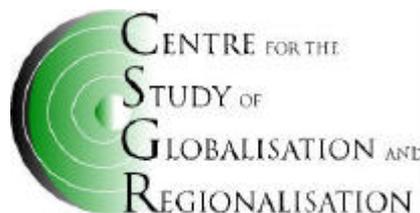**"Justice Unbound? Globalisation, States and the Transformation of the Social Bond"**

Richard Devetak and Richard Higgott

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Justice Unbound? Globalisation, States and the Transformation of the Social Bond

Richard Devetak and Richard Higgott
Univesity of Warwick,

Abstract:

Conventional accounts of justice suppose the presence of a stable political society, stable identities, and a Westphalian cartography of clear lines of authority--usually a state--where justice can be realised. They also assume a stable social bond. But what if, in an age of globalisation, the territorial boundaries of politics unbundle and a stable social bond deteriorates? How then are we to think about justice? Can there be justice in a world where that bond is constantly being disrupted or transformed by globalisation? Thus the paper argues that we need to think about the relationship between globalisation, governance <u>and</u> justice. It does so in three stages: (i) It explains how, under conditions of globalisation, assumptions made about the social bond are changing. (ii) It demonsrates how strains on the social bond within states give rise to a search for newer forms of global political theory and organisation and the emergence of new global (non state) actors which contest with states over the policy agendas emanating from globalisation. (iii) Despite the new forms of activity identified at (ii) the paper concludes that the prospects for a satisfactory synthesis of a liberal economic theory of globalisation, a normative political theory of the global public domain and a new social bond are remote.

Address for correspondence:
Richard Higgott
CSGR
University of Warwick,
Coventry CV4 7AL
United Kingdom
Email: Richard.Higgott@warwick.ac.uk

'The political problem of mankind is to combine these things: economic efficiency, social justice and individual liberty.' John Maynard Keynes noted in Essays in Persuasion (1931)

Globalisation has become the most over used and under specified term in the international policy sciences since the passing of the Cold War. It is a term that is not going to go away. More recently globalisation has come to be associated with financial collapse and economic turmoil and our ability to satisfy Keynes' three requirements under conditions of globalisation are as remote now as at the time he was writing. Neither markets nor the extant structures of governance appear capable of providing for all three conditions at once. Globalisation has improved economic efficiency and it has provided enhanced individual liberty for many; but in its failure to ensure social justice on a global scale, it also inhibits liberty for many more.

Even leading globalisers--proponents of continued global economic liberalisation occupying positions of influence in either the public or private domain--now concede that in the failure to deliver a more just global economic order, globalisation may hold within it the seeds of its own demise. As James Wolfenson, President of the World Bank, noted '...[i]f we do not have greater equity and social justice, there will be no political stability and without political stability no amount of money put together in financial packages will give us financial stability'.[1] His words, even if they appear to invert justice and stability as 'means' and 'ends', are a sign of the times in the international financial institutions.

Conventional accounts of justice suppose the presence of a stable political society, community or state as the site where justice can be instituted or realised. Moreover, conventional accounts, whether domestic or global, have also assumed a Westphalian cartography of clear lines and stable identities and a settled, stable social bond. In so doing conventional theories--essentially liberal individualist theory (and indeed liberal democracy more generally)--have limited our ability to think about political action beyond the territorial state. But what if the territorial boundaries of politics are coming unbundle and a stable social bond deteriorates?

Must a conception of justice relinquish its Westphalian coordinates? These are not merely questions for the political philosopher. In a time when the very fabric of the social bond is constantly being re-woven by globalisation, they cast massive policy shadows.

There are no settled social bonds in an age of globalisation; the Westphalian 'givens' of justice no longer pertain. The forces and pressures of modernity and globalisation, as time and space compress, render the idea of a stable social bond improbable. If this is the case, how are we to think about justice? When the social bond is undergoing change or modification as a consequence of globalising pressures how can justice be conceptualised, let alone realised? Can there be justice in a world where that bond is constantly being disrupted, renegotiated and transformed by globalisation? What are the distributive responsibilities under conditions of globalisation, if any, of states? What should be the role of the international institutions in influencing the redistribution of wealth and resources on a global scale?

