lending directly to subnational units, such as Brazilian and

Indian state governments, to finance privatisation and economic adjustment.

In the case of the founding of the WTO, a new institution was created to replace GATT. The key features of the WTO are an expansion in its mandate to new areas of economic activity and a strengthened legal structure (Croome 1995; Jackson 1998). Because of the Uruguay Round agreements, the WTO has expanded to take in the liberalisation of agriculture, services and investment and the protection of intellectual property rights. It has also established a working party to examine competition policy issues. On the legal front, a strengthening of its dispute settlement mechanism endows the WTO with greater coercive powers over incompatible state policies.

In summary, the IMF, the World Bank and the WTO have undergone several changes since the early 1980s which have increased their importance for global governance. This troika of multilateral economic institutions is a cornerstone of the liberal world economy. Assisting in the governance of financial and production structures, they exercise considerable influence on the daily lives of the world's population. In the category of multilateral public institutions they are notable because their rule-creating and rule-supervisory decisions have important immediate consequences for states and peoples around the world. Their importance and power contrasts with institutions such as the International Labour Organization (ILO) or the United Nations Conference on Trade and Development (UNCTAD) which must rely upon moral suasion and argument (Cox and Jacobson 1974: 423–36). In recent decades the institutions have become more intrusive in the lives of citizens as their policy pronouncements influence a wide range of state activities.

From a research perspective, the World Bank/IMF/WTO combination offers a useful contrast in institutional structure and engagement with non-state, non-firm actors. The Bretton Woods institutions (IMF and World Bank) date back to the early post-war era while the WTO is a more recent creation (1995). Although all three institutions provide services to their members and act as public forums, the WTO's role is less in service provision and more in the field of negotiating forum. It is also distinctive because of its legalistic nature and possession of a dispute settlement mechanism. Whereas the World Bank has since the early 1980s had considerable experience with social organisations, the IMF has a more insulated history and the WTO has just begun to define its relationships with non-state actors. Formal decision making

also varies between the institutions. The Bretton Woods pair are formally controlled by their wealthiest member states through weighted voting, but the WTO strives to operate upon a unanimity principle.

The significance of global social movements

Recent scholarship has pointed to the increasing activity of non-state actors operating across national borders. There is no agreement upon what this signifies or even how it should be classified. Leading terms employed to describe this activity include: global society (Shaw 1994b), global civil society (Lipschutz 1992), international society (Peterson 1992), world civic politics (Wapner 1995), transnational relations (Risse-Kappen 1995), NGOs (Charnovitz 1997), transnational social movement organisations (TSMOs) (Smith, Chatfield and Pagnucco 1997), global social change organisations (Gale 1998) and transnational advocacy networks (Keck and Sikkink 1998). Each term refers to a slightly different subject of study with a wider or narrower scope and is selected in response to a specific research question. They reveal differences about the centrality of the state in each investigation and assumptions about the appropriate method for investigating such phenomena. This study focuses on global social movements so we will clarify what we mean by this term and why we use it.

Social movements are a subset of the numerous actors operating in the realm of civil society. They are groups of people with a common interest who band together to pursue a far reaching transformation of society. Their power lies in popular mobilisation to influence the holders of political and economic power (Scott 1990: 15). They differ from state elites in that they do not usually utilise the coercive power of the state. They lack the resources of business interests who may rely on the movement of capital to achieve their purposes. They can be distinguished from interest groups in that their vision is broader and they seek large scale social change. Social movements, by definition, are not members of the elite in their societies. They are anti-systemic. That is, they are working to forward priorities at odds with the existing organisation of the system. They rely on mass mobilisation because they do not directly control the levers of formal power such as the state.

A global social movement is one which operates in a global, as well as local, national and international space. In this study we refer to global as a plane of activity which coexists with local, national and

international dimensions (Scholte 1997). It is an area of interaction which is less bounded by barriers of time and space than the local or national and goes beyond the interstate relations of the international. It refers to the transnational connections of people and places that were formerly seen as distant or separate. Thus, one can think of a global financial structure which connects financial centres around the world into a rapid and unceasing market. One can also think of a 'global' social movement. The term global social movement refers to groups of people around the world working on the transworld plane pursuing far reaching social change.

