

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/233367325>

“Privatisation'’ in the United Nations system: Patterns of influence in three intergovernmental organisations

Article in *Global Society* · September 1997

DOI: 10.1080/13600829708443140

CITATIONS

29

READS

197

3 authors, including:



[Kelley Lee](#)

Simon Fraser University

386 PUBLICATIONS 8,998 CITATIONS

[SEE PROFILE](#)

This article was downloaded by: [Simon Fraser University]

On: 11 June 2014, At: 13:31

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954

Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Global Society

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/cgsj20>

"Privatisation" in the United Nations system: Patterns of influence in three intergovernmental organisations

Kelley Lee ^a , David Humphreys ^b & Michael Pugh ^c

^a Lecturer in the Health Policy Unit , London School of Hygiene and Tropical Medicine ,

^b Research Fellow in Global Environmental Change , The Open University ,

^c Senior Lecturer in the Department of Politics , University of Plymouth ,

Published online: 06 Mar 2008.

To cite this article: Kelley Lee , David Humphreys & Michael Pugh (1997) "Privatisation" in the United Nations system: Patterns of influence in three intergovernmental organisations, *Global Society*, 11:3, 339-357, DOI: [10.1080/13600829708443140](https://doi.org/10.1080/13600829708443140)

To link to this article: <http://dx.doi.org/10.1080/13600829708443140>

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the "Content") contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

"Privatisation" in the United Nations System: Patterns of Influence in Three Intergovernmental Organisations

KELLEY LEE, DAVID HUMPHREYS AND MICHAEL PUGH

The growing importance of the private sector, and its strengthened role in relation to the public sector, has been central to contemporary analyses of politics and public policy. This has led to abundant literature on privatisation at the national level, most notably in the US, the UK and, more recently, the countries with economies in transition in eastern and central Europe. The term privatisation has been used commonly to describe the transfer of ownership of an enterprise or of the means of production from the public (state) sector to the private (market) sector.¹ In addition, privatisation can be defined in a broader sense to refer to the rolling back of the social and economic activities of the state. According to LeGrand and Robinson, these activities can be categorised as the state provision of goods and services, subsidies and regulations.² Cook and Kirkpatrick write that there are three types of privatisation: changes in ownership of state enterprises; liberalisation and deregulation; and franchising or contracting out.³

This paper argues that privatisation at the national level, defined broadly as above, has led to a process of privatisation at the international level in the United Nations (UN). While this process is not discernible in the entire UN system, and certainly not in the Security Council, the General Assembly and the Secretariat, it is nonetheless observable in certain UN forums. While "ownership" of the UN, in the sense of formal membership and voting powers, remains in the hands of governments, private companies are increasingly influencing decisions and activities that are nominally the prerogative of governments.

In this paper, this trend towards increased for-profit influence is analysed in three UN organisations which regulate essential components of the global neoliberal economy: communications (International Telecommunication Union); transportation (International Maritime Organisation); and natural resources (In-

1. See, for example, G. Roth, *The Private Provision of Public Services in Developing Countries* (Washington, DC: IBRD, 1987); and Alexander Neuber, "Towards a Political Economy of Transition in Eastern Europe", *Journal of International Development*, Vol. 5, No. 5 (1993), pp. 511-530.

2. Julian LeGrand and R. Robinson, "Privatisation and the Welfare State: An Introduction", in J. LeGrand and R. Robinson (eds.), *Privatisation and the Welfare State* (London: George Allen & Unwin, 1984), p. 3.

3. P. Cook and C. Kirkpatrick (eds.), *Privatisation in Less Developed Countries* (London: Harvester Wheatsheaf, 1988).

ternational Tropical Timber Organisation). The first two are UN specialised agencies long respected for their "technical" expertise. The latter fits into a broader conceptualisation of the UN, coming into force in 1985 following negotiations under the auspices of the UN Conference on Trade and Development (UNCTAD). Historically, national governments have been prominent in the provision of goods and services, subsidies and regulation within these sectors. It is shown that a process of privatisation has taken place in which the public sector is yielding influence and authority to private sector interests through the direct role of the latter in a range of activities in each organisation. As an extension of privatisation at the national level, a transnational managerial class of core public-private interests can be observed emerging within them. Thus, in all three cases, profit-making concerns have gained strong representation that has enabled them to influence a broad range of activities. This process of "privatisation" at the international level challenges the definition of the UN as a system of intergovernmental organisations (IGOs). In the conclusion section, we put forth a general typology of the ways in which IGOs are becoming privatised, and examine the implications of this process for the study of international relations.

The International Telecommunication Union

The International Telecommunication Union (ITU) is the oldest existing IGO, established in 1865 by 20 European governments, and restructured in 1947 as the UN specialised agency for telecommunications. Its forerunners, the International Telegraph Union and the International Radiotelegraph Union (founded separately in 1906), were created to facilitate the cross-border operation of publicly-owned telegraphy and radio. Early activities centred on the harmonisation of tariffs and the setting of technical and operating standards. With the advent of new technologies, the ITU broadened its mandate to include the telephone, satellites, television and mobile communications. After being brought into the UN system to promote functionally-based cooperation, new ITU organs were also created and representation in existing organs expanded to accommodate the increase in member states during the 1950s and 1960s and the management of technological innovation. During the 1970s, however, tensions emerged between advocates of a New World Information and Communication Order, principally the Group of 77 countries, and those who defended the traditional role of the ITU as a "technical" specialised agency, principally industrialised countries acting with the support of their telecommunications industries. Since the late 1980s, these tensions largely have been resolved, with the reform of the ITU centred on its adaptation to the widespread transfers in ownership of national telecommunications to the private sector and the resulting "rapidly changing global telecommunication environment".⁴ Apart from these debates, the ITU has been seen widely as an organisation that is "not politically biased, and committed to seeking practical solutions".⁵ It is in this context that the prominence of the private sector in the ITU can be understood.

4. International Telecommunication Union, *The Changing Telecommunication Environment: Policy Considerations for the Members of the Union* (Geneva: ITU, 1989), p. 2.

5. "INTUG: Be Thankful for ITU", *Transnational Data and Communications Report* (September 1986).

The participation of private sector interests in the ITU is long established, with a few private companies granted observer status from the early years of the organisation. The main reason was that the private ownership of American telecommunications and ITU membership by the US required the participation of private companies. This presence was formalised with the creation in the 1920s of two International Consultative Committees (CCIs) "to study technical and operating questions relating specifically to radiocommunication".⁶ The concentration of private sector interests in these committees has been justified on the grounds that the CCIs were essentially technical organs without political affiliation. When the CCIs were restructured in 1952, into the International Telegraph and Telephone Consultative Committee (CCITT) and International Radio Consultative Committee (CCIR), the role of the private sector expanded still further.

