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Contesting ‘globalisation from above’

International non-governmental organisations and the prospects for global social contract

Baogang He and Hannah Murphy

Introduction

A growing literature testifies to the emerging importance of what may be termed a ‘global social contract’ in contesting the neoliberal economic order. A global social contract constitutes a normative condition for what Richard Falk calls ‘humane governance’. Will this develop into a new paradigm and become a new form of persuasion? This chapter considers the prospects for, and relevance of, a global social contract to the international trade regime. It explores the ways in which the activities of international non-governmental organisations (INGOs) and their networks are contesting World Trade Organisation (WTO) agreements and contributing to the development of a global social contract. Through six case studies of INGO campaigns, we test the normative definition, meaning and content of the global social contract concept.

The idea of a global social contract

‘Predatory globalisation’, a term coined by Richard Falk, has empowered the international business sector and powerful nation states while undermining the voice of developing nations and ordinary citizens in general. As Falk asserts, international economic institutions are often secretive and do not allow developing countries to participate sufficiently in the formulation of global economic policy. Their activities also entrench inhumane practices, such as child labour and the destruction of the environment. Moreover, it is predicted that in the twenty-first century, Chief Executive Officers (CEOs) will spend a third of their time addressing issues once seen as matters of social policy for which nation states were previously responsible. This will strike a major blow to democratic control by citizens. There is no political constitution to match the increasingly integrated global economy – the social contract is seen to be outside the mandate of the major international economic policy-making institutions.

According to Peter O’Driscoll, the Washington Consensus has brought about new rules of engagement, different from the Keynesian social contract
that combined economic growth with social improvement and provided a stable balance of power between the private and public sectors. These new rules have granted the private sector a disproportionate amount of power to the detriment of state institutions. However, it is argued that the Washington Consensus is now faltering and that there is a need for a 'new social contract' to promote equitable development in less developed nations.

Different conceptualisations of a global social contract have been formulated by a diverse set of authors to address various aspects of the problems associated with globalisation from above. For Georg Kell and John Gerard Ruggie, the purpose of a global social contract is to regulate corporate practice and the corporate code of conduct. At the Davos World Forum in January 1999, UN Secretary-General Kofi Annan initiated the 'global compact' to challenge the international business community to help the UN implement universal values in the areas of human rights, the environment and labour standards. The global compact is understood as a framework of reference as well as a dialogue to stimulate best practices and to bring about a convergence in corporate practices around universally shared values. According to Mazarr, the global social contract is a contract between nation states and international organisations whereby nation states will begin gradually to entrust elements of their security to a coalescing set of global norms. In the eyes of Richard Falk, a global social contract is a new equilibrium that strikes a balance between capital and society, between capital-driven social forces and people-driven social forces. It strikes the sort of balance similar to that which the state once assumed between society and the market at an earlier stage of capitalism. A global social contract also 'provides for basic human needs and regulatory uniformity, resembling the achievement of social democracy and the labour movement at the level of the state'. In the opinion of Richard Smith, a global social contract entails the rich accepting greater responsibility for the poor. He states that rich countries should transfer a quarter of their gross national product to poor countries in order to provide education, health care, social services, income support and the like. 'A true global society would mean a global social contract between rich and poor'.

Alain Touraine calls for the globalisation of social movements from below to recover individual freedom that has been lost in the process of the globalisation of capitalism. Richard Falk describes the activities and campaigns of INGOs as globalisation from below against the forces of globalisation from above. Civil society has emerged as a viable 'third sector' with experience and insight into how to balance economic growth with social and environmental concerns. INGOs can monitor and disseminate information about corporate behaviour, which can be combined with appropriate government regulation and funding of selected development programmes. Consensus needs to be built on the priority of certain development outcomes and the respective roles for government, business and civil society need to be negotiated. This is the essence of Driscoll's 'new social contract'.
Through the lens of global social contract theorising, some INGOs view the agreements of the WTO as economic contracts that lack accountability and democratic legitimacy; the WTO is seen as determined to realise its goal of trade liberalisation regardless of the social and environmental consequences. In challenging the WTO's authority, some INGOs are attempting to establish a global social contract with the organisation, aiming to inject social and environmental justice into its regulatory framework of agreements. The elements of a global social contract in this sense include the development of a democratic process in establishing the contract, the inclusion of social protection and rights for the poor and weak, and ensuring that the international business sector behaves in a responsible and accountable manner. In this context, successful INGO action has redefined the terms and content of WTO agreements/contracts, by modifying existing WTO agreements and establishing a symbolic alternative to the existing trade regime through the practice of fair trade.

In essence, a global social contract is a political and moral principle for addressing the problems arising from globalisation from above. The idea of a global social contract is comprised of three core elements. The first is that the global social contract is global, that citizens residing in developed, developing and under-developed nations are equally relevant contracting parties. This element is related to the principle of global citizenship, which stresses that people, citizens and global society are the most important third contracting parties beyond the conventional notion of a bilateral contract between nation states and international organisations. The second is the social element, which refers to the incorporation of adequate social protection and the principle of equality into the actual content of global economic policy. The third is the element of contract meaning that the agreement is based on consent (not imposed from above) and that the process of reaching an agreement is transparent in that those administering global economic policy operate with an appropriate level of democratic accountability and transparency.

Many empirical questions arise with regards to the role of INGOs in building a global social contract. (1) Are INGOs significant parties to the global social contract? Are they outsider challengers or insider policymaking participants? (2) Have INGOs successfully challenged the international business community in implementing universal values? (3) In challenging the undemocratic process, do INGOs make the process more democratic, and in what sense? (4) Do INGOs force the WTO to revise some economic contracts in order to meet social demands? (5) Do the poor benefit from the campaigns against the WTO agreements organised by INGOs? (6) Do INGOs make trade fairer? Do they make the WTO agreements fairer and in what sense? Table 18.1 lists these six concrete and testable empirical questions and summarises how INGOs employ the notion of a global social contract to contest the practice and content of the WTO agreements from these perspectives.
Table 18.1 WTO Agreements and the global social contract

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>WTO agreements</th>
<th>Global social contract</th>
<th>Testable questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who</td>
<td>Nation states, in particular, powerful nation states such as the US, EU and Japan, and large corporations are the principal parties to the economic contracts.</td>
<td>A global social contract must involve international organisations, states and civil society. INGOs are striving to become active parties in the development of a global social contract.</td>
<td>(1) Are INGOs significant parties in the emerging global social contract? Are they outsider challengers or insider policy-making participants?</td>
</tr>
<tr>
<td>What: issue and value</td>
<td>Economic issues related to international trade such as tariffs, intellectual property rights and trade in services etc.</td>
<td>A global social contract must duly account for human rights and environmental sustainability.</td>
<td>(2) Have INGOs successfully challenged the international business community in implementing universal values?</td>
</tr>
<tr>
<td>How: process</td>
<td>No direct democratic accountability to citizens. WTO negotiations are dominated by powerful states.</td>
<td>Citizens must be given certain rights when their states enter into global economic contracts. The voice of people in developing countries must be heard and weighted.</td>
<td>(3) In challenging the undemocratic process, do INGOs make the process more democratic and accountable, and in what sense?</td>
</tr>
<tr>
<td>Nature</td>
<td>Economic contract.</td>
<td>Global and social contract.</td>
<td>(4) Do INGOs force the WTO to revise some economic contracts in order to meet social demands?</td>
</tr>
<tr>
<td>Whom</td>
<td>Nation states and the international business sector.</td>
<td>A global social contract accounts for the social costs of economic globalisation and ensures that the rights and interests of poor countries and the poor people of rich countries are protected.</td>
<td>(5) Do the poor benefit from the campaigns against the WTO agreements organised by INGOs?</td>
</tr>
<tr>
<td>Fairness</td>
<td>Unfair to the poor and unemployed</td>
<td>Emphasis on the equity of global rules.</td>
<td>(6) Do INGOs make trade fairer? Do they make WTO agreements fairer and in what sense?</td>
</tr>
</tbody>
</table>
Sceptics such as Faux would stress the difficulty in creating a global social contract. He argues that a global social contract must be enforced by the international economic policy-making institutions, but that in the absence of a global democratic government, these institutions will be captured by business interests, which will prevent the enforcement of a global social contract. Buchanan too points to the danger that the efforts of civil society groups in challenging the accountability and transparency of the WTO may actually enhance the legitimacy of the institution making it more difficult for civil society to bring about more fundamental change.

