POOR PEOPLE IN RICH COUNTRIES
THE ROLES OF GLOBAL GOVERNANCE

Jan Aart Scholte*

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Abstract
Connections between global governance and poverty are usually made in relation to what are loosely called ‘poor countries’ of the ‘global south’. However, global governance also significantly shapes dynamics of impoverishment in ‘rich countries’ of the ‘global north’. These impacts become the more apparent when global governance is understood to involve not only well-known intergovernmental agencies such as the United Nations and the World Trade Organisation, but also additional institutional forms such as transgovernmental networks and private regulatory mechanisms. This broad complex of global governance has often exacerbated poverty in the global north: e.g., through neglect of the issue; through marginalisation of the people affected; and through the promotion of neoliberal policy frames. At the same time, global governance has in other ways also promoted poverty alleviation in ‘high-income countries’: e.g., with rules that work in their structural favour; with policy learning; with rights discourses; and with some promotion of global-scale social democracy. Thus the challenge for efforts to reduce poverty in the global north is, on the one hand, to counter the negative implications of global governance and, on the other hand, to nurture the positive forces. Global coalitions of anti-poverty campaigners – in particular across north-south lines – could especially serve these politics.

Key Words: global governance; poverty; social policy; United Kingdom

* Professorial Research Fellow, Centre for the Study of Globalisation and Regionalisation, University of Warwick, Coventry CV4 7AL, UK, +44-24-7657 2939, scholte@warwick.ac.uk. A previous version of this analysis was prepared for the Globalisation, UK Poverty and Communities Programme of the Joseph Rowntree Foundation. For feedback on earlier drafts I am grateful to JRF’s Programme Advisor, Teresa Hanley, as well as GSP’s anonymous referees.
Introduction

Global governance is often identified as a significant force in generating and/or alleviating poverty in the global south. Large libraries of research are available on the role of global financial institutions, various United Nations (UN) agencies, the World Trade Organisation (WTO) and other global regulatory bodies with respect to ‘development’ in ‘poor countries’. Ten years of publications in Global Social Policy have also contributed substantially to this important work.

In contrast, neither GSP nor social policy studies more generally have had much to say about connections between global governance institutions and deprivation in the global north. A handful of publications have considered the role of the Organisation for Economic Cooperation and Development (OECD) on questions of social protection in its member countries (McBride and Williams, 2001; Armingeon and Beyeler, 2004; Duina and Nedergaard, 2010; Mahon, 2010: 181-8). For the rest, however, the literature has tended to presume that social policy in ‘rich countries’ lies wholly in the hands of the respective individual national governments (sometimes coupled with regional arrangements, particularly in the case of the European Union – see Deacon et al., 2010). Even when analysts have related poverty and inequality in the ‘developed world’ to a diffuse global discourse of neoliberalism, the accounts have usually not tracked the influence of specific global governance institutions on deprivation in ‘advanced economies’ (McBride and Nutt, 2007).

This omission leaves a gap in knowledge and policy for poverty reduction in the global north. True, the involvement of global governance in the dynamics of impoverishment in countries such as Japan and the United Kingdom (UK) does not show the same institutional patterns as in the global south. For example, in the global north the International
Monetary Fund (IMF) does not provide technical assistance or lend under the Poverty Reduction and Growth Facility (PRGF). The United Nations Development Programme (UNDP) and the World Bank are not active in ‘advanced economies’, while agencies such as the OECD and the Bank for International Settlements (BIS) hold greater prominence. However, these different lines of engagement with global governance can in their own way still be relevant for the creation and/or reduction of poverty in the ‘developed world’. Research that neglects this aspect misses important causal links, and action strategies that build on the incomplete research would be suboptimal, if not ineffective.

To begin to address this gap, the present article sets out an analytical framework for considering the relationship between global governance and poverty in ‘rich countries’. The first section below sets out a sixfold taxonomy of global governance institutions. This survey indicates that planetary-scale regulatory arrangements with relevance to poverty in the global north extend much beyond the well-known intergovernmental organisations. The second section identifies three general ways that current workings of global governance have contributed to the production of poverty in ‘high-income countries’: namely, by overlooking the issue; by marginalising poor people; and by furthering neoliberal policies. The third section then describes four broad ways that global governance has exerted countervailing forces against impoverishment in the global north: namely, by allocating the ‘developed world’ disproportionate power and resources; by providing venues for policy learning; by promoting rights discourses; and by advancing (albeit only modestly to date) measures towards global social democracy. The various positive and negative effects are illustrated with reference to concrete circumstances in the UK. *Mutatis mutandis* the general linkages could as well be explored in respect of other countries of the global north.
To underline again, the article makes only a start at exploring connections between global governance and poverty in ‘developed economies’. For one thing, it is not aspired here to develop deeper theory concerning underlying logics of global governance, whether on Gramscian, poststructuralist or other lines. In addition, the text does not aim to present a fully substantiated empirical argument. Instead, the more modest ambition is, in the vein of mid-level theory, to map the relevant institutional terrain and to identify broad institutional dynamics of global governance that impact on impoverishment in the global north. Such an exercise adds value by consolidating insights that have thus far been mostly implicit and scattered in the social policy literature. In addition, the framework of analysis developed here may assist subsequent efforts at deeper theorising as well as fuller empirical study.

