



Background paper for Helsinki Process Track One

GLOBAL GOVERNANCE AND PARLIAMENTARY INFLUENCE

Dr. Kimmo Kiljunen, MP, Parliament of Finland

When the WTO Sub-committee of the Parliament of Finland met Director-General **Mike Moore** of the World Trade Organisation in Geneva, his first word was “transparency”. To him it meant meeting parliamentarians. The World Bank President **James Wolfenson** tours international parliamentary gatherings no less energetically. Speeches by the UN Secretary-General **Kofi Annan** likewise often include a call for a parliamentary dimension in his organisation. He has asked the former president of Brazil, **Fernando Enrique Cardoso**, to lead a panel to study the relations between the UN and parliaments.

There has been progress from words to deeds too. The first parliamentary conference on World Bank was held in Hague in year 2000. Since that these conferences are organised annually by the Parliamentary Network for the World Bank. Similarly a parliamentary forum under the auspices of the WTO is in the works. European Parliament and the Inter-Parliamentary Union (IPU) are organising annual parliamentary conferences on world trade. There are even plans to establish a permanent WTO Parliamentary Assembly.

In year 2000 the UN’s Millennium Session was solemnised by an assembly of the speakers of all of the world’s parliaments. It was organised by the IPU, now over a century old, which aims to become a parliamentary wing for the UN.

All of this is new. What has gotten into the leaders of international organisations? Why are they vying with each other in their eagerness to attach parliamentary bodies to their organisations? Are they hoping parliamentarians will give them a shield against demonstrators hurling rotten tomatoes and administering cream pies?

The protests in Seattle, Prague, Geneva and Cancun were undoubtedly a reminder of the democratic deficit from which international organisations suffer. Where trust should be, there is now a suspicion between global decision making and civil societies. Now, if we want to redress that, who other than deputies elected at the ballot box are better placed to speak as representatives of citizens?

Challenge of globalisation

Yet, the problem lies deeper. What is at stake is globalisation, a shrinking of our world.

The world economic and social system is integrating in a qualitatively new tempo and intensity increasing mutual interdependence. Goods, services, technology and information as well as people cross the borders increasingly and more efficiently. All this is made possible by a revolutionary progress in transportation and communication technology. The significance of distances is disappearing. Furthermore, this is even more important from the point of view of the decision-making. Many central issues of society have become common to all of humankind. Environmental problems, capital flows and trade, population growth, security, international crime, migration and refugees are phenomena that can no longer be addressed within the framework of any single state. Global decision making is needed.

Approaches to globalisation

Neoliberal agenda has been regarded as the political catalyst of globalisation. For neoliberal policy the process of globalisation is both means and objective in opening of market forces and in abolition of political regulation. As a consequence competition and production increases. For neoliberals globalisation is predetermined process and the task is only to adjust to this inevitable process. Without a doubt, such a development would result in the concentration of production factors, widening of income disparities and narrowing of political influence. However, it is argued that this is a price to be paid in order to create a competitive and efficient economy.

This approach is of course arousing opposition. It is considered as inhumane and unequal. It is viewed that the very idea of a democratic state is to safeguard the social needs of people rather than the market needs of companies. Economy is an instrument and its altar should not demand sacrifice from human well-being. A renaissance of the nation-state is being demanded; the closing of borders and an isolation from the influence of global economy. The counter-reaction of globalization is expressed in the search for protection provided by traditional values and parochial interests.

The criticism of globalization encompasses the entire political spectrum. The isolationist claim may equally be pronounced by a traditional conservative as well as a radical left. It is manifested in its worst as an expression of xenophobia and racism or at its best as a fair concern of the future of the welfare state and local communities. All these concerns agree that there is a need to isolate from the effects of globalization. Consequently there is a demand for the policy of protectionism, for the reinforcement of the nation-state and for the withdrawing into the shells of local communities.

But there is another option too. Instead of merely adjusting to globalisation or to isolate from it one should try to capture it. One should recognize the shrinking world, the strengthening of economic integration and the lessening of the relative influence of the nation-state but instead of isolation the object is to supervise and to govern globalization.