This chapter aims to (1) address the above six empirical questions and examine the roles of INGOs in constructing a global social contract, and (2) test the normative definition, meaning, and content of global social contract through six case studies of INGO campaigns directed at the WTO. The result of this study offers us a reasonable basis to assess the validity of the scepticism about the idea of a global social contract. This chapter adopts a normative empiricist approach which enables us to develop an empirically based notion of a global social contract, and provides a solid empirical foundation to develop what Falk calls 'normative renewal' toward a cosmopolitan or transnational democratic ethos of renewal.

This normative empiricist approach starts with the real world. We strongly believe that an empirical approach is preferable to the Rawlsian approach that starts with an ideal world such as the veil of ignorance. This is because normative aspirations and conceptual tools for the framing of world order must have an empirical base and realistic driving forces. An application of Lockean or Rawlsian social contract theory, which originated in the nation-state system, is an unproductive intellectual exercise. The outcome of a simplistic and purely theoretical extension is likely to lead to the argument made by Boswell that the application of social contract theory for solving problems at the global level cannot be achieved. The virtues of social contract theory are not replicated when applied to issues of international justice. This is because it reveals a tension between the goal of conflict regulation and an ethically driven conception of justice, and this tension renders global social contract theory utopian. Also unproductive is the internationalisation of the social contract. This is because the internationalisation approach misses the urgent issue about the global social contract per se and carries with it uncontested nationalist assumptions. It also presupposes what the authors of the Global Civil Society 2001 yearbook refer to as 'methodological nationalism', which is the tendency for theorists to remain bonded to categories created for and applicable to nineteenth century industrial nation states.

Below we provide a review of basic information about INGOs. This is followed by the six case studies and a discussion and conclusion.
Some basic information about INGOs

Tables 18.2–18.7 denote the existence of a large number of INGOs and offer a breakdown of their different types. Table 18.2 shows that of the total number of INGOs, 36 are federations of international organisations, which constitute only 0.50 per cent; 474 are universal membership organisations, making up 6.53 per cent and 5,676 are regionally-oriented membership organisations, comprising the majority of 78.17 per cent. It should be noted that a further 3,815 organisations are dissolved or apparently inactive. Table 18.3 highlights the tremendous proliferation of INGOs over the past century. Table 18.4 demonstrates that both developed and developing countries have a high participation rate in INGOs. The majority of selected nations participate in over 25 federations of international organisations; China, Indonesia, Kenya, Thailand and Uganda participate in between 20 and 25, while only Hong Kong (China) and North Korea participate in less than 20 federations of INGOs. The figures in Table 18.5 however, show that the countries in which INGO secretariats are based are more or less geographically limited to Europe and North America. Table 18.6 lists the major INGOs and NGOs involved in the six case studies of campaigns against the WTO. Table 18.7 lists the number of NGOs in attendance as

Table 18.2 Number of international non-governmental organisations by type (2004)

<table>
<thead>
<tr>
<th>Types</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Federations of international organisations</td>
<td>36</td>
<td>0.50</td>
</tr>
<tr>
<td>B Universal membership organisations</td>
<td>474</td>
<td>6.53</td>
</tr>
<tr>
<td>C Intercontinental membership organisations</td>
<td>1,075</td>
<td>14.81</td>
</tr>
<tr>
<td>D Regionally oriented membership organisations</td>
<td>5,676</td>
<td>78.17</td>
</tr>
<tr>
<td>Total</td>
<td>7,261</td>
<td>100.00</td>
</tr>
</tbody>
</table>


Table 18.3 International non-governmental organisations by year and type (1909–1999)¹⁹

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>43</td>
<td>39</td>
<td>39</td>
<td>38</td>
<td>39</td>
<td>37</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>397</td>
<td>427</td>
<td>437</td>
<td>486</td>
<td>485</td>
<td>483</td>
<td>484</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>796</td>
<td>773</td>
<td>783</td>
<td>1,001</td>
<td>997</td>
<td>1,074</td>
<td>1,057</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3,440</td>
<td>3,381</td>
<td>3,571</td>
<td>3,596</td>
<td>4,064</td>
<td>4,172</td>
<td>4,247</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>832</td>
<td>1,470</td>
<td>2,173</td>
<td>4,676</td>
<td>4,620</td>
<td>4,830</td>
<td>5,121</td>
<td>5,585</td>
<td>5,766</td>
<td>5,825</td>
</tr>
</tbody>
</table>

Table 18.4 Selected country participation in international non-governmental organisations by type (2004)

<table>
<thead>
<tr>
<th>Country/times</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>28</td>
<td>443</td>
<td>857</td>
<td>1,193</td>
</tr>
<tr>
<td>Argentina</td>
<td>28</td>
<td>430</td>
<td>657</td>
<td>830</td>
</tr>
<tr>
<td>China</td>
<td>24</td>
<td>356</td>
<td>565</td>
<td>622</td>
</tr>
<tr>
<td>France</td>
<td>31</td>
<td>452</td>
<td>962</td>
<td>2,676</td>
</tr>
<tr>
<td>Germany</td>
<td>29</td>
<td>452</td>
<td>957</td>
<td>2,667</td>
</tr>
<tr>
<td>Hong Kong – China</td>
<td>16</td>
<td>326</td>
<td>418</td>
<td>516</td>
</tr>
<tr>
<td>India</td>
<td>28</td>
<td>436</td>
<td>735</td>
<td>763</td>
</tr>
<tr>
<td>Indonesia</td>
<td>25</td>
<td>363</td>
<td>348</td>
<td>445</td>
</tr>
<tr>
<td>Japan</td>
<td>30</td>
<td>445</td>
<td>831</td>
<td>1,159</td>
</tr>
<tr>
<td>Kenya</td>
<td>21</td>
<td>326</td>
<td>278</td>
<td>253</td>
</tr>
<tr>
<td>Korea DPR</td>
<td>10</td>
<td>83</td>
<td>52</td>
<td>54</td>
</tr>
<tr>
<td>Korea Republic</td>
<td>27</td>
<td>396</td>
<td>526</td>
<td>600</td>
</tr>
<tr>
<td>Mexico</td>
<td>27</td>
<td>417</td>
<td>612</td>
<td>768</td>
</tr>
<tr>
<td>South Africa</td>
<td>29</td>
<td>423</td>
<td>656</td>
<td>717</td>
</tr>
<tr>
<td>Switzerland</td>
<td>30</td>
<td>430</td>
<td>873</td>
<td>2,065</td>
</tr>
<tr>
<td>Thailand</td>
<td>21</td>
<td>385</td>
<td>354</td>
<td>443</td>
</tr>
<tr>
<td>Uganda</td>
<td>20</td>
<td>234</td>
<td>132</td>
<td>174</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>28</td>
<td>424</td>
<td>925</td>
<td>2,554</td>
</tr>
<tr>
<td>USA</td>
<td>29</td>
<td>450</td>
<td>934</td>
<td>1719</td>
</tr>
</tbody>
</table>


observers at the five WTO Ministerial Conferences held to date, as well as the selected NGO campaigns in force at the time of (and surrounding) these meetings.

Global day of action against the WTO ‘Millennium Round’

The 30 November 1999 Seattle street demonstration outside the WTO Ministerial Conference was part of a global day of action against neoliberalism as designated by the People’s Global Action (PGA) and the Jubilee 2000 debt cancellation campaign. According to Wood, this global day of action involved 111 protest events in 22 countries in 97 cities, including two cities in Australia and New Zealand, seven countries and 20 cities in Asia, 12 countries and 41 cities in Europe and 34 cities across the United States (US) and Canada. However, the most widely reported protest was that held in Seattle where an estimated 30,000 protesters consisting of trade unionists, environmentalists, human rights advocates, conservatives and neo-isolationists stole the limelight from the WTO conference.

