

The Role of NGOs in International Economic Organizations: Critical Theory Perspectives*

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I. Introduction

In the last twenty years, NGOs have made significant strides in having their voices heard in the resolution of issues concerning the entire international community. Human rights advocates, gender activists, developmentalists, groups of indigenous peoples and representatives of other defined interests have become active in political work once thought to be reserved for state actors. Many factors account for this dramatic rise of NGOs in the international arena, the most conspicuous of which is state failure.¹ Other factors such as the increase in information technology and the ideological shifts from liberal principles to more radical center have also had a visible impact on the changing relationship between international organizations and NGOs.² Incidents such as the campaign against the Multilateral Agreement on Investment (MAI) under OECD, the Seattle debacle of the WTO and demonstrations against the G-8 Summit in Zenoa, Italy have all demonstrated the relevance of NGO activity in the international arena. One of the interesting points is that international 'economic' organizations are becoming the target of NGO demonstrations. In this sense, the relationship of international economic organizations with NGOs has more significance than with any other organizations.

Rather than the conventional theories of international politics such as realism and liberalism, I take critical theory as my theoretical basis for examining the possibility of global governance in international organizations. This body of theory is particularly useful in accounting for two of the most important issues related to the evolvement of international organizations—democratization among member states and the encouragement of NGOs' participation in the organizational activities. The latter aspect must deserve further debate since it is still hampered by the inhibitions on the part of international organizations to embrace NGOs in their decision making process. For

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¹ Peter Uvin, "The Role of NGOs in International Relations", in Kendall Stiles and Peter Uvin (eds.), *Global Institutions and Local Empowerment* (New York: St. Martin's Press, 2000), p. 16.

² Increase in information technology is closely linked with the development of World Wide Web. The World Wide Web allowed NGOs to be more effective leaders by facilitating the gathering and dissemination of information, as well as the building of transnational coalitions. A global civil society and the inherently dynamic communication medium that is the World Wide Web continuously develop together. See for more detail, Craig Warkentin and Karen Mingst, "International Institutions, the State, and Global Civil Society in the Age of the World Wide Web", *Global Governance* 6 (2000), pp. 237-257.

example, due to the development of “special treatment for least developed countries,” participation of developing countries in the WTO dispute settlement procedures was enhanced. However, in the case of non-state actor participation, the WTO has shown much less enthusiasm. With the strong need to garner support from the global civil society for the New Round, the WTO has been organizing special symposiums. However, the participation of environmental, labor and gender NGOs in the WTO is so complicated that the participating NGOs might be representing only the interests of developed countries.

This paper will review the concept of global governance and new multilateralism discussed by critical theory and emphasize the importance of NGO participation in international organizations. The case studies of NGO participation in three international organizations—WTO, IMF, World Bank—will show how the relationships between NGOs and those organizations have evolved and how these relationships should be promoted in the future.

II. Global Governance and New Multilateralism in Critical Theory

1. Basic Arguments of Critical Theory

Robert W. Cox, one of the most important theorists in critical theory, noted that “theory is always *for* someone and *for* some purpose... all theories have a per-spective. (And) perspectives derive from a position in time and space, specifically social and political times and space. Theories are reflecting social and political time and space and when and where the theory was invented. No theory has permanent truth beyond time and space.”³

With these words, he emphasized that political theory cannot be separated from the historical context surrounding the theory: in that sense, he also criticized the formal methodology used in social science, the scientific method. Furthermore, one of his greatest works is the analysis of differences between old political theory based on the scientific method and his critical theory. The former, which is a problem solving theory, serves as a guide to addressing the problems posed within the terms of the particular perspective that was the point of departure. It takes the world as it finds it as the framework for action - with the prevailing social and power relationships and the institutions into which they are organized. Its general aim is to make these relationships and institutions work smoothly by dealing effectively with particular sources of trouble.