**Global Governance**

‘Global governance’ refers here to systems of rules and regulatory processes that apply across the planet. Many societal norms, standards and laws today relate to people and places spread over the globe. True, global governance arrangements are only rarely completely universal, in the sense of touching every human being at every location on earth. However, global regimes do apply across multiple continents and/or to so-called ‘global commons’ such as the seas and the skies. Moreover, global rules are often administered through regulatory institutions whose jurisdiction and constituencies cover much if not all of the earth.

Needless to say, contemporary global governance does not entail a world state, on the model of a nation-state writ large. As current circumstances show, it is quite possible to have substantial rules and regulatory institutions that operate on a planetary scale without bringing those arrangements together in a unitary, centralised, sovereign apparatus. Instead, present-
day global governance is dispersed across many often only loosely connected sites, none of which holds primacy over the others (even if the UN has sometimes aspired to such a status).

Nor does global governance negate the nation-state. Certain rash claims of the 1990s regarding a purported decline of the state in the face of globalisation (e.g., Ohmae, 1995; Strange, 1996) have long been effectively countered (e.g., Hirst and Thompson, 1996; Weiss, 1998). The state plainly still figures prominently in the construction of social policy (Garrett, 1998; Yeates, 2001).

Indeed, it is rather a red herring to seek to measure the relative importance of global versus national governance in social policy. Analysis more fruitfully examines the interplay and mutual constitution of global and national spheres of regulation (along with regional and local arenas). As the account that follows indicates, global governance bodies do not exist as a discrete ‘level’, separate from regional, national and local regulatory institutions. Rather, the various tiers are thoroughly interpenetrated in transcalar governance networks (Scholte, 2008).

This transscalarity is manifest in the various forms of multilateralism that constitute contemporary global governance. Some of the agencies are intergovernmental organisations, that is, formal bodies based on state membership. Others are transgovernmental networks, that is, informal arrangements of global collaboration amongst national regulators. Some are interregional apparatuses that bring together officials from different macro-regional units such as Europe and Asia. Others are translocal arrangements that assemble substate authorities (e.g. provinces and municipalities) from various continents. Still other global governance bodies are private regulatory mechanisms in which commercial or civil society actors formulate and administer rules. And some are transsectoral constructions (also called
multistakeholder forums) that combine elements from official and nonofficial circles. Thus
global governance has evolved over recent decades to encompass several novel forms in
addition to traditional ‘international organisations’. As is illustrated in the next paragraphs,
each of these six institutional types can be relevant to experiences of, and policy responses to,
poverty in the global north.

Intergovernmental organisations tend to remain the best-known type of global
governance arrangement, and many have direct relevance to social policy (Deacon et al.,
1997, 2004; Deacon, 2007; Yeates, 2008). These institutions include household names such
as the UN and its specialised agencies, among them the IMF and the World Health
Organisation (WHO). The IMF monitors governments of ‘developed countries’ inter alia on
conditions relevant to social policy with its annual Article IV surveillance of national
macroeconomic conditions. The WHO advises all member governments north and south on
epidemiological matters, including its recommendation in 2009 for mass inoculation against
swine flu. The United Nations Children’s Fund (UNICEF) monitors child poverty across the
world, including in the global north (UNICEF, 2007). The importance of the UN human
rights machinery for anti-poverty campaigns in ‘rich countries’ is detailed later.

Outside the UN system, other global intergovernmental organisations with
implications for the generation and/or alleviation of poverty in the ‘developed world’ include
the WTO, the BIS, and the Organisation of the Islamic Conference (OIC). Global trade law
through the WTO deeply shapes patterns of advantage in the world economy, with major
consequences for (un)employment prospects in ‘advanced economies’. The BIS and
associated committees set banking standards and other financial rules that affect access to
bank accounts and credit lines for deprived populations of the global north. Although
governments of the global north are not members of the OIC, that organisation declares itself to be concerned with the well-being of Muslims anywhere on the planet, so including impoverished members of the Ummah resident in the global north (Ihsanoglu, 2010).

Transgovernmental networks are generally less visible than intergovernmental bodies, but arguably these informal collaborations among state officials have on the whole become as influential, if not more so, than old-style intergovernmentalism (Slaughter, 2004). Indeed, transgovernmentalism has often become a way for states of the north to sideline much of the south in global policymaking. The most familiar instances of this institutional form are the Group of Eight (G8) and its recently developed close relation, the Group of Twenty (G20). Both of these bodies (through their working groups as well as their well-publicised summits) coordinate a host of economic and social policies with implications for poverty in the global north. Many other transgovernmental relations occur through the 250 committees, working groups and expert bodies convened by the OECD (Mahon and McBride, 2008; Martens and Jakobi, 2010). OECD gatherings with particular relevance to poverty issues include the Economic Policy Committee as well as the Employment, Labour and Social Affairs Committee.

Unfortunately no systematic research has yet been done on the transgovernmental relations of social affairs ministries beyond an isolated general analysis (Rhodes, 1990). In particular, the specific implications of such engagements for poverty remain to be investigated. However, casual observation suggests that transgovernmental links figure importantly in social policy. In the UK, for example, the Government Actuary’s Department (adviser to the Department for Work and Pensions) links with corresponding offices in 147 other countries through the International Social Security Association in order to share
research results, databases, policy analysis and good practices (ISSA, 2010; also McKinnon, 2009). (In contrast, UK authorities have thus far not joined agencies from sixty other governments worldwide in the International Association of Economic and Social Councils and Similar Institutions, AICESIS.) The UK Border Agency maintains memoranda of understanding with equivalent bodies in other states in order to coordinate monitoring of transboundary migration. One surmises that the UK Department of Health (DH), the Department for Children, Schools and Families (DCSF), and the Department for Environment, Food and Rural Affairs (Defra) – all with a role in domestic poverty alleviation – are also involved in transgovernmental networks that cover their respective agendas, although again the relevant research remains to be done.

