8 Democratising global institutions
Possibilities, limits and normative foundations

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In a statement to the International Monetary and Financial Committee, Lawrence Summers calls for the modernisation of the IMF, arguing that central to the achievement of this task is a more representative, transparent and accountable organisation (Summers 2000). Kofi Annan too has called for 'greater participation and accountability' in the United Nations system. Beyond the cosmocracy, the language of democracy also informs the demands of many progressive social forces, such as Charter 99, in their campaigns for more representative and responsive global governance. As the rhetoric of democracy increasingly finds expression in proposals to reinvent global institutions, most dramatically in the 'anti-globalisation' movement, the challenge of 'good governance' now confronts global governance. On the other hand, for Robert Dahl, among others, such laudable aspirations are simply utopian in that 'we should openly recognise that international decision making will not be democratic' (Dahl 1999: 23). Underlying Dahl's scepticism is a reasoned argument that, despite globalisation and the diffusion of democratic values, the necessary preconditions for democracy remain largely absent in the international public domain: a domain which lacks the normative and institutional requirements of a properly functioning polity, and one in which might still trumps right. Hence lies a curious paradox: for in an era in which democracy has increasingly become the global standard of good governance it is judged inappropriate, by many of its strongest advocates, as a principle to be applied to international governance.

Is such scepticism justified? Can global institutions be democratised? What might democracy mean in relation to structures of global governance? These key questions inform this chapter. The first of five main sections discusses how basic issues of democracy are being posed anew by contemporary globalisation, and the next two sections confront the sceptics by outlining the negative and then the positive answers to the question of whether transnational democracy is feasible or desirable. The fourth section discusses alternative normative foundations for transnational democracy in terms of democratic intergovernmentalism, republicanism and cosmopolitanism. The fifth and final section takes the World Trade Organisation (WTO) as an example and looks at attempts to democratise it and the associated discourses.
Global democracy for global times?

Contemporary patterns of globalisation raise the most profound questions about how modern societies are governed and – normatively speaking – should be governed. Some argue that in an age in which many of the most serious and enduring social problems – from drug addiction to unemployment – require concerted international co-ordination and co-operation, the powers, legitimacy and role of national government is called into question (Rosenau 1997). Governments, in other words, can no longer, in an interconnected world, ensure the welfare and security of their citizens. Furthermore, as the jurisdiction and authority of international, public and private bodies, from the European Union (EU) to the International Accounting Standards Committee, expands to deal with cross-border problems, fresh concerns arise with matters of accountability and democracy; traditionally the essence of domestic politics. In short, how we are governed, by whom, in whose interests, and to what ends – the classic questions of politics – have been posed afresh by contemporary globalisation.

Until fairly recently, theories of democracy have presumed a strict separation of political life into the domestic and international realms; the ‘bounded political community’ and the ‘anarchical society’ respectively (Connolly 1991, Walker 1991). Theorists of modern democracy have tended to bracket out the anarchical society, while theorists of international relations have tended to bracket out democracy. Of course, there have been exceptions to this. Liberal internationalism in its classical version from Woodrow Wilson’s ‘new world order’ to the early advocates of functionalism such as Mitrany, sought to establish the normative and practical basis of a more democratic global polity (Mitrany 1973a, 1975b). Insofar as critical theory sought to provide an alternative conception of democracy, it was imbued with cosmopolitan pretensions which challenged the inside/outside logic of orthodox accounts of the democratic political community (Linklater 1990; Hutchings 1999). But, for the most part, it is only in the present post-Cold War era that global governance has come to figure seriously in the writings of democratic theorists, only now that democracy has been established on the agenda of international theory (Heid 1995; Clark 1999).

This theoretical convergence has been influenced by several interrelated political developments: the intensification of globalisation, the ‘Third Wave’ of global democratization and the rise of transnational social movements. Economic globalisation, many argue, has exacerbated the tension between democracy, as a territorially rooted system of rule, and the operation of global markets and transnational networks of corporate power. In a world in which even the most powerful governments appear impotent when confronted by the gyrations of global markets or the activities of transnational corporations, the efficacy of national democracy is called into question. For if, as Sandel observes, governments have lost the capacity to manage transnational forces in accordance with the expressed preferences of their citizens, the very essence of democracy, namely self-governance, is decidedly compromised (Sandel 1996). Moreover, in seeking to promote or regulate the forces of globalisation, through mechanisms of global and macro-regional governance, states have created new layers of political authority which have weak democratic credentials and stand in an ambiguous relationship to existing systems of national accountability. Under these conditions it is no longer clear, to use Dahl’s classic formulation, ‘who governs’? In an era in which public and private power is manifested and exercised on a transnational, or even global scale, a serious reappraisal of the prospects for democracy is overdue.

This rethinking of democracy has also been encouraged by the global diffusion of liberal democracy as a system of political rule. In comparison with the early twentieth century, democracy – and liberal representative democracy at that – has emerged as the dominant system of national rule across the globe, at least in a formal sense (Potter et al. 1997). Putting aside Fukuyama’s misconceived triumphalism, and whatever the causes of this ‘Third Wave’ (see Anderson in this volume), democracy has become an almost universal political standard. Of course, for many new democracies the aspiration and political rhetoric far exceed the realisation of effective democracy. Within the old democracies public disenchantment with elected politicians and the capacity of democratic governments to deal with many of the enduring problems – from inequality to pollution – confronted by modern societies suggest that all is not well there either. Yet despite such failings, both old and new democracies have in particular become increasingly sensitive to the weak democratic credentials of existing structures of global and regional governance: the more so as the actions of such bodies directly impinge on their citizens. As democratic states have come to constitute a majority within global institutions the pressures to make such bodies more transparent and accountable have increased (Committee on Governance 1995). Somewhat ironically, many new democracies which have been subject to strictures from the IMF and World Bank about the requirements of good governance are now campaigning for similar principles and practices to be applied in these citadels of global power. But how to combine effective international institutions with democratic practices remains, according to Keohane (1998), among the most intractable of contemporary international political problems.