There are difficulties with the appropriating of notions of civil society and social movements from the domestic context. The global civil society concept goes against the basic ontology of most international relations literature. The traditional international relations approach to 'international society' has been to speak of a society of states (Bull and Watson 1994). This leaves no room for discussion of civil society, because non-state actors are defined out of society. While traditional international relations scholarship may reject the notions of global civil society and GSMs because of its state centric approach, others will raise doubts about the existence of a global civil society and GSMs in the absence of a global state (Germain and Kenny 1998: 14–17). Civil society and social movements have always been defined in the context of a relationship with a national state. It is the sphere of public activity amongst a bounded community within the reach of a particular state. The logic seems to be that if there is no overreaching global state, there can be no global community and therefore no global civil society and no global social movements.

It is important to acknowledge that the concept of civil society does not make a smooth transition from the domestic to the international sphere if one expects them to have identical characteristics. However, if one accepts that moving to another level implies a qualitative shift in the concept, then there is less of a problem. The adjective 'global' implies that civil society and social movements are more differentiated than their domestic counterparts. Because there is no single world state and no single world community, GSMs are less cohesive than their national counterparts. A GSM's local characteristics and interests may clash with other local manifestations of the movement. Despite this, there are some transnational connections between the various parts of the movement and there is some sense of a common identity and the need for coordinated if not identical action.

Analysts of GSMs must be particularly aware of making broad statements that assume an identity of interests or purposes between elements of the movement located in different parts of the world. The theory and study of social movements, especially new social movements, and global civil society has on the whole tended to generalise from the experience of Western Europe and the United States (Walker 1994). This poses difficulties for national social movement theory, but poses dangers for global social movement analysis. Three clear problems arise. First, such an intellectual history may assume that the characteristics of Northern or Western social movements are shared by social movements in other parts of the world. Second, it may assume an identity of interest between Western social movements and those in other parts of the world that does not actually exist. Finally, the neglect of social movements in other areas may prevent researchers asking difficult questions of Northern-dominated social movements.

The difficult questions are particularly important in the North–South context. Southern social movements operate in a different local environment from their Northern counterparts (Wignaraja 1993). In addition to having fewer financial resources, they may be much more concerned with local organising and activity. Their relationship with the state may be more ambivalent. While Southern states may be actively oppressing local social movements, they may still be seen as worthy of support against dominant Northern interests. They may welcome assistance from sections of Northern based social movements, but not at the cost of adopting a Northern agenda. We are interested in the degree to which the concerns of Southern social movements have been filtered through Northern based global NGOs. What impact might this have on the issues taken up or ignored? Does the prominence of Northern NGOs influencing MEIs undermine the domestic legitimacy of Southern social movements? Does MEI conditionality influenced by Northern NGOs serve to weaken the Southern state and harm the prospects of those they seek to help?

One should also be wary about characterising global civil society as a place where society is civil or developed. For example, John Hall (1995: 25) describes (national) civil society as 'a particular form of society, appreciating social diversity and able to limit the depredations of political power …' Lipschutz's (1992) analysis comes close to reducing global civil society to the activity of environmental, development, human rights and aboriginal movements. Not only does he overlook the more sinister social movements (e.g. neo-Nazis), but

powerful economic forces do not seem to be active in civil society. Rather than viewing global civil society as a normative social structure to be achieved, it is more accurate to see it as an arena for conflict that interacts with both the interstate system and the global economy.

While social movements may extol the virtues of global civil society, that space has been and is largely dominated by the extensive formal and informal contacts of transnational business and their allies.[2] Social movements are not moving into an empty space. Indeed, discussion about democracy in a globalising era needs to be clear about the forces driving the process in its present direction. Transnational business already has privileged access to those governments whose cooperation would be required to implement reform of multilateral institutions.[3] An arrangement that limited the prerogatives of global business would encounter great resistance.

In research terms it is difficult to capture the diversity that is contained within a particular social movement. How does one interview a global social movement? Social movements are, by definition, fluid and large. They evolve, transform and usually lack a permanent institutional structure. There is no central core where one could go to study the environmental movement as one might begin an investigation of the IMF in Washington. The best that can be accomplished is to identify organisational nodes within the movement on the understanding that these represent only particular tendencies of the whole.[4] Within a broad based movement, one may encounter numerous organisational forms or nodes. One can discuss the rise of environmentalism as a social movement and yet distinguish between a number of organisations within that movement such as the Sierra Club, Kenya's Greenbelt Movement and Friends of the Earth. These green organisations may all share a commitment to the environment, but differ widely upon policy issues and programmes. For example,

[2] On the concept of a transnational managerial class and its relationship to other classes see Cox (1987: 355–91). Gill's (1990) study of the Trilateral Commission offers an example of an influential global civil society actor linked with transnational business interests. From a business studies perspective Stopford and Strange (1991: 21) refer to a transnational business civilisation.