The world system requires the same as was earlier required at the national level: the exercise of public authority. Global markets have to be regulated. Wee need global rules of behaviour. What is needed is supranational political cooperation, multilateral agreements and strong transnational institutions.

Supranational governance of the EU

Globalisation creates a major challenge to democratic decision making. So far representative democracy has been confined to nation states. Supranational democracy is only taking its embryonic hesitant steps. There is no patent model for it to follow.

Supranational decision making is being implemented initially on a regional level. The process has been taken furthest in Europe today, where the EU has the first directly-elected supranational parliament in the world history. It is emerging as a fully-fledged legislature after the new EU constitution. Up to date, The Council of Ministers is the upper chamber and primary legislator. The European Parliament is the lower house and is still finding a role for itself in the prospective two-chamber system.

The EU is not progressing towards a federal state, as the matter is frequently misleadingly presented. It is by essence *sui generis*. As globalisation advances, national sovereignty is no longer what it used to be. There is a need for shared sovereignty. The first institutions post-nation-state world systems are emerging from the EU.

International parliamentary cooperation

Foreign policy in the traditional sense refers to decision-making between States and relations to international organizations. The main task and powers of parliaments have traditionally been to deal with domestic policies and exercise of internal legislative and budgetary authority. Due the globalisation relations with foreign countries and domestic affairs cannot be any longer separated. The issues to be solved are common.

We are increasingly interdependent. The way different cultures, religions and civilizations meet is unprecedented. In a globalized world, members of parliament are also involved in a broad range of international activities. The parliamentary dimension of international politics complements and supports traditional cooperation between governments. Parliamentary diplomacy has without doubt taken an increasing role in international relations.

International connections among parliaments have also an increasing significance. Parliamentary diplomacy has become an effective way for influencing topical global matters and to propose initiatives. A special advantage of interparliamentary co-operation is that it is not fettered by diplomatic formalities and allows a free and genuine exchange of opinions. Members of parliament are the most efficient channels between the local communities they represent, the national parliaments where they carry out their work and the international organisations they are addressing in respective parliamentary assemblies of which they are members.

The need to strengthen parliamentary influence and democratic legitimacy is becoming increasingly urgent in decision-making of today's world. Hence, a parliamentary dimension is requested by international organizations. Transparency and accountability are the central goal in this endeavour. Decisions of these organizations have also a growing impact on the work of national parliaments themselves. International agreements and resolutions often require decisions on a national parliamentary level. Multilateral instruments have to be ratified by national parliaments in many fields.

On the agenda of international organizations there are a growing number of matters which are, in essence, global or supranational, and have little to do with traditional political relationships between states. Parliamentary oversight of the work of international organizations is therefore, without doubt, becoming increasingly important. Trans-national cooperation among parliamentarians is an asset in global governance.

International parliamentary assemblies

The first European as well as universal organizations was fora for cooperation only between governments, and lacked direct parliamentary involvement. As globalization proceeds there is a growing trend to engage parliamentarians in their work.

Gradually parliamentary involvement has grown both quantitatively and in terms of substance. Regional and international organizations have established parliamentary assemblies which have actively contributed to their work. These include the Nordic Council, the Council of Europe, OSCE, Arctic cooperation, NATO, the Western European Union and cooperation in the Baltic Sea area. All these organisations have an established parliamentary assembly or hold regular parliamentary conferences. In some cases the existing assemblies function as parliamentary fora also for other international organizations (for example the Parliamentary Assembly of the Council of Europe provides the parliamentary dimension also for the OECD).

Outside Europe, both the Commonwealth and its Francophone counterpart *La Communauté* have parliamentary assemblies. Latin America, Africa and South-East Asia as well as the Islamic countries likewise have inter-parliamentary bodies of their own. The same goes for the Russian-led Commonwealth of Independent States. There is an urgent need for a new qualitative role for these parliamentary institutions in political life, not only in the individual countries, or on a regional level but also globally.