Despite many accounts citing the protests as the reason for the breakdown of the conference and the failure to launch the Millennium Round,
Table 18.5 Selected countries in which international non-governmental organisation secretariats are located

<table>
<thead>
<tr>
<th>Country/types</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>0</td>
<td>6</td>
<td>25</td>
<td>97</td>
</tr>
<tr>
<td>Argentina</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>102</td>
</tr>
<tr>
<td>China</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>France</td>
<td>7</td>
<td>59</td>
<td>112</td>
<td>420</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>20</td>
<td>70</td>
<td>378</td>
</tr>
<tr>
<td>Hong Kong – China</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td>India</td>
<td>0</td>
<td>9</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Japan</td>
<td>0</td>
<td>4</td>
<td>16</td>
<td>85</td>
</tr>
<tr>
<td>Kenya</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Korea DPR</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Korea Republic</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>29</td>
</tr>
<tr>
<td>Mexico</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>58</td>
</tr>
<tr>
<td>South Africa</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>54</td>
</tr>
<tr>
<td>Switzerland</td>
<td>9</td>
<td>69</td>
<td>70</td>
<td>166</td>
</tr>
<tr>
<td>Thailand</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>29</td>
</tr>
<tr>
<td>Uganda</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2</td>
<td>61</td>
<td>190</td>
<td>546</td>
</tr>
<tr>
<td>USA</td>
<td>3</td>
<td>82</td>
<td>168</td>
<td>418</td>
</tr>
</tbody>
</table>


...it has been argued that the collapse of the WTO meeting was primarily due to disagreements among the major economic powers over many of the same issues for which protesters were lobbying.23 The failure of the conference and the media coverage of the protest saw the WTO receive a great deal of negative press and this added weight to claims emanating from civil society that the WTO lacks transparency and accountability.

In reaction to the intensity of the Seattle protests, the WTO sought to reinvigorate its public profile, which consisted mainly of an upgrade to the organisation's website. The website was used to showcase a series of public relations documents promoting the work of the WTO, a revised electronic document database, electronic forums, NGO bulletins and position papers and the WTO newsletter.24 The WTO has also conducted a number of dialogues and briefings where NGO representatives are given the opportunity to attend informal discussions, workshops and technical seminars on trade-related issues.25 The WTO has created a chat room on its website for NGOs as well as posting NGO bulletins and NGO position papers.26

The WTO's attempts to remedy its poor image following the Seattle meeting are superficial and problematic. In regard to the expansion of its website – the development of chat rooms, online forums, the increased availability of documentation and so forth – the important issue of access to inter-
## Table 18.6 Selected INGOs and NGOs involved in selected campaigns against WTO agreements

<table>
<thead>
<tr>
<th>Campaign</th>
<th>INGOs/NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Day of Action Against the WTO 'Millennium Round'</td>
<td>A broad array of civil society groups including environmentalists, labour unions, human rights activists, protectionists, anti-capitalists, neo-isolationists and anarchists.</td>
</tr>
<tr>
<td>Campaign for WTO Core Labour Standards</td>
<td>International Confederation of Free Trade Unions (ICFTU), World Confederation of Labour (WCL), various International Trade Secretariats, International Textile, Garment and Leather Workers’ Federation (ITGLWF), International Metalworkers Federation, International Federation of Chemical, Energy, Mine and General Workers’ Union (ICEM), various research institutes and various NGOs (not affiliated to the above structures).</td>
</tr>
<tr>
<td>Campaign Against the GATS Agreement</td>
<td>World Development Movement (UK), Bern Declaration, Public Services International (PSI), Focus on the Global South (Thailand), Public Citizen’s Global Trade Watch, ActionAid (Uganda), Alternative Information and Development Centre (South Africa), ARENA (New Zealand), Business Watch (Indonesia), Center for International Environmental Law (Switzerland), Consumer Information Network (Kenya), EcoNews Africa (Kenya), 11.11.11 (Belgium), Equations (India), Food Rights Alliance (Uganda), Gender and Trade Network in Africa, Institute for Global Justice (Indonesia), Institute of Economic Affairs (Kenya), International Gender and Trade Network Asia, Lawyers Environmental Action Team (Tanzania), Mwelekeo waNGO (Zimbabwe), Polaris Institute (Canada), Brazilian Network for the Integration among Peoples (REBRIP), Southern and Eastern African Trade Information and Negotiations Institute (SEATINI), SodNet (Kenya), Tanzania Gender and Networking Programme, Third World Network Africa (Ghana), Trade Watch (Kenya), Australian Fair Trade and Investment Network (AFTINET).</td>
</tr>
</tbody>
</table>

continued
Table 18.6 Continued

<table>
<thead>
<tr>
<th>Campaign Against a WTO Foreign Investment Agreement</th>
<th>INGOs/NGOs</th>
</tr>
</thead>
</table>


The utilisation of its website underscores the WTO's focus on responding to 'noisy' NGOs from developed countries. The utility of the WTO's other measures concerning NGO relations are also questionable. For example, the WTO has retained a tight grasp on deciding which NGOs are granted accreditation for attendance at ministerial meetings and informal discussions of specific issues. The WTO selects NGOs that are deemed by the organisation to have a 'legitimate interest' in trade issues. Scholte et al. state that relations between the WTO and civil society have also tended to reinforce global structural inequality whereby WTO contact with civil society groups representing business interests and NGOs based in industrialised nations is privileged over those NGOs situated in the global south. Overall, the WTO has approached its relations with civil society in a unilateral manner where control and power over these relations remain vested in the hands of the WTO. Despite signs that the WTO might have revisited and extended its provisions for civil contact following the Seattle ministerial meeting, the organisation continues to resist meaningful dialogue with civil society organisations.
Table 18.7 WTO Ministerial Conferences, number of attending NGOs and associated INGO campaigns

<table>
<thead>
<tr>
<th>Year</th>
<th>WTO Ministerial Conference</th>
<th>Number of NGO observers&lt;sup&gt;20&lt;/sup&gt;</th>
<th>NGO Campaigns in progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Singapore</td>
<td>108</td>
<td>• Campaign for WTO Core Labour Standards</td>
</tr>
<tr>
<td>1998</td>
<td>Geneva, Switzerland</td>
<td>153</td>
<td>• Campaign for WTO Core Labour Standards</td>
</tr>
<tr>
<td>1999</td>
<td>Seattle, United States</td>
<td>776</td>
<td>• Campaign for WTO Core Labour Standards • Global Day of Action Against WTO Millennium Round</td>
</tr>
<tr>
<td>2001</td>
<td>Doha, Qatar</td>
<td>651</td>
<td>• Campaign Against the TRIPS Agreement</td>
</tr>
<tr>
<td>2003</td>
<td>Cancun, Mexico</td>
<td>795</td>
<td>• Campaign Against the TRIPS Agreement • Campaign Against a WTO Foreign Investment Agreement • Campaign Against the GATS Agreement</td>
</tr>
</tbody>
</table>

Although the collapse of the Seattle conference cannot wholly be attributed to the 30 November 1999 global day of action, the protest was successful in a number of respects. The protest events highlighted citizen dissatisfaction over the WTO's inability to account for the negative consequences of international trade such as environmental degradation, human rights violations, poor labour standards and economic inequality. Moreover, these same issues that the protesters aimed to emphasise were echoed by member states inside the conference and were ultimately the catalyst for the collapse of the meeting. Most importantly, the protest events received widespread media coverage, as did the WTO itself, which in turn heightened public awareness of the secretive nature of global trade policy. As Stigliani summarises,

many people who had previously been unaware of or paid little attention to the WTO now have some sense of the purpose of the organisation and of the debate over the relative benefits and costs of the worldwide free trade that it seeks to promote.<sup>29</sup>

Campaign for WTO core labour standards

Although the International Labour Organisation (ILO) provides a forum for the representatives of governments, employers and workers to discuss labour
standards, in recent years an increasing segment of the international labour movement has come to view the organisation as ineffective. The ILO's conventions are voluntary and even where nations agree to adopt particular conventions, the institution does not have the enforcement capacity to ensure these are upheld. The institutional transformation of the General Agreement on Tariffs and Trade (GATT) into the more powerful WTO in 1995 led the international labour movement to argue that increased trade liberalisation and strengthened trade rules permit labour exploitation and undermine national health and safety regulations. However, the creation of the WTO also presented the international labour movement with a legally enforceable arena in which to lobby for a set of core labour standards. The violation of labour rights in export sectors can broadly be conceived as an unfair trade practice that could be addressed through the WTO's powerful dispute settlement body.