One powerful response to this problem has come from the agencies of civil society. The global ‘associational revolution’, expressed in the enormous expansion of non-governmental organisation (NGO) activity, transnational networks of advocacy groups, and business and professional associations, among others, has created the infrastructure of a transnational civil society (Matthews 1997; Rosenau 1997; Boli and Thomas 1999). Although unrepresentative of the world’s peoples, the agencies of transnational civil society have come to be instrumental in representing the concerns of citizens and organised interests in international forums (Boli et al. 1999). But the democratic credentials of transnational civil society are ambiguous. Whether transnational civil society is a significant force for the democratisation of world order, or simply another arena through which the privileged and powerful maintain their global hegemony, is a matter of some considerable debate (Wapner 1996; Weiss and Gordenker 1996; Burbach et al. 1997; Boli and Thomas 1999; and see the chapters by Van der Pijl, Hirsch and Goodman in this volume).
It is in the context of these developments that the academic discourse about transnational democracy finds a political resonance. Indeed, the rapidity with which the rhetoric, if not the idea, of democracy has acquired a certain discursive presence in current deliberations concerning the reform of global governance is quite remarkable. It is all the more so given the dogmatic dismissal of early reflections upon democracy and world order. The remainder of the chapter will offer an overview and critique of the contemporary debate about transnational democracy in relation to global institutions. Before doing so, however, the terms of the debate require some clarification and in particular the sceptical critique has to be addressed.

Transnational democracy: a feasible or desirable project?

For communitarians and realists, the answer to the above question is an uncompromising ‘no’. Whatever the intellectual merits of any particular design for transnational democracy, those of a sceptical mind question its relevance, desirability and feasibility. They do so on a number of grounds: theoretical, institutional, historical and ethical.

Communitarians take issue with the cosmopolitan premises which inform theories of transnational democracy. Democracy, argues Kymlicka (1999), is rooted in a shared history, language and political culture. These are the defining characteristics of territorial political communities and they are all more or less absent at the transnational level. Despite the way globalisation binds the fate of communities together, the reality is that ‘the only forum within which genuine democracy occurs is within national boundaries’ (Kymlicka 1999). Even within the EU, transnational democracy is little more than an elite phenomenon (Kymlicka 1999; and see Newman in this volume). If there is no effective moral community beyond the state there is also no demos. Advocates of transnational democracy suggest that political communities are being transformed by globalisation such that the idea of the demos as a fixed, territorially delimited unit is no longer tenable (Linklater 1998). But in problematising the demos, contest the sceptics, the critical question becomes who, or what authority, decides how the demos is to be constituted and upon what basis (see Taylor in this volume). In addressing this fundamental theoretical issue, suggest the sceptics, the advocates of transnational democracy almost uniformly fail to establish a rigorous or convincing argument (Görg and Hirsch 1998; Dahl 1999; Kymlicka 1999; Saward 2000).

For realists, the issue is that sovereignty and anarchy present the most insuperable barriers to the realisation of democracy beyond borders. Even though elements of an international society of states exist, in which there is an acceptance of the rule of law and compliance with international norms, order at the global level, suggest the realists, remains contingent rather than institutionalised. Conflict and force are ever-present and a daily reality in many regions of the world. These are not the conditions in which any substantive democratic experi-
and looming environmental catastrophe will not be resolved by a dose of transnational democracy but, on the contrary, only through powerful global bodies which can override the entrenched interests of Western states and global capital by promoting the common welfare; or alternatively, by the deconstruction of global governance and the devolution of power to self-governing, sustainable local communities. Since the former would require the acquiescence of the very geopolitical and social forces it is designed to tame it is nothing but utopian. Thus the ethical and political preference of many radical critics is for forms of direct democracy not transnational democracy: true democracy in this view is therefore always local democracy (Morrison 1995; see also Goodman in this volume).

These constitute powerful arguments for questioning the relevance and desirability of a more democratic global polity. Despite their different bases, what they share is a sense that transnational democracy is neither necessarily an appropriate response to globalisation, nor an ethical possibility to be advocated. On the contrary, it is fraught with dangers. Not least among these, suggests Dahl, is the danger of popular control in respect of vital matters of economic and military security (Dahl 1999). Moreover, historically the development of democracy within most states has been a product of force and violence (see O'Dowd in this volume), and the history of national democracy illustrates how enormously difficult it is to nurture and sustain such a fragile system of rule even in the context of shared political culture (Dahl 1999). In a world of cultural diversity and growing inequality, the possibility of realising transnational democracy must therefore be judged to be negligible without its imposition either by a concert of democratic states or a benign democratic hegemon. For the sceptics, self-governance within states, whether democratic or not, is ethically preferable to the likely tyranny of nominally democratic global institutions.

**Can transnational democracy be dismissed?**

In response, the advocates of transnational democracy accuse the sceptics of a too hasty dismissal of the theoretical, ethical and empirical arguments which inform designs for democracy beyond borders. More specifically, they argue, by discounting the significant political transformations being brought about by intensifying globalisation and regionalisation, the sceptics seriously misread the nature of the contemporary historical conjuncture (Elkins 1995; Castells 1998; Linklater 1998; Clark 1999; Held et al. 1999). These transformations irrevocably alter the conditions which made sovereign, territorial, self-governing political communities possible, for in a world of global flows, the ‘local’ and the ‘global’, the ‘domestic’ and the ‘foreign’, are largely indistinguishable. To dismiss such developments is to fall prey to a timeless, essentialist conception of modern statehood and political community which disregards their historically and socially constructed nature (Devetak 1995; Linklater 1998).