Independent networks and associations for global parliamentary cooperation have also been established. In addition to the IPU, the oldest parliamentary organization in the world, they include for example the Global Legislators Organization for a Balanced Environment (GLOBE), the Organization of European Parliamentarians for Southern Africa (AWEPA), World Women Parliamentarians for Peace, and Parliamentarians for Global Action (PGA).

A most recent development is the creation of parliamentary fora in connection with global organizations. The European Parliament and the IPU have arranged parliamentary conferences on world trade, addressing issues on the agenda of the WTO. A similar type of effort is under way for the Bretton Woods institutions. A Parliamentary Network on the World Bank has been established and regular annual parliamentary conferences have been arranged since 2000. Now the same process is emerging in respect to the UN system.

The members of international parliamentary assemblies are appointed by the national parliaments of member states. All well. The international organisations will become more transparent and more accountable. Deputies will obtain global information to help them in national decision making. But do parliamentarians have enough time to perambulate from one international parliamentary meeting to another? A division of labour and coordination is needed.

The United Nations

While the previously mentioned international organizations have created specialized parliamentary bodies, the United Nations has not. There is an activist organization, Parliamentarians for Global Action (PGA), consisting of individual parliamentarians. It has focused its work on the substance of the UN agenda. Nevertheless, as an organization the PGA is not necessarily broadly representative.

The IPU has a broad membership base, and has in recent years tried to become more substance oriented in its work. In 2001 the UN granted observer status to the IPU. It is represented at the

General Assembly of the UN with the right to speak at Assembly sessions. Official IPU documents can also be distributed within the UN. It has in this respect already created a certain parliamentary link to the UN.

The IPU organized a summit for Speakers in cooperation with the UN in 2000, and the next meeting of this kind is expected to take place in 2005. Meetings with the UN are thus in the process of becoming institutionalized. In order to be successful they need to be based on broader participation differentiated on the basis of the issues that are going to be discussed.

The IPU has also organized regular meetings in connection with the UN General Assembly. So far the participants have been a mix of IPU delegates from their respective parliaments, and of parliamentarians attending the UN General Assembly as members of their national delegations. This approach is not entirely unproblematic for the IPU, especially in relation to parliamentary work on a national level. The IPU meetings can, unfortunately, develop into meetings with limited participation by those parliamentarians who basically are responsible for IPU affairs on a national level. It would, however, be an interesting alternative to explore whether the IPU could have a broader role in relation to the UN.

The IPU could, for example, be a coordinator, and ensure broad participation in meetings on UN issues. The invited parliamentarians should actively be involved in these issues in their national parliamentary committees. This is important not only in relation to the General Assembly but also in relation to the UN specialised agencies. Depending of the type of UN meeting, the IPU could coordinate the process and to make sure the conference is covered by parliamentarians for which it is of special relevance. If the IPU is not available, this should anyhow be done, maybe by the UN itself. Would this coordination be done by the reformed IPU or by new entities to be established within the UN, is to be seen. The need is recognised.

New proposals

The ILO Commission on the Social Dimension of Globalization headed by the presidents of Finland **Tarja Halonen** and of Tanzania **Benjamin William Mkapa** produced its report in April 2004. The report had a chapter about the role of the parliaments in global policy. It saw that the parliamentary oversight of the multilateral system at the global level should progressively be expanded. But how?

1. The ILO report requested that all multilateral organizations, including UN agencies, should become more accountable to the public at large. In particular, national parliaments should contribute to this process by regularly reviewing decisions taken by their countries' representatives to these organizations.
2. Global parliamentary associations, regional parliamentary assemblies and global parliamentary networks have encouraged better performance and accountability of international agencies and organizations. Their work is important, but coordination is needed. Hence, the ILO report call for the creation of a Global Parliamentary Group concerned with the coherence and consistency between global economic, social and environmental policies, which should develop an integrated oversight of major international organizations.

In April 2003, the UN Secretary-General appointed a panel of eminent persons to study relations between the UN and civil society. As part of its mandate, the panel was asked to examine relations between the UN and members of parliament. The former president of Brazil, **Fernando Enrique Cardoso**, was invited to chair the panel. In June 2004 the report of the panel was submitted.