[3] Charles Lindblom's (1977: 170–88) neo-pluralist work could now be reformulated to stress the privileged position of *trans*national business in domestic political systems. Milner (1988) has detailed the influence of transnational corporations on US and French trade policy.

[4] Blair (1997) takes a similar approach when he attempts to 'operationalise' civil society by focusing upon NGOs.

the distance between conservationists such as the Sierra Club and rejectionists such as Deep Ecology activists is immense. The former seeks to conserve the environment within the present system while the latter rejects the existing industrial structure.

The key organisational node in global social movements are the ubiquitous (non-profit) non-governmental organisations (NGOs). NGOs have been particularly active at building global civil society around UN world conferences (Clark, Friedman and Hochstetler 1998). Alger (1997) has gone further to note that international NGOs (INGOs) seeking social transformation (TSMOs in his terms) operate on a number of levels to influence global governance. INGOs create and activate global networks, participate in multilateral arenas, facilitate interstate cooperation, act within states and enhance public participation. This leads to the question of the relationship between particular NGOs and the more broadly based social movements under consideration in this study. With the growth of some organisations such as Greenpeace into sizeable actors with considerable financial resources, questions of accountability and representativeness of NGOs themselves must be addressed. To what degree do they speak and act on behalf of the wider movement? Some NGOs claim that because they do not seek state power themselves they have no need to be bound by demands for representativeness (UNGLS 1996b: 64). This claim needs to be challenged if such groups are pressing for a more inclusive role in policy making.

If it is true that it is much easier to study an NGO than a GSM and that there is doubt about the cohesion of GSMs in different countries, is there any sense in deploying the concept of a global social movement? Despite its acknowledged weaknesses, we believe it can still serve a useful function. Our study is not about particular NGOs or NGOs in general, but captures the activity of a collectivity of people and organisations concerned with the social impacts of the three MEIs. Some of these people are in well known NGOs, but others work on a more local basis while some work inside the institutions themselves. They are more than an interest group in that they draw upon social mobilisation of numerous forms of organisation from neighbourhood associations to formal organisations. They are different from firms or business organisations in that their primary function is not to amass profit, but to transform society so that it protects their social interests. The term GSM is elastic enough to capture this collectivity of people.

We concentrate on three social movements: women, environmentalists and labour. They have been active in engaging MEIs on a number of policy issues and also provide a useful contrast because they have varying degrees of financial resources, institutionalisation and differing priorities for engaging MEIs. Two of them are often labelled as 'new' social movements while the third is usually seen as an 'old' social movement, if it even qualifies for the social movement label. The distinction between old and new is not actually a chronological one, but is based upon the divisions around which they organise. Old social movements are class-based such as workers' or peasants' groups. New social movements refer to the post-war development of movements around non-class issues such as gender, race, peace and the environment. They are usually associated with political and cultural change in advanced industrialised countries since the 1960s.

This is not an exhaustive list of social movements engaged with MEIs. In particular it does not take account of groups which do not fit easily our environmental–labour–women's typology. For example, a number of groups organise around the theme of development. They may address environmental, women's and labour issues. These organisations make an appearance in our study when they intersect with the MEIs and GSMs that are the focus of our book.

Key questions

In pursuing our case studies we tried to answer three principal questions. These questions served to focus our investigations and provided coherence across the case studies in addition to helping us gauge the significance of the MEI–GSM relationship.

How have the MEIs modified?

The first question that we explore is 'What have MEIs done to accommodate the desires of social movements interested in increased relations, including influence in policy making?' How have the IMF, World Bank, and WTO changed or adapted their institutional structures to communicate with social movements? To what degree have they undertaken institutional modifications to accommodate the concerns of social movements? In some cases this question is rather

preliminary and need not detain us for long. The task is simply to describe the forms of institutional mechanisms that have been established and may be established to facilitate MEI–GSM interaction.

As the case studies will demonstrate, the contribution of this study in answering this question is significant. In the case of the IMF, it is the first study of its kind. Although there has been similar work undertaken on the World Bank and work is emerging on the WTO, we believe this is the first comparative study of the three institutions. This allows us to draw some conclusions about why the institutions have followed different paths in their engagement of social movements.

The detailed answer to this question is contained in each case study chapter with a comparative overview in the final chapter. All three institutions have developed mechanisms to increase their engagement with social movements ranging from providing more information to informal channels of communication to the creation of new departments to deal with social movement concerns. This process has been most developed at the Bank, with much more modest developments at the IMF and WTO.