The critical theory takes it as its purpose to appraise the very framework for action, which the problem-solving theory accepts as its parameters. It does not take institutions and social power relations for granted, but calls them into question by concerning itself with their origins and how and whether they might be in the process of changing. The general aim here is to understand the processes of change in which both

³ Robert W. Cox, “Critical political economy,” in Bjorn Hettine (ed.), *International Political Economy: Understanding Global Disorder* (London: Zed Books, 1995), p. 31.

parts and whole are involved.⁴

Thus, critical theory contains problem-solving theories within it, but contains them in the form of identifiable ideologies. Thereby, it points to their conservative consequences and not to their usefulness as guides to action. However, critical theory is not unconcerned with the problems of the real world. Its aims are just as practical as those of the problem-solving theory, but it approaches practice from a perspective which transcends that of the existing order – something the problem-solving theory takes as its starting point.

2. Critical Theory and Global Governance

‘Global Governance’ in critical theory formulations means the procedures and practices that exist at the world (or regional) level for the management of political, economic and social affairs. One hypothetical form of governance can be conceived as having a hierarchical form of coordination, which can be centralized (unitary) or decentralized (federal). The other form of coordination would be non-hierarchical, which is multilateral.⁵

The hierarchical form of governance means taking existing international and regional organizations as given and considering how they can be changed so as to improve their functioning. This assumes a certain basic stability in the inter-state system and sees the problem of multilateralism as one of incremental change in the way the inter-state system works.

Non-hierarchical or multilateral form of governance is concerned with the normative basis of an alternative world order. This could be called a structural-critical approach because it directs attention to changes in the structures underlying world order and stands back from the present in order to examine critically how the existing structures came about, the forces that could be changing them, and the potential for a more broadly defined multilateralism.⁶

While a global government may not be achievable under present conditions, the act of using multilateral entities in the quest for the ideal of global governance is nevertheless considered worthwhile. Particularly if some progress is being made in the improvement of the living conditions of people across the globe, global governance arrangements can be conceived as the use of the existing historical structure of world

⁴ Robert W. Cox, “Social Forces, States, and World Orders: Beyond International Relations Theory,” in Robert W. Cox and Timothy J. Sinclair (eds.), *Approaches to World Order* (New York: Cambridge University Press, 1996), pp. 88-90.

⁵ Robert W. Cox, “Introduction”, in Robert W. Cox (ed), *The New Realism* (London: Macmillan for the UN University Press, 1997), xvi.

⁶ Non-hierarchic form of multilateralism can be paraphrased as “heterarchic governance”. Andy Knight used this term and defined it as a form of governance that involves ‘self-organizing interpersonal networks, negotiated interorganizational co-ordination, and decentered, context-mediated inter systemic steering’ that is contrasted with traditional anarchic and hierarchical forms of coordination. See Andy Knight, “State-society complexes and the New multilateralism: Creating Space for Heterarchic Governance”, in Kendall Stiles and Peter Uvin (eds.), *Global Institutions and Local Empowerment* (New York: St. Martin’s Press, 2000), p. 31.

order to address the problems faced by, and meet the demands of, states and civil society. Assuming that global governance can achieve these ends, it should be further promoted by extending participation to non-state actors in the international arena. This needs empathetic understanding or the ability to get inside the mind of the 'other' while retaining one's own identity.

The next step is the search for common ground among the various intersubjectivities, which would constitute the grounds for defining at least a minimum ethical content. These movements and identification from below will challenge the state actors and international politics. It also provides a formula for pluralizing international organizations so that they can become the main actors for global governance.

3. New Multilateralism: A Prerequisite for Global Governance

State-centric approaches reflect a vision of the world that sees the state as the main actor in international relations and the principal mediator between citizens and world politics. Even constructivists argue that world politics can function properly only when state policies are coordinated on the basis of generalized principles of conduct.⁷

However, critical theory questions state centrism and raises a strong possibility for people's power or 'community-based movements' in international politics. Governance implies the participation of all the actors involved with a high degree of democratization at the multilateral level. At the global level, governance has been viewed primarily as intergovernmental relationships, but it must now be understood as also involving non-governmental organizations, citizens' movements, multinational corporations, and the global market.

