

Summary

Far and away the most daunting challenge in terms of the march of globalization and the knowledge/information revolution (GIR) is to ensure that increasing international economic integration does not lead to increasing domestic social disintegration. In this regard the genius underlying the international institutional arrangements in the immediate post-war period was the “compromise of embedded liberalism,” which facilitated the growth of the welfare state alongside freer international trade and openness. As the title indicates, the purpose of this *Policy Matters* is to strive to similarly embed globalization (or GIR) both domestically and internationally.

Probably the most exciting implication of GIR is that citizens are the principal beneficiaries of the information revolution. Indeed, the emergence of information-empowered citizens/NGOs, acting within and across nations, is fundamentally altering the nature of supranational governance. And the most disturbing implication of GIR is surely its tendency to polarize market incomes. In light of these and other implications, the analysis articulates a human capital future for Canadians as the appropriate way to embed GIR domestically. In short, Canada must strive to become a state of minds, since democratizing the access to human capital and skills acquisition in an information era is key to generating wealth creation, to combatting inequality, to raising living standards and to enfranchising individuals as citizens.

As a bridge between the domestic and international approaches to accommodating GIR, the analysis emphasizes that civil society, in its role in generating new bonds of community and creating new spheres of effective citizenship, is emerging as one of the essential instrumentalities in responding to the impersonalized forces of globalization. Intriguingly, while civil society's contributions are increasingly valued at the national level, this is not the case at the supranational level where these same NGOs and citizens' groups are locking horns with the various agencies of the international order, such as the WTO, IMF and the World Bank, as well as transnational enterprises.

While recognizing this reality, as reflected in the confrontations in Seattle, Quebec City, and Genoa among other venues, the analysis adopts an optimistic stand on the future role of these NGOs as they interact at the supranational level. Specifically, now that they know they have power sufficient to derail (the MAI) or disrupt (the “battle in Seattle”) approaches to international governance, they will surely begin to play a more constructive role, since derailing or disrupting will only serve to privatize international trading relations and, in the process, transfer increased powers to multinationals, largely US multinationals. The chal-

lenge therefore is to find some “space” within which they can make meaningful contributions.

In addressing these issues, the analysis again looks on the positive side. Among the many promising ways for improving global governance or, more particularly, for introducing the necessary transparency, accountability and participation requisites to allow further globalization or further WTO rounds to proceed, are the following:

- Nudging the WTO in the direction of an institution that manages/reconciles differences among nations rather than attempts to eliminate such differences, i.e. make the WTO less sovereignty intrusive;
- The movement toward a series of WxOs modelled after the WTO, where x could be the environment (WEO), rights (WRO), etc. In turn these WxOs would coordinate to bring their combined expertise to international regulation and dispute resolution;
- The United Nations’ Global Compact, which represents a creative and voluntary approach to incorporate some basic social, environmental, and workplace rights as a component of corporate governance;
- The likelihood that citizen-driven initiatives will develop codes of good corporate governance that consumers will embrace, thereby creating market-related incentives for corporations to adopt them as well;
- The emergence of the G-20 as the most representative of international institutions and, as such, a natural institution for reconciling a variety of global civil society concerns.

In short, there now exists a promising window of opportunity for rethinking and embedding global governance such that GIR can work for people and not just for profits. Intriguingly, this window may have become more open after the dastardly events of September 11, 2001, since the U.S.A. may now have to engage more in all things international.