Whereas transgovernmental networks are already well embedded today, global governance through interregionalism is more incipient. In this vein the European Union (EU) has since the 1980s developed collaborations with the Andean Community, the Gulf Cooperation Council (GCC), and the Southern Common Market (MERCOSUR). In an instance more specifically relevant to poverty questions, the Asia-Europe Meeting (ASEM) has convened interregional conferences of labour and employment ministers in 2006 and 2008. ASEM has in recent years also organised interregional dialogues on migration and on the welfare of women and children (Gilson, 2011). Interregionalism is a trend to watch for the future, as the EU grows in importance for social policy, and as EU relations with other regional units may develop a larger social dimension.

Like interregionalism, global governance through translocal networks is largely incipient today, although some instances of global links among local councils date back to the early twentieth century. The most prominent current instance is United Cities and Local
Governments (UCLG), with many members from the global north. UCLG addresses matters relevant to poverty *inter alia* in its Committee on Social Inclusion and Participative Democracy as well as its Committee on Gender Equality. Mayors and local counsellors from the global north also sit on the UCLG World Council and its Executive Bureau. Town twinning is another mode of translocalism where strategies of poverty reduction can be advanced, for instance, through the exchange of experiences on social policies. Local (also called ‘complementary’) currency schemes with the aim of advancing an egalitarian solidarity economy have also pursued some global connections amongst themselves (CC Database, 2010). In addition, local authorities and civil society groups in ‘developed countries’ have engaged with global networks regarding participatory budgets as a means to empower deprived circles (PBU, 2010).

Although common conception tends to associate governance with the public sector, private-sector mechanisms can also fulfil regulatory functions, as the example of local currency schemes just given illustrates. Other private global governance of finance occurs through industry-based bodies such as the Wolfsberg Group (to combat money laundering) and the Hedge Funds Standards Board (HFSB), as well as more informally through the major credit rating agencies (Porter, 2005: ch 7; Sinclair, 2005; Underhill and Zhang, 2008). Meanwhile the private-sector Internet Corporation for Assigned Names and Numbers (ICANN) is a principal site for global communications governance whose operations have major implications for digital access (Antonova, 2008). Nonofficial schemes for corporate social responsibility (CSR) have proliferated over the past two decades and often address poverty-related issues such as labour standards and workplace safety. CSR initiatives have sometimes connected global business actors to local poverty alleviation. In another area Fairtrade Labelling Organizations International (FLO) and the World Fair Trade Organisation
(WFTO) uphold rules to ensure that designated commercial arrangements do indeed bring greater returns to poor producers (Ullrich, 2011).

Finally among the six types of global governance distinguished here are transsectoral regimes. One long-standing example is the International Labour Organisation (ILO), with its tripartite structure of governments, employer federations and trade unions. Another is the International Organization for Standardization (ISO), which brings together commercial associations, professional societies, government agencies, universities and individuals. Transsectoral constructions have recently multiplied under the label of multistakeholder forums. One prominent example, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), has a governing board composed of representatives of governments, nongovernmental organisations (NGOs), business, foundations, and people living with the diseases. Further new additions include the World Water Council and the Global Partnership for Disability and Development. Some transsectoral bodies like the ILO (with its directives on employment and labour protection) have direct bearing on poverty in the global north.

Considering these multiple forms of transplanetary regulation in sum, it is evident that global governance is quite substantial in contemporary society. Nowadays every public policy issue – including poverty alleviation – is handled partly with global rules and global regulatory institutions. Thus an adequate understanding of – and an effective strategy against – poverty in the ‘developed world’ today needs to include careful consideration of global governance. It is somewhat surprising that a basic mapping exercise such as undertaken in the preceding paragraphs has not been done before.

Global Governance and the Production of UK Poverty
As various examples above have already indicated, a broad range of global governance arrangements can have implications for poverty in the global north. However, rather than document these impacts institution by institution, it is more effective to highlight thematic ways that global regulatory processes as a whole – across the six categories distinguished above – have been involved in the dynamics of impoverishment in ‘rich countries’. The various points are illustrated below with examples from the UK.

It should be stressed from the outset that contemporary global governance has a complex relationship to poverty in ‘rich countries’. In some ways, as discussed in the following paragraphs, global regulatory arrangements can help to produce and perpetuate deprivation. In other ways, as noted in the next section, global rules can contribute to poverty reduction. Given this complexity of impacts, one cannot issue either a blanket celebration or a total condemnation of global governance with regard to poverty in the global north. Global regulation is not inherently beneficial or harmful in this matter. The effects can go either or both ways, depending on the nature of the policies that institutions pursue.

Certainly global governance has had several general downsides for ‘developed world’ poverty in contemporary history. Three such negative consequences are elaborated below, with illustrations from the UK: (a) the problem of omission; (b) the problem of marginalisation; and (c) the problem of neoliberal policy frames.

*Omission*

The problem of omission refers here to the tendency in much of global governance to approach poverty as a concern of the global south, thereby largely neglecting poverty in the global north. Indeed, the prevailing vocabulary in global policy circles characterises the UK
as a ‘rich country’, thereby tending to render invisible the poor inside its borders. To be sure, it is in many ways understandable that the World Bank, UNICEF, the GFATM and the WFTO have concentrated their attentions on so-called ‘least developed countries’ where poverty runs deeper and local resources to combat it are more limited. However, this focus on the ‘third world’ has often gone so far that these global governance institutions underplay if not completely ignore poverty in so-called ‘advanced economies’ such as the UK.