Thus, in relation to international organizations, critical theorists make their own terminology such as "bottom-up multilateralism" or "new multilateralism." This new or emerging multilateralism is an attempt to "reconstitute civil societies and political authorities on a global scale, building a system of global governance from the bottom up."⁸ New multilateralism offers a challenge to existing multilateralism not just because it entails institutional transformation but also represents a different set of interests.

This concept of new multilateralism can be compared to the existing more dominant form of multilateralism outlined by John Ruggie. Ruggie defined multilateralism as "an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct."⁹ Before the 1980s, the conduct of the IMF, the World Bank, and the GATT was indicative of this state form of multilateralism. The organizations were dominated by member states, had little insti-

⁷ For more detailed discussion about the state-centric approach and constructivism, see Changrok Soh, "Theoretical Approaches to Global Governance," in *Korea Review of International Studies*, Vol. 5, No.1, 2002.

⁸ Robert W. Cox, "Introduction", in Robert W. Cox (ed), *New Realism* (London: Macmillan for the UN University Press, 1997), xxvii.

⁹ John Gerald Ruggie, "Multilateralism: The Anatomy of an Institution", in John Gerald Ruggie (ed), *Multilateralism Matters: The theory and praxis of an institutional form* (New York: Columbia University Press, 1993), p. 11.

tutionalized connection with civil societies within member states, and were intent upon generalizing a particular set of principles.

However, under increased pressure from some elements of civil society and because of the transparency and accountability of these institutions, the 1990s witnessed a strategy of incremental reform. Furthermore, this new multilateralism generated by pressure from civil society sought to foster a form of multilateralism, which is built from the 'bottom up' and is based upon a participative global civil society.¹⁰

Taking critical theory as the main landmark for global governance, Marie-Claude Smouts argues that the following three conditions have to be fulfilled for genuine global governance: democratizing multilateralism, empowering people's demands to break free from their governments, and enlarging the voice of the global civil society.¹¹

Democratizing Multilateralism means democratization of inter-state relations to make every country participate in multilateral decision-making in international organizations. But, the real issue is not the control of decision-making mechanisms within international organizations but the control of the process of production and allocation of resources on the global scale. What is happening in international organizations is little reflection of the competition that occurs outside these organizations, over which they have little control. Major industrialized countries have tended to obstruct the multilateral functions of international organizations, and Smouts has suggested that to avoid this phenomenon the UN Security Council must be reformed.

Furthermore, to quote former UN Secretary-General Boutros Boutros-Ghali, "democracy has not featured in the history of the international system of states. Sovereignty, rather than democracy, has been its guiding principle. The democratization of the international system can be seen as both necessary and possible."¹² For most of the last century, equality among states has been recognized only in the formal rights of representation. In reality, in the name of effectiveness, these formal rights have given away to structures that reflect the hierarchy of power among states.¹³

Empowering the people to break free from their governments is closely related to global governance. By definition, global governance implies that individuals take charge of matters that concern them by sharing their management and responsibility with public authorities. Hence, there is emphasis on improving opportunities for citizens to participate in setting the multilateral agenda and to discuss the basis for international public action. Yet citizens have little access to these opportunities for global governance.

However, in a paradoxical turn of events, the visibility of global civil society has increased in recent decades. Decisions made by power centers (states or corporations) have repercussions beyond these centers. They affect populations in neighboring states, in the region, and more and more on a global scale. But, the emergence of a global civil society might contribute to the extent that it would mean the emergence of new forms of

¹⁰ Robert O'Brien, Anne Marie Goetz, Jan Aart Schote and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), pp. 3 – 4.

¹¹ Marie-Claude Smouts, "Multilateralism from Below: a prerequisite for Global Governance", in Michael G. Schechter (ed), *Future Multilateralism* (New York: St. Martins' press, 1999), pp. 295-300.

¹² Boutros-Ghali, "Democracy: A Newly Recognized Imperative," *Global Governance* 1 (1995), pp. 3-11.

¹³ Ngaire Woods, "Good Governance in International Organizations," *Global Governance* 5 (1999), p. 42.

representation and legitimacy that would enable compromise and coordination of interests of both conflicting and complementary actors.

