Blueprint for an Effective Global Order

In the half century since its creation, the United Nations has amassed a record unblemished by any but the most qualified of successes. From Korea to Sarajevo, with countless sub-Saharan stops in between, the internationalists and their blue-helmeted retainers have shown an unfailing ability to make matters worse, their arrival always signaling the escalation of a crisis. And the U.N. isn't alone in this inability to bridge the gap between rhetoric and action: the international community has consistently failed in its efforts to bring peace, democracy, and prosperity to the world's trouble spots. Though their defenders would have us believe otherwise, this ineffectiveness does not stem from a lack of resources—all of these organizations have annual budgets exceeding the GDP of many of their member states. Instead, their troubles are systemic in nature.

Flawed principles give rise to misdirected efforts

These organizations are charged with promoting feel-good abstractions like 'peace' and 'democracy'. These are easy ends to advocate, but making them real requires choosing among the claims of often-irreconcilable interests. International organizations, committed as they are to democratic process, are ill-suited to balancing these demands, a fact reaffirmed each time American forces are called upon to rescue U.N. peacekeepers from yet another foreign entanglement. And as difficult as it may be to bring peace, 'nation-building' is an even more challenging task, one further complicated by this tendency to fetishize the ballot box. Democratic pluralism is not an appropriate political framework for all cultural and economic contexts, but it is the only system acceptable to the institutions charged with the task of development, guided as they are by charters espousing universal rights and freedoms. Were the international community motivated by an impulse more pragmatic than the desire to cultivate democracy, the world would be a safer, more stable place.

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Corrupted parts and a poisoned whole

The structure of the U.N., with the privileged few members of the Security Council having veto authority over any act of consequence, guarantees that any initiative which poses even the slightest challenge to established authority will be derailed. Because actions that advance ideals like 'democracy' and 'peace' subvert exactly these entrenched interests, there will always exist institutional resistance to policies that further these values. And just as problematic is the unwillingness of the world's most powerful nations to vest these bodies with binding, decision-making authority. Of course, this reluctance to cede sovereignty to institutions in which non-democratic states have comparable representation is perfectly understandable, as it is politically impractical and ethically immoral for liberal states to voluntarily surrender any degree of authority over their citizens and holdings to bodies that reflect, because of their composition, non-democratic values.

Careerist dreams of a foreign appointment

Though the principles that guide international bodies may be idealistic, such a charge cannot be leveled at the bureaucrats who staff these organizations. Assignment to one of these bodies is frequently the only means of escaping an overpopulated, tropical hell-hole, and it takes years of politicking and bribery for a civil servant to even be considered for such a plum position. The lucky few that make it to Geneva, Brussels, or New York, live in terror of repatriation, and they take great care to avoid offending any institutional interest that could threaten their tenure. These transplanted bureaucrats quickly find that the safest course is to build a reputation as a 'consensus builder', someone quick to recognize the wisdom of received opinion and respectful of the organization's leadership.

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Darwinian processes shape even this sphere of life

Contrast the failure of the international community with the success of the Fortune 50. Each day, multinational corporations profitably deliver billions of dollars in goods and services to consumers around the world, accomplishing this with a minimum of taxpayer subsidy and government protection. Unlike their state suckled internationalist cousins, market discipline has shaped the F50 into the creatures they are, organisms optimized for survival in the international jungle. These firms are characterized by a clear sense of mission, one expressed in the balance sheet and subject to the instantaneous discipline of the markets. Their org charts are lean, with flattened hierarchies and well-defined profit centers, and they are staffed by motivated individuals, each of whom knows that her personal success is dependent upon her ability to identify opportunities for advancing the organization's interests.

These companies deftly overcome the same political and logistical impediments that thwart the best efforts of international agencies. Their influence extends from world capitals to war zones, and though they may not be liked, they are always respected. Given this record of success, there is every reason to believe that these MNCs can successfully handle the kinds of undertakings currently reserved to international agencies. Certainly, they can do no worse than the international community has done. All that's needed is a way of enticing the F50 into dedicating their talents and resources to the resolution of the problems that plague the world's most desperate lands.

Identifying an appropriate incentive structure is an easy task. These firms have never concealed their desire for trade liberalization; in fact, they've spent vast sums lobbying to hasten its arrival. Since even the most optimistic proponents of liberalization concede that global acceptance of such a program is at least a generation away, it stands to reason that any MNC gaining preferential treatment in the present will profit handsomely. This, then, is our carrot: narrowly targeted trade liberalization, specifically, the granting of well defined trading rights and exemptions, fully enforceable through WTO mechanisms, to an individual MNC in exchange for its assistance in resolving a long-standing political or social problem.

No pie in the sky vision

In its early stages, the program will involve the adoption of a wayward nation by an MNC 'big brother'. The MNC will be responsible for coaxing the nation's leadership into implementing any needed reforms and educating the populace about the need for these reforms. In return, the company will receive special trading rights in proportion to the geopolitical significance of its success. General Electric, for example, might be offered a worldwide 5% reduction in all tariffs imposed by WTO signatories on the movement of arms related materials in exchange for coordinating central bank reforms in South Korea. As the MNC participants in this program gain experience in the day-to-day administration of a nation-state, more complex situations—those requiring a greater devolution of decision-making power from the nation's administrative apparatus to the MNC—can be addressed, with correspondingly richer rewards available. A corporation tackling a more difficult scenario—peace in Colombia, perhaps—might gain a worldwide 50% reduction in all trade barriers related to its core business, for a period of up to a decade.