Modern political communities are historical and social constructions. Their particular form, coinciding with the territorial reach of the ‘imagined community’ of the nation, is a product of particular conditions and forces. This form defines the metric by which the unit of modern democracy is calibrated. Historically the state has been the primary incubator of modern democratic life. But, as Linklater (1998) observes, political communities have never been static, fixed creations but have always been in the process of construction and reconstruction. As globalisation and regionalisation have intensified, modern political communities have begun to experience a significant transformation, while new forms of political community are emerging (Linklater 1998). According to Held (2000), national political communities coexist today alongside ‘overlapping communities of fate’ defined by the spatial reach of transnational networks, systems, allegiances and problems. These, in Walzer’s terms, may be ‘thin’ communities, as opposed to the ‘thick’ communities of the locale and ‘nation-state’, but they nevertheless constitute necessary ethical and political conditions for the cultivation of transnational democracy. In essence, these overlapping communities of fate define the contours of new articulations of the demos.

Critics of transnational democracy, as noted, charge that at the core of such prescriptions is an indeterminate conception of the demos. This charge, however, overlooks the indeterminate and constructed nature of the modern (national) demos itself. For the constitution of the demos within the nation-state has always been the object of contestation – witness the struggle for the female vote or current controversies about citizenship – and it has evolved as a product of changing social and political conditions. Thus the contingent nature of the demos is not a problem which is specific to the idea of democracy beyond borders, as the sceptics suggest, but on the contrary is generic to democracy at all levels (Saward 1998). In the context of transnational democracy, the demos tends to be conceived not so much in universal terms – a singular global demos – but rather as a fluid and complex construction: articulated in a multiplicity of settings in relation to the plurality of sites of power and the architecture of global governance. This complexity, as indicated by the experience of the EU and federal polities, is by no means without historical precedent. In this respect the so-called problem of the demos is not as intractable as the sceptics suggest (see earlier chapters and Taylor in this volume).

In his study of globalisation, Elazar (1998) points to the growing constitutionalisation of world order. What he means by this is that the accumulation of multilateral, regional and transnational arrangements (which have evolved in the last fifty years) has created a tacit constitution for the global polity. In seeking to manage and regulate transborder issues, states have sought to codify through treaties and other arrangements their powers and authority. In so doing they have created an elaborate system of rules, rights and responsibilities for the conduct of their joint affairs. This has gone furthest in the EU, where effectively a sort of quasi-federal constitution has emerged. But in other contexts, such as the WTO, the authority of national governments is being redefined, as the management of trade disputes becomes subject to a rule of law (Shell 1995). Central to this process has been the elaboration and entrenchment of some significant democratic principles within the society of states (Crawford 1994). Thus the principles of self-determination, popular
sovereignty, democratic legitimacy and the legal equality of states have become the orthodoxies of international society. As Mayall (2000) comments, there has been an 'entrenchment not just of democracy itself, but democratic values, as the standard of legitimacy within international society'. This democratisation of international society also appears to have accelerated in recent years in response to processes of globalisation, the activities of transnational civil society and the socialising dynamic of an expanding community of democratic states. Despite the unevenness and fragility of this democratisation, some argue, in contradistinction to the sceptics, that it forges the nascent conditions— the creation of 'zones of peace' and the rule of law—for the cultivation of transnational democracy (Held 1995).

Further evidence of this process of democratisation is to be found in the growing political response to economic globalisation among governments and transnational movements. This response is manifest in diverse ways, but a common theme among progressive forces is a demand for more accountable, responsive and transparent global governance. With the growing perception that power is leaking away from democratic states and electorates to unelected and effectively unaccountable global bodies, such as the WTO, has come increased political pressure on Western governments especially to bring good governance to global governance (Woods 1999). But a broader global consensus appears to be emerging on the need for such reform, drawing some political support from across the North-South divide and among diverse constituencies of transnational civil society. Of course, democracy involves more than simply transparent and accountable decision making, and it is interesting to note that the debate about reform draws significantly on several of the discourses—of transnational democracy discussed in the next section. In the context of the WTO, for instance, the language of 'stakeholding' has been much in evidence, somewhat curiously in US proposals for its reform (Shell 1995; McGrew 1999). But whatever the immediate outcomes of the current reform process, it has lodged the problem of the democratic credentials of international governance firmly on the global agenda. In doing so it has created a global public space for continual political reflection and debate on this key structural issue.

Of course, for sceptics such as Dahl these developments do not invalidate the normative argument that international institutions cannot be truly democratic (Dahl 1999). Yet, as advocates of transnational democracy point out, there are numerous examples of international or supra-state bodies, from the EU to the International Labour Organization (ILO), whose institutional designs reflect novel combinations of traditional intergovernmental and democratic principles (Woods 1999). While the EU represents a remarkable institutionalisation of a distinctive form of democracy beyond borders (see chapters by Newman and Painter in this volume), it is by no means unique. The ILO, for instance, has institutionalised a restricted form of stakeholding through a tripartite system of representation corresponding to states, business and labour organisations respectively. Beyond this, newer international functional bodies, such as the International Fund for Agricultural Development and the Global Environmental Facility, embody stakeholding principles as a means to ensure representative decision making (Woods 1999). Furthermore, virtually all major international institutions have opened themselves up to the formal or informal participation of the representatives of civil society (Weiss and Gordenker 1996). Even the WTO has created a civil society forum. The sceptical proposition that effective international governance is simply incompatible with democratic practices appears somewhat dogmatic in the light of the historical record of global governance. On the contrary, in certain respects democratic principles are constitutive of the contemporary global polity.