III. NGO Participation in International Organizations

1. Scope and Characteristics of NGOs

Before going into the relationship between international economic organizations and NGOs, the scope and characteristics of NGOs must be clarified. Many scholars of international affairs have paid attention to NGOs even though there is little consensus on how NGOs should be defined.

Although NGOs can be characterized as a key organizational node in global social movements, this conception needs to be clarified further. Apart from the function of NGOs, I will borrow the concept of Gordenker and Weiss on NGOs:

.....NGOs have defining characteristics: they are **formal** organizations that are intended to continue in existence; they are thus not *ad hoc* entities. They are or aspire to be **self-governing** on the basis of their own constitutional arrangements. They are **private** in that they are separate from governments and have no ability to direct societies or to require support from them. They are **not in the business of making or distributing profits**. The NGOs of interest here have **transnational** goals, operations or connections.....¹⁴(bold added)

Based on the foregoing definition, for the purpose of the present discussion, NGOs can be defined as formal, self-governing, private, non-profit, transnational organizations. In addition to these characteristics, more purposive or normative characteristics of NGOs can be added. From the point of view that social movements are basically anti-systemic, NGOs are defined in this paper as those working to advance priorities that are at odds with the existing organization of the system.¹⁵

However, this formulation still leaves another question unanswered—What if the prominence of Northern NGOs undermines the domestic legitimacy of Southern social movements? Likewise, what if international conditionality influenced by Northern NGOs serves to weaken the Southern states and harm the prospects of those they seek to help? To resolve this particular conceptual difficulty, I will add one more characteristic of NGOs, that of sovereignty-free actors. While organizations composed of governments are automatically assumed to be sovereignty-bound, NGOs in question are sovereignty-free in that their loyalties do not follow state borders. To conclude, I have defined the scope of the NGOs in this discussion to those transnational and sovereignty-

¹⁴ Thomas G. Weiss and Leon Gordenker, "Pluralizing Global Governance: Analytical Approaches and Dimensions", in Thomas G. Weiss and Leon Gordenker (eds.), *NGOs, the UN, and Global Governance* (New York: Lynne Rienner Publishers, 1999), p. 20.

¹⁵ Anti-systemic nature of social movements is summarized in Robert O'Brien, Anne Marie Goetz, Jan Aart Schote and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), p. 12.

free organizations that have a formal, self-governing, private, non-profit, anti-systemic nature.

2. Relationship between International Economic Organizations and NGOs

Even though the relationship between NGOs and international economic organizations has often been hostile, it is true that the possibility of cooperation between the two is high. International economic organizations find NGOs useful in two areas – policy implementation and broader political terms.¹⁶ Regarding policy implementation, NGOs might assist or frustrate the organizations' policies. For example, NGOs may be able to shed light on the impact of particular policies on the ground. And also international economic organizations can hope to use NGOs as tools to implement favored policies. If NGOs assist the policy of World Bank on the least developed countries and the delivery of developmental services therein, the international organizations can gain popular support and achieve a more benevolent environment to do business. On the other hand, NGOs may be able to frustrate international economic organizations' initiatives. As we see in the case of MAI initiatives and the campaign against the WTO ministerial meeting in Seattle, the opposition of social movements to trade liberalization measures can undermine the efforts of international organizations.

In broader political terms, NGOs may influence key governmental actors that control the fate of the organizations. For example, the present WTO leadership hopes that by opening relations with NGOs it will secure public support for a new round of liberalization. NGOs lobbying in the US Congress seem to have an acute understanding of how to work politics in their favor, as can be seen from the considerable amount of influence they have on US congressional funding decisions.

As discussed earlier, the significance of the relationship between international economic organizations and NGOs lies in policy change, political sustainability, and democratic governance of the organizations. Even if it is hard to say that NGO activity was the sole factor in faltering the MAI initiative under the OECD, the campaign against the initiative was crucial in shifting the discussion from high level of liberalization under the OECD to lower level of liberalization under the WTO.