With this general oversight UK governments have not faced the sorts of pressures to tackle poverty issues that many global regulatory bodies have insistently put on governments of ‘low-income countries’. Thus urgings of the UN Development Decades from the 1960s to the 1990s and the UN Millennium Development Goals (MDGs) since 2000 have not applied to social policy in the UK. Likewise, the G8 has addressed poverty as an issue for the ‘developing countries’ rather than as a problem for its own member states. The IMF, too, has seen poverty reduction as a priority in ‘low-income countries’ and not as a headline subject for its Article IV consultations in the UK. With this diversion of attention global governance bodies have in effect let governments of the global north (including the UK) off the hook concerning their domestic poverty. An exception to this overall pattern is UNICEF with its aforementioned critiques of childhood poverty in the UK and other ‘rich countries’ (UNICEF, 2007).

Campaigners against UK poverty have tended to be complicit in this omission inasmuch as their advocacy has given global governance limited attention. True, development NGOs working out of the UK have often lobbied global regulatory agencies on poverty issues, but with a focus on the global south rather than their home country. Meanwhile groups that combat poverty in the UK have rarely taken their advocacy beyond ministries in London,
although some engage regionally with the EU through initiatives such as the European Anti-Poverty Network (EAPN). Global governance has generally been a blind spot for activists on UK poverty, in spite of its potential benefits to their cause.

Illustrating this neglect of global governance, NGOs dealing with social welfare in the UK have generally not pursued consultative status at the UN. The few exceptions include Help the Aged, the International Network of Street Papers, and the Salvation Army (UNDESA, 2010). Consultative status allows attendance of, and sometimes also speaking rights at, a broad range of UN meetings, including committees concerned with economic and social affairs (Willetts, 2000). Some NGOs have via these channels affected the texts of UN resolutions and recommendations as well as the execution of some UN programmes with relevance to poverty, but in the global south. Likewise, few civil society advocates for the UK poor have participated in ad hoc UN conferences concerned with poverty issues, such as the World Summit for Social Development, its sequels, and the social watch reports that have monitored implementation of summit action plans since the mid-1990s. Civil society accreditation is also available at meetings of the Commonwealth, the IMF, the OECD and the WTO.

Nor have campaigns against poverty in the UK built strong coalitions with anti-poverty groups in ‘less developed’ world regions. Such alliances might engage global governance institutions as a collective north-south force. A number of UK-based groups have participated in the Global Call to Action against Poverty (GCAP), but again this activity has focused almost entirely on poverty in the global south (Sireau, 2009). GCAP could also be connected more with impoverishment within the UK itself and link the struggles of people living with poverty north and south. Similar comments could apply to the Global Campaign
for Education (GCE) (Gaventa and Mayo, 2010). The UK poor could also increase links with
global self-help networks such as the International Alliance of Inhabitants (IAI), StreetNet
International, and Women in Informal Employment Globalizing and Organizing (WIEGO).

Marginalisation

The expansion of global governance in recent history has also reinforced poverty in the UK
to the extent that poor people have had little access to, or influence in, most planetary-scale
regulatory agencies. It is harder to advance one’s cause when one lacks entry to sites of
power, and most global governance bodies are currently largely closed to poor people, both in
the UK and elsewhere.

In a sense these democratic failings have put back the historical clock for anti-poverty
movements. Similar exclusions once faced the poor in relation to the nation-state, but then
long struggles by trade unions, cooperative associations and others by the middle of the
twentieth century gave impoverished groups more say in the UK government. The state
responded with a waft of redistributive social legislation that substantially alleviated poverty
in the UK. Now the rise of elite-dominated global governance in recent decades has tipped
the scales back once again towards greater political marginalisation of poor people.

Global governance institutions as they are constructed today generally offer few
channels of participation for the poor. In contrast to nation-states, planetary regulatory bodies
lack a popularly elected legislative arm where the poor might find representation. Instead,
intergovernmental organisations are bastions of diplomats and technocrats who are far
removed from – and have only the thinnest accountability to – impoverished people.
Similarly, transgovernmental networks are usually closed shops of bureaucrats who have no
interchange of note with poor constituents (Slaughter, 2004: ch 6). Meanwhile most private
global governance is invisible as well as inaccessible to the poor and their advocates in faith-
based groups, NGOs, trade unions and other social movements.

True, many global regulatory organisations have in recent decades joined the ILO in
opening certain channels for the consultation of civil society associations (Scholte, 2011). The World Bank and the IMF have since 1999 promoted Poverty Reduction Strategy Papers
(PRSPs) whose preparation often involves considerable inputs from civil society organisations. However, PRSPs relate to ‘low-income countries’, and anti-poverty groups in
‘developed countries’ such as the UK have acquired few opportunities for substantive
involvement in global policymaking. Moreover, apart from the World Bank (which gives no
attention to UK poverty), most global governance bodies have allocated few staff and funds
for civil society liaison. On their side most campaigners against UK poverty have lacked the
resources to conduct meaningful sustained engagement of global regulatory agencies. Hence
it has been exceptional that, for example, ATD Fourth World has facilitated the participation
of several poor persons from the UK to give testimony at the UN (ATD Fourth World, 2009:
3). Instead, global governance consultation of civil society has mainly involved business
associations, think tanks and large professional NGOs, with little space for participation by
marginalised social circles. Hence, while welcome in principle, initiatives for civil society
engagement in global regulation have in practice done little so far to close accountability gaps
vis-à-vis poor people in the UK.