Finally, in questioning the value of democracy the sceptics raise the serious issue of whether democracy can deliver greater social justice. In this respect, suggest the critics, the historical record suggests a pessimistic conclusion. By contrast, all but the most radical theorists of transnational democracy build upon a different reading of the relationship between capitalism and democracy. This reading accepts the inevitable contradictions between the logic of capitalism and the logic of democracy. But it departs from the fatalism of the radical critique in arguing, on both theoretical and empirical grounds, that democracy can and does promote social justice: witness the significance of social democracy (Held 1995). Building upon this analysis, the argument for transnational democracy therefore also becomes an argument for global social justice. The value of transnational democracy, suggest many of its more passionate advocates, lies precisely in its capacity to provide legitimate mechanisms and grounds for the promotion and realisation of global social justice (Held 1995). The fact that existing institutions of global governance fail to do so is no surprise, since they are the captives of dominant interests. This, they argue, is not valid grounds for abandoning the project of transnational democracy but, on the contrary, is the reason to advocate it more vigorously. But what meaning(s) can be given to the idea of transnational democracy?

Transnational democracy: normative foundations

A burgeoning and diverse set of literature exists justifying and elaborating the normative principles of global or transnational democracy. Within this literature, three distinct normative accounts can be discerned: namely, democratic intergovernmentalism; transnational republicanism; and cosmopolitanism. Of course, this is a crude typology and it is open to challenge on a number of grounds. Not least is the danger that it may court caricature, for it is evident that individual theorists tend to draw upon a range of democratic traditions. Nevertheless, it provides a rough mapping of the intellectual field insofar as it identifies the clustering of key normative arguments. In effect, the three clusters identified constitute 'ideal types': that is, general syntheses of normative arguments and analyses which reflect a shared conception of transnational democracy. As such, this typology provides a framework for a systematic analysis of what is at stake in the debate about the democratisation of global and regional governance.
Democratic intergovernmentalism

Rooted in a broadly liberal reformist tradition, democratic intergovernmentalism embodies a primarily procedural and pragmatic conception of democracy beyond borders. It emphasises the crucial role of national governments in representing their people’s interests and bringing to account the decision makers in global and regional bodies. In effect, states are considered the primary units of democratic accountability such that transnational democracy is considered synonymous with inter-national democracy, that is, a democratic order of states (rather than peoples) defined by the principles of political and legal equality. Creating more representative, responsive, transparent and accountable international institutions by widening the participation of states in key global forums and strengthening existing lines of accountability are central to this reformist vision (Committee on Governance 1995).

Of course, the agencies of transnational civil society are not excluded from this vision. Keohane, for instance, understands democracy at the international level as a form of ‘voluntary pluralism under conditions of maximum transparency’ (Keohane 1998: 83). A more pluralistic world order, in this view, is also a more democratic world order. Underlying this philosophy is an attachment to the principles of classical pluralism: political and civil rights, the politics of interests, the diffusion of power, the limited state and rule by consensus. It requires, in effect, the reconstruction of existing forms of liberal-pluralist democracy at the supra-state level but without the complications of electoral politics. Instead a vibrant transnational civil society channels its demands to the decision makers while in turn also making them accountable for their actions. Accordingly, ‘accountability will be enhanced not only by chains of official responsibility but by the requirement of transparency. Official actions, negotiated amongst state representatives in international organisations, will be subject to scrutiny by transnational networks’ (Keohane 1998: 83). International institutions thus become arenas within which the interests of states and the agencies of civil society are articulated. Furthermore, they are the main political structures through which consensus is negotiated and collective decisions legitimated. This reflects a largely procedural view of democracy as a technique for taking and legitimising public decisions.

As Falk (1995) identifies, this is a philosophy which offers a restricted and somewhat technocratic view of transnational democracy. As with liberal-pluralism more generally, it fails to acknowledge that inequalities of power tend to make democratic systems the captive of powerful vested interests. For, as Petit argues, a critical weakness of liberal-pluralism is that by making ‘naked preference into the motor of social life’, it exposes ‘all weakly placed individuals to the naked preferences of the stronger’ (Petit 1997: 205). Moreover, while transparency and accountability are necessary elements of transnational democracy, they are by no means sufficient in themselves to ensure its substantive realisation. The notion that the democratic deficit which afflicts global governance can be resolved through institutional reforms alone arises from an underlying assumption that the existing liberal world order simply requires some institutional tinkering to make it more democratic. Despite its acknowledgement of the significance of transnational civil society, the liberal-internationalist account remains singularly state-centric insofar as transnational democracy is conceived effectively in terms of enhancing the accountability of international institutions to national governments; that is, democratic intergovernmentalism.

Transnational republicanism

Advocates of a form of transnational republicanism are concerned with identifying the normative foundations of a ‘new politics’ which involves the empowerment of individuals and communities in the context of a globalising world (Patomaki 2000). It represents a substantive view of democracy insofar as it is concerned with the creation of ‘good communities’ based upon ideas of equality, active citizenship, the promotion of the public good, humane governance and harmony with the natural environment. It seeks to adapt notions of direct democracy and self-governance to fit with an epoch in which transnational and global power structures regulate the conditions of the daily existence of communities and neighbourhoods across the world.