The campaign for the incorporation of core labour standards into the WTO framework was led by the International Confederation of Free Trade Unions (ICFTU), one of the most entrenched global networks. The campaign stressed that international trade liberalisation under the WTO treats workers as factors of production rather than as human beings who deserve to have recourse to a standard set of basic rights that govern their treatment at work. The ICFTU and other civil society groups involved in the campaign lobbied for the WTO to adopt a social clause that would commit states to respect seven basic ILO conventions (Conventions 87, 98, 29, 105, 100, 111 and 138). These conventions relate to freedom of association, the right to collective bargaining, the abolition of forced labour, prevention of discrimination in employment and a minimum age for employment.

The WTO's inaugural Ministerial Conference in Singapore in 1996 presented the ICFTU campaign with their first opportunity to secure a WTO labour rights clause. The domestic political importance of labour as an interest group in developed countries assisted the campaign. At the WTO conference, the European Union (EU) and the US strongly advocated that the WTO recognise labour issues. However, the majority of developing countries opposed the incorporation of core labour standards into the WTO framework. Essentially, the debate centred around whether the WTO is the appropriate institution for enforcing labour standards and what impact such standards might have on the comparative advantage of countries that depend on labour-intensive industries. Developing countries argued that allowing the creation of unions would cause multinational companies interested in investing in countries with low labour costs and low labour activism to disinvest.

There was also considerable disagreement amongst civil society groups regarding a WTO labour standards clause. Significantly, the Indian National Trade Union Congress as well as a great many civil society groups from developing countries opposed the incorporation of core labour standards into the WTO framework. In a further setback to the ICFTU cam-
Contesting ‘globalisation from above’ 253

Campaign, a coalition of NGOs organised by the Third World Network (TWN) issued a public statement that opposed the WTO taking on new issues including labour standards.Echoing developing country governments, the TWN statement claimed that developed country protectionists would use a labour standards clause to prevent the importation of products from less developed countries. Essentially, these groups viewed the WTO as ‘a source of domination rather than an opportunity for justice’.39

Despite discussion of labour issues dominating the Singapore conference, the proposal for a core labour standards clause at the WTO failed to be adopted, largely due to opposition from developing countries. However, the subject of core labour standards was mentioned in the final declaration:

We renew our commitment to the observance of internationally recognized core labour standards. The International Labour Organization (ILO) is the competent body to set and deal with these standards, and we affirm our support for its work in promoting them.40

Following the Singapore Ministerial, pressure from several campaign affiliates to increase the participation of member organisations in the campaign led to the ICFTU establishing the Task Force on Trade, Investment and Labor Standards (TILS). Prior to the WTO’s second Ministerial Conference in Geneva in May 1998, TILS organised a three day conference for its members, one of the main goals being to prepare unionists to lobby their governments on the issue of core labour standards. This strategy had a limited impact as the primary purpose of the Geneva conference was to celebrate the fiftieth anniversary of GATT rather than discuss substantive issues.

In preparation for the 1999 WTO Ministerial Conference in Seattle, the ICFTU undertook a number of activities. These included a seminar in December 1998 entitled ‘Globalisation, Investment and Labor Standards’ dedicated to investigating a number of campaign proposals. These proposals included the organisation of regional and subregional activities to achieve the campaign goals at a national level, the targeting of developed countries and regions such as Japan and the EU where governments appeared to be favouring a purely ILO-based approach to the labour standards issue, and the exploration of possible NGO alliances. One of the most significant proposals was that it should be the ILO, not the WTO, that should decide if a country has violated core labour standards: the role of the WTO would be to ensure compliance through possible trade sanctions as a measure of last resort. The ICFTU also managed to gain the firm support of the US government through the American Federation of Labour–Congress of International Organisations (AFL-CIO), the umbrella organisation for US unions. In October 1999, the US government stated its support for a WTO labour standards working party. However, this proposal did not involve the enforcement of labour rights with trade sanctions. The US government was responsive to the AFL-CIO largely because the Clinton administration was
under pressure to regain the support lost from labour over the adoption of the North American Free Trade Agreement (NAFTA). The ICFTU campaign culminated with the 1999 Seattle Ministerial Conference, in which negotiations effectively broke down resulting in member states failing to agree upon the launching of the Millennium Round of trade negotiations. The lack of continuing consensus over the labour standards issue was only one of many factors leading to the meeting’s collapse. Notwithstanding the 1996 Singapore declaration which commits to cooperation with the ILO, the ICFTU campaign for a set of core labour standards at the WTO has met limited success. Nevertheless, the campaign has played an important role in drawing attention to the issue of universal labour standards and one way or another, this issue is likely to be an ongoing controversy within international trade governance that trade unions and civil society groups will not allow to languish quietly.

Campaign against the trips Agreement

The WTO’s Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS) sets out the minimum standards for the protection of intellectual property, including patents for pharmaceutical products. The deadline for member states’ implementation of the TRIPS Agreement is dependent on their level of development. The TRIPS Agreement obliges WTO member states to increase standards of patent protection for all products and removes a nation’s ability to treat pharmaceutical products differently from other products. The TRIPS Agreement gives patent protection to pharmaceutical companies for 20 years, which means that developing countries will face increased difficulty in accessing affordable generic versions of patented drugs. While the Agreement contained safeguards to deal with the negative consequences of patent protection, in practice it was unclear how developing countries could use these safeguards when patents become a barrier to medicine access. The INGO campaign against the TRIPS Agreement aimed to highlight the public health consequences for developing country citizens of inadequate access to essential medicines such as those for HIV/AIDS and malaria. The INGOs claimed that the enforcement of WTO rules would have a negative effect on local manufacturing capacity and would remove a source of generic medicines on which developing countries rely.

The TRIPS campaign began in 1999 and was led by INGOs Oxfam International and Médecins Sans Frontières (MSF). The INGOs linked up with NGOs from Thailand and South Africa and focused attention on the effects of the TRIPS Agreement and its implementation at national level. The campaign network supported and encouraged developing country governments including Thailand, South Africa and Brazil to issue compulsory licences for the production of patented medicines without the permission of the drug companies holding the intellectual property. The NGOs lobbied
international organisations other than the WTO including the World Health Organisation, the World Bank and the United Nations Development Programme, stating that developing countries should have the right to issue compulsory licences and build alliances with the generic pharmaceutical industry to produce HIV/AIDS drugs in order to make them available at affordable prices. Further, the INGOs mobilised international donors to purchase essential medicines and made them available to countries facing the HIV/AIDS crises. The campaign network sought to discredit the business agenda by highlighting the enormous profits that pharmaceutical companies were earning from HIV/AIDS drugs.