Moreover, the operation of international economic organizations is a concern for global democracy. The activity of these organizations is increasingly affecting the daily lives of hundreds of millions of people; so many Southern developing countries are concerned about the democratic atmosphere of these organizations. In this sense, the activity of social movements working beyond state borders seems to be important as a method of increasing the democratic practices of these organizations. While the South could be alienated from the rebuilding and reforming of state-centric organizations at an international level by powerful states, the participation of NGOs would contribute to their transparency.

¹⁶ Robert O'Brien, Anne Marie Goetz, Jan Aart Schote and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), pp. 19 – 22.

Lastly, the relationship between international economic organizations and NGOs is significant because it highlights the issue of political sustainability of global governance. In addition to debates on the most desirable economic strategy, attention must also be given to the political foundation upon which these organizations rest. Global governance as we defined, is 'an effort to bring more orderly and reliable responses to social and political issues that go beyond capacities of states to address individually,'¹⁷ and to follow this definition, international economic organizations must have a foundation that enables them to go beyond state boundaries and include the activities of social movements.

IV. Cases of NGO Participation in Major International Economic Organizations

Given that increasing participation would enhance democracy and transparency of the international economic organizations, I will examine NGO participation in international economic organizations by using the cases of World Bank, International Monetary Fund (IMF), and World Trade Organization (WTO).

1. World Bank

In the past two decades the World Bank's contact with social movement organizations has expanded considerably. Among the three organizations discussed in this paper, the World Bank has the most extensive contact with social movements and NGOs. It engages NGOs at three levels: operational collaboration, economic and sector work (ESW), and broader policy dialogue. Operational collaboration refers to the inclusion of NGOs in the design and execution of the Bank financed projects. ESW comprises a broad range of research and analysis undertaken by the Bank and broader policy dialogue covers the exchange of information between the World Bank and the NGOs regarding the Bank's development policies.¹⁸ This dialogue had formally been conducted through the NGO-World Bank Committee established in 1982. The Bank NGO unit is currently dispersed through regional departments in an attempt to integrate them into the policy process. There has also been discussion about developing a 'development grants facility' to assist in NGO capacity building.¹⁹ By January 1994, the Bank had a new informational disclosure policy to declassify documents, and established a Public Informational Center in Washington. In September 1994, the Bank launched an Inspection Panel to investigate complaints by community organizations that

¹⁷ This definition is from Thomas G. Weiss and Leon Gordenker, "Pluralizing Global Governance: Analytical Approaches and Dimensions", in Thomas G. Weiss and Leon Gordenker (eds.), *NGOs, the UN, and Global Governance* (New York: Lynne Rienner Publishers, 1999), p. 19.

¹⁸ Robert O'Brien, Anne Marie Goetz, Jan Aart Schote and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), p. 211.

¹⁹ Bread for the World, News and Notices for World Bank Watchers, 19 December, 1997, (Silver Spring, Md: Bread for the World Institute), pp. 5-6.

believed that the organization was violating its own procedures.

For example, in relation to environmental issues, the World Bank is the largest lender to environmental projects in the developing world, is a co-agency with the Global Environmental Facility, and has integrated environmental considerations notably in the form of environmental assessments with its development portfolio. With the importance of the environmental issue for the organization and the action of NGOs in this field, in 1987, the Bank established the Environment Department in response to the lobbying done by US environmental groups with the Congress. Since 1989, environmental assessments have been required of projects expected to have significant adverse environmental impacts.

The standard account of the success of the environmental movement in shifting the Bank's agenda focuses on the role played by NGOs in shaping US policy towards the Bank.²⁰ But the success of the environmental movement is also attributable to the framework of consultations developed between certain NGO personnel and the World Bank staff. This raises concerns about equity within the environmental movement since these contacts are limited to Washington insiders, thus effectively marginalising those groups without any representation in Washington.

This extensive participation of NGOs in the work of the World Bank occurred out of the latter's own culture: the Bank is concerned with development and its projects are very much targeted at the populations of Southern countries. Even though the Bank has two opposite goals - 'development / participation' and 'growth / efficiency' – which conflict with each other, the importance of the former goal was successfully emphasized and the conception that the former goal also favors the business case for policy measures increased the participation in and democracy of the Bank.