Republicanism is essentially a ‘bottom-up’ theory of the democratisation of world order. Its primary agents are the multiplicity of critical social movements, such as environmental, women and peace movements, which challenge the authority of states and international structures as well as the hegemony of particular (liberal) conceptions of the ‘political’ (see Goodman in this volume). In ‘politicising’ existing global institutions and practices, not to mention challenging the conventional boundaries of the ‘political’ (the foreign/domestic, public/private, society/nature binary divides), critical social movements are conceived as agents of a ‘new progressive politics’. Such a politics builds on the experiences of critical social movements which demonstrate that one of the ‘great fallacies of political theory is the assumption that a centralised management of power...is necessary to assure political order’ (Burnheim 1985: 53). Accordingly, democracy and democratic legitimacy do not have to be grounded in territorially delimited units such as national states but rather are to be located in a multiplicity of self-governing and self-organising collectivities constituted on diverse spatial scales, from the local to the global (Connolly 1991). Although the spatial reach of these collectivities is to be defined by the geographical scope of the collective problems or activities which they seek to manage, there is a strong presumption in favour of the subsidiarity principle. This is a vision of direct democracy which considers that substantive transnational democracy arises from the existence of a plurality of diverse, overlapping and spatially differentiated self-governing ‘communities of fate’ and multiple sites of power, without the need for ‘sovereign’ or centralised structures of authority of any kind. It identifies, in the political practices of critical social movements, immanent tendencies towards the transcendence of the sovereign territorial state as the fundamental unit of democracy.

Transnational republicanism is rooted in the traditions of direct democracy and participatory democracy (Held 1995). It also draws upon neo-Marxist
critiques of liberal democracy. For democracy is conceived as inseparable from creating the conditions for effective participation and self-governance, including, among other things, the achievement of social and economic equality (see Newman in this volume). Furthermore, it connects to the civic republican tradition insofar as it considers the realisation of individual freedom has to be ‘embedded within and sustained by a [strong] sense of political community and of the common good’ (Barns 1995).

To the extent that its advocates argue that the effective conditions for the realisation of global or transnational democracy require the construction of alternative forms of global governance, transnational republicanism is subversive of the existing world. For its critics it is precisely this rejection of the existing constitution of world order that is problematic (Held 1995; Hutchings 1999: 178). In resisting the rule of law in global politics and rejecting the idea of sovereignty, the very principles of democracy, argue the critics, are decidedly compromised. Without some notion of popular sovereignty it is difficult to envisage what democracy might mean. While in the absence of the present rather imperfect liberal constitution for world order – embodying (to varying degrees) the principles of the rule of law and constraints on the exercise of force – there would seem to be no institutional foundation for constructing transnational democracy. The theoretical limitations of the radical pluralist argument are therefore to be found in its ambivalence towards the conditions – the rule of law and sovereignty – which make democracy (at whatever level) possible.

**Cosmopolitan democracy**

By comparison with the radical pluralist account, cosmopolitan democracy pays particular attention to the institutional and political conditions which are necessary to the conduct of effective democratic governance within, between and across states. In its most sophisticated formulation, Held develops an account of cosmopolitan democracy which, building upon the existing principles of the liberal-international order, involves the construction of a new global constitutional settlement in which democratic principles are firmly entrenched (Held 1995). Advocating a ‘double democratisation’ of political life, the advocates of cosmopolitan democracy seek to reinvigorate democracy within states by extending democracy to the public realm between and across states. In this respect transnational democracy and territorial democracy are conceived as mutually reinforcing rather than conflicting principles of political rule. Cosmopolitan democracy in effect seeks ‘a political order of democratic associations, cities and nations as well as of regions and global networks’ (Held 1995: 234).

Central to this model is the principle of democratic autonomy, namely the ‘entitlement to autonomy within the constraints of community’ (Held 1995: 156). This is to be assured through the requirements of a cosmopolitan democratic law, that is, law which ‘allows international society, including individuals, to interfere in the internal affairs of each state in order to protect certain [democratic] rights’ (Archibugi 1995). Accordingly, the principle of democratic autonomy depends upon ‘the establishment of an international community of democratic states and societies committed to upholding a democratic public law both within and across their own boundaries: a cosmopolitan democratic community’ (Held 1995: 229). This does not presume a requirement for a world government, nor a federal super-state, but rather the establishment of a ‘global and divided authority system – a system of diverse and overlapping power centres shaped and delimited by democratic law’ (Held 1995: 234). Rather than a hierarchy of political authority, from the local to the global, cosmopolitan democracy involves a heterarchical arrangement. Conceptually this lies between federalism and the much looser arrangements implied by the notion of confederalism – what some have referred to as the Philadelphian system (Deudney 1996). It requires ‘the subordination of regional, national and local “sovereignties” to an overarching legal framework, but within this framework associations may be self-governing at diverse levels’ (Held 1995: 234). The entrenchment of cosmopolitan democracy therefore involves a process of reconstructing the existing framework of global governance.

Essential to the realisation of this democratic reconstruction, it is argued, is the requirement that democratic practices be embedded more comprehensively ‘within communities and civil associations by elaborating and reinforcing democracy from “outside” through a network of regional and international agencies and assemblies that cut across spatially delimited locales’ (Held 1995: 237). Only through such mechanisms will those global sites and transnational networks of power which presently escape effective national democratic control be brought to account, so establishing the political conditions befitting the realisation of democratic autonomy.