What are the motivations driving MEI–GSM engagement?

The increasing engagement of MEIs and GSMs requires some explanation. Constitutionally, MEIs are the creation of states and are responsible to states. Traditional practice in world politics has been to recognise states as the legitimate voice of the people within its boundaries. Why have these institutions felt the need to move beyond state structures of interaction? A number of possibilities come to mind.

Rather than begin by assuming that MEIs are inherently committed to openness and democratisation, we suspect that social movements have something that the MEIs need. Since the MEIs and GSMs surveyed in this study are often engaged in a hostile relationship, the question becomes why do MEIs, which occupy positions of power in comparison to the social movements, bother to interact with GSMs? The IMF, World Bank and WTO are engaged in a process of liberalising the world economy and subjecting more social and economic areas to the discipline and imperative of market forces. GSMs are often engaged in a defensive movement against such coercion. In many cases, they challenge the underlying neoliberal philosophy and material interests behind MEI policy. Indeed, elements of the GSMs

we examine are anti-systemic in that they can challenge the principles upon which existing MEI multilateralism is built.[5]

MEIs find GSMs useful in two areas – policy implementation and in broader political terms. In regard to policy implementation, GSMs might assist or frustrate MEI policies. MEIs may want to tap GSMs' specialised local knowledge that is unavailable to the staff of the institutions. For example, GSMs may be able to shed light on the impact of particular policies on the ground. GSMs are often familiar with the micro aspects that the macro institutions address. MEIs are often unfamiliar with vulnerable sectors of society such as the poor or women. Parallel to this is the possibility that MEIs might hope to use GSMs as tools to implement favoured policies. This may take the form of privatising tasks formerly done by the institutions such as information collection or having the movements pressure states to follow MEI policy lines. In the case of the World Bank, NGOs can assist in the delivery of development services. In the case of the IMF, it is hoped that labour will exert pressures on states to limit corruption and maintain good governance.

The other side to this is that GSMs may be able to frustrate MEI initiatives on the ground. For example, social mobilisation in India may result in the cancellation of a World Bank dam-building project. Another example would be social movement lobbying against trade liberalisation measures whether they be intellectual property rights in India or environmental concerns in the United States. IMF riots such as those in Venezuela in 1989 which left over three hundred dead may make it extremely difficult to implement particular structural adjustment policies.

In broader political terms GSMs may influence key governmental actors which control the fate of the MEIs. The most relevant example would be the influence of environmental groups upon the US Congress which in turn influences funding decisions for the World Bank. Similarly, civic groups have lobbied the US Congress since the early 1980s to put conditions upon funding designated for the IMF. In the case of the GATT, member states started to recognise the importance of NGOs when environmentalists threatened to derail the Uruguay Round agreements in the USA. The present WTO leadership hopes that by opening relations with NGOs it will secure public

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[5] Discussion of anti-systemic movements can be found in Arrighi, Hopkins and Wallerstein (1989).

support for a new round of liberalisation in the early years of the twenty-first century.

MEI accommodation of social movements may be a result of the direct demands of the most powerful governments or as a strategy to pre-empt the wrath of particular states. A slightly different angle is that those interested in seeing the expansion of MEI activity, be it the bureaucrats themselves, a policy community, or a leading state, may want to build public support for new initiatives. Good relations with social movements may make for smoother acceptance of an expanding governing role for the institutions.

Turning to social movements, why and how have they increasingly engaged MEIs? Why have elements of some social movements decided to target MEIs? The explanations vary across social movement and institution, but in general GSMs are concerned about the growing influence of MEI activity upon their constituency. With regard to the IMF, there is concern about the neoliberal approach to structural adjustment programmes, as well as criticism of its expansion past the bounds of monetary relations. GSM concern with the World Bank is focused upon its lending policies and projects. The WTO is seen as an institution creating new international economic law and enforcing liberalisation programmes in a number of new areas. In each case, GSMs offer a challenge to the liberal economic approach of the governing institutions.

In some cases, particular NGOs link up with MEIs because they will benefit directly. For example, the World Bank may contract selected NGOs to assist in policy implementation. This allows some NGOs to forward their agenda and privileges them over other groups. In other cases NGOs may feel international organisations will give them a better hearing than national states. The attempt by some social movements and NGOs to lobby MEIs may be a recognition that governance is now a multilayered affair requiring participation at the local, national, international and global levels.

