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## SECRETARY-GENERAL CALLS FOR DEMOCRATIC GOVERNANCE AT GLOBAL LEVEL

NEW YORK -- Following is the text of the address of Secretary-General Kofi Annan to the conference on "The Challenges of Democratic Governance in a Globalizing World", Oslo:

It is a great pleasure to be visiting Norway again. As some of you may know, I have actually been here for almost two weeks now, enjoying a summer holiday. When we started planning our holiday, my wife and I, we could not think of a better place to spend it than in Norway.

I must tell you, however, that while Norway's fjords are as beautiful as ever, their isolation isn't what it used to be, thanks to cell phones. Even as our boat cruised along and I took in the stunning views, I also conducted a fair amount of business by phone.

That is the world we live in today. We are wired, connected, interdependent. We live simultaneously in our own communities and in the world at large. Global forces are reaching deeply into our daily lives, even in the remotest of places.

Norway is to be commended for recognizing this fact, and for initiating an ambitious series of studies and discussions on many of the key issues raised by globalization. Your dialogue is an important complement to the United Nations' own debate on the subject.

The theme of this meeting, democratic governance, has both national and international dimensions.

Ours is an era in which a nation's capacity for democratic governance can make or break not only its own fortunes, but those of others with whom it is linked through trade, investment, affinity or proximity.

A world composed of States with open and accountable systems of government would be a more peaceful world than the one we actually live in.

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A regime which is not accountable, and which can control or manipulate the media more or less as it pleases, will find it easier to mobilize a society for war, whether against another similar regime or against a democracy.

Liberal democracy, on the other hand, contains built-in safeguards against military adventurism, and provides a method for managing and resolving disputes peacefully. Moreover, it is much harder to convince people in a democracy that war is necessary against another country with an open and transparent political system, more or less like their own. In such cases, the two peoples can engage each other, not just through war and diplomacy, but on a much broader front.

Democratic governance is also a guardian of internal harmony and stability. Minorities facing discrimination; civil society barred from any say in decisions; opposition parties unable to put their views across; the rule of law squelched by authoritarian rule or "fig-leaf" democracy; people denied their fair share in a society's opportunities -- these are the conditions that generate conflict.

Too often, in the past 10 years or so, we at the United Nations have found ourselves called in to help deal with the consequences, when it would have been better for everyone if the causes had been addressed in good time. Indeed, one of the main reasons the United Nations is holding a World Conference against Racism later this month in South Africa is to underscore the need to look closely at the flaws in all our societies, and to confront grievances and prejudice before they spiral out of control into violence and conflict.

States that respect the rights of all their citizens, and allow all of them a say in decisions that affect their lives, are also likely to benefit from their creative energies, and not least, to foster the kind of economic and social environment that promotes investment, both domestic and foreign.

In this way, democratic governance is also a crucial matter for development. Indeed, States that want to compete in a global economy must be able to provide solid legal and regulatory frameworks, efficient public administration and services, and the reliability that comes with the rule of law.

To an important extent, what holds nationally is also true internationally. If governments today must govern better, they must also learn to govern better as a community of nations. The principles of democratic governance are just as important internationally as they are at the national level. Despite significant advances, democracy at the global level is far from what it could be.

The United Nations, for its part, is based on the very democratic principle of "the sovereign equality of all Member States". Of course, in reality those States are very unequal -- unequal in size, in wealth, and in power. Those inequalities are not likely to change in the near future, but this is not a situation that any of us can feel comfortable about.

At the same time, the small and the weak do, on the whole, feel less unequal in the United Nations than in other international bodies. Many of them believe, with Dag Hammarskjöld, that the essential task of the United Nations is, indeed, to protect the weak against the strong. In the long term, the vitality and viability of the Organization depend on its ability to perform that task, by adapting itself to changing realities.

Most Member States -- and probably most people in general -- believe that the United Nations would be more democratic if the Security Council were reformed, and made more representative of the membership as a whole. I share that feeling, while recognizing that this is very much a matter for the Member States to decide among themselves -- and noting that sadly, while almost all of them agree on the need for reform, agreement on the details remains elusive.

But we should not focus only on the Security Council. Many important decisions, with profound effects on the lives of billions of human beings, are taken in other institutions -- the World Bank, the

International Monetary Fund, the World Trade Organization and the Group of Eight. We would live in a better and fairer world -- indeed, a more democratic world -- if, in all those places, greater weight were given to the views and interests of the poor as well, who form a substantial majority of the human race.

One argument that is sometimes used for resisting this is that those who claim to represent the poor are not truly representative, because of lack of democracy in poor countries. That argument is not always used in good faith, but it cannot be dismissed out of hand. I am glad to say, however, that its validity is declining, as democracy spreads throughout the developing world.

Already the Organization of African Unity has taken a courageous stand, by declaring that it will no longer admit leaders who have come to power by unconstitutional means at its summit meetings. I look forward to the day when the General Assembly of the United Nations will follow this fine example. For I have no doubt that its authority will be greatly strengthened when all the governments represented in it are themselves, clearly and unmistakably, representative of the peoples of the world.

Transnational corporations also occupy a critical place in the constellation of actors who can contribute to democratic governance at the global level. With this in mind, two and a half years ago I challenged the world business community to work with the United Nations in a Global Compact -- a voluntary initiative designed to promote human rights, protect labour standards and safeguard the environment.

I know some of the business leaders did not take me seriously when I launched this initiative in Davos. But 10 months later, after Seattle, they began to take me seriously.

More than anyone, it is these corporations that have created the single economic space in which we live. Their decisions have implications for the economic prospects of people and, indeed, of entire nations. Their rights to operate globally have been greatly expanded by international agreements. As we look ahead, those rights must be accompanied by greater responsibilities -- by the concept and practice of global corporate citizenship.

There is no one-size-fits-all model of democratic governance. What works for Norway may not work for Namibia or Nepal. Nor is there a uniform starting point. Some nations are making the transition from totalitarian rule or from centrally planned economies. Others are recovering from conflict. Still others have successful economies, or even well-run governments, but have yet to find their way to democracy.

As for the global level, the international community is still only inching its way towards the sense of solidarity, and the political will, that would enable it to act effectively, in keeping with democratic principles.

Whether we are operating at the national or global level, in a globalizing world more than ever before our touchstone must be the will of the people. Let me leave you with three questions we must answer if we are to identify that will, and then respond to it:

-- First, how can we recognize the voices of people with legitimate complaints about globalization -- about global decision-making and inequality, for example -- without ceding the playing field to people bent on violence and destruction?

-- Second, how can we address the very real limits of markets -- in areas such as the environment and human rights -- without stifling the creativity, innovation and dynamism that markets can bring to the fight against poverty?

-- Finally, how can we reconcile the urgent needs of today with the requirements of future generations, and find a sustainable path forward?

Much depends on the answers we come up with. I look forward to working with you in helping democracy reach all the world's people, and making globalization work for them. Thank you very much.

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