Private companies have participated in the CCIs as technical experts on the delegations of member states, recognised public operating agencies (RPOAs), scientific and industrial organisations (SIOs), and relevant international organisations (IOs). In this role they have contributed study questions, put forth recommended standards, carried out research on new technologies, made financial contributions to the CCIs and chaired study groups and other meetings. Based on the assumption that CCI decision-making is technically, rather than commercially, motivated, private sector interests have been welcomed as enhancing the "universality" of interests served. The result is that private sector interests, such as AT&T (American Telegraph and Telephone) and IBM (International Business Machines), which have held "observer" or "expert" status without voting rights, have come to rival state actors in the CCIs. Between 1948 and 1990, 50% of delegates from Japan to CCIR Plenary Assemblies came from the private sector, with the figures being 31% for the US, and 28% for the UK. Private sector interests, which enjoy a privileged status in the ITU and have played a major role in advising the ITU on technologies through a complex network of committees, include operators and their subsidiaries (such as AT&T, NTT and British Telecom), equipment manufacturers (for example Siemens, Northern Telecom and RCA), and large corporate users of telecommunications (including Citicorp and American Express).

Private companies have also been prominent in the planning and regulation of the radio frequency spectrum (RFS) at ITU administrative and radio conferences which are held periodically to allocate sections of the RFS for specific technologies such as mobile telephones and satellite broadcasting. While their presence in this arena has not been as strong as in the CCIs, delegates from private companies comprised an average of 6.3% of total delegates between 1959 and 1988, peaking at 14% of total delegates to the Regional Administrative Radio Conference on the Planning of the Broadcasting Satellite Service in the Americas in 1983 (Table 1). It is also notable that an overwhelming majority of private sector delegates (88%) have come from the six countries which have led national-level privatisation and have come to dominate global telecommunications: the US, Japan, UK, Canada, France and Italy.

A further way in which private companies have been prominent in the ITU, and hence a key means through which core telecommunications interests have

6. *Convention of the International Telecommunication Union* (1945), Article 11, Paragraph 1(1).

Table 1. Delegates to Selected Administrative Radio Conferences by Public and Private Sector

Year	Conference	Public	%*	Private	%*	Total
1959	Administrative Radio Conference	775	92.4	64	7.6	839
1963	Extraordinary Administrative Radio Conference	343	97.4	9	2.6	352
1971	World Administrative Radio Conference for Space Telecommunications	664	95.4	32	4.6	696
1977	World Administrative Radio Conference for the Planning of the Broadcasting Satellite Service	583	96.2	23	3.8	606
1979	World Administrative Radio Conference	1,591	94.5	92	5.5	1,683
1983	Regional Administrative Radio Conference for the Planning of the Broadcasting Satellite Service	147	86.0	24	14.0	171
1985	World Administrative Radio Conference on the Use of the Geostationary Orbit and the Planning of the Space Services Utilising It-I	722	91.3	69	8.7	791
1988	World Administrative Radio Conference on the Use of the Geostationary Orbit and the Planning of the Space Services Utilising It-II	819	92.2	69	7.8	888
Total		5,645	93.7	380	6.3	6,025

Note: * Percentage of total delegates at conference.

Source: Compiled from ITU, *Administrative Radio Conferences, List of Participants*, various years.

become globalised, has been in the provision of development assistance. Since the early 1980s, the forms of assistance provided through the ITU has involved increasingly the private sector. In part, this is due to budgetary constraints created by the policy of zero real growth practised by major donors since the early 1980s. More fundamental has been the ITU's promotion of a neoliberal development strategy aimed at integrating low-income countries into the global neoliberal economy. As part of its mandate to facilitate the international spread of telecommunications, the ITU has achieved this in several ways.

The first has been the ITU's "promotion of greater understanding between the manufacturers in the developed countries and the governments of the developing countries",⁷ through a variety of initiatives. For example, the World Communication Year of 1983 led to the creation of 65 national committees of public and private representatives to promote global telecommunications. Similarly, the 17-member Independent Commission for Worldwide Telecommunication Development (the Maitland Commission), appointed by the ITU in 1983, encouraged the contributions of "government and private sector, telecommunication leaders and financiers of industrialised and developing countries".⁸ The Commission's report led to the creation, in 1985, of the Centre for Telecommunication Develop-

7. ITU, Plenipotentiary Conference, *Official Documents*, Nairobi, 1982, Resolution 19.

8. Richard Butler, "On Line for Development", *Development Forum* (February 1983), p. 1.

Table 2. Ten Largest Countries Exhibiting at the World Telecommunications Exhibitions (1971–1989)

State	Public	Private	Total	%
US	8	409	417	98
France	11	395	406	97
Switzerland	19	285	304	94
UK	8	253	261	97
Italy	13	205	218	94
Germany	10	195	205	95
Japan	5	132	137	96
Canada	13	108	121	89
Brazil	7	106	113	94
Belgium	4	58	62	94
Total	98	2,146	2,244	97

Source: Compiled from ITU, *Telecom, Official Catalogue*, Geneva, various years.

ment (CTD) headed by a 21-member Advisory Board of public and private sector⁹ representatives, and financed by contributions from governments and private companies. The purpose of the CTD was to bring "new players, particularly the private sector, into the process of communications development", and to establish "more creative links with the private sector, serving as a neutral resource for information concerning development plans, projects, and commercial opportunities in the developing countries".¹⁰ With markets in the developing world then predicted to grow in the 1990s to US\$8–12 billion annually, the Executive Director of the CTD stated, "What industrialized countries must understand is that any telecommunications growth that they can encourage in the developing world represents potential new exports for them".¹¹

A second route for increasing private involvement in development activities has been the quadrennial World Telecommunications Exhibition (Telecom) held by the ITU, the largest telecommunications trade fair in the world. The event has become ever more important as companies have expanded economies of scale through global production, and as governments have pursued information-led industrial policies. As one spokesman for AT&T-Philips said, "If you're not here, you don't exist".¹² Between 1971 and 1987, exhibitors increased from 37 countries and 243 companies, to 78 countries and 776 companies. Analysing participation in detail, however, reveals that Telecom has offered far from equal opportunities. While total exhibitors have increased substantially, most of this growth has come from private companies based in ten countries (Table 2). This dominance by core telecommunications interests has been largely obscured by

9. This has included representatives from Alcatel-Thomson, NEC, L.M. Ericsson, British Telecom and the US Telecommunications Suppliers Association.

10. ITU, Plenipotentiary Conference, *Official Documents*, Nice, 1989, Document Number 244.

11. Kelley Lee, Interview with Dietrich Westendoerpf, Executive Director of the Centre for Telecommunication Development, Geneva, August 1988.