Neoliberalism

When global governance involves little recognition, voice or influence for the poor, the
resulting rules are less likely to work against poverty alleviation and may on the contrary
actually exacerbate it. Many critics have issued such a charge against the neoliberal policy framework that dominated in global regulation during the late twentieth century and continues to linger in recent years. Indeed, the strength of the paradigm has been such that many commentators have equated ‘globalisation’ with ‘liberalisation’, as though the two were the same thing, and as though neoliberal principles are the only way to govern a more global world.

Neoliberalism can be understood as a policy formula that prescribes globalisation by *laissez-faire* marketisation (Scholte, 2005: 38-41; Harvey, 2005; Robison, 2006). This perspective tends to define society (and poverty within society) in wholly economic terms. As its optimal approach to economy neoliberalism prescribes free-market capitalism, a societal order that will allegedly not only end poverty, but also advance democracy, liberty and peace. To move towards this good society, neoliberalism urges liberalisation (the removal of statutory barriers to cross-border transactions), deregulation (the annulment of legal measures that constrain market capitalist initiative), and privatisation (the transfer of publicly held assets to private ownership). In addition, the neoliberal framework emphasises fiscal constraint to limit public sector expenditure and tight monetary policy to avoid inflation.

Global governance agencies played a pivotal role in the generation and spread of neoliberal policy discourses during the 1980s and 1990s. Indeed, the so-called ‘Washington Consensus’ on the need for *laissez-faire* in the globalising economy referred to the location of IMF and World Bank headquarters (as well as the seat of the US Government) (Williamson, 1990). The WTO, the G8 and the OECD also strongly promoted neoliberal policies, and by the 1990s much UN activity in the area of economic and social policy had also taken a substantial neoliberal turn (Thérien, 1999; Wilkinson, 2006; Hajnal, 2007; Mahon and
McBride, 2008). The rise of private mechanisms for global economic governance in the late twentieth century further embraced the logic of market-centred development (Graz and Nölke, 2008; Hansen and Salskov-Iversen, 2008).

Of course national governments in the UK at this time were also of a strong neoliberal bent and hardly needed persuasion from global governance agencies to adopt this policy frame. In fact the Thatcher and Major governments used their positions in intergovernmental and transgovernmental forums to promote neoliberalism in the wider world. Still, support from global economic regimes reinforced the power of neoliberalism in the UK during the 1980s and 1990s and also made it more difficult for UK policymakers to turn away from that course after the change of ruling party in 1997. Thus ‘New Labour’ arguably remained under strong neoliberal influences in part owing to the resilience of this paradigm in key global governance circles where national governments are socialised into global norms.

The implications of neoliberalism for poverty are much contested. Advocates of the approach affirm that it minimises poverty and maximises aggregate prosperity. For supporters of neoliberalism, ‘free’ markets boost efficiency and output, generating high economic growth that sooner or later raises the welfare of all, including the poor. In contrast, opponents of *laissez faire* charge that neoliberalism is an ideology of the strong that in practice exacerbates deprivation of the disadvantaged and widens inequalities between rich and poor. In the eyes of critics, liberalisation, deregulation and privatisation transfer power and resources to propertied classes. At the same time fiscal constraint reduces social protections, and tight monetary policy disproportionately favours people with finance capital (whereas deficit spending with mild inflationary effects could be used to expand social programmes and associated poverty reduction).
The present article is not the place for a full dissection of evidence relevant to the consequences of neoliberalism for poverty in the UK. However, it is certainly incontestable that considerable impoverishment has persisted in the country over the years that neoliberal principles have prevailed. In particular UK poverty has continued in areas of mining and old industry that have struggled to achieve ‘competitiveness’ in a more ‘open’ global economy. Meanwhile, as in most other countries that have adopted neoliberal policies, income and asset inequalities have grown in the UK since the 1970s (Cornia and Court, 2001). The polarisation is particularly stark in London, where enormous stocks of globally mobile capital sit alongside some of the largest concentrations of UK poverty.

Unhappiness at continued poverty and widening inequality – coupled with perceptions that these circumstances have resulted from neoliberal policies – spurred increased resistance to this paradigm, particularly in the late 1990s and early years of the new century. Largely in response to this opposition, the reigning policy discourse in global governance has over the past decade shifted from *laissez faire* to what might be termed a ‘global social market’ approach. Under this revised orientation the central thrust of global public policy remains to promote economic welfare through market forces. Hence talk in some quarters of a *Post-Washington Consensus* exaggerates the degree of policy reorientation (Stiglitz, 1998). However, the altered perspective does hold that *laissez faire* can cause harms in some situations, including for vulnerable social groups, and that corrective interventions from official, business and civil society circles are warranted in these circumstances. In this sense the global social market framework can suitably be termed an ‘*Augmented* Washington Consensus’ (Rodrik, 2001).
Various global governance measures of the past decade – including a number that directly address poverty – reflect a global social market outlook. In this vein the UN MDGs have committed governments to major reductions in poverty by 2015. The IMF and World Bank have recast what were previously known as ‘structural adjustment programmes’ in a new vocabulary of ‘poverty reduction strategies’. In recognition that markets cannot deliver all welfare by themselves, talk of ‘global public goods’ has spread across global economic governance (Kaul, 2003). On social market lines the ILO has promoted an agenda of ‘decent work’ in a globalising economy (WCSDG, 2004). With a proliferation of CSR schemes global business is meant to work more deliberately against poverty as well (Jenkins, 2005).