These are serious normative questions about governance. In the absence of institutions of governance capable of addressing these questions, justice (no matter how loosely defined) is unlikely to prevail. This paper suggests we need to begin to think about the relationship between globalisation, governance <u>and</u> justice. To-date, the question of 'justice'--a central question of academic political philosophy as practised within the context of the bounded sovereignty of the nation state--is underdeveloped as a subject of study under conditions of globalisation. Similarly, the study of globalisation--especially when understood as economic liberalisation and integration on a global scale--has been equally blind to 'justice' questions. This should come as no surprise. The struggle to separate normative and analytical enterprises has long been common practice in the social sciences. Indeed, it has been for a long time the hallmark of 'appropriate' scholarly endeavour. But such is the impact of globalisation that we need to consider how we can traverse this artificial divide. Nowhere is this more important than at the interface of the processes of globalisation and our understanding of what constitutes the prospects for creating a just international order at the end of the second millennium.

The paper is in three sections. Section one looks at the changing role of the state under conditions of globalisation. It explains how assumptions made about the social bond--almost exclusively conceived in terms of sovereignty--are changing. It considers the specific challenges to the embedded liberal compromise that did so much to solidify the social bond in welfare states in the post world war two era. Section two charts the rise of some new global (non state) actors, that are now contesting with states over the policy agendas emanating from globalisation. The argument is twofold. Firstly, strain on the social bond within states is giving rise to a search for newer forms of organisation that transcend the sovereign state. We thus need to rethink how we understand the public domain on a global, as opposed to a national, level. Secondly, limited and flawed as the activities of non state actors (especially NGOS and Global Social Movements) may be in the global public domain, they represent an important, evolving, alternative voice in the discourse of globalisation to that of the semi official neo-liberal orthodoxy on globalisation. Moreover, the voice of the NGO and the Global Social Movement is the one serious voice that aspires, rhetorically at least, to the development of a 'justice-based' dialogue beyond the level of the sovereign state.

Section three draws the strands of the first two sections together. It suggests that we have an analytical deficit occasioned by the failure of economic liberalism to assess the threat to its legitimacy emanating from its theoretical and practical myopia towards the political and cultural dynamics at work under globalisation--the key sources of resistance to economic globalisation. Neo-liberalism, with its emphasis on global commercialisation, has forgetten why societal and democratic governmental structures were developed over the centuries

Thus the Conclusion to the paper exhorts us to remember that states have important practical assets and normative theoretical roles. They are not mere passive actors in the face of globalisation and justice, difficult as it would be even if we could conceive of structures of global governance that might deliver it, will prove even more elusive in the absence of such political structures under conditions of economic globalisation. The prospects of a satisfactory synthesis of the imperatives of a liberal economic theory of globalisation, a

normative political theory of the global sphere and a new form of social bond to compensate for the decline of the social bond within the contours of the sovereign state are deemed to be slight.

Sovereignty and Modern Political Life

The sovereign state is the primary subject of modern international relations. Indeed, it has been the exclusive legitimate subject of international relations in the Westphalian system; the highest point of decision and authority. Since the middle of the seventeenth century the sovereign form of state has become hegemonic by a process of eliminating alternative forms of governance.[2] The modern state achieved a particular resolution of the social bond hinged on the idea that political life is, or ought to be, governed according to the principle of sovereignty. The concept of sovereignty concentrated social, economic and political life around a single site of governance.

This conception of politics dates back to the legitimation crisis of the late sixteenth and early seventeenth centuries. Thomas Hobbes saw the political purpose of the sovereign state as the establishment of order based on mutual relations of protection and obedience.[3] The sovereign acted as the provider of security and the citizen inturn offered allegiance and obedience. This account emphasised sovereignty as the centre of authority, the origin of law and the source of individual and collective security. Citizens were bound together, whether for reasons of liberty or security, by their subjection to a common ruler and a common law. This basic structure of governance forged a social bond among citizens and between citizens and the state.