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As a confidence building measure, the first clients admitted into this program should be states whose troubles are easily addressed: for instance, those whose troubles stem from the incomplete adoption of the neoliberal reforms necessary for success in the new global marketplace. Initially, participation will be on a voluntary basis, but after a time it may become necessary to make World Bank loans, IMF aid, and other assistance contingent upon participation in the program. Eventually, it may be desirable to allow troubled regions to be placed into a state of receivership by a supermajority vote of the WTO, with day-to-day administration of these "failed states" turned over to a qualified MNC.

A program of this kind will require extensive planning and preparation in order to succeed. Country-specific indicators—social, political, and economic—will have to be identified, and benchmarks devised to track them. Objectives must be clearly spelled out, with milestones agreed upon and exit conditions stipulated. All negotiations will need to be conducted in secret, of course, in order to deter any third party that might wish to disrupt the program by skewing one or more 'money' indicators. An unscrupulous competitor, knowing that a participating firm's compensation was based, in part, upon the level of unemployment in its partner nation, might seek to boost the number of jobless by provoking a refugee influx from a neighboring country. Care must also be taken to avoid over-specifying the means by which any goals are to be met, as the approach adopted by an MNC will be as unique as its corporate identity.

Animus in consulendo liber

Security and defense matters must be addressed with great care. Most MNCs lack the resources and knowledge needed to manage a complex security operation, much less field a force larger than a few regiments, and even in cases where such a thing is practical, any move of this kind would likely provoke a negative reaction from a public not yet ready for the privatization of a function still considered by many to be a fundamental responsibility of the state. Because of this, these needs will be met in the early stages of the program by a multinational force, one drawing its membership from the pool of WTO signatories, with contributions in proportion to a nation's share of world GDP.

This force will have several responsibilities, its primary duty being to provide MNCs with the specialized knowledge required to adequately utilize the military resources of a partner nation-state. It is inevitable that some participating nations will be in a state of conflict when they enter this program. Unfortunately, most MNCs have little experience in this field; in consequence, they will need assistance supervising and deploying their partner's defensive resources. The independent, WTO-affiliated force will provide this assistance, on terms specified in the master agreement.

There may also be occasions when an MNC-proposed remedy requires military capabilities not possessed by the partner state. Advanced satellite reconnaissance and NBC related actions are obvious examples, but in the case of less developed states, it may be something as simple as access to a mechanized infantry unit for a short period of time. The WTO force will be available to meet these needs, as well, on a fee-for-service basis. Of course, contractual protections must be in place to prevent the deployment of elements of this force against other WTO affiliated resources.

Finally, the master agreement between the WTO, MNC, and nation-state will describe a complex web, with extensive asset transfers, physical and human resource grants, and the like, and in order to safeguard the interests of all parties involved, there must be a speedy mechanism for resolving disputes and enforcing contractual terms. It is assumed that impartial WTO appointed arbitrators will fill this role, and that WTO forces will enforce any judgments. Of course, it is unlikely that these forces will ever need to act as collection agents; instead, the mere presence of troops charged with enforcing any terms of agreement should be enough to motivate compliance.

The arc of history is towards justice

Ecuador will make a fine test case. In response to public protests, the country's leaders have repeatedly postponed the implementation of needed structural reforms. Wrongheaded policies designed to protect the traditional Ecuadorian way of life—subsistence living in unheated huts nestled against barren mountains—have amplified the economic costs associated with these delays, and Ecuador now finds itself battling inflation, unemployment, and a restless indigenous population. Unless something is done, Ecuador risks losing its place among 'developing' nations and slipping back into the third world.

Any MNC partner must have a presence in the region and possess the resources to badger Ecuador into acting in its own best interest. The company must be skilled at portraying hardheaded policies in a consumer friendly fashion, and have a demonstrated ability to work with recalcitrant regimes. It just so happens that Texaco, one of the world's most powerful MNCs, has extensive dealings in Ecuador. The company's yearly gross of $50B is almost equal to Ecuador's reported $54B, indicating its managers are already comfortable running an operation of this size. Texaco's enormous public relations machine has quietly dominated American politics for years, and would have no trouble managing Ecuadorian public opinion. Similarly, the company's leadership, accustomed to negotiating with many of the world's most hostile regimes, is well equipped to navigate Ecuadorian politics.

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Texaco will be charged with managing Ecuador's transformation into a modern economy. This may include executive retreats with Ecuador's political elite, media campaigns directed at the Ecuadorian public, anti-insurgency raids into the remote jungle—anything Texaco's managers deem necessary. If successful, the company will receive an appropriately lucrative set of trade privileges. Texaco's concentration in petrochemical production and distribution makes it easy to imagine a bundle of incentives sufficient to draw the company into a partnership of this sort. Given Ecuador's proximity to the United States, a likely option is the stair-step elimination of any trade barriers affecting the transfer of petroleum products between South America and the United States on ships sailing under Texaco's flag.

It would be no surprise to find that the novel nature of this project causes some Ecuadorians to fear that their national sovereignty is being eroded. Clearly, no such threat exists, but care must still be taken to alleviate these concerns. Towards this end, any master agreement must provide a mechanism for rewarding key opinion makers willing to assist in easing Ecuador's transition into the program. In exchange for lump sum transfers, these individuals would be expected to use their positions to bolster support for such a move, and to counter any opposition. Prominent media figures and established political leaders are obvious candidates for recruitment, as are military officers, law enforcement officials, and members of the intelligence apparatus.