At the 2001 Doha Ministerial Conference, the controversy over TRIPS resulted in a partial victory for the NGO campaign and developing countries, with WTO member states agreeing upon the Declaration on TRIPS and Public Health in which WTO members' rights to employ TRIPS safeguards was clarified. Although this was regarded by public health advocates as an important achievement, it did not resolve all of the issues associated with public health and intellectual property protection. For example, it did not resolve the problem of production for export from markets that provide patents to countries that do not grant pharmaceutical patents (and subsequently do not grant compulsory licences). After several weeks of intense negotiations in the run-up to the WTO Ministerial Conference in Cancun in September 2003, a deal was finally concluded. WTO member governments broke their deadlock and agreed on legal changes to make it easier for poorer countries to import cheaper generic medicines made under compulsory licensing, if they are unable to manufacture the medicines themselves. The decision waived the obligations of exporting countries under Article 31(f); provided certain conditions are met, any member country can export generic pharmaceutical products made under compulsory licences to meet the needs of importing countries. The INGO campaign played a key role in drawing attention to the provisions of TRIPS, supporting and aiding the voices of developing countries in the WTO arena and putting pressure on more powerful member governments, particularly the US, to clarify and reform the TRIPS Agreement.

Campaign against the GATS

The General Agreement on Trade in Services (GATS) is one of the most comprehensive WTO agreements. Although GATS came into force in January 1995 with the establishment of the WTO, negotiations did not officially begin until early 2000. However, at an industry level, negotiations on basic telecommunications were successfully concluded in February 1997 and negotiations in the area of financial services were finalised in mid-December 1997.

In March 2001, the WTO's Council for Trade in Services set out the guidelines for negotiations on the full range of services to be included in the
GATS. At the 2001 Doha Ministerial Conference, member states backed the efforts conducted up to that point, endorsed the guidelines and procedures documents, and set a deadline of 1 January 2005 to finalise the negotiations. The negotiation procedures for the GATS allow governments to select service areas for which they will make a commitment to guarantee access to foreign suppliers. Each WTO member must present a national schedule of commitments; however, there are no guidelines as to how extensive these commitments should be. Some least developed countries have made commitments only in the tourism sector. The GATS negotiations require governments to 'offer' to list an increasing number of services to be included in the GATS.

WTO members that favour the liberalisation of services, such as the US, the EU and Japan, highlight the flexible nature of liberalisation under the GATS. They claim that GATS allows countries to select which sectors to liberalise through bilateral negotiations, determine the length of time needed to open its markets and even reverse liberalisation as long as adequate compensation is paid to the affected firms. Despite assurances of the flexibility in GATS, there is serious unresolved contention over the definition of public services and whether public services will be drawn into the agreement. Supporters of GATS point to the fact that the agreement clearly states that public services are excluded. In Article 1.3 of the agreement, public services are defined as services carried out in the exercise of governmental authority and provided neither 'on a commercial basis, nor in competition with one or more service suppliers'. Within many countries however, public services are provided by governments and the private sector. The NGOs argue that this ambiguity may lead to public services eventually being drawn into the GATS (where they are currently provided on a partially commercial basis) and that this ambiguity may end up being determined by the WTO's Dispute Settlement Body after the GATS has been negotiated.

The INGO campaign against the GATS is based on its negative effects on national democratic decision making over a range of public services, in particular, education and health as well as its less tangible effect on culture. NGOs argue that the ambiguity surrounding public services in the GATS will compel governments to privatise essential services, constrain their ability to regulate the provision of basic services and obligate them to open up these sectors to foreign corporations. The NGO campaign contends that particular sectors require regulation in order to protect the environment, improve public health, and maintain an equitable level of wealth distribution. The NGO Focus on the global south questions the claims made by proponents of services liberalisation, noting that where water services have been privatised, there has been an increase in prices and a fall in the quality of service. Moreover, developing nations are concerned that liberalising trade in services may weaken the sovereignty of local and national governments by jeopardising control over land use, licensing, environmental health, and local content and production rules in media.
In calling for mobilisation, the INGOs have stated that the services negotiations are 'geared towards complete liberalisation and deregulation of domestic markets, which pave the way for privatisation and increase the influence of multinational corporations over essential public services'. The NGO campaign has argued that the flexibility in GATS is a myth. They assert that in bilateral negotiations, developing countries may be pressured to open sectors they would prefer to keep under protection and that the burden of paying compensation means that liberalisation is not easily reversible. If a nation seeks to withdraw a sector from GATS, the government must enter into negotiations to compensate their trading partners for their lost business opportunities.

INGOs have adopted a variety of strategies ranging from petitions, street demonstrations, the issuing of declarations and sign-on statements. On 19 March 2001, a protest entitled 'Stop the GATS Attack', in which NGO representatives from more than 30 countries were involved, was held in Geneva. This demonstration generated a campaign statement against the GATS which is now supported by over 500 organisations from 60 countries around the world. On 9 February 2003, opposition to the GATS in Europe reached a new level with the European anti-GATS demonstration in Brussels. This demonstration was organised by Belgian trade unions and NGOs and attracted over 15,000 people both from Belgium and other European countries. In May 2003, civil society groups from developed and developing countries gathered in Nairobi to discuss the impact of GATS on the developing world. In June 2003, African NGOs submitted a statement to the African Union Trade Ministers Meeting in Mauritius calling for a moratorium on the GATS negotiations, until independent and reliable impact assessments have been carried out. On 28 August 2003, 650 civil society representatives in India issued a demand to the Indian Prime Minister and commerce ministry calling for a moratorium on all commitments under the GATS. European NGOs are campaigning to have anti-GATS resolutions adopted by local governments. Another mass demonstration against the GATS was held outside the WTO headquarters in Geneva on 17 February 2005 to coincide with the most recent services negotiations by WTO member states.

Overall, the NGO campaign has brought greater scrutiny to bear upon the GATS. The NGOs have identified a number of vague elements of the agreement and in response, proponents have been forced to defend the agreement. Although officials have been dismissive of NGO claims, the anti-GATS campaign has clearly affected the WTO Secretariat as well as Geneva-based diplomats. The WTO Secretariat released a report to counter NGO claims and negative press, entitled ‘GATS – Fact and Fiction’, which has been widely received and propagated by the western financial media. The report denounced the ‘ill-informed and hostile criticism’ of the negotiations taking place under the GATS framework. The WTO’s July 2004 package which rescued negotiations following the breakdown of the 2003
Cancun Ministerial Conference\(^8^3\) has managed to put GATS negotiations back on track. In December 2005, WTO member states convened a WTO Ministerial Meeting in Hong Kong to finalise the GATS negotiations begun in 2001.

**Campaign against a WTO foreign investment agreement**

The development of a multilateral investment agreement has been under discussion since the 1996 Singapore Ministerial Conference and is commonly referred to as one of the 'Singapore issues'.\(^8^4\) The regulation of foreign direct investment (FDI) subsequently emerged as one of the flashpoints in the Doha ‘development round’ of WTO negotiations. Put simply, the key issue at stake is should WTO rules apply to foreign investment?

To an extent, investment is already dealt with under the WTO’s Trade-Related Investment Measures (TRIMs) Agreement. However, TRIMs only applies to trade in goods and prevents countries from imposing certain types of conditions on foreign investors. Because developing countries are continuing to experience difficulties in implementing the Uruguay Round agreements, TRIMs obligations, which were supposed to apply to developing countries from 1999/2000, have now become the subject of further negotiation within the WTO.\(^8^5\) Investment in services is also under discussion as part of the GATS negotiations.

At the Doha Conference, member states agreed to commence wide-ranging multilateral investment negotiations.\(^8^6\) Yet, it was only in 1998 that similar negotiations in the Organisation for Economic Cooperation and Development (OECD) towards a Multilateral Agreement on Investment (MAI) ended without result due to pressure from a highly successful NGO campaign.\(^8^7\) At the Doha Conference, the broad alliance of developing nations known as the Group of 77 (G77) unexpectedly did not strongly oppose the launching of negotiations on investment. However, within the G77, there was strong opposition from the ‘like-minded group’ comprised of India, Malaysia and Pakistan; these nations opposed the commencement of investment negotiations and merely sought further study on the possibility.\(^8^8\) On balance, developing countries are ambivalent about negotiations on investment due to their lack of resources for adequately negotiating these issues. They have questioned whether such an agreement would be positive for investment flows or beneficial for developing countries as well as whether the latest proposals offer an adequate degree of flexibility.