12. As quoted in "At Telecom 87, It is an Axiom: They Spend, So They Exist", *Wall Street Journal* (26 September 1987).

their representation under multiple state banners via foreign subsidiaries, thus creating the impression that a broader range of national interests has been represented than is actually the case. For example, at least 13 of the 21 exhibitors in the Brazilian exhibit at Telecom '75 were foreign subsidiaries.

The greater dominance of core public-private interests has served to prevent smaller companies and other peripheral groups from taking part on an equal basis, with the cost of exhibiting becoming prohibitively expensive for smaller businesses and exhibition space heavily oversubscribed. Core states have become increasingly extravagant, with the US, British and French governments spending several US\$ millions. Many large companies have built their own pavilions: AT&T spent US\$15 million at Telecom '87, overshadowed only by Alcatel-Thomson's US\$20 million exhibit. Such expenditure has been justified by the importance of Telecom as the premier venue to market globally telecommunication products and services. Far from being a "meeting of minds",¹³ Telecom has been a trade fair for the information rich to sell to the information poor. The result has been a clear distinction between the global producers and consumers of telecommunications.

Third, the ITU has privatised its development assistance through closer cooperation with the World Bank, which has recognised the central role of the telecommunications sector in the development of the neoliberal global economy. Between 1962 and 1983, World Bank annual lending for telecommunications projects averaged US\$128 million.¹⁴ This increased to US\$215 million annually by 1985 and US\$340 million by 1991, making the Bank the largest multilateral source of financing to low-income countries.¹⁵ A World Bank report to the ITU Plenipotentiary Conference (1989) recognised poor telecommunications "as a critical constraint on implementing reforms in trade, finance, industry, public sector management and private investment".¹⁶ Hence, the Bank "would welcome the opportunity to coordinate its global telecommunications work with, and participate in, an ITU-sponsored program of applied research, particularly in the areas of sector policy, investment financing strategy, and commercialisation of operating entities".¹⁷ In response, the ITU agreed to "make [its] role in coordinating international telecommunications even more effective" by,

promoting cooperation with the principal international, regional and national development and investment agencies to assess the availability of financial resources for telecommunications and to examine how telecommunications can be given a higher priority in the broader development strategies of these agencies.¹⁸

The recent reform of the ITU, following the recommendations put forth by a High-Level Committee in 1991,¹⁹ has seen a further consolidation of core public and private interests through telecommunications regulation, standards setting

13. "Closing Address by Jean Jipguep", *USERCOM 85 Proceedings*, Geneva, 1985.

14. ITU, Plenipotentiary Conference, *Official Documents*, Nice, 1989, Document Number 99.

15. "World Bank: A Crossroad for Telecommunications", *InterMedia*, Vol. 17 (July 1989).

16. ITU, Plenipotentiary Conference, *Official Documents*, Nice, 1989, Document Number 77.

17. ITU, Plenipotentiary Conference, *Official Documents*, Nice, 1989, Document Number 77.

18. ITU, Plenipotentiary Conference, *Official Documents*, Nice, 1989, Resolution PLENA/1.

19. ITU, *Tomorrow's ITU. The Challenges of Change*, Report of the High Level Committee to review the structure and functioning of the International Telecommunication Union (Geneva: ITU, April 1991).

and RFS planning. At a time of rapid globalisation, the structure and procedures of the CCIs, in particular, were seen as a hindrance to the rapid adoption of global standards. Fearful that companies would turn to other organisations, such as the International Standards Organisation (ISO) and European Standards Institute, faster procedures were adopted to ensure the ITU remained relevant to the emerging global business environment.

Finally, the ITU has integrated two development assistance bodies—the Telecommunications Development Bureau (BDT) and the Centre for Telecommunications Development (CTD)—into a business advisory group, under a single director and with members drawn from the private sector to consult on investment strategies. With this restructuring, the ITU has become the main conduit for telecommunications investment by the World Bank, European Investment Bank, European Bank for Reconstruction and Development and private industry in low-income countries.²⁰

The International Maritime Organisation

Our second case study is the International Maritime Organisation (IMO) which, in the sphere of maritime transport, has been the key regulatory body in the global political economy. Unlike the ITU, which from its inception has worked with private sector interests, the process of establishing intergovernmental consultation on shipping regulation was a battle against the hostility of private shipping cartels. The IMO's constitutional purpose is "to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade".²¹ To this end it has facilitated standard setting in relation to maritime safety, navigation and pollution. The IMO updates and extends the International Convention on the Safety of Life at Sea (SOLAS); most recently after the sinking of the passenger ferry *Estonia* in 1994, and has drawn up conventions covering Dangerous Goods (1965), Load Lines (1966), Tonnage Measurement (1969), Containers (1972) and Fishing Vessels (1977). The IMO's concern with pollution is reflected in numerous instruments, the most comprehensive being the 1973 International Convention for the Prevention of Pollution from Ships (MARPOL), and its 1983 successor, which specifies controls on operational oil discharges at sea. In addition, the IMO supervises the London Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (1972). In 1990 the IMO established a Global Programme for the Protection of the Marine Environment and the development of a global port control system to deter substandard vessels from entering European ports.²²

20. *International Telecommunication Convention* (1989) Article 11.

21. International Maritime Organisation, *IMO: What It Is; What It Does; How It Works—2 Volumes* (London: IMO, 1992).

22. The programme is based on the Paris Memorandum of Understanding on Port State Control (1990). See IMO, *IMO's Global Programme for the Protection of the Marine Environment* (London: IMO, 1990), p. 6. Port control systems have also been introduced in Latin America and the Asia-Pacific region. See "Asia-Pacific Boost for Global Port Checks", *NUMAST Telegraph* (December 1992), p. 2.

As with the ITU, the IMO's effectiveness in carrying out these tasks has been attributed widely to the belief that its proceedings are free from politics.²³ The IMO is governed by consensus and is seen as a "technical organisation, whose work is carried out mainly in committees".²⁴ However, deeper analysis shows that this consensus has derived, in part, from agreement between core public-private interests on shipping regulation as a means of expanding and protecting global trade and industry. Historically, there was "persistent and formidable resistance" by powerful shipping interests to the creation of an international maritime organisation.²⁵ Profits generally came before safety. As Silverstein notes, "On many issues it has been only major tragedy which has led to expanded government control over domestic industries and which has compelled governments to forgo some degree of national control in exchange for greater reliance upon international solutions".²⁶ Even after the *Titanic* tragedy of 1912, which revealed the lack of regulation over both telecommunications and maritime procedures, international shipping remained loosely controlled. It was not until 1948 that the ECOSOC pressed for a permanent maritime organisation to improve safety at sea and, of significance for post-war liberalism, to remove discriminatory tariff practices operated by the secretive shipping cartels. Yet the strength of these cartels and the need for their cooperation meant that the Intergovernmental Maritime Consultative Organisation (ICMO), renamed the IMO in 1982, took another ten years to be established. The IMO, like its predecessor the ICMO, remains a consultative body without direct powers of enforcement to control private enterprises.