However, as noted earlier, this heightened attention in global governance to proactive anti-poverty measures has applied mainly to ‘low-income countries’ rather than to ‘advanced economies’ such as the UK. Global regulatory agencies have rarely if ever highlighted poverty issues in respect of the UK, let alone pressed Westminster or Whitehall to adopt particular social policy initiatives. That said, the general shift towards a social market discourse globally has perhaps set a backdrop that has encouraged the pursuit of ‘Caring Conservatism’ and ‘New Labour’ in the UK since the late 1990s. Most recently the tendency has been manifested in David Cameron’s promotion of a ‘wellbeing index’. If global governance had continued a strong promotion of neoliberalist policies into the twenty-first century it would arguably have been more difficult for UK governments to run against the grain with a social market approach.

To be sure, the adequacy of a global social market formula for poverty alleviation is a matter for debate. Critics argue that the turn to greater social sensitivity is not sufficient so long as an underlying promotion of market capitalism remains. Certainly a decade of New
Labour did not halve poverty in the UK any more than the MDGs are on course to halve poverty in ‘low-income countries’ by 2015. To this extent more ambitious reorientations of global governance policies might be required in order to make deeper and more lasting inroads against poverty in the UK and elsewhere.

**Global Governance and the Alleviation of UK Poverty**

As noted earlier, not all effects of global governance on poverty in ‘rich countries’ are negative. On the contrary, transplanetary regimes have also exerted some countervailing forces against impoverishment in the global north. One such ‘positive’ impact is rather suspect, inasmuch as it flows from the disproportionate power that the ‘developed world’ (including the UK) has long exerted in a number of global regimes. Less problematically, global governance offers other positive potentials for poverty alleviation in ‘rich countries’ in terms of: (a) providing venues for policy learning; (b) advancing rights discourses; and (c) promoting global-scale social democracy.

*Disproportionate power*

Global governance has advantaged efforts to combat poverty in ‘advanced economies’ such as the UK to the extent that actors from these areas have exerted disproportionate influence in these regimes. For example, the UK is only one amongst more than 200 countries in the world, and its population accounts for less than 1 per cent of humanity. Yet from this small minority position UK governments have for 65 years held one of five permanent seats with veto power on the UN Security Council as well as pivotal positions with substantial votes on the Boards of the IMF and the World Bank. UK governments have also had membership in
elite clubs of states such as the G8, the OECD and the BIS. Colonial history has given UK governments a leading role in the Commonwealth. In addition, London has hosted the headquarters of various private global governance agencies, particularly in the area of finance.

From such privileged positions UK-based actors have been able to craft global rules that tend unduly to advantage the country in the world distribution of resources. For example, by holding a prominent position in the global monetary order the pound sterling has generally given UK residents better exchange rates and higher purchasing power than populations of countries with more marginal currencies. Likewise, WTO rules *inter alia* on services and intellectual property have broadly worked to the disproportionate benefit of UK-based producers. The global non-proliferation regime has sustained the UK position as one of a handful of states with nuclear weapons. Private global governance has reinforced the central UK role in global finance, helping to bring massive flows of capital from across the planet to the City of London. In these ways and more, global governance has been an important factor in preserving a high ranking for the UK in international comparisons of per capita income.

Of course these advantages to the UK in the international distribution of resources could have been exploited to better effect in combating poverty within the country. The persistence of impoverishment inside the UK has largely resulted from national and local government policies. Thus some other countries with levels of per capita GDP similar to the UK have lower poverty thanks in good part to economic and social policies that promote a more even distribution of resources across their population. With a Gini coefficient of around 34 the UK has one of the higher income inequalities in the EU and is on this measure more comparable with Egypt or Spain than with Germany or Sweden (CIA, 2010).
Pressures on the UK poor could well grow as the country’s privileged positions in global governance are eroded in the coming years and decades. Opposition grows to global regulatory arrangements that are widely regarded as undemocratic and unjust legacies of a colonialist Euro-centric world order. Already memberships of the G8, the OECD and the BIS are expanding and leaving the UK in a relatively less prominent role. The old EU-US axis at the heart of WTO trade negotiations has in recent years expanded to a Quad that also includes Brazil and India, with China playing an increasingly active part as well. Votes in the Bretton Woods institutions have since 2006 been reallocated three times towards so-called ‘emerging economies’, and it is probably only a matter of time before the UK seat on the IMF and World Bank Executive Boards is absorbed into a collective EU representation. Already EU positions at the IMF are collectively discussed through the Sub-Committee on IMF Matters (SCIMF) in Brussels and the informal ‘EURIMF’ gathering in Washington (Nicolas, 2006). Nor is the pre-eminence of London in global financial markets guaranteed forever. It is therefore quite likely that advantages from the political economy of global governance which have flowed to the UK over the past century will be considerably reduced in the coming generation or two.

The loss of these privileges could rebound negatively on poverty in the UK, particularly if the gains previously achieved through political advantage in global governance are not matched through productivity increases. Alternatively, or at the same time, increased pressures on the UK poor from power shifts in global regulation could be countered with state policies of more progressive redistribution of resources across the national population. However, a move towards deeper social democracy would require a major recalibration of UK politics, and the broader electorate might well resist such reallocations of national
resources to the poor at a time when the country is in relative decline within the global economy.