2. International Monetary Fund (IMF)

In contrast to the World Bank, the IMF has been a late and more reluctant participant in engaging with NGOs. The IMF has, since its creation, maintained sporadic contacts with certain parts of civil society such as academic associations. However, the number and impact of its links with civic groups were, on the whole, negligible until the 1980s. And, the main growth in the frequency, range and sophistication of exchanges between the civil society and the Fund occurred during the 1990s.²¹

NGOs come into contact with the IMF through six routes: the External Relations department (EXR), the Executive Directors' office, the management team (including the

²⁰ US environmental NGOs continuously pressure US congress to launch environment policies in the World Bank and also assist in their campaign, Southern peoples and organizations. A number of civil society associations in the developing world in regions directly affected by Bank projects with adverse environmental consequences provided first-hand information about the local situation. For more discussion, see B.J. Bramble and G. Porter, "NGOs and the making of US international environmental policy", in A. Hurrell and B. Kingsbury (eds.), *The International Politics of the Environment* (Oxford: Clarendon Press, 1992), pp. 313-353.

²¹ Jan Aart Scholte, "Relations between the IMF and civil society", in Richard A. Higgott, Geoffrey R.D. Underhill, and Andreas Bieler (eds.), *Non-state Actors and Authority in the Global System* (New York: Routledge, 2000), p. 258.

managing director), certain policy departments, country mission teams and resident representatives. The External Relations department was created in 1981 but maintained a low profile. A fully-fledged Public Affairs division was not created until 1989. It was in the run up to the 1988 Berlin Annual Meetings that focus was laid on the publication and dissemination of IMF popular information.²² The IMF's contacts with NGOs are growing, but they are usually on an informal, non-institutionalized basis.

It is impossible to determine the exact degree to which civic associations have affected IMF behavior. Although the effects cannot be precisely measured, it is clear that the civil society has over the last two decades had noteworthy influences, both in reinforcing the primary lines of IMF policies and in shifting some of their secondary aspects.

Most prominently, IMF-sponsored programs have since the mid-1990s given greater attention to the so-called 'social dimension' of structural adjustment. 'Safety nets' are now regularly incorporated into the package to protect health and education services. Moreover, in the case of external debt, persistent pressure from a variety of religious bodies and NGOs has helped to nurture a recognition within the Fund that these burdens act as a hindrance in the development of the South. Indeed, in 1996, the IMF together with the World Bank launched the Highly Indebted Poor Countries (HIPC) Initiative, a program which has for the first time included modest relief on repayments to the two multilateral organizations.²³

3. World Trade Organization (WTO)

The WTO is an intergovernmental organization, and has little formal provision wherein social movements can engage with the membership of the organization. Although the WTO has created no institutional mechanisms which provide for contact between the organization and social movements, there are two initiatives to promote the relationship - agreement establishing the WTO Article V(2) and Guidelines for arrangements on relations with NGOs (a decision adopted by the General Council on 18 July 1996).

According to the Article V(2) of the Agreement of the WTO,

"The General Council may make appropriate arrangements for consultation and cooperation with non-governmental organizations concerned with matters related to those of the WTO."

Unlike the GATT that failed to establish any formal linkages with NGOs or social movements in its forty-seven-year history, the WTO began to clarify its

²² Robert O'Brien, Anne Marie Goetz, Jan Aart Scholte and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), p. 212.

²³ Jan Aart Scholte, "Relations between the IMF and civil society", in Richard A. Higgott, Geoffrey R.D. Underhill, and Andreas Bieler (eds.), *Non-state Actors and Authority in the Global System* (New York: Routledge, 2000), pp. 264-265.

relationships with NGOs by de-restricting some documents and allowing its Secretariat to interact with NGOs in an informal manner. Moreover, its relationship was initiated by the decision adopted by the General Council on 18 July 1996.²⁴ With these provisions, the WTO has an External Relations Division and publishes material on the Internet. At the Singapore Ministerial Meeting of WTO in December 1996, provisions were made for NGO observers, but participation in policy making was restricted to occasional consultation under the procedures of the dispute settlement mechanism. Out of the 159 NGOs that registered, 108 NGOs (235 individuals) made it to the Conference and represented environment, development, consumer, business, trade union and farmer interests.²⁵