As with the ITU, the IMO's functionalism represents a *modus vivendi* between governments and transnational private interests. In addition to the direct lobbying of governments, private shipping and commercial interests are able to shape the IMO's activities in two main ways. The first is through indirect influence on members of governmental delegations. However, unlike the ITU, private sector representatives are not elected to office within the IMO, nor do they make direct financial contributions to the organisation, although they occasionally serve on working groups. The Constitution formally allows only government representation in the Assembly,²⁷ with each member state having one vote. However, the Assembly elects an Executive Council of 32 member states consisting of eight states "with the largest interest in providing international shipping services", eight states "with the largest interest in international seaborne trade", and 16 states "which have special interests in maritime transport or navigation".²⁸ This means that those states which host the largest shipping interests are constitutionally privileged in decision-making. Moreover, the UK, US, France, Norway, Sweden, Japan, The Netherlands, Italy and Germany send large, professionally-

23. See, for example, David Williams, *The Specialized Agencies and the UN, The System in Crisis* (London: Hurst, 1987).

24. International Maritime Organisation, *op. cit.* (1992). See also S. Mankabady, *The International Maritime Organization* (London: Croom Helm, 1986/1987).

25. Harvey Silverstein, *Superships and Nation-States: The Transnational Politics of the Intergovernmental Maritime Consultative Organization* (Boulder, CO: Westview, 1978), p. 13.

26. *Ibid.*, p. 10.

27. In 1994 the IMO had 150 full members (including such landlocked states as Luxembourg and Switzerland which hold shipping registers) and two associate members.

28. The Council increased to 40 member states in 1996.

competent delegations, often with private sector interests represented as advisers, whereas many low-income countries often delegate embassy officials to attend IMO meetings.²⁹

McGonigle and Zacher note the influence of ship owners and of major oil companies owning tankers on the delegations of traditional seafaring nations, such as the UK, The Netherlands and the US. Originally these states, especially the UK, rejected the claims for IMO representation for the flag-of-convenience states, the most important of which are Liberia and Panama, which simply register ships whose owners are based in another country. However, US owners led the way in using these registers to avoid taxes and circumvent labour laws and, after an advisory opinion by the International Court of Justice in favour of Liberia and Panama in 1960, the flag-of-convenience states assumed a more prominent role. By the end of 1977, when Liberia gained a seat on the IMO Council, the pattern of private sector influence in the IMO had been revolutionised. A new order, an alliance between ship owners in the developed world and flag-of-convenience registries in the developing world, had replaced the old state-centric divides.

Nominally, however, the IMO remains an IGO, with states deciding who shall sit on their delegations. Like the ITU, voting in the IMO is rare and confined to subcommittees rather than the Council. The IMO aims to take decisions wherever possible by consensus on the basis that all member states should be in agreement so that conventions and regulations shall be adhered to by the largest possible number of member states. Transnational private sector interests contribute to this consensus as advisers to the delegations of traditional seafaring states and, since they gained IMO representation, of flag-of-convenience states. In the case of the latter, such delegations normally are led by a diplomat with limited knowledge of maritime transport who relies heavily on private sector expertise. In this respect, private interests transcend the constraints of sovereignty. Liberia's shipping register, for example, is run by a private company from New York. While this is commercially convenient, it raises serious concern over controls for maritime safety and pollution.³⁰ In effect the Liberian delegation to the IMO is little more than a vehicle through which private ship owners articulate and advance their interests.

Second, 35 international organisations have concluded Agreements of Cooperation with the IMO. They range from humanitarian organisations, such as the International Committee of the Red Cross, to the European Space Agency. However, the largest category of such organisations is concerned primarily with sectors of international commerce and shipping. Prominent examples include the Organisation of Arab Petroleum Exporting Countries, the Intergovernmental Standing Committee on Shipping and the World Tourism Organisation.

Although not-for-profit NGOs, such as Friends of the Earth (which has lobbied for the strengthening of IMO regulations on maritime pollution) and the International Maritime Pilots Associations (which has lobbied on safety) may be

29. See Harvey Silverstein, "Technological Politics and Maritime Affairs—Comparative Participation in the Intergovernmental Maritime Consultative Organization", *Journal of Maritime Law and Commerce*, Vol. 7 (1976), pp. 367–407.

30. Gary Slapper, "Sea Changes", *The Guardian* (9 June 1993), p. 17. Of the largest oil spills in the period 1967–1984, 66% involved flags of convenience or Greek-registered vessels. Michael Pugh, *Interview with Martin Garside* (London: NUMAST, 1994).

Table 3. Interest Categories of Non-State Actors with Consultative Status at the IMO (1994)

Private sector interests	
Shipping	23
Industry/manufacturing	8
Insurance	4
Not-for-profit NGOs	
Scientific, technical and educational	7
Ecological	4
Trade unions	4
Legal	2
Humanitarian	1
Total	55

Source: Compiled from "Basic facts about IMO", *Focus on IMO* (November 1994), pp. 7–10.

accorded the category of consultative status (Table 3), of the 55 transnational groups represented, 36 are associations of private sector interests. Prominent examples include the International Association of Independent Tanker Owners and the International Council of Cruise Lines. Moreover, shipping and other profit-making concerns play a more active role in conferences and other proceedings than not-for-profit groups. With regard to pollution policy, the main lobbying of governments and delegations has come from the Maritime Forum of the oil companies (dominated by the US) and the International Chamber of Shipping (strongly influenced by the General Council of British Shipping) whose participation in the IMO committees which shape standards has been described as "omnipresent".³¹ This is partly because the IMO is heavily dependent on industrial expertise and partly because such groups are the best-financed organisations in a field notable for its "anarchical proliferation" of interests in environmental control.³²

As with the ITU, the prominence of large companies involved in standard setting challenges the prevailing assumption that UN specialised agencies deal with technical issues of universal interest. Instead a core of public-private interests has shaped and limited IMO activities. For example, because conventions cannot come into effect until member states representing 50% of the world's registered tonnage of shipping have ratified them, flag-of-convenience states and states with commercial interests to protect have a disproportionate influence. They can withhold ratification and thus delay implementation of agreements. Consequently many conventions have taken several years to enter into legal effect, while others have been limited in scope following the exercise

31. R. Michael McGonigle and Mark Zacher, *Pollution, Politics and International Law: Tankers at Sea* (Berkley, CA: University of California Press, 1979), p. 66.

