

Session 4: Governance: New and Strategic Players

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Thank you for your kind invitation to participate in this interesting seminar, under two qualifications: first, as a professor at *ASERI, Post-graduate School of Economics and International Relations* - a School initiated ten years ago as a joint venture between the Catholic University "Sacro Cuore" and the Milan Chamber of Commerce, in which Dr. Bassetti played the role of the innovator; second, I have been invited as a representative of *COMECE, the Commission of the Bishops' Conferences of the European Union*, that was created to monitor and analyse the political process of the European Union and to promote reflection, based on the Catholic Church's social teaching, on the challenges facing a united Europe.

In 2000, COMECE promoted the elaboration of a document on global governance by an *ad hoc* group chaired by Michel Camdessus. As a member of this *ad hoc* group, I had the privilege to discuss global governance when it was an emerging problem, with academics and officers of international institutions sharing Christian values. You can find the final Report to the Bishops "Global Governance. Our responsibility to make globalisation an opportunity for all", on the COMECE website, www.comece.org.

The Report was issued before 9/11, so it is quite interesting to read it now, because it raises some questions we have been discussing today, in a sense without the benefit of hindsight. The Report has been followed by three updates; the 2005 edition will be published in cooperation with the European Policy Centre, which is also present at the Seminar; so you may hear more about COMECE's activities in the future. COMECE is currently working with the US Bishops' Conference in order to prepare forms of joint advocacy in view of G8 meetings.

This morning we started with a quote from Kant, about the "rule of law". Well, if Kant is right, we shouldn't have problems in finding a way through our current global governance problems; but we do, so it is reasonable to ask ourselves why and to explore other paths we could tread in order to provide a good governance to our rapidly changing world. We can find a similar question in the presentation of the current session: "Which strategies and options may increase innovation, accountability and strategic policy options?". To this I will devote my brief intervention.

Understanding innovation, accountability and strategic policy options requires an adequate understanding of human action; responsibility and accountability require more than just obeying laws, passively following a prescribed behaviour; and innovation entails by definition active freedom. Creative action is not so much related to the idea of the "rule of law", but rather to the idea of "rule of virtue".

I realize that the word "virtue" is somewhat in disuse, but it makes a lot of sense in human experience; in fact we find it in most religious traditions and obviously in the Catholic Social tradition to which I belong. I would like to notice *en passant* that when the Catholic Social tradition talks about virtues - for example solidarity - it means no cheap talk. Such words have a density of their own, because they speak through the very diffused grass-roots experience of women and men working everyday, sharing an identity which allows the Catholic church to use the word "we" - which is a very powerful word.

The role of virtues in personal and social life, up to global governance, cannot be easily dismissed in the perspective of the Catholic Social Doctrine. Such perspective is fortunately not based on wishful thinking; its realism has its roots in the experience of a very old and complex institution, probably the oldest global institution at all, with practical experience of multilevel governance: local, transnational, national, regional and global. So I think that Church's understanding of global governance may be of some interest for both believers and non believers.

In fact, while being a global institution, the Catholic Church lives at the grass-roots level, not just local but also transnational, given the fast growing reality of old and new international catholic movements. As an institution, the Church is organized according to national boundaries, with bodies such as the national Bishops' Conferences, (like the Italian or the US Bishops' Conference); but also regional bodies exist, such as the already mentioned COMECE in Europe and CELAM in Latin America. Last but not least, the Vatican is institutionally involved in universal activities, within the UN and other international institutions, through the Apostolic Nuntio.

In this wide picture, the *ad hoc* group Report the Bishops of COMECE represents a small but significant point, its significance probably being in its daring some practical proposals.

While it is impossible to summarize here the content of the whole Report (although itself a 40 pages synthesis of a previous articulated document), I would like to mention the most innovative, interesting but at the same time quite controversial, proposal for providing the peculiar "public good" of global governance - if we can apply today's language to a document written in 2000.

In order to produce effective and legitimate global governance, addressing the lack of coherence and the manifold contradictions between internal stands and global stands that characterize national positions (as well as G8 action, the Report recommended the creation of a *Global Governance Group (3G)* that would deal with horizontal matters on the global level and assure a minimum of co-ordination and coherence in the system. The 3G would be composed by heads of government, which are the only actors who can deal with horizontal issues in a credible and effective way; at the same time, the Global Governance Group needs legitimacy through an acceptable representation of all nations. The Report suggested, as a viable initial organization, that the 3G would be composed of the twenty-four heads of government which have executive directors on the boards of the International Monetary Fund (IMF) and the World Bank. The practical reason for this proposal is that the selection mechanisms at these institutions have been tested and respected for more than fifty years and can be viable at least provisionally.

This proposal was obviously controversial, it was hotly debated, specially with NGOs; it was in some way backed by the EU White Book on Governance, showing it had a potential of persuasiveness. Nothing happened in practice, and in fact here we are discussing global governance all over again.

Still, the proposal expressed the possibility of moving from general principles of Catholic Social Doctrine to an imperfect but sensible proposal, daring an innovative idea while at the same time pursuing long-standing priorities that are dear to the Catholic social tradition, in particular the primacy of the dignity of each person.

I would underline the realistic understanding of global issues by the Catholic social tradition, due to its being a grass-roots institution. Asymmetric interdependence is recognized as the analytical basis for understanding global issues: local, national, regional and transnational agents are interdependent, but not in an symmetrical way. The structure is such that interactions reinforce the stronger and weaken the weak: interdependence easily degenerates into dependence.

As governing interdependence requires addressing dependence - marginality poverty, deprivation and exclusion - I would like to conclude by reading a piece that was written in 1963 in an top official document of the Catholic Church, the encyclical letter *Pacem in terris* by Pope John XXIII:

It is "... necessary that the relationship that exists between the worldwide public authority and the public authority of individual nations be governed by the same principle (of subsidiarity). This means that a worldwide public authority must tackle and solve problems of an economic, social, political or cultural character, which are posed by the universal common good. Indeed because of the vastness, complexity and urgency of those problem, the public authorities of individual states are not in a position to tackle them with any hope of a positive solution. The worldwide public authority is not intended to reduce the sphere of action of the public authorities of individual states, much less to take its place. On the contrary, its purpose is to create, on a world basis, an environment in which the public authorities of each state, its citizens and intermediate associations (this is a very early statement of a crucial idea we sahere nowadays: in fact *intermediate association* was the 1963 word for NGOs, non-profit and community-based organizations) can carry out their task, fulfil their duties and exercise their rights with greater security".

So, you can see that when we talk about the Church dealing with global governance issues we are talking, in a sense, about something very old.

I would like, as an economist, to underline the relevance of principle of *subsidiary*, in a world in which each actor possess limited knowledge and imperfect rationality. Creative responsibility and solidarity can and must be exercised buy all actors, contributing to the bettering of the human condition in their neighbourhood, which they have information about and which they can improve mobilizing local resources. You see how crucial virtue becomes, in this framework. Upper level of governance should valorise these creative efforts. I would add that *subsidiary* appears to me as the only valuable solution for managing "strong" uncertainty: I mean not just *risk*, that can be somehow assessed in advance, but the kind of uncertainty which implies something that was not even imagined, as 9/11 largely was.

In fact, strong uncertainty is exactly the challenge we face in global governance. I don't see any other practical solution but *subsidiarity*, although I understand that it means walking a path which is very imperfect, incomplete, full of (minor) errors. But I don't see any other, and I do fear the big errors of the very powerful much more than the small errors of the grass roots actors. Thank you for your attention.