The institution of state sovereignty brought with it a spatial resolution which distinguished between the domesticated interior and the anarchical exterior. In general terms, inside and outside came to stand for a series of binary oppositions that defined the limits of political possibility.[4] Inside came to embody the possibility of peace, order, security and justice;

outside, the absence of what is achieved internally: war, anarchy, insecurity and injustice. Where sovereignty is present governance is possible; where it is absent governance is precluded. Modern political life is predicated on an exclusionary political space ruled by a single, supreme centre of decision-making claiming to represent and govern a political community. In recent interpretations sovereignty has been understood as a constitutive political practice, one which has the effect of defining the social bond in terms of unity, exclusivity and boundedness and by the state's monopolisation of authority, territory and community.[5]

A further crucial function performed by the sovereign state, of particular concern to this paper, has been the management of the national economy. Historically there have been competing accounts of how states should govern their economies, especially over the manner and extent to which governments should intervene in and regulate economic activity. Yet historically, and despite many important ideological and normative differences, there has been a tendency within the dominant liberal tradition to treat national economies as discrete systems of social organisation more or less delimited by the state's territorial boundaries. Economies are conceived as largely self-contained, self-regulating systems of exchange and production. This was as true for economic liberals such as Adam Smith and David Ricardo as it was for economic nationalists and mercantilists such as List and Hamilton. This is not to suggest that such thinkers were blind to the fact that economic activity commonly spilled over national frontiers, but that they treated national economies as self-contained units in the international market.

The economy served the community of the state in which it was embedded; its functions and benefits were defined via the interests of a given political society. That states monopolised the right to tax within their boundaries enhanced the correlation of the economy with the state's boundaries. One of the general functions of the state therefore was to govern the economy in such a way as to promote the wealth and welfare of the community. Liberals focused on the market mechanism as the surest and most efficient means of ensuring the liberty, security and

prosperity of both individuals and the community; non-liberal approaches tended to emphasise the need for regulation and manipulation of economic activity in order to satisfy the social needs of the community.

In short, a purpose of the sovereign state in modern political life was to stabilise the social bond. It did so by resolving questions of governance around the principle of sovereignty. Structures and practices of governance were established with direct correspondence between authority, territory, community and economy. It is in this context that justice has conventionally been conceived. Justice, no matter how defined, depended on a settled, stable social bond. Outside of a settled social bond justice was thought to be unlikely if not impossible. The sovereign state was thus a precondition for justice. However it is defined-- whether as security from injury, as most natural law thinkers understood it, or as the distribution of rights and duties as liberals tend to define it--justice has generally been circumscribed by the territorial limits of the sovereign state. The boundaries of justice were thought to be coextensive with the legal-territorial jurisdiction and economic reach of the sovereign polity.

But that was then. The sovereign state is an historical product that emerged in a particular time to resolve social, economic and political problems. With the passage of time, and the changed milieux in which states exist, it is no longer axiomatic that the sovereign state is practical or adequate as a means of comprehensively organising modern political life and especially providing the array of public goods normally associated with the late twentieth century welfare state. In the following section we survey the manner in which some of the trends associated with economic globalisation have begun to unravel the distinctive resolution of the social bond achieved by the sovereign state, and in particular the welfare state. Increasingly, the sovereign state is seen as out-of-kilter with the times as globalisation radically transforms time-space relations and alters the traditional coordinates of social and political life.

Globalisation and Embedded Liberalism

Material changes associated with economic globalisation--especially the processes of liberalisation, deregulation and integration of the global economy in the domains of production, exchange and finance--are affecting the ability of the sovereign state to stabilise the social bond. Even if we reject the more extreme post modern readings of sovereignty under globalisation, several normative questions are raised by this destabilisation. As the coordinates of modern social and political life alter, states--the traditional Westphalian site of authority--are supplemented, outflanked and sometimes overrun by competing sources of authority. Alternative sources of power and authority arising from globalisation place pressure on the capacity of the state to deliver welfare provisions and, in turn, transforms the social bond.

To be specific, the urge for free markets and small government has created asymmetries in the relationship between the global economy and the national state that has undermined the post-WWII embedded liberal compromise.[6] According to John Ruggie, the liberal international order was predicated on measures taken concurrently to ensure domestic order and to domesticate the international economy.[7] Consequently, the modern welfare state was the product of both domestic and international forces. States were the sites of trade-off, charged with cushioning domestic society against external pressures and transnational forces. But, globalisation has changed this and one as yet unexplored implication of Ruggie's early analysis is that it focuses attention on a reconfiguration of the social bond as a result of changes emanating from the processes of adjustment in the division of political space between the domestic and international policy domains. Domestic and international politics became embedded and intertwined in the same global system--the post-WWII liberal order.