32. Michael Pugh, Interview with Officials from Greenpeace Communications (London, March 1995). See Robert A. Shinn, *The International Politics of Marine Pollution Control* (New York: Praeger, 1974); McGonigle and Zacher, *ibid.*, pp. 65–67; Anne Thompson Feraru, "Transnational Political Interests and the Global Environment", *International Organization*, Vol. 28, No. 4 (1974), pp. 42–57.

Table 4. Largest Contributors to the IMO (1994–1995)

Member state	% of all IMO contributions
Panama	10.97
Liberia	10.94
Japan	7.06
Greece	5.70
US	4.89
Cyprus	4.06
Norway	4.35
Bahamas	4.27
Russian Federation	3.96
Malta	2.55

Source: "Basic facts about IMO", *Focus on IMO* (November 1994), p. 3.

of blocking powers by key states.³³ Furthermore the resistance of European ferry companies to the redesign of "roll-on, roll-off" ships have persisted, despite the sinking of the *Herald of Free Enterprise* in 1987 and the *Estonia* in 1994, on the grounds that new designs may adversely affect carrying capacity, turnaround times and hence profit.³⁴

The IMO, in common with many other IGOs, has no power to force states to comply with its decisions. Although conventions are being strengthened by national inspection and certification requirements,³⁵ sanctions for non-compliance are left to national courts. Furthermore, the IMO possesses no independent research capacity, and is reliant on external sources of information from member states, private companies and not-for-profit NGOs.³⁶ It has no capacity to collect evidence or to initiate investigations of possible breaches in regulation.³⁷ Instead, the IMO relies partly on publicity, drawing attention to states which fail to live up to their obligations, and partly on the self-interests of the private insurance industry.

The financing of the IMO also reflects private sector interests. The formula for contributions is based on a member state's gross registered tonnage. Hence, member states with "special interests" in shipping have been prominent in funding IMO activities. The top ten contributors to the total regular budget in 1994–1995 (US\$54 million or 60%), included some of the smallest member states of the UN (Table 4). This has made the IMO financially vulnerable, with contributions affected by political upheavals, for example in Liberia, Panama and central and eastern Europe.

33. The standard tonnage measurement was adopted in 1969 but did not come into effect until 1982. The Convention on the Safety of Fishing Vessels (1977) was still not in force in 1992 because signatories only represented a combined tonnage of 15.4% of the world total.

34. John Vidal, "Falling Marine Standards Add to Risk of Oil Disasters", *The Guardian* (9 January 1993), p. 5; and Greg McIver, "Design Fault Blamed", *The Guardian* (26 November 1994), p. 4.

35. "Preventing Marine Pollution", *Focus on IMO* (September 1989), p. 11.

36. Silverstein (1978), *op. cit.*, pp. 35–36.

37. Independent surveys in 1989 showed that, of 300 reported discharge violations in the North Sea, only 18 led to successful prosecutions although with derisory fines. See "Cleaner Oceans: The Role of the IMO in the 1990s", *Focus on IMO* (January 1990), pp. 12–14.

In summary, although it is widely held that the IMO has a technical mandate which excludes extraneous politics, insofar as its function has been shaped by core public and private shipping interests, the exigencies of a neoliberal world economy have often taken precedence over safety, environmental protection, and the needs of coastal communities. During the 1980s, fierce competition in the global shipping industry encouraged companies to keep so-called "coffin ships" afloat. After a series of bulk carrier losses around Australia, an official report discovered widespread abuse of the private system for certifying ships and crews.³⁸ Ship owners have been able to shop around for certificates of "seaworthiness". There remains a clear contradiction between safety regulations, agreed with the participation of shipping companies, and the ability of such companies to register ships under flags-of-convenience to obtain cheap labour and avoid potentially costly safety requirements.³⁹ As with the ITU and the ITTO, the IMO's work is delineated by the ethos of private commercial self-regulation.

The International Tropical Timber Organisation

Our third case study is the International Tropical Timber Organisation (ITTO). The International Tropical Timber Agreement of 1983 (ITTA 1983) entered into legal effect on 1 April 1985 and was due to expire on 31 March 1994. However, in January 1994 a successor agreement was concluded, the International Tropical Timber Agreement of 1994. At the time of writing (July 1997), the International Tropical Timber Agreement 1994 has yet to come into effect and, until it does, the ITTA 1983 may remain operative by special vote of the International Tropical Timber Council (ITTC), the highest decision-making organ of the International Tropical Timber Organisation (ITTO).⁴⁰ The purpose of both agreements is to promote the expansion and diversification of the international tropical timber trade and, in this respect, the ITTO is no different from other UNCTAD-sponsored commodity agreements. In addition, however, the ITTO seeks to encourage national policies "aimed at sustainable utilisation of tropical forests and their genetic resources, and at maintaining the ecological balance in the regions concerned".⁴¹ The ITTC passes decisions on the timber trade and related issues at its biannual meetings, although, like the ITU and the IMO, the organisation has no power to enforce decisions.

By the time the ITTO was created in 1985, private sector interests had gained a substantial stake in most timber producing and consuming countries. As the Environmental Investigation Agency (EIA) noted in a 1996 study on the global timber trade, "Increasing trade liberalisation and the globalisation of trade have

38. Australia, Commonwealth Parliament, *Ships of Shame: Inquiry into Ship Safety, Report from the House of Representatives Standing Committee on Transport, Communications and Infrastructure* (Canberra: Australian Government Publishing Service, December 1992).

39. For historical discussions see B.A. Boczek, *Flags of Convenience: An International Legal Study* (Cambridge, MA: Harvard University Press, 1962); Noel Mostert, *Supership* (New York: Knopf, 1974), pp. 198ff. In the UK, about 80% of UK-owned tonnage was registered abroad or offshore in 1992. See NUMAST, *The Safety Case for British Shipping* (London: NUMAST, 1992).

40. *International Tropical Timber Agreement*, 1983, Article 42.3.

41. *Ibid.*, 1983, Article 1(h). This clause appears in a slightly modified form in *International Tropical Timber Agreement* (1994), Article 1(i).

led to a shift of power away from national governments to corporate leaders".⁴² The ITTO institutionalised the interests of the tropical timber trade within its decision-making structure from its inception with a weighted voting system which allocates equal voting rights between producing and consuming countries. Each group of countries is allocated 1,000 votes, to be shared among individual countries according to their share of global tropical timber imports or exports. For producer countries a secondary consideration is given to their share of tropical forested areas. The result of this system has been to privilege timber trade interests over forest conservation. The more active a country's timber trade, the greater its representation at the ITTO or, as NGO campaigner Marcus Colchester notes, "the more a country destroys tropical forests, the more votes it gets".⁴³

The weighted voting system played a key role in the selection of the ITTO's headquarters and Executive Director. The Japanese city of Yokohama was selected as the headquarters after the national government and city council offered to subsidise the ITTO's administrative costs. Japan is the world's largest consumer of tropical timber,⁴⁴ and holds over one-third of the votes in the ITTO's consumer caucus.⁴⁵ The choice, however, proved a controversial one given that Japanese TNCs have attracted considerable criticism from not-for-profit conservation NGOs. The most serious allegations have concerned systematic transfer pricing. In 1990, a judicial inquiry in Papua New Guinea found that, in order to evade local taxes, Japanese companies had established subsidiaries which "sold" timber to their parent companies at less than market value. The inquiry found that this practice permeated the country's timber industry where Japanese TNCs were involved.⁴⁶ Despite this controversy, Japan remains the site of ITTO's headquarters and the most influential member of the consumer caucus.