We also hope to suggest what kinds of strategies and tactics social movements have found to be most effective. Is the priority to influence institution officials or the purse holders in the developed states? What does this mean for their relationship with their home states? How do they order priorities between various levels of activity? Conversely, why have some elements of the social movements refused to engage with MEIs?

What is the significance of the MEI–GSM relationship?

The significance of the MEI–GSM relationship lies in three areas: policy change, democratic governance and political sustainability. The first area for evaluation is the degree to which this relationship is shaping policy outcomes. In cases where we have found some changes in this field we will highlight them. Prominent examples include environmental assessments of World Bank projects, increased attention to gender issues in development, the creation of social dimensions to structural adjustment programmes and the high-lighting of core labour standards. Each of these policy changes shifts resources in the global economy, affecting the health and livelihood of target populations. In some cases, such as the construction of social safety nets, these can be questions of life and death. Potentially, the MEI–GSM relationship can be very significant for the vulnerable sectors of global society.

The second aspect is to determine what effect the relationship is having on the method of governance in terms of democratisation. The operation of MEIs is a concern for global democracy. The activity of these institutions is increasingly affecting the daily lives of hundreds of millions of people. The lead role the IMF and World Bank have played since the debt crisis of the early 1980s has guided the structural adjustment policies in many developing countries. The World Bank's lending policies have guided development projects, often causing considerable controversy amongst local inhabitants. Article IV con-sultations of the IMF have subjected the member states to detailed critical review. The new powers of the WTO herald an era of increased scrutiny of national economies by the international community in the area of trade policies. In Northern states some groups are concerned that the ideology of these institutions subordinates issues such as environmental protection, gender equality and labour rights to a liberalisation drive. In Southern countries these concerns are accom-panied by fears of the increasing gap generated between developed and developing countries in a liberal global economy. People in both Southern and Northern countries have expressed fears about the dilution of state sovereignty by these institutions and the interests they represent.

Some theorists have pointed to the activity of social movements working beyond state borders as a method of increasing democratic practice. They see a contradiction between the fact that the structures

of power and issues of concern are firmly rooted in a global context, but participation, representation and legitimacy are fixed at the state level (Connolly 1991; Walker 1993: 141–58). Rather than stressing the rebuilding of state-like institutions at an international level, new social movements are advanced as the best hope for global democratic practice. These movements are said to have a global vision, proposing transnational solutions. One of the primary tasks of such movements and the way in which they might contribute to increasing democracy is by creating a global political community which has a sense of common problems (Brecher, Childs and Culter 1993; Thiele 1993). Does this work in practice? Does the MEI–GSM relationship contribute to a democratisation of global governance? The answer developed in our conclusion is a tentative and qualified 'yes'.

Finally, the MEI–GSM relationship is significant because it highlights the issue of the political sustainability of global governance. In addition to debates about the most desirable economic strategy, attention must be given to the political foundation upon which these institutions rest. The study argues that the foundations of global governance go beyond states and firms to include social movements. Proposals for change in the institutions' structures and roles should be cognisant of this dimension of their activity.

Research method and plan of the study

We have combined several research methods. In addition to a survey of secondary sources we have undertaken interviews with officials from the three institutions under study. Where possible we have also consulted their libraries and files. A similar approach was adopted with regard to social movements and NGOs. We also acted as observers at events where MEI–GSM interaction took place, such as the 1995 UN Summit for Social Development (Copenhagen), the 1995 Fourth World Conference on Women (Beijing), the 1996 World Congress of the ICFTU (Brussels), the 1996 IMF/World Bank Annual Meetings (Washington), the 1996 WTO Ministerial Meeting (Singapore), the 1997 Asia Pacific Economic Cooperation meeting (Vancouver) and the 1998 WTO Ministerial Meeting (Geneva). Field work has also taken place in Romania and Uganda. A draft report was circulated to a selection of people involved in the activities of MEIs and GSMs. In February 1998 we hosted a small workshop where participants from MEIs and GSMs were able to voice their criticisms

and offer suggestions for improvements to the report. This book is a response to those helpful suggestions.

This introductory chapter is followed by four case studies and a conclusion. The case studies reflect the varied degree of activity in the MEI–GSM relationship. On the institutional side, the World Bank has had the most involvement with GSMs. On the GSM side, environmentalists have had more success than labour and women's groups. As a result, although each institution has its own chapter focusing upon engagement with a GSM (Bank and women, WTO and labour, IMF and GSMs) we also have a chapter which offers a comparative analysis of the environmental campaign at the Bank and the WTO. The conclusion provides an overview of the MEI–GSM engagement and develops the complex multilateralism concept.