Policy learning

Whereas advantages to poverty alleviation in the UK that accrue from the country’s history of arbitrary privilege in global governance could be seen as morally rather dubious, no fundamental ethical doubts need surround a second type of potential benefit, namely, that of collective learning. Global governance institutions provide many opportunities for sharing lessons and good practices across countries and their governments. If done well, the resultant transfer of policy ideas and instruments can promote more effective strategies to counter poverty (Duina and Nedergaard, 2010).

Many of the global governance processes reviewed earlier in this discussion provide venues for learning and transfer in respect of social policies in the UK. Ministers, parliamentarians, officials, consultants, businesspeople and civil society actors from the UK constantly participate in relevant UN commissions and conferences, OECD committees, G8 summits, ASEM gatherings and UCLG meetings. These ongoing exchanges of knowledge generate global ‘epistemic communities’ of policy expertise (Haas, 1992).

To be sure, it is not helpful to diffuse failed practices in respect of poverty alleviation; nor should principles and mechanisms that succeeded in one context be applied to another situation where they are inappropriate (Hulme, 2005). Policies on education, employment, health, participation and welfare that work positively in, say, Sweden or the USA might not play out successfully against poverty in the UK. Likewise, certain harms of neoliberalism for poverty in the UK and elsewhere have resulted because broad ideological premises were
spread from one country to the next without due attention to contextual specificities. However, if pursued with care and sensitivity, policy learning and transfer through global governance processes can have beneficial effects for poverty reduction.

*Rights discourses*

A further positive effect of global governance on UK poverty comes through the discourse of economic and social rights that UN agencies in particular have promoted since the 1970s. Whereas the historical paradigm of human rights in the UK has emphasised civil and political freedoms, global governance norms emanating from the UN system have equally stressed economic, social and cultural requisites of a decent life. The global human rights apparatus has thereby offered an important discursive and legal resource for anti-poverty campaigners in the UK.

A host of UN institutions and instruments are relevant in respect of economic and social rights (Bayefsky, 2010). The UN International Covenant on Economic, Social and Cultural Rights has been in force since 1976. Other UN treaties with provisions regarding adequate or decent standards of living include the Convention on the Elimination of All Forms of Racial Discrimination (1969), the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW, 1981), the Convention on the Rights of the Child (1990), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (2003), and the Convention on the Rights of Persons with Disabilities (2008). Implementation of each convention is monitored and evaluated by a specially designated committee of experts. These committees, most of which meet in Geneva, are serviced by the Office of the UN High Commissioner for Human Rights. In addition, the
ILO oversees 188 global conventions regarding labour standards, many of which have a bearing on poverty.

The development and implementation of these various global governance instruments for economic and social rights have helped to shift policy frames worldwide in favour of poverty alleviation. In this vein discourses of security have moved away from a heavily military-strategic mode (as prevailed in the mid-twentieth century) towards a ‘human security’ paradigm that *inter alia* places poverty eradication at its core. The much-cited ‘human development indicators’ calculated by UNDP since 1990 in respect of all countries including the UK likewise reinforces a global priority on poverty reduction that encourages anti-poverty work in the UK.

In addition to this general policy framing effect, the global human rights machinery offers specific channels to lobby for national policy change in respect of poverty alleviation. With a ‘boomerang effect’, citizens can work through global venues to alter state policies (Keck and Sikkink, 1998). For example, civil society associations have the possibility to submit reports to UN human rights committees that supplement and possibly contest the accounts that their national government prepares. On these lines some 30 UK citizen groups supplied shadow reports to the United Nations Committee on Economic, Social and Cultural Rights in 2009 (CESCR, 2009; Donald and Mottershaw, 2009: 25-7). Amongst these, a submission from the Scottish Human Rights Commission drew attention *inter alia* to issues of inadequate housing and health inequalities (SHRC, 2009). In another example, certain women’s associations such as the Fawcett Society have fed into shadow reports to monitor UK government compliance with CEDAW (Fawcett, 2010: 5, 33). In addition, individual women can petition the CEDAW Committee under the Optional Protocol, although few are
aware of this possibility (Bird, 2010). Similarly, trade unions and other civil society groups can take relevant complaints about working conditions and poverty in the UK to the various supervisory bodies that oversee the ILO conventions. Arguably UK activists could make more use of these ‘boomerang’ tactics in their anti-poverty campaigns.

*Global social democracy*

Another move along boomerang lines that could advance anti-poverty efforts in the UK is the promotion of global social democracy. As seen earlier, global neoliberalism facilitated the rise of *laissez faire* policies in the UK during the 1980s, and global social market discourses subsequently encouraged the rise of corrective policy interventions on poverty in the UK. Similarly, a turn towards a global social democracy paradigm could encourage a shift towards progressive redistribution and active political participation as a more ambitious anti-poverty strategy in the UK and the global economy generally. Thus, much as social democracy through the state helped to counter poverty in nationally centred capitalism at an earlier historical juncture, so social democracy through global governance could counter poverty in more globalised capitalism at the present time.

Certain (albeit on the whole still limited) measures in the vein of global social democracy have already been pursued. For example, the Bretton Woods institutions and the G8 have cancelled a number of unsustainable external debts of various low-income countries. In addition, private-sector fair trade schemes which have proliferated since the 1990s seek to redistribute gains from global commerce in favour of poor producers in poor countries. Of more relevance to poverty in the UK, transgovernmental networks in G8 and OECD contexts have in recent years intensified efforts to reduce tax evasion through offshore finance centres, steps that can reduce income inequalities in ‘rich countries’ as well as increase government
revenues for social programmes. The global financial crisis of 2007-8 has revived (albeit perhaps only briefly) discussion, including at the IMF, of a currency transaction tax that could generate very substantial funds *inter alia* for social protection (Claessens, 2010). Other proposals on the lines of global social democracy that could benefit the UK poor include a global anti-trust policy (pursued in incipient form since 2001 through the transgovernmental International Competition Network) that would better curb the power of global companies vis-à-vis vulnerable consumers (ICN, 2011). In addition, the establishment of a Global Mobility Organisation could bring greater formalisation, stability and equity to the position of poor migrants in the UK and elsewhere (Ghosh, 2000).