Equally significant has been the appointment of Dr. Freezailah bin Che Yeom, formerly of the Malaysian Forestry Department, as ITTO's Executive Director. Malaysia is the second largest producer of tropical timber,⁴⁷ and has been one of the leaders of the developing world on forestry issues.⁴⁸ Like Japan, Malaysia

42. Environmental Investigation Agency, *Corporate Power, Corruption and the Destruction of the World's Forests* (London: Environmental Investigation Agency, 1996), p. 44.

43. Marcus Colchester, "The International Tropical Timber Organization: Kill or Cure for the Rainforests?", *The Ecologist*, Vol. 20, No. 5 (1990), p. 167.

44. Francois Nectoux and Yoichi Kurada, *Timber from the South Seas: An Analysis of Japan's Tropical Timber Trade and its Environmental Impact* (Gland, Switzerland: WWF International, 1989), p. 5.

45. When the ITTA 1983 entered into force, Japan was allocated 371 of the 1,000 votes available for consumer countries. While voting allocations are recalculated annually to allow for changes in the ITTO membership and global market shares, Japan has remained the largest importer of tropical timber during the ITTO's history.

46. Cited in Asia Pacific Action Group, *The Barnett Report: A Summary of the Report of the Commission of Inquiry into Aspects of the Timber Industry in Papua New Guinea* (Hobart, Australia: APAG, 1990), p. 5. See also J. Jackson, *A Study of Timber Transfer Pricing in Papua New Guinea* (New York: UNCTC, 1986); and George Marshall, "The Political Economy of Logging: The Barnett Inquiry into Corruption in the Papua New Guinea Timber Industry", *The Ecologist*, Vol. 20, No. 5 (1990), pp. 174-181.

47. Among producer countries, Brazil was allocated 191 votes, Malaysia 166 votes and Indonesia 122 votes.

48. David Humphreys, "The UNCED Process and International Responses to Deforestation", in Frank R. Pfetsch (ed.), *International Relations and Pan-Europe: Theoretical Approaches and Empirical Findings* (Münster: LIT Verlag, 1993), pp. 589-608.

has attracted adverse criticism from conservation NGOs for its policies and, in particular, the close links between high-level public officials and private timber companies. For example, a Minister for the Environment, James Wong, has held a controlling stake in Limbang Timber, a company that holds logging concessions on Sarawak.⁴⁹ Similarly, the Japan Tropical Forest Action Network has reported that logging concessions on Sarawak are handed out at the discretion of the Chief Minister to local political leaders.⁵⁰ The close relationship between certain political and economic elites needs to be borne in mind if the political economy of the tropical timber trade is to be understood fully. Examining more closely this system of relationships in the ITTO reveals the process by which the ITTO's policy agenda has been influenced by a variety of private sector interests.

The ITTO's short history has been characterised by tensions between, on the one hand, timber trade federations and private companies and, on the other hand, conservation NGOs working frequently with local community organisations. The former has viewed the ITTO foremost as a mechanism to enhance the expansion of the tropical timber trade. The latter, in contrast, has pressed for tropical forest conservation to be the ITTO's principal concern. In response to these diverse interest groups, the ITTO has granted observer status to NGOs at sessions of the ITTC. Importantly, and running counter to the accepted ECOSOC practise of granting observer status only to federations and associations of private sector interests, but not to private companies themselves, the ITTO has adopted a broad definition of NGOs which allows individual private companies to attend ITTO sessions.⁵¹ Among the private companies to avail themselves of this facility have been Africa Ringyo Limited, Enso Forest Development OY Limited and the Mitsubishi Corporation. Federations granted observer status have included the Italian Timber Trade Federation and the *Union pour le Commerce du Bois Tropical*.⁵²

Often there is an overlap between observer status and government delegations. For example senior management from four Indonesian companies represented Apkindo (Association of Plywood Makers) as observers at the ITTC in 1990; these individuals also formed part of the Indonesian delegation.⁵³ In addition to Apkindo, individuals from the British and Dutch Timber Trade Federations, the Philippines' Wood Products Association, the US company Afrasian Woods Limited, and P.T. Inhutani from Indonesia have served on governmental delegations. Through securing a place on delegations, private interests have been able to wield a direct influence on ITTO proceedings. To a much lesser extent, some conservation NGOs, such as the World Wide Fund for Nature, have also secured places as conservation advisers on delegations.

As in the ITU, representatives of private sector interests have held offices

49. Fred Pearce, "Hit and Run in Sarawak", *New Scientist* (12 May 1990), p. 24.

50. Japan Tropical Forest Action Network, "ITTO Mission to Sarawak", *Press Statement* (30 October 1989), p. 2.

51. Peter Willetts, City University, London, Interview with Lachlan Hunter (Yokohama: ITTO Secretariat, 23 March 1992).

52. ITTO, *Official Documents*, ITTC(XI)/Info.4/Rev.1, p. 12; ITTC(VIII)/Info.3, p. 13; and ITTC(VI)/Info.2/Rev.1, pp. 8-9.