States are thus crucial in shaping the social bonds which exist at any given time and in any given space. They alter the relationship not just between insiders and outsiders, but between citizens and the state. However, as domestic and foreign economic policy issues become increasingly blurred, as the domestic economy becomes increasingly detached from the

sovereign state, and as economic de-regulation and de-nationalisation continue, it is more difficult for states to manage the domestic-international trade-off in a way that satisfies competing demands on it. It becomes more difficult for states to sustain the trade-offs managed in the Bretton Woods, embeded liberal, era.

Globalisation makes it harder for governments to provide the compensatory mechanisms that could underwrite social cohesion in the face of change in employment structures. As it has become more difficult to tax capital, the burden shifts labour making it more difficult to run welfare states.[8] Policy makers may be wising up to this problem but a felt need to avoid socially disintegrative activities has not been joined by a clear policy understanding of how to minimise dislocation in the face of the tensions inherent in the structural imperatives of economic liberalisation and where economic compensation alone may not be sufficient. In the closing days of the twentieth century, the internationalisation of trade and finance may be sound economic theory, but it is also contentious political practice. When pursued in combination, free markets and the reduction of, or failure to introduce, compensatory domestic welfare is a potent cocktail leading to radical responses from the dispossessed.[9]

An economist's response to this dilemma--that liberalisation enhances aggregate welfare-- might well be correct, but it does not solve the political problem. It might be good economic theory but it is poor political theory. Whiles some objections to liberalisation are indeed 'protectionism' by another name, not all objections can be categorised in this manner. Moreover, even where compensatory mechanisms might be adequate, the destruction of domestic social arrangements can have deleterious outcomes of their own. If nationalist responses are to be avoided then public policy must distinguish between protectionism and legitimate concerns. Securing domestic political support for the continued liberalisation of the global economy requires more than just the assertion of its economic virtue. It also requires political legitimation.

Thus the question facing political theorists and policy analysts alike is can the embedded liberal compromise (maximising the positive and mitigating the negative effects of international liberalisation) be maintained, or repaired even? This is now a much wider question than when first formulated by Ruggie. Under conditions of globalisation, the question must now be addressed not only within, but also beyond the boundaries of the state. Sovereignty as the organising principle of international relations is undergoing a more dramatic rethink than at any time since its inception. In an era of globalisation--accompanied by assumptions about the reduced effectiveness of states--policy makers and analysts set greater store by the need to enhance the problem solving capabilities of various international regimes in the resolution of conflict and the institutionalisation of cooperation. But the contours of this rethink are still primarily linked to enhancing the effectiveness and efficiency of international regimes.

The language of globalisation, especially in its neo-liberal guise, is about the managerialist capacity of the modern state. But it has failed to recognise the manner in which the internationalisation of governance can also exacerbate the 'democratic deficit.' States are not only problem solvers, their policy elites are also strategic actors with interests of, and for, themselves. Collective action problem solving in international relations is couched in terms of effective governance. It is rarely posed as a question of responsible or accountable government, let alone justice While these latter questions may be the big normative questions of political theory; it is the political theory of the bounded sovereign state. For most of the world's population, the extant institutions of global governance--especially the financial ones-- are not seen to deliver justice.

Questions of global redistributive justice, accountability and democracy receive scant attention from within the mainstream of political philosophy and a political theory of global governance is in its infancy. Extant political theories of justice and representative governance assume the presence of sovereignty. In an era of a fraying social bond at the state level and the absence of alternative focuses of identity at the global level, the prospects of securing systems of efficiency, let alone accountability seem slim. For realist scholars and practitioners of

international relations this is unsurprising. They assume the absence of altruism. Force and power--not global dialogue about the prospects for community and democracy, pace the work of the cosmopolitan political theorists such as Linklater and Held[10]--are the driving forces of international relations.

Yet there is a paradox. The language of democracy and justice takes on a more important rhetorical role in a global context at the same time as globalisation attenuates the hold of democratic communities over the policy making process within the territorial state. As the nation state as a vehicle for democratic engagement becomes problematic, the clamour for democratic engagement at the global level becomes stronger. But these are not stable processes. Attention to the importance of normative questions of governance and state practice as exercises in accountability, democratic enhancement and what we might call justice-generation, must catch up with our understanding of governance as exercises in effectiveness and efficiency. There are a number of ways to do this. One route, explored in section two, is to extend the public policy discourse on the nature of market-state relations to include other actors from civil society.