Since the 1996 Singapore meeting, the WTO has convened a number of workshops or symposia to bring together representatives of social movements and Secretariat officials to discuss selected issues.²⁶ According to WTO material, the WTO Secretariat will act with NGOs in Doha WTO Ministerial Conference in November 2001.²⁷

While it's a positive thing that the WTO is more open to NGOs than the GATT was, there are also concerns for the future of the WTO. The demonstrations by NGOs are growing and the open door for NGOs doesn't seem to be substantive. Furthermore, compared to the World Bank and the IMF, the WTO is still in the premature stage vis-à-vis its relationship with the NGOs. The nature of WTO as an intergovernmental organization does not easily give room for non-state actors and the goals of the NGOs conflict with the activity of the WTO. For example, on the issue of labor standards, Northern NGOs are demonstrating for stricter labor standards which might infringe upon the sovereignty and national interests of the Southern countries. In this matter, therefore, Southern countries have shown negative feelings towards Northern NGOs by proclaiming that they are working for the developed countries' interests.

4. Accounting for organizational variation in NGO participation

The variables that make the organizations different from each other in terms of

²⁴ Guidelines for arrangements on relations with NGOs, a decision adopted by the General Council on 8 July 1996, has six sub guidelines for clarifying relationship. Most importantly, in paragraph 2, "...members recognize the role NGOs can play to increase the awareness of the public in respect of WTO activities and agree in this regard to improve transparency and develop communication with NGOs." Moreover, in paragraph 4, "the Secretariat should play a more active role in its direct contacts with NGOs who can contribute to the accuracy and richness of the public debate. This interaction with NGOs should be developed through various means such as *inter alia* the organization on an *ad hoc* basis of symposia on specific WTO-related issues, informal arrangements to receive the information..." (http://www.wto.org/english/forums_e/ngo_e/guide_e.htm).

²⁵ WTO-NGO relations published by WTO itself were summarized in WTO website (http://www.wto.org/english/forums_e/ngo_e/intro_e.htm).

²⁶ Examples are the September 1997 WTO-NGO symposium on participation of least developed countries in the trading system and the July 2001 WTO-NGO symposium on current issue-based discussion.

²⁷ NGO representatives who have published trade-related studies or reports on issues falling within the WTO's mandate may be invited to the Centre William Rappard for an informal discussion of their work with interested delegations and secretariat officials. And, the WTO Secretariat will arrange small-scale issue-driven discussions and NGO briefings, which will be organized after WTO meetings of interest to NGOs. (http://www.wto.org/english/thewto_e/minist_e/min.../min01_ngo_activ_e.htm).

the level of participation of NGOs are summarized in Table 1. The table explains the variables affecting the organizations - NGO relationship and the reason for different forms of participation by NGOs in these organizations.

Table 1: Organizations' transformation variables

	World Bank	IMF	WTO
Subject-area culture	Development Participation/ economic growth/efficiency	Finance /secrecy	Trade/ rent seeking
Structure	Diverse	Monolithic, SAP ²⁸ country negotiations	Monolithic, negotiating forum
Role of executive head	Dynamic, committed	Dynamic, committed	Limited
Vulnerability to social movement action	Medium	Low	Low

Source: Robert O'Brien, Anne Marie Goetz, Jan Aart Schote and Marc Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (New York: Cambridge University Press, 2000), p. 214

At first, the World Bank is much more likely to cooperate with NGOs, especially local NGOs because of its subject area—development. When the Bank, for example, was concerned with constructing dams in Southern Africa, the support from the local people was the most important factor for success. Moreover, the Bank is a larger institution (approximately 7,000 staff members compared with the IMF's 2,600 and WTO's 500) that contains pockets of resistance to the governing ideology. Thus, the diverse structure of the Bank promotes diverse interests within the Bank itself. Organization's executive head is important in that he or she plays a key role in converting an international organization conceived as a framework for multilateral diplomacy into an autonomous actor in the international system.²⁹ At the Bank, James Wolfensohn has personally been responsible for the much stronger platform that has been given to the whole issue of civil society participation in the Bank policy, and for operation through the promotion of the 'participation' agenda. As regards the fourth factor, the Bank is highly vulnerable to social movements in the US and in the target countries because the US congress is highly influenced by the lobby of US based-NGOs, and the NGOs in target countries are key actors for formulating public support for the Bank's policy towards those countries.