53. ITTO, *Official Documents*, ITTC(VIII)/Info.3. The four Indonesian companies were P.T. Kayu Lapis Indonesia, P.T. Tandjung Raya Group, P.T. Barito Pacific Timber, and P.T. Bumi Raya Utama Group.

within ITTO whereas conservation NGOs have held none. For example, the late Arthur Morrell of the UK Timber Trade Federation served as Vice Chairman of the ITTO's Permanent Committee on Economic Information and Market Intelligence in 1992, and was elected Chairman of this committee in 1993.⁵⁴ More contentious has been the chair of the ITTC. In 1990 the nomination of Mohamad Hasan, who at the time was both chairman of Apkindo and the head of the Indonesian delegation to the ITTO, was put forth. Following protests from conservation NGOs, the nomination was withdrawn. However, the agreed compromise was also a prominent timber industrialist, namely Ernesto Sanvictores, the owner of the Filipino logging company Artimico, Chairman of the Philippines Wood Products Association, and President of the Association of South East Asian Panel Products Association. In his opening address to the ITTC's tenth session, Sanvictores stated that private sector participation in the ITTO was set to increase, and that this was "the right direction" for the organisation to take.⁵⁵ The appointment of Sanvictores was criticised strongly by conservation NGOs who argued that it was inappropriate for the ITTC chairman to be "a leading figure in a forest industry which, by all accounts, including the World Bank and Asian Development Bank, has mined forest resources with no concern for the long term social and environmental consequences".⁵⁶

One of the main influences that core public-private interests supporting the trade of tropical timber have had on the ITTO's activities has been in promulgating the view that tropical forest management is essentially a technical issue to be carried out by forestry "experts". Social and political issues, such as the impact on local communities, consequently have been marginalised. This is illustrated by the 1990 ITTO Mission to Sarawak, which investigated the efficacy of forest management purely in "technical" terms. Upon the insistence of the Malaysian government, which under Dr Mahathir Mohamad has asserted national sovereignty over its own forests, the terms of reference of the Mission excluded mention of indigenous peoples. The Mission's recommendations on timber harvesting consequently were made without consideration of, for instance, the customary land claims of forest people.⁵⁷ The head of the Mission, the Earl of Cranbrook, responded to criticisms of the Mission by arguing that it adhered to its terms of reference which needed to be acceptable to the Malaysian government if the Mission was to proceed.⁵⁸ This emphasis on governments, and the sovereignty of states over their forest resources has served to obscure the vested interests behind the ITTO's activities. As Colchester argues, "The ITTO is dominated by the timber trade, which refuses to recognise the rights of local communities. It thus legitimises a process that undermines local livelihoods".⁵⁹

54. ITTO, *Official Documents*, ITTC(XIV)/2, p. 2.

55. ITTO, "Opening Address of Mr Ernesto F. Sanvictores, Chairman of the International Tropical Timber Council at the Tenth Session of ITTO", Quito, Ecuador (29 May 1991), p. 3.

56. ITTO, 10th Session, ECO, No. 2, p. 5.

57. Friends of the Earth and the World Rainforest Movement, *The International Tropical Timber Agreement: Conserving the Forests or Chainsaw Charter* (London: Friends of the Earth, 1992), p. 39.

58. David Humphreys, Interview with the Earl of Cranbrook (University of Keele, 31 August 1993).

59. Survival International, "Japanese Government Apologises to Sarawak Tribespeople", *Press Release* (23 November 1990).

Finally, private sector interests have made voluntary financial contributions to the ITTO's Special Account. This account is used to fund projects on forest industry, reforestation and forest management in tropical timber producing countries. Most donations to the Special Account are made by tropical timber consuming countries, although non-state actors may also make contributions. To give just two of many examples, in 1991 the Japanese company Ito-Yokada donated 50 million yen (about US\$575,000), while the Japan Lumber Importers Association donated 10 million yen (US\$115,000) to the Special Account.⁶⁰ Hence, and as in the ITU, private sector interests in the ITTO have made contributions to development assistance in the developing world.

Overall, the ITTO has been strongly influenced by the private sector from its creation. These interests have benefited from close, sometimes overlapping, relations with the political elite, and have been well-represented in high-level decision-making within the ITTO. As in the IMO, this has given such interests a largely self-regulatory role. However, with the increased importance given to environmental issues on the global policy agenda and with conservation NGOs gaining observer status, the ITTO has paid some consideration to conservation. Some trade associations, such as the Japanese Lumber Imports Association and UK Timber Trade Federation, have acknowledged the importance of environmental concerns. However, where trade and environmental views have clashed directly, such as over timber labelling and consumer boycotts, senior officials of the ITTO, including the Executive Director,⁶¹ invariably have favoured timber trade interests. For their part, the timber trade have made clear what they hope to gain from the ITTO; during the negotiation of the International Tropical Timber Agreement, 1994 the timber trade spokesperson stated that traders wished to ensure that the tropical timber trade is "maintained at least at its present value and possibly with prospects of increased revenue".⁶²

Conclusions

While the international relations literature recognises the historical role played by the state in protecting private sector interests and facilitating the expansion of global capitalism, our analysis suggests that is necessary to move beyond a consideration of the collaborative relationships between governments and business, and to consider the ways in which such relationships affect the activities of IGOs. This paper has provided evidence that, not only has the state ceded control of important areas of economic activity to private sector interests at the national level, but that state provision of goods and services, subsidies and regulation has declined at the international level. This has been shown in the ITU, IMO and ITTO, traditionally defined as IGOs, where private sector interests have become closely integrated into formal and informal decision-making mechanisms. To summarise, this influence has been exerted in five ways.

First, federations of private companies have been granted observer status as NGOs in all three organisations. In the case of the ITTO, the unusual step has

60. ITTO, *Official Documents*, ITTC(X)/20, p. 19.

61. For example see ITO, "Opening Statement by the Executive Director, Dr B.C.Y. Freezailah, to the 13th Session of the ITTC" (Yokohama: ITTC, 16-21 November 1992), p. 8.

62. ITTO, *Official Documents*, PrepCom(I)/5, p. 13.

been taken of granting observer status to individual private companies. It is notable that no UN specialised agency or programme grants such a status to individual commercial profit-making concerns although, like the ITU and IMO, they frequently do so for federations and associations.⁶³

Second, and again in all three organisations, private sector interests have acquired official representation as members of, or expert advisers to, government delegations with whom formal voting powers reside. However, it has also been seen that voting, which the majority of member delegations consider "politicises" the proceedings, is rarely employed in the three organisations. Indeed the fact that only governmental delegations have voting powers has been the basis by which they have been defined as "intergovernmental". One of the objectives of this paper has been to expose this fiction.

Third, the role of private sector interests in the ITU, IMO and ITTO challenges the claim that these forums are concerned primarily with apolitical issues. In all three cases there has been strong pressure historically to take decisions, thus preserving the myth that the proceedings are of a technical nature. However, far from acting as neutral forums for resolving scientific, technical or management matters, consensus decision-making has masked conflicts of interests that may exist among members. Furthermore, defining telecommunications, marine transport and forest management as technical issues has legitimised the prioritisation of particular core interests, as well as marginalised groups that challenge them, including "sweatshop" labour and small manufacturers in the ITU, environmental groups and coastal communities in the IMO, and indigenous tribes people and forest communities in the ITTO.

Fourth, in the ITU and ITTO individuals from private sector interests have been elected as officials and chairs of important meetings and committees. In the case of the ITTO, a prominent timber trader was elected as the Chair of the Council. Individuals from private sector interests have also occupied positions of influence in the ITU's CCIs. By holding such offices, private sector interests contribute to the achievement of consensus which, it should be emphasised, is reached between both governmental delegations and those core private sector interests represented.