The NGOs involved in the campaign against an investment agreement in the WTO have expressed serious doubt as to whether the WTO is the appropriate venue for an extensive international investment agreement. The NGO campaign also focuses on the potential detrimental effects of such an agreement on developing countries. The NGOs have argued that a one-size-fits-all multilateral framework on investment liberalisation is inappropriate as its member nations are at different stages of development. The NGOs
have stated that a multilateral agreement on investment would not only bind member countries to pursue indiscriminate investment liberalisation, but would also significantly reduce the space for countries to manoeuvre investment policies to suit their specific conditions. 89 NGOs have pointed to the fact that it may be difficult to design an agreement on foreign investment without also drawing in other types of capital flows, including short-term flows and portfolio investment. 90 Moreover, while some NGOs focus on the economic effects, others such as the World Wide Fund for Nature (WWF) and the International Institute for Sustainable Development (IISD) have been advocating that conditions relating to environmental protection be incorporated into any proposed investment agreement.

A number of high profile NGOs jointly organised a series of seminars on a possible future WTO investment agreement and the other Singapore issues, which were held in Geneva during March 2003. 91 The seminars brought together NGOs from around the world and provided a platform for interaction between civil society, independent experts and Geneva-based WTO delegates. 92 The seminars also involved government officials from countries both favouring and opposing an investment agreement and there were presentations from ambassadors from three developing countries (India, Kenya and Uganda). 93 The NGOs involved in these seminars issued a joint declaration calling upon WTO member nations to drop plans to launch negotiations on a new investment agreement at the 2003 Cancun Ministerial Conference. 94 Also during 2003, NGOs lobbied against an investment agreement at the meeting of the G8 in France, at a meeting of European trade ministers and at the Free Trade Area of the Americas (FTAA) Ministerial Conference in Miami. In November 2003, NGOs visited the WTO Secretariat and individual WTO missions (including the US, Brazil and South Africa) to exchange views and information about a potential WTO investment agreement. 95

Due to the breakdown of negotiations at the Cancun Conference, negotiations on an investment agreement were not launched as expected. This was largely due to the alliance of developing nations, the Group of 21 (G21) which formed prior to the conference, who would not agree to negotiate on the Singapore issues, until progress was made on greater access for developing country agricultural products to EU and US markets. 96 The subsequent 2004 July Package stated that WTO members have agreed not to expand the WTO’s powers over the Singapore issues, which includes investment. It is difficult to assess the NGO campaign’s influence on the eventual removal of investment from the Doha agenda. Certainly, the NGOs provided solidarity and assistance to developing country WTO members; however, the impact of the unity of the G21 of developing nations during the Cancun Conference was integral to investment negotiations eventually being dropped from the agenda in July 2004. 97
Although the origins of the fair trade movement may be traced back to the 1940s, recent citizen dissatisfaction with trade liberalisation, combined with the difficulties civil society organisations face in achieving dialogue with the WTO has fostered the reinvigoration of fair trade. As Raynolds describes it, 't]he fair trade movement critiques conventional production, trade and consumption relations and seeks to create new and more egalitarian commodity networks.' Fair trade incorporates a number of issues of public concern ranging from global economic inequality, environmental degradation, corporate responsibility, labour rights and child labour. The idea of a global social contract is prominent in this ongoing campaign: the practice of fair trade focuses on the responsibilities of populations in the global north for conditions in developing countries. Unlike many of the campaigns against the WTO, advocates of fair trade accept that socially and environmentally responsible international trade has the potential to be a powerful tool for poverty reduction. However, the 'rigged rules and double standards' sustained by powerful states are preventing the realisation of this goal at the WTO.

As types of NGOs, alternative trade organisations (ATOs) are the lynchpins of the fair trade movement. The core aim of ATOs in the developed world is to alter consumption practices by encouraging consumer demand for goods that have been produced under fair conditions. ATOs select disadvantaged producer groups to whom they provide financial and technical support, assistance with product development and packaging as well as information on quality and safety standards to meet First World consumer demand preferences. The majority of fair trade goods are commodity products like coffee (the most widely consumed fair trade product), tea, honey, cocoa, bananas and nuts as well as cultural products or handcrafts including clothing, jewellery, textiles, furniture and musical instruments. For selected developing country producers, the fair trade movement has presented the opportunity to participate in the global economy, receive a fair wage and engage in economically and environmentally sustainable production.

ATOs also lobby corporations, international organisations and domestic governments to adopt policies and introduce legislation that incorporates the objectives of the fair trade movement. ATOs emphasise the education of Western consumers about fair traded products so that they can make informed decisions about the way in which their spending dollars are distributed. This is achieved through the dissemination of information about the cultures and lifestyles of developing country producers as well as the disadvantages that they face in participating in global markets. The labelling of fair trade products is an important tool in distinguishing fair trade products and it is a well-recognised label in North America and Europe.

The success of the fair trade movement is expanding with the proportion of fair trade products sold growing annually. According to the Fair Trade
Labelling Organisation (FLO), in 2003, general sales of fair trade labelled products totalled US$83,480 million, which represents an increase of 42.3 per cent over the previous year. The fastest growing markets are in Belgium, France, Italy and the US with growth rates between 80 per cent and 700 per cent, reflected in sales volumes calculated between 2002 and 2003. Moreover, fair trade groups have established commercial agreements with the European Commission and municipal councils in the United Kingdom to purchase fair trade products. Although the fair trade sales figures represent only a tiny fraction of all goods exchanged globally, fair trade represents an alternative system of trade that incorporates human rights, economic equality and environmental concerns. The practice of fair trade is an important symbolic counterpoint to the international trade regime as administered by the WTO.

Discussion and conclusion

Let us turn to the six empirical questions relating to the prospects for the development of a global social contract as listed in Table 18.1.

1. In challenging the undemocratic process, have INGOs made the process more democratic, and in what sense? Can the global social contract be democratic? And how? As Dahl states, extensive delegation of national decision making to an international institution has the potential to "move a political system beyond the democratic threshold". Certainly, the transferral of national authority to the WTO has undermined national democratic processes and national control over decision making on economic policy. The idea of a global social contract should involve a democratic process. INGOs dispute the authority of the WTO to regulate an investment agreement, and attempt to establish democratic control over foreign investment. According to the normative claims of INGOs, a WTO multilateral investment agreement (to fulfil the terms of a global social contract) must be sensitive to particular national circumstances and varying levels of development. The campaign against a WTO investment agreement highlights the need for flexibility and adaptability in a global social contract. This repudiates Falk's view that regulatory uniformity must be a core element of a global social contract.

The INGO campaign against the GATS is concerned with the secretive manner in which the negotiations are being conducted. The INGOs involved have complained that the negotiations are taking place behind closed doors and that most of the WTO members will not reveal their requests and offers. In response, INGOs are lobbying for increased transparency of the negotiations process. The INGOs have called on governments to publish their liberalisation offers and requests in detail to enable informed public discussion. They are also campaigning for
detailed and independent analyses of services liberalisation as well as public discussion of the sectors that have already been liberalised before further negotiations take place. The INGOs are attempting to maintain nation-state's democratic control over public services and oppose the private sector acquiring the ability to take over the provision of public services. This battle is still in progress and as such the result is not yet certain.

2 Have INGOs forced the WTO to revise some economic contracts in order to meet social demands? The intellectual property case study shows how INGOs successfully clarified and incorporated social rights into the TRIPS. In their campaign against the WTO TRIPS Agreement, INGOs have been successful in making global economic agreements fairer in regards to developing countries. WTO member governments agreed on legal changes that allow poorer countries to import less expensive generic medicines.

3 Do the poor benefit from the INGO campaigns against the various WTO agreements? While on the whole, the record of INGO campaigns is not completely satisfactory, there are encouraging signs of success. As discussed above, the INGO campaign was vital in aiding South Africa, Brazil and Thailand to modify the WTO TRIPS Agreement. In 2005, the efforts made by INGOs in calling for the cancellation of the debt of underdeveloped African nations have brought some success in the World Economic Forum and the G8 Summit.