Cosmopolitan democracy represents an enormously ambitious agenda for reconfiguring the constitution of global governance and world order. Its genealogy is eclectic insofar as it claims significant continuities with a variety of traditions of democratic thought. While it draws considerable inspiration from modern theories of liberal democracy, it is also influenced by critical theory, theories of participatory democracy and civic republicanism. It is distinguished from liberal-internationalism by its radical agenda and a scepticism towards state-centric and procedural notions of democracy. While accepting the important role of progressive transnational social forces, it nevertheless differentiates itself from radical pluralist democracy through its attachment to the centrality of the rule of law and constitutionalism as necessary conditions for the establishment of a more democratic world order. But the idea of cosmopolitan democracy is not without its critics.

Sandel argues that ‘Despite its merits...the cosmopolitan ideal is flawed, both as a moral ideal and as a public philosophy for self-government in our time’ (Sandel 1996: 342). This, he argues, is because at the core of cosmopolitanism is a liberal conception of the individual which neglects the ways in which individuals, their interests and values, are ‘constructed’ by the communities of which they are members. Accordingly, democracy can only thrive by first creating a democratic community with a common civic identity. While globalisation does
create a sense of universal connectedness, it does not, in Brown's (1995) view, generate an equivalent sense of community based upon shared values and beliefs. Thus cosmopolitan democracy, as transnational democracy, lacks a convincing account of how the ethical resources necessary for its effective realisation are to be generated. It is also criticised for its top-down constitutionalism which fails to recognise the inherent tension between the principles of democracy and the logic of constitutional constraints upon what the demos may do (Saward 1998). Nor is it clear within an heterarchical system of governance how jurisdictional conflicts between different layers of democratic authority are to be reconciled or adjudicated by democratic means, let alone how accountability in such a system can be made effective. This raises important issues of consent and legitimacy. As Thompson argues, the problem is one of 'many majorities' such that 'no majority has an exclusive and overarching claim to democratic legitimacy' (Thompson 1999: 123). Furthermore, cosmopolitan democracy will only serve to intensify the enduring tensions between democracy and the protection of individual rights since rights claims may be pursued outside those 'local' or immediate jurisdictions whose policies or decisions have been sanctioned by a formal democratic process (Thompson 1999). Finally, some radical critiques reject cosmopolitan democracy as they consider it represents a new mode of imperialism insofar as it presumes the universal validity of Western liberal democracy, and so discounts the legitimacy of alternative or non-Western democratic cultures.

**Towards democratic global governance?**

For the advocates of transnational democracy there are some grounds for cautious optimism. Globalisation and regionalisation are stimulating powerful political reactions which in their more progressive manifestations have engendered a serious debate about the democratic credentials of global governance (Mittleman 2000). Furthermore, in the wake of the East Asian crisis and with the growth of the ‘anti-globalisation’ or ‘anti-capitalism’ movement since the ‘Battle of Seattle’ protest against the WTO, there is evidence of an emerging global consensus on the need for more effective regulation of global financial markets and global capital (UNCTAD 1998; UNDP 1999; Jones 2000). In consequence, the Washington consensus championing unfettered global capitalism no longer appears so secure or hegemonic (McGrew 2000). Regulating globalisation is now a paramount political issue and this in turn has provoked much discussion about the precise form which such regulation should take as well as the political values which might inform it. Transparency, accountability, participation and legitimacy are rapidly becoming the values associated with the reform agenda. Progressive elements of transnational civil society too are organising and mobilising to maintain the political pressure on governments and institutions to restructure and reconstruct systems of global and regional governance to accord with democratic principles. Of great significance too is the way in which different political constituencies and social forces draw upon the discourses of transnational democracy (discussed above) in their campaigns to advance global democratic change, most especially democratic intergovernmentalism and republicanism. For instance, this has been very evident in respect of the World Trade Organization.

**Redressing the WTO’s democratic deficit**

In setting the WTO policy agenda and its institutional programmes, the legal principle of one state one vote, and the commitment to consensual modes of decision taking, do give the appearance that ‘Prima facie...the decision making process is democratic’ (Qureshi 1996: 6). In practice, the politics of the WTO are far from democratic in as much as decision making on strategic policy issues tends to reflect the interests of the major trading blocs, while the ideological commitment to the pursuit of a liberal trading order permeates every aspect of the trade policy agenda. Compared with many other intergovernmental organisations, the opportunities to register the concerns and interests of peoples, as opposed to member states, on the institutional agenda, let alone to give a voice to ‘civil society’ in policy deliberations, have been negligible. Attempts to broaden the trade agenda to include issues of the environment and labour, or to consult with NGOs, have been (and continue to be) strongly resisted.

Such resistance to the perceived ‘politicisation’ – qua democisation – of the institution cannot simply be ascribed to an ideological commitment to a liberal trading order, nor to the actions of the most powerful member states or the pressures of global capital. The WTO has its own institutional dynamic, identity and legal personality; it would be simplistic to characterise it as purely an instrument of multinational capital or the dominant economic powers such as the USA. Indeed, the paradox is that both the USA and many leading multinationals are calling for more transparent and open decision making while many governments, especially among the emerging and newly industrialising economies, are enormously resistant both to widening the trade arena (to include environmental or labour issues) or to giving ‘civil society’ a voice in the WTO’s policy deliberations. But this deep resistance to any proposals to make the institution both more responsive and responsible to the ‘world community’ is not so much a product of an anti-democratic impulse as a result of reasonable fear that a WTO which is more open to the influence of private interests and NGOs will become even more Western dominated. A ‘democratic’ WTO could thereby legislate the global application of Western standards, whether in the environmental or social domain, which will erode the competitive advantages of developing economies. In this respect the struggle for the democratisation of the WTO is inseparable from the wider struggle over the distribution of global wealth and power.