The IMF and the WTO are rather reluctant about NGO participation compared to

²⁸ SAP stands for stabilization and structural adjustment policies.

²⁹ Robert W. Cox, "The executive head: an essay on leadership in international organization", in Robert W. Cox and Tomothy J. Sinclair (eds.), *Approaches to World Order* (New York: Cambridge University Press, 1996), p. 344.

the World Bank. Both are more closely related with the countries in question than the civil society. The vulnerability to social movements is also low for the two organizations because the goals of SAP negotiation and trade policy negotiation with member countries are unlikely to need that much public support. It is also more difficult for NGOs to target the goals of these two organizations than it is to target individual development projects of the Bank.

Even though the WTO is a typical intergovernmental organization operated by member countries for negotiating a more liberal trade policy coordination, there are positive signs for greater NGO participation in the WTO. From the Seattle Ministerial Conference in 1999, the WTO seems to have realized that social mobilization could threaten the operation of the organization. However, as Noam Chomsky indicated, “many obstacles stand in the way towards a world in which people control their lives, their work, their social interactions in every domain.”³⁰ The WTO can no longer maintain secrecy the way GATT did. Moreover, the greater openness of the Bank to NGOs indicates that its future as a multilateral economic organization is more secure than the WTO’s. The latter organization needs to give greater attention to its relationships with civil society and social movements. This may imply some policy compromises in its liberal agenda in return for security of the organization.

V. Conclusion

In this paper, I examined the possibility of enhancing global governance in international economic organizations on the basis of critical theory. This approach might raise many fundamental questions. Is it truly possible for intergovernmental organizations to become more citizen-friendly? Are member countries willing to cooperate under the aegis of an international organization regardless of their own interests? Can civil society have substantial influence on intergovernmental organizations?

It is true that even if the importance of democracy and transparency of international organizations were to be dramatically increased, many organizations would still insist on giving priority to the authority and sovereignty of member states. For this reason, many NGOs are gathering together to protest against the authoritarian culture of international organizations. Yet, the answers to the questions above remain elusive at best.

The same is true for any prediction regarding the future of NGOs. From the NGO demonstrations against globalization and the WTO policy of liberal trade regimes, it is clear that the rupture between NGOs and WTO member countries will not be fixed in the near future. Even though the WTO has evolved into a law based international organization, in that states cannot easily turn their back to the law of the WTO, all critical decisions are made by member countries and there are still concerns that a hegemonic state might overrule the authority of the organization.

³⁰ Kevin Danaher and Roger Burbach, “What happened in Seattle and what does it mean?,” in Kevin Danaher and Roger Burbach (eds.), *Globalize this!* (Monroe: Common Courage Press, 2000), p.12.

Among the three organizations discussed in the paper, the World Bank has the most extensive contact with social movements and NGOs. The World Bank is much more likely to cooperate with NGOs, especially local NGOs because of its subject area—development. In comparison with the World Bank, the IMF and WTO are rather reluctant about NGO participation. The IMF's contacts with NGOs have grown recently, but they are still on an informal, non-institutionalized basis. Compared to the World Bank and the IMF, the WTO is still in the premature stage in its relationship with NGOs. The nature of the WTO as an intergovernmental organization would not easily give room for non-state actors.

Three conditions - democratizing multilateralism, empowering people's demands, and enlarging the voice of the global civil society - need to be fulfilled for genuine global governance in international organizations. As we have observed in the case of the World Bank, greater openness to NGOs has made it a more secure multilateral economic organization. In addressing this problem, international economic organizations will have to become more responsive to NGO demands. In turn, NGOs will have to come up with ways for self empowerment in international organizations.

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