Fifth, for telecommunications and tropical timber, investment by private sector interests has been facilitated directly by the ITU and ITTO, respectively, serving as a form of development assistance. While this process is visible in the ITTO, it is far more advanced in the ITU where development assistance is driven strongly by private sector activity. This trend reflects the decline of public subsidy at the national level, and the expansion of profit-driven private investment. In the development community, privatisation has come in the form of declining grant aid in favour of private investment in low-income countries, repayable loans for neoliberal-based sectoral reform, and private provision of goods and services.⁶⁴

It is recognised that this paper offers only a brief analysis of three different organisations in the UN system. It is not argued that they are representative of

63. Willetts, *op. cit.* (1995), p. 3.

64. For example see William Shawcross, "Never Mind Oxfam, DHL Can Deliver", *The Independent* (10 October 1996), p. 21; Brendan Martin, "Privatization and US AID", *The Ecologist*, Vol. 26, No. 4 (1996), pp. 150-151; and Subodh Wagle, "TNCs as Aid Agencies? Enron and the Dabhol Power Plant", *The Ecologist*, Vol. 6, No. 4 (1996), pp. 179-184.

the diverse universe of international organisations, although it is suggested that the above typology may reflect a wider trend and one indicator of globalising forces. Further research is clearly needed before such a claim can be substantiated.⁶⁵ Nonetheless, the significant presence of private sector interests in the ITU, IMO and ITTO does challenge the orthodox view of the UN as a system of IGOs. Large private sector interests have been central to the functioning of these forums, with a clear structure of core public-private interests emerging as part of the neoliberal world order. This representation is not necessarily apparent in analyses of formal decision-making mechanisms, but their presence in "seats around the table" is clearly visible.

This has important implications for how we conceptualise the UN. As originally defined, the UN is based on the principle of universalism and thus intended to serve all member states. However, this analysis suggests that, although states retain formal primacy, it is an inadequate starting point for understanding the UN in a globalising world order. In a recent paper, James Rosenau puts forth a typology which would classify the ITU, IMO and ITO as joint-sponsored, rather than purely state-sponsored, mechanisms.⁶⁶ Also, the terms "non-state actors" and "non-governmental organisations" continue to be used variably to represent a heterogeneous and complex collection of interests. In understanding global governance and the perceived emergence of global civil society, the persistent inequalities of representation that exist between private for-profit and not-for-profit interests must be recognised. The former have been examined in this paper as forming key members of the transnational managerial class which dominates the emerging neoliberal world order. The latter are frequently a critical, and potentially counter-hegemonic, force which challenges neoliberalism yet have made far less inroads into representation in the three UN organisations addressed here.

An interest-based explanation would posit that private sector interests are likely to achieve a high level of representation in the UN system when governmental delegations are sympathetic to, or at least do not stand to lose from, collaboration with such interests. Hence in the case of the ITU, the US has promoted the role of the private sector as this has been perceived to be in the national interest of the US. In the IMO, Liberia, keen to maintain its role as a leading flag-of-convenience state, has admitted a range of shipping interests to its delegation. And in the ITTO, the Indonesian government, which is committed to the development of its tropical forest resources, has welcomed timber industrialists to its delegation. Yet the interests of TNCs and governments are not necessarily the same. Governments have granted access to TNCs at intergovernmental forums because it is in the perceived interests of the former, but in so doing governments inevitably create political space in which TNCs can promote their own interests. An interest-based explanation, however, tells only part of the story. Further research, embracing both the theories of IPE and IO, is needed on the more specific nature of the relationships between private sector interests and governments, and the precise ways by which these relationships affect the activities of intergovernmental forums in the UN system. As Cox writes, "formal

65. See for example Brendan Martin, "From the Many to the Few: Privatization and Globalization", *The Ecologist*, Vol. 26, No. 4 (1996), pp. 145-155.

66. James Rosenau, "Governance in the Twenty First Century", *Global Governance*, Vol. 1, No. 1 (1995), pp. 13-43.

multilateralism, that is what goes on through international organizations, is only the institutionally more visible part of a more complex total system of relationships".⁶⁷ For Cox, political multilateralism, namely institutionalised inter-state relations, underpins economic multilateralism, namely the drive for growth in the global capitalist economy.⁶⁸

Further research is also needed on other parts of the UN where private sector interests may play an important role, such as the pharmaceutical industry within the World Health Organisation,⁶⁹ the food industry in World Food Programme humanitarian relief operations, the defence industry in UN peacekeeping operations and the Business Council for Sustainable Development at global conferences such as the UN Conference for Environment and Development. Similar analysis could be applied to understanding the reasons for the institutional shift from the UN Centre on Transnational Corporations (UNCTNC), as a watchdog for developing countries, to the more TNC-friendly Division on Transnational Corporations and Investment within UNCTAD.⁷⁰ Added to this could be more detailed understanding of core public-private interests within the Bretton Woods institutions, notably the revolving door between senior officials and the banking industry.

In conclusion, the intention of this study has not been to attack state-centrism in the study of international relations; there have been many such critiques and it has not been considered necessary to rehearse them here. But it remains necessary to extend critiques of state-centrism to the study of intergovernmental forums where private sector interests are represented on decision-making bodies to an extent unrecognised in the present literature. The structure of interests analysed in this study, and the status bestowed upon them by the UN system, should be seen as a key component of power relations in the post-war order. This has important implications for the legitimacy of the UN system, the interests it represents and the ways in which such interests are held accountable. While governments of member states can, in principle at least, be held accountable by their populations for policies taken in the international arena, this is not the case for private companies. At present, telecommunications, maritime shipping and the trade in tropical timber, far from being regulated by intergovernmental regimes, are now essentially self-regulated private spheres. There is thus a need to expand further our understanding of the UN, as the patterns of influence exposed in this paper do not bode well for the emergence of an egalitarian global civil society. Rather, they suggest the growing influence of a transnational managerial class whose interests lie in the expansion of global capitalism. If priorities other than the pursuit of neoliberalism—such as equitable access, safety at sea, the prevention of maritime pollution and tropical forest conservation—are to be given comparable consideration, a more open, transparent and accountable system of global governance would seem necessary.

67. Robert W. Cox, "Multilateralism and World Order", *Review of International Studies*, Vol. 18, No. 2 (1992), p. 175.

68. *Ibid.*, p. 162.

69. See Sara Bennett, "Promoting the Private Sector: A Review of Developing Country Trends", *Health Policy and Planning*, Vol. 7, No. 2 (1992), pp. 97–110.

70. The creation of the Division on Transnational Corporations followed the failure of 15 years of negotiation for a UN Code of Conduct on Transnational Corporations.