Against this background the majority of member states may much prefer a WTO which is more technocratic and legalistic in the exercise of its responsibilities as opposed to more democratic. For in overseeing the efficient application of a rule-based multilateral trading order, the WTO provides an
effective, regularised, predictable and juridical mechanism for negotiating and resolving trade matters between governments which moves beyond the principle of ‘might is right’ and towards ‘a governance system based on the “rule of law”’ (Shell 1995). Indeed, the shift away from the politicalised mechanisms of trade dispute management of the GATT era represents, as Shell argues, a stunning victory for the technocratic and legalistic approach (Shell 1995). Rather than a ‘banana republic’, a more apt analogy for the WTO might be that of a classic technocracy in which the principles of efficiency and effectiveness are prized more highly than those of representation and accountability.

As a technocracy, the WTO operates to de-politicise trade issues by redefining them as legal and technical matters which are best resolved by trade experts through a process of technical deliberation and the rational application of juridical procedures. Trade governance is thus transformed into an activity in which expert knowledge and understanding are the primary credentials for participating in setting the institution’s goals and policing its rules. The politics of the WTO thus reflect negotiation and consensus between trade bureaucracies in which a transnational epistemic community of trade experts (economists, lawyers, scientists, etc.) provides ‘a relatively independent source of scientific evidence and authority’ (Hasenclever et al. 1997: 149). Institutional decision making is thus legitimised more by the application and interpretation of knowledge, technical rules and expertise than it is by deference to the principles of representation and state interests. As Winner suggests, the technocratic ethic means the real voting will take place on a very high level of technical understanding. One may register to vote on this level only by exhibiting proper credentials as an expert. The balloting will be closed to the ignorant and to those whose knowledge is out of date or otherwise not relevant to the problem at hand. Among the disenfranchised in this arrangement are some previously formidable characters: the average citizen, the sovereign consumer...and the homegrown politician.

(Winner 1977: 170–1)

The technocratic ethic thus runs completely counter to the democratic impulse since its ‘premises are totally incompatible with...the idea of responsible, responsive, representative government’ (Winner 1977: 146). Accordingly, those who are in a position to supply the desired knowledge, therefore can exert considerable influence on the choices made by policy makers’ (Hasenclever et al. 1997: 140).

In recent years, the pressures to confront and redress the ‘democratic deficit’ have intensified such that, even among the technocrats of the WTO, there is a growing recognition that greater transparency and accountability is necessary. Three factors, in particular, are central to this growing concern with the institution’s democratic credentials. First, as the process of trade liberalisation shifts away from tariff reductions to the removal of domestic barriers to free trade, a whole series of issue areas, from competition policy to the environment and health and labour standards, will figure increasingly on the WTO agenda. Inevitably this means that a broader range of interests will have to be consulted or brought into the decision-making process. As Renato Ruggiero, the WTO’s then Director General, acknowledged in 1998, ‘Whenever people talk about trade now, other issues come up immediately... protection of the environment, social conditions, employment, public health...We have to improve our ability to respond within our own rules...to the interrelationships which undoubtedly exist’ (Ruggiero 1998). Secondly, in the two years following its inception in 1995, the WTO had dealt with 120 trade disputes while by comparison, between 1948 and 1994 GATT had adjudicated only 315 cases. As the complexity, severity and number of trade disputes upon which the WTO has to adjudicate rises, so too, as is evident already, will the pressures to make these quasi-judicial proceedings more transparent, and for Panels to justify and explain their rulings to a wider political community. Thirdly, as future rounds of trade liberalisation bite deeper into the domestic economies and societies of member states, and the protectionist backlash gains momentum, the WTO will no longer be able to rely upon member governments alone to mobilise political support for the multilateral trading order. As is already the case, the WTO will be forced to seek greater legitimacy for its activities by mobilising or assuaging the many diverse constituencies of transnational civil society which, to date, it has largely ignored. Resolving this latent ‘crisis of legitimacy’ is unlikely to be successful without giving the representatives of civil society a voice, however muted, in the institutions’ deliberations.

Traces of democratic intergovernmentalism and republicanism can be detected in the discourses of politicians, diplomats, the corporate sector, labour unions and social movements, as they seek both to come to terms with a more active and powerful WTO and make it more accountable for the exercise of its inherent powers.

Democratic intergovernmentalism and the WTO

Although driven significantly by the need to assuage powerful domestic protectionist forces, the Clinton administration made reform of the WTO an inescapable aspect of future multilateral trade negotiations. As the Final Declaration of the WTO’s 1998 Ministerial Conference, the organisation’s executive body, concluded: ‘We recognize the importance of enhancing public understanding of the benefits of the multilateral trading system...In this context we will consider how to improve the transparency of WTO operations’ (WTO 1998).

Underlying official proposals is a decidedly liberal-reformist impulse (WTO 1998). The emphasis is upon transparency and accountability through existing national mechanisms. National parliaments and assemblies are invited, if not expected, to acquire a stronger role in monitoring the activities and decisions of the organisation. But such empowerment does not extend to the agencies of transnational civil society. Representation tends to fall short of actually
empowering civil society actors insofar as they would be restricted to consultative status in the decision-making process and have no voting rights or rights to contest the decisions of Trade Dispute Panels.

Contemporary thinking, as reflected in US proposals for the reform of the WTO and the Commission on Global Governance, is decidedly reformist rather than radical. It is reformist in that it seeks the incremental adaptation of the institutions and practices of the organisation, as opposed to its reconstruction; and reformist also in the sense that while it gives ‘peoples’ a voice in global governance, it does so without challenging the primacy of states and the most powerful states in particular. Thus, the accountability and legitimacy of institutions like the WTO is ensured ‘not only by chains of official responsibility but by the requirement of transparency’ (Keohane 1998: 95). A more transparent and representative WTO, however, is not necessarily more democratic.