4 Are INGOs significant parties in the emerging global social contract? Are they outsider challengers or insider policy-making participants? It is clear now that INGOs have established themselves as undeniably important parties in a global social contract through challenging the undemocratic nature of WTO agreements and demanding that multilateral economic agreements provide social protection for the weak and poor. Due to the challenge that civil society presents, and following the Seattle protests in particular, the WTO has made some advances in recognising INGOs. With the exception of the Doha Ministerial Conference, successive WTO ministerial conferences have accredited an increasing number of NGOs with observer status (see Table 18.7). Nevertheless, NGOs may only observe plenary sessions and do not have the right to vote on key issues in the WTO. The WTO selects NGOs that are deemed by the organisation to have a 'legitimate interest' in trade issues.

In overcoming the constraints on NGO accreditation, NGOs are increasingly adopting an alternative method for gaining access to and influence in the WTO. A less perceptible process of dialogue between civil society and trade policy makers is under way at a national level. At the Singapore Ministerial Conference, successful lobbying resulted in ICFTU affiliates in several countries including the US, Canada, New Zealand, Denmark, Norway, Egypt, Tunisia, Burkina Faso and South Africa being accredited to their government's official delegations.109
Additionally, after many years of NGO lobbying, several governments have allowed domestic NGOs onto their official national delegations at the Seattle and Doha Ministerial Conferences. Ddamilura and Noor Abdi describe how the governments of Kenya and Uganda established multi-stakeholder advisory committees on trade policy and the WTO which led to NGOs becoming part of national delegations to WTO ministerial conferences. For the 1999 Seattle Ministerial Conference, the United Kingdom, Denmark, the Netherlands and the EU also allowed NGO representatives onto their official delegations. Moreover, as was the case in the controversy surrounding the TRIPS Agreement, some WTO members have consistently drawn on INGOs for trade-related research and media assistance. This is evidence that civil society groups are establishing themselves as important parties to an emerging global social contract as both outsider challengers and insider policy-maker participants. NGOs, social movements and citizens are challenging the WTO not only by staging demonstrations and participating in global days of action, but are beginning to exert influence through more formal (and potentially more consequential) channels.

5 Have INGOs successfully challenged the international business community to implement universal values? A global social contract should take labour standards seriously and contain a social clause in regard to these standards. INGOs forced the issue of core labour standards onto the WTO’s agenda, with this issue being taken up by the EU and the US for the WTO to recognise labour issues as a key element of international trade. At the Singapore Ministerial Conference, WTO members agreed to institutional cooperation with the ILO. The Singapore Declaration states that the WTO supports the work of the ILO on the labour standards issue. Perhaps a longer term strategy for incorporating labour issues into the WTO may lie in the area of social labelling and company codes of conduct. However, it is not clear that such campaigns pose a great enough obstacle for the WTO to become seriously involved.

The debate over core labour standards at the WTO revealed the limits of the ICFTU speaking on behalf of the international labour movement, especially unions in less developed countries. This campaign exposed the divide between developed and developing country trade unions and this was reflected in the WTO member states’ disagreement over the issue. It is uncertain as to whether a multilateral agreement on labour standards will be achieved through the WTO in the near future. Some see this as a victory for developing countries by allowing them to benefit from trade, while others see it as a defeat for their citizens, who will continue to work in very poor conditions.

6 Do INGOs make trade fairer? Do they make the WTO agreements fairer and in what sense? Through the practice of fair trade, INGOs are attempting to construct an alternative global social contract. Purchasing
fair trade products offers a unique method for expressing dissatisfaction about the policies of the WTO and the perceived inequities that trade liberalisation creates. Fair trade principles centre on consumer education, paying producers a fair price, promoting democratic, worker-owned cooperative workplaces, encouraging environmentally sustainable production, establishing long-term working relationships, providing financial and technical support and respecting cultural identity.

Nevertheless, the practice of fair trade has been accused of not adequately challenging the neoliberal order. Critics argue that the fair trade strategy promotes a form of lifestyle politics at the expense of more meaningful political engagement, understanding and solidarity. In particular, it has been charged with promoting consumerism in the developed world without questioning consumerism's links with underdevelopment or environmental sustainability. The practice of fair trade can make developing country producers reliant on the often fickle tastes and preferences of developed country consumers. Furthermore, there is a tension between consumerism and citizenship. In the developed world, only those who can afford to pay a premium price for fair trade goods can participate in this alternative global social contract. Fair trade organisations have become sidetracked by a perceived need to compete for customers with mainstream businesses, which has diverted resources from the more politically efficacious goal of raising public awareness of international trade issues.

From the above mixed results of an empirical testing of the normative theory of a global social contract, we can address two unexamined assumptions made by Richard Falk. Falk draws a distinction between two rival forces: 'globalisation from above' to describe global economic liberalisation as endorsed by powerful states, transnational corporations and global economic institutions and 'globalisation from below' to describe the social movements and NGOs that are seeking to promote a global community committed to human rights, economic justice and environmental sustainability beyond the territorial state. The successful campaign against the TRIPS Agreement demonstrates that this is a somewhat forced dichotomy and that the basis of developing a global social contract instead centres on forging a compromise and even cooperation between these two forces.115

Second, in attempting to find a path through the cooption of the state by global economic forces, Falk employs the global social contract idea stating that it should be based on 'basic human needs' and regulatory uniformity. While regulatory uniformity is an appropriate goal in terms of human rights and labour standards, differing levels of industrialisation in developed and developing nations means that rather than being uniformly applied, global economic policy needs to be carefully tailored to suit domestic conditions. This is evident in relation to global investment rules as is borne out in the case study (see Table 18.8) of the campaign against a WTO
<table>
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<th>Campaign</th>
<th>Aims</th>
<th>Strategies</th>
<th>Outcomes</th>
<th>Links with power — national or transnational</th>
<th>Transnational alliances</th>
<th>Consensus</th>
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<td>Global Day of Action Against the WTO 'Millennium Round'</td>
<td>To protest against the WTO launching the Millennium Round of trade negotiations. While environmentalists and social rights campaigners called for the incorporation of social and environmental into the WTO and for the organisation to be held to greater account, more radical groups comprising isolationists, protectionists and anarchists, called for abolition of the WTO.</td>
<td>The staging of street demonstrations and other activities in various locations around the world on 30 November 1999 to coincide with the WTO conference. The 30,000 protesters in Seattle attracted the most media attention. While the WTO conference provided the catalyst for the global day of action and drew together the protesters, other targets included symbols of corporate globalisation such as multinational corporations, banks and stock exchanges.</td>
<td>The WTO Ministerial conference collapsed due to disagreement among member states over many of the same issues for which protesters were lobbying. The Millennium Round of trade negotiations failed to be launched.</td>
<td>Weak: no obvious relations with national governments or international organisations.</td>
<td>Strong: the global day of action involved 111 protest events in 22 countries in 97 cities around the world.</td>
<td>Weak: there were strong ideological divisions between reformist, professional NGOs and populist social movements, between trade unionists, environmentalists, anarchists, etc.</td>
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<tr>
<td>Campaign</td>
<td>Aims</td>
<td>Strategies</td>
<td>Outcomes</td>
<td>Links with power – national or transnational alliances</td>
<td>Consensus</td>
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<td>Campaign for WTO Core Labour Standards</td>
<td>To have a core set of ILO conventions adopted by the WTO in order to make them enforceable.</td>
<td>The ICFTU lobbied powerful WTO member states and attempted to build alliances with trade unions from developing countries and other non-affiliated NGOs.</td>
<td>Success was limited with labour issues being rejected as an appropriate issue for the WTO. However, WTO members agreed to institutional cooperation with the ILO. The declaration states that the WTO supports the work of the ILO.</td>
<td>Strong: ICFTU has greater informal access to the WTO Secretariat than other civil society groups. Trade unions also drew on their domestic political importance to build strong links with powerful national governments, particularly the US.</td>
<td>Strong: the ICFTU has a membership of 127 million people from 136 countries, the campaign also comprised NGOs and various international trade secretariats.</td>
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<tr>
<td>Campaign Against the TRIPS agreement</td>
<td>To modify WTO rules on intellectual property rights in order to institute greater leverage for national governments to make generic medicines available to citizens.</td>
<td>The NGO network supported national governments (Thailand, South Africa and Brazil) in issuing compulsory licences for the production of generic medicines. The NGOs lobbied against TRIPS in policy-relevant international forums.</td>
<td>On 30 August 2003, WTO member governments agreed on legal changes to make it easier for developing nations to import generic medicines made under compulsory licensing if they are unable to manufacture the medicines themselves.</td>
<td>Strong: NGOs worked with national governments (South Africa, Thailand, Brazil) and international organisations (UNDP, World Bank and WHO).</td>
<td>Strong: INGOs formed alliances with national NGOs from international organisations (UNDP, World Bank and WHO).</td>
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</table>