Yet, although global-scale social democracy holds various prospective benefits for poverty alleviation, to date little civil society action on UK poverty has engaged with this agenda of more ambitious global governance reform. A number of UK-based development NGOs have promoted ideas and proposals in the vein of global social democracy in their campaigns against poverty in the global south. However, groups that work for poverty reduction through greater social democracy within the UK itself have generally not given their activism a global dimension. For example, such advocates could collaborate more intensively with the Tax Justice Network to address abuses of non-domicile status and offshore finance by wealthy circles in the UK. Similarly, activists on UK poverty could more concertedly back initiatives for more public-interest global regulation of transnational corporations. Advocates could also engage debates on global financial taxes in order to draw attention to their potential benefits for anti-poverty work in ‘rich countries’ such as the UK. By absenting themselves from these activities, campaigners on UK poverty weaken the momentum for global social democracy and also reduce the chances that, to the extent that
this paradigm does gain ground, it is made to work for poverty alleviation in the global north as well as the global south.

Conclusion

This article has identified a host of ways that global governance is relevant to poverty in the global north. Overall, the analysis has suggested that global governance has figured both negatively and positively in this respect. The political challenge is therefore, on the one hand, to counter the three broad adverse implications of current global governance arrangements identified earlier and, on the other hand, to build up the potentials for poverty reduction effects. A key move in these politics is arguably to forge stronger coalitions across north-south lines among persons living with poverty.

Where, then, are the key points for campaigners to engage global governance on issues of poverty in ‘rich countries’? In terms of shaping broad economic and social policy discourses (such as neoliberal, global social market, and global social democracy paradigms), the main relevant global governance sites are the G8, the OECD, the ILO and certain transgovernmental venues such as AICESIS and the ISSA. Anti-poverty advocates would do well to monitor activities in these quarters and to intervene at strategic decision points. The IMF also figures in the production of macroeconomic policy discourses, and civil society groups could seek to participate in the Fund’s general strategic thinking as well as its country-specific annual Article IV consultations (as has happened in Switzerland, for example). However, governments in ‘advanced economies’ have usually taken little heed of IMF analysis and advice, which have generally tended to impact more in the global south (IEO, 2009). For the rest, campaigners against poverty in ‘rich countries’ can engage
supportively with global governance arenas that push a global social democracy agenda, including fair trade schemes, the Commonwealth, and parts of the UN system.

In terms of specific anti-poverty policies, the main global governance venues to engage vary depending on the issue. In respect of child poverty, for instance, activists would best turn to UNICEF and the UN human rights machinery. Regarding gender and poverty the main sites would be relevant UN agencies (regrouped in July 2010 as UN Women) and possibly also the UCLG gender equality committee. In relation to employment and labour standards (including for vulnerable migrant workers) the principal global places to go are the ILO, the OECD, the UN Committee on Migrant Workers, and various CSR arrangements. CSR frameworks can also be engaged on consumer protection issues for socially vulnerable circles. To advocate digital inclusion of people living in poverty the main site of global regulation is ICANN. To promote pro-poor financial regulation attention could be given to the OECD, the BIS, the IMF, the G8/G20 and various private global regulatory mechanisms. Concerning tax justice the indicated principal global governance venue is the OECD. As noted earlier, many global governance agencies now have formal channels in place for civil society participation in their proceedings. Where such arrangements are absent or wanting, alternative tactics including informal contacts and public demonstrations can be pursued.

In any engagement of global governance poverty activists in the global north would do well to move in solidarity with similarly minded civil society groups from the global south. Activism on global issues gains greater force through global movements, including across north-south lines. Indeed, such divisions are in any case becoming ever more artificial with the advent of so-called ‘emerging economies’. Opportunities for north-south collaboration on poverty such as GCAP and GCE have already been noted. The World Social
Forum also provides major openings to assemble anti-poverty groups from all corners of the planet. So do the civil society meetings that nowadays convene alongside UN and WTO conferences; IMF/World Bank meetings; G8, OECD and Commonwealth summits; and ASEM gatherings. Global governance logically calls forth global civil society, and advocates against poverty in ‘rich countries’ could strengthen their cause in a more global world by further globalising their own networks.

True, in such alliances campaigners against poverty in the north would need to acknowledge and confront global governance arrangements that have historically given structural advantage to their parts of the world. Indeed, by keeping distance from ‘development’ campaigns for ‘poor countries’, activists on poverty in ‘rich countries’ might be viewed by their counterparts in the global south as implicitly sustaining existing injustices. Thus building north-south coalitions on poverty eradication requires some sensitive listening and delicate negotiation among parties with hitherto underdeveloped collaboration. Yet already other disadvantaged groups such as peasants, persons with disabilities, and sexual minorities have achieved greater political confidence and influence through global networking in, for example, Vía Campesina, Disabled Peoples’ International, and the International Lesbian, Gay, Bisexual, Trans and Intersex Association. If constructed with care bottom-up north-south alliances of the poor could create a powerful civil society force for more equitable global governance.

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