The Cardoso Panel called for more effective interaction between parliaments and the UN, which would strengthen global governance, confront democratic deficit in intergovernmental affairs and connect the UN better with global opinion. In the report there were four concrete proposals to engage parliamentarians more systematically in the work of the UN.

1. The UN issues should be more regularly addressed by national parliaments. Frequently the governments agree to major global commitments without a proper parliamentary debate and scrutiny. So global goals, such as the Millennium Development Goals are not obtaining adequate attention in most parliaments, thus greatly reducing their potency. The Panel proposes that national parliaments should devote much more attention to intergovernmental processes, in particular, by scrutinizing government management of UN affairs and its commitments on global agreements as well as holding debates on major issues at the UN agenda.

2. The parliamentarians participating in the UN events, usually as members of government delegations, should have more important role in the events. They should have opportunities to participate in debates before a General Assembly meeting on a major topic or to speak in relevant committees and special sessions of the Assembly. The members of parliament would be encouraged to follow up these debates in their national parliaments.

3. There is a need to create a functional international parliamentary mechanism taking model from the standing or select committees of national parliaments. The Cardoso Panel proposed experimental Global Public Policy Committees to be established. They will build up substantive expertise, forward policy proposals and scrutinize progress on past agreements made by intergovernmental organizations and governments. They could submit reports to the Secretary General and heads of relevant specialized agencies. Such committees should comprise up to 30 parliaments and be regionally representative and rotation of membership would be, perhaps with five-year terms. At the initial stage the committees would be informal and advisory, with somewhat ad hoc group of countries. Later they might be more formal, eventually leading to globally representative committees on all global priorities with the right to submit policy recommendations and progress audits to the UN and the member states.

4. The Cardoso Panel suggests that a small Elected Representatives Liaison Unit should be formed within the UN taking model from the well-respected Non-Governmental Liaison Service. The Liaison Unit would provide information service for members of parliament and encourage UN related debates in national parliaments as well as create opportunities for parliamentarians to take part in UN forums. It could eventually become a secretariat for Global Public Policy Committees.

All these proposals would engage members of parliament more systematically in the work of the UN and other specialized agencies and thus, these ideas should be tested.

Challenges for parliamentary influence

Global parliamentary cooperation is certainly important. It should not, however, be separated from the work in national parliaments. Instead, every effort should be made to integrate these two levels.

By participating in international fora parliamentarians have access to global information and knowledge which can contribute to the work on a national level. International organizations could also benefit from the direct contact with national parliamentarians and their expertise. The close interaction increases transparency and accountability of the organizations concerned.

A division of labour is, however, requested among parliamentarians. Otherwise a limited group of parliamentarians, which more or less takes care of the international work, is created. For them global commitments and work threatens to become an overwhelming burden. Thus, to ensure the best and most relevant parliamentary expertise at global level, it is necessary that specialized committees of national parliaments have a stronger role in selecting parliamentarians to participate in the UN and other international events.

Parliamentary events and bodies of international organizations are, however, of secondary importance from the perspective of representative democracy. The organizations are, as such, intergovernmental in character. The main emphasis of parliamentary influence must be on the national level.

In particular, there is a need to organise monitoring and scrutiny of executive branch. The ministers responsible for decisions in international organizations should have to obtain a mandate from their respective parliaments. In fact, international parliamentary cooperation is a tool for improving the monitoring and legislative work at home. There is a great need to enable legislators to guide more properly governments in international affairs.

These are important steps. After all, it is not only demonstrators, but also parliamentarians who should have a say in the emerging global governance.

Dr. Kimmo Kiljunen is the former vice-president of OSCE Parliamentary Assembly and former member of the Parliamentarians for Global Action (PGA) International Council. At the moment he is also the deputy chair of the Parliamentary Network on World Bank as well as a member of the Preparatory Committee for the WTO conference of parliamentarians.

Internet: kimmo.kiljunen@eduskunta.fi