Weak: a number of trade unions from developing countries disagreed with the institutionalisation of core labour standards in the WTO.
<table>
<thead>
<tr>
<th>Campaign Against the GATS Agreement</th>
<th>To make WTO negotiations more transparent and democratic. To maintain adequate state control over public services (water, education health, etc.)</th>
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<tbody>
<tr>
<td>The NGOs organised public demonstrations, forums and seminars and released NGO declarations and sign-on statements.</td>
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<tr>
<td>Negotiations in Cancun collapsed before GATS was discussed. The WTO's July 2004 package put negotiations back on track. The agreement was endorsed at the Hong Kong Ministerial Conference in December 2005.</td>
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<tr>
<td>Medium: informal alliances between developing country governments and NGOs.</td>
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<td>Strong: transnational alliances between INGOs and developing country NGOs.</td>
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<tr>
<td>Strong: all civil society groups involved agreed that WTO negotiations must be more transparent and agreed on the goal of equitable access to public services.</td>
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<tr>
<td>Campaign</td>
<td>Aims</td>
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<tr>
<td>Campaign Against a WTO Foreign Investment Agreement</td>
<td>To prevent the adoption of a WTO multilateral investment agreement.</td>
</tr>
</tbody>
</table>
Campaign for Fair Trade

To challenge the inequity of the global trading system as administered by the WTO. To engender greater equity in global trade between developing countries and consumers and producers. To ensure producers are paid a fair price for their products.

The demonstration of an alternative trading system that incorporates social rights and environmental sustainability. To link developing country consumers with developing country producers in a framework of fair trade. Fair trade labelling of products deemed to be produced under fair and environmentally-friendly conditions.

The proportion of fair trade products sold is growing annually. However, as it is a symbolic demonstration of an equitable trading system, it has not affected the WTO not directly challenged it.

Weak: however, fair trade groups have commercial agreements with governments (European Commission, UK municipal councils) to purchase fair trade products.

Medium: alliances between producers and consumers. International fair trade umbrella organisations include the Fair Trade Labelling Organisation (FLO), Fair Trade Federation (FTF) and International Federation for Alternative Trade (IFAT).

High: a popular movement in the developed world. Proponents believe that equitable trade can contribute to economic growth and decrease poverty.
foreign investment agreement. The development of a global social contract for the international trade regime will be more complex than the establishment of a uniform global economic policy framework.

In short, the November 1999 Global Day of Action, in particular, the Seattle street demonstration, has become a symbol of the awakening of global civil society and marks the trend towards greater interchange with globalisation from above. However, while the WTO and INGOs continue to share an uneasy coexistence, the increasing role of INGOs as outsider challengers and insider policy-making participants indicates an evolving process from confrontation (with globalisation from above) to an emerging global social contract.

In the process of developing a global social contract, we need to investigate the role of international corporations in regards to their complex relationships with INGOs. Is it possible for transnational corporations and international organisations to coopt some INGOs into the structure of power? Will a global social contract entrench or limit the authority of international organisations? These questions deserve further investigation.

Notes

1 The global social contract or precisely a series of global social contracts, is in the process of emerging. There are also terms such as the new, global (regional) contract and/or compact.
8 Ibid., p. 46.


25 Ibid., p. 133.

26 Ibid., p. 133.

27 Ibid., p. 134.


31 The ICFTU was established in 1949 and has 223 affiliated organisations in 154 countries and 145 million individual members. See the ICFTU website at www.icftu.org/displaydocument.asp?DocType=Overview&Index=990916422&Language=EN.


34 For a full description of ILO Conventions see the ILO website at www.ilo.org/ilolex/english/convdisp2.htm.


37 O’Brien et al. (2000), pp. 85-86. Those civil society groups opposed to WTO core labour standards included NGOs from Asia, Africa, Latin America and the Caribbean. For a full list see the URL for the Joint NGO Statement below.


42 Ibid., p. 45.

43 Ibid., p. 46.

44 Ibid., p. 46.


48 Developed countries were granted a transition period of one year following the entry into force of the WTO Agreement in 1995. Developing countries were allowed a further period of four years (i.e. to 1 January 2000) to apply the provisions of the agreement other than Articles 3, 4 and 5 which deal with general principles such as non-discrimination. Transition economies could also benefit from the same delay (also until 1 January 2000) if they met certain additional conditions. Least-developed countries are granted a longer transition period of a total of 11 years (until 1 January 2006), with the possibility of an extension. For pharmaceutical patents, this has been extended to 1 January 2016, under a decision taken by ministers at the Fourth Ministerial Conference in November 2001. See WTO, ‘Frequently Asked Questions about TRIPS in the WTO’, available at www.wto.org/english/tratop_e/trips_e/tripfq_e.htm.
Contesting ‘globalisation from above’


51 Ibid., p. 139.

52 Ibid., p. 139.


56 Ibid., p. 161.


58 The Declaration on TRIPS and Public Health is available at www.wto.org/english/tratop_e/ministr_e/min01_e/mindecl_trips_e.htm.


62 Ibid., p. 6.


64 The Doha Ministerial Declaration is available at www.wto.org/english/tratop_e/ministr_e/min01_e/mindecl_e.htm.


66 WTO, 'Request-Offer Approach of the GATS', available at www.wto.org/english/tratop_e/serv_e/requests_offers_approach_e.doc".

The text of the GATS is available at www.wto.org/english/docs_e/legal_e/26-gats_01_e.htm.


The 'Stop the GATS Attack Now!' sign-on statement is available at www.citizen.org/trade/wto/gats/articles.cfm?ID=1584.


See 'Local Communities Against GATS', GATSWatch, available at www.gatswatch.org/locgov.html.


The other Singapore issues are trade and competition policy, trade facilitation and transparency in government procurement.

84 The other Singapore issues are trade and competition policy, trade facilitation and transparency in government procurement.
86 The 2001 Doha Declaration states that ‘negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations’ (i.e. on how the negotiations are to be conducted). See WTO, Doha Ministerial Declaration, available at www.wto.org/english/docs_e/minist_e/min01_e/mindecl_e.htm.
90 Ibid.
93 Third World Network (2003), see Note 89.
94 The joint declaration ‘No Investment Negotiations at the WTO’ is supported by over 50 civil society groups. It is available at www.ciel.org/Tae/WTO_NolnvestNeg_6May03.html.
96 See van de Ven (2003).
99 Ibid., p. 411.
103 Ibid., pp. 397–383.
104 See www.worldshops.org/fairtrade/factsandfigures/turnover.html.
276  B. He and H. Murphy

105 Ibid.
115 Note that in Falk’s introduction he acknowledges that ‘the counterposing of globalisation-from-above and -below is at best a convenience that calls attention to the main configurations of tension currently at work in the world’. Falk goes on to state that ‘[i]t is important at this stage to remain open and flexible with respect to opportunities to enhance the outlook for humane governance in all settings of social action’. See Falk (1999), p. 6–7.