**Transnational republicanism**

Whereas democratic intergovernmentalism emphasises the incremental adaptation of the WTO, the republican vision proposes its reconstruction to reflect the principles of direct participation, public deliberation and the right of stakeholders to contest its decisions or actions (Shell 1995; Petit 1997: 185). As Burnheim states, ‘Democracy hardly exists at the international level, and it is difficult to see how it could in the context of existing institutions and practices’ (Burnheim 1985: 218). The republican vision is therefore concerned with establishing the necessary conditions which will empower those with a direct stake in, and those affected by, the activities of organisations such as the WTO. As Petit describes it, the civic republican ethic informing this vision is one in which governance is regarded as democratic ‘to the extent that the people individually and collectively enjoy a permanent possibility of contesting what government decides’ (Petit 1997). In this respect it is more concerned to uphold the principle of participation as opposed to representation. As Shell argues, the republican stakeholder concept ‘emphasizes direct participation in trade disputes not only by states and businesses, but also by groups that are broadly representative of diverse citizen interests’ (Shell 1995).

While advocates of the republican vision do not discount the importance of enhancing the transparency and consultative mechanisms of the WTO, such reforms are conceived as insufficient by themselves to deliver a more accountable and democratic system of global trade governance. What is crucial is that those with a stake in the decisions of the WTO have a voice in the governance of global trade matters ‘to the degree that they are materially and directly affected by decisions in that domain’ (Burnheim 1985). Moreover, having a voice means ‘the active participation of people in decision making, sometimes as representatives of specific interests they themselves have, but often too as the trustees of interests that cannot speak for themselves’ (Burnheim 1995). But it is not simply the capacity to participate in WTO decision making which is critical, but also the capacity to contest its decisions through formal mechanisms of rational deliberation. This is an argument also for deliberative democracy as against Keohane’s liberal notion of ‘voluntary pluralism under conditions of maximum transparency’. The emphasis on direct participation and the contestability of decision making means that the stakeholder vision is a much more radical challenge to the WTO as presently constituted since it is subversive of its existing technocratic ethic and practices.

As the idea of stakeholder democracy has acquired a greater resonance in the politics of democratic societies it will be more difficult for the WTO to ignore it altogether. The USA, and other states, have begun to use the stakeholder discourse in reviewing the future evolution of the WTO. In responding to the absence of any mechanism for citizens to petition the WTO’s Trade Dispute Panels, the USA proposed ‘that the WTO provide the opportunity for stakeholders to convey their views...to help inform the panels in their deliberations’ (Clinton 1998). Of course, this a long way from suggesting that citizens and groups might have the right to contest WTO policy and rule making, but it represents the beginnings of what could be a major shift in thinking about how the WTO’s democratic deficit might be redressed. In many respects the stakeholder vision reflects a normative attachment to republican notions of governance in which ‘Ultimately, trade policy must come to reflect the trade-offs that citizens make among their needs as members of national communities and as consumers, workers, and investors’, and as custodians of the natural environment (Shell 1995).

Despite the ‘Battle for Seattle’ and the ‘anti-globalisation’ movement, the direction taken by institutional change will not primarily be determined by the agents of civil society but by the most powerful actors within the WTO itself. In this respect the public commitment of the USA – together with other states, segments of the WTO trade technocracy (including its Director General), and the international business community – to confronting the organisation’s legitimacy deficit suggests that the prospects for institutional change are not as bleak as most sceptics presume. Clearly the initial trajectory of reform will not be radical but, as the history of territorial democracy confirms, it will undoubtedly have many unintended and unforeseen consequences and acquire its own dynamic, which in many respects is why it continues to be opposed so forcefully. Given this context, the prospect of representatives of civil society acquiring some form of consultative status in future trade negotiations is probably much greater than the probability of them being granted rights to contest the decisions of the WTO’s trade disputes machinery. The future evolution of the WTO is thus most likely to reflect the principles of democratic intergovernmentalism, as opposed to the more radical republican vision.

In conclusion, globalisation is generating a political debate about the necessity, desirability and possibility of transnational democracy and the democratising of global governance. According to the UNDP, the most pressing political challenge today is to ‘build a more coherent and more democratic architecture for global governance in the twenty-first century’ (UNDP 1999: 97). This is reinforced by Keohane’s conclusion that
To be effective in the twenty-first century, modern democracy requires international institutions. In addition, to be consistent with democratic values these institutions must be accountable to domestic civil society. Combining global governance with effective democratic accountability will be a major challenge for scholars and policy makers alike in the years ahead. (Keohane 1998)

Meeting this challenge requires as a first step the re-imagination of democracy. This chapter has made a modest contribution to that task in elaborating three quite different normative imaginations of transnational democracy: democratic intergovernmentalism, republicanism and cosmopolitanism. Two of these, in varying degrees, find expression in current deliberations concerning the reform or transformation of global and regional governance, from the EU to the IMF. These re-imaginations necessarily warrant sceptical treatment. But idealistic or utopian as they presently may appear, any scepticism needs to be tempered with the caution that ‘Sound political thought and sound political life will be found only where [utopia and reality] have their place’ (Carr 1981: 10).

Note
1 This chapter developed out of work for two separately published essays on transnational democracy and the WTO (McGrew 1999, McGrew 2002).

References

Ruggie, R. (1998) Address to 50th Anniversary Symposium, WTO.