Global Governance and the Transformation of the Public Sphere

The modern social bond was conceived in terms of the concentration of authority, territory and community around the notion of sovereignty. Moreover, this political resolution was intimately tied to a notion of a corresponding economic space. But for a hundred and thirty years or--since the marginalist revolution--economic analysis has become separated from the study of politics and society. It is only with a recognition of globalisation that civil society, along with the market and the state has become an increasingly significant third leg of an analytical triangle without which our ability to reconstruct, or create, social solidarity, trust and political legitimacy is limited.[11] There is still a reluctance in much of the policy community to recognise the manner in which markets are socio-political constructions whose

functioning (and legitimacy) depends on them possessing wide and deep support within civil society.

If sovereignty bestowed upon modern political life an organisational form premised on boundedness and exclusion, globalisation is unpacking this form of organisation. Under globalisation--especially with the emergence of a new international division of labour underwritten by the increased, indeed largely unrestrainable, mobility of capital and technology--our understanding of political and economic space has changed. This section examines transformations in the public sphere brought about by the emergence of new actors under globalisation, especially the increasing role NGOs, the rise of multilateralism and an emerging emphasis on civil society in an interwoven triangular relationship with the state and the market. But if non-state actors are now influential agents of change in a number of key policy areas of international relations, we are less sure of the degree to which this influence is 'unscripted' or if it represents a coherent process of expanded international diplomacy 'appropriate' to globalisation.

The public sphere, at least in its Kantian sense, is where 'private' individuals come together as free and equal participants in an informed discussion of matters affecting the common welfare of the community. Its emergence as a critical reaction to the absolutist state in the eighteenth century was driven by a sense that society could and should press its demands upon the abstract, impersonal, modern state. The public sphere functions as a zone where civil society can engage with and scrutinise the state's exercise of power and authority.[12] In performing the important legitimation function within the modern state, the public sphere is integral to the formation and transformation of the social bond. For a public sphere to be genuinely open it must be inclusive: any citizen who stands to be affected by decisions reached in discussion must be allowed to bring their perspective to bear and freely express their viewpoint.

Normally, the public sphere has been confined to individual states. Today, with the arrival of electronic communication technologies and other means by which time and space compress, it

is possible to conceive of a transnational or global public sphere; that is, a public sphere which interacts and functions on the plane of global social relations. We survey below some of the ways in which the interaction between states and non-state actors now finds expression in the global sphere

Transforming the Global Public Sphere? Civil Society and NGOs

Theoretically, one of the functions performed by non-state actors is to hold states and inter-governmental organisations to account. In much the same way that domestic civil society expresses itself via the public sphere, new social movements and NGOs are attempting to voice their concerns in a global public sphere. While remaining outside the official realm of the institutions of states and international organisations they seek to establish the interests and rights of those generally excluded from discussion.

As embryonic as this global public sphere may be, it is possible to see the contours of an evolving arena where social movements, non-state actors and 'global citizens' join with states and international organisations in a dialogue over the exercise of power and authority across the globe. The emergence of the global public sphere, albeit partial, impacts on the social bond by modifying the citizen's relationship to her own state, to citizens of other states, and to international organisations. The development of a global public sphere loosens the social bond traditionally defined by the sovereign state.

Global civil society has come to represent a domain that traverses the boundaries of the sovereign state, albeit in a range of contested ways. For some, global civil society is a but a substitute for revolution forgone. It is merely the domain of the new managerial class. The habitat of 'Davos Man'. For others it can be the source from which a more just society might develop in an era when disillusionment with the ability of traditional forms of politics to deliver justice has never been higher. But is it legitimate to develop the concept of civil society

beyond its origins in nineteenth century European political thought?   Is it permissible to extrapolate from civil to global civil society? We think so.

In contrast to its earlier correspondence with the bourgeoisie under the development of capitalism, Robert Cox calls a 'bottom up' understanding of civil society in which:

> '[C]ivil society is the realm in which those who are disadvantaged by globalisation of the world economy can mount their protests and seek alternatives. ... More ambitious still is the vision of a 'global civil society' in which these social movements together constitute a basis for an alternative world order. In a 'top down' sense ... states and corporate interests ... [would make it] ... an agency for stabilizing the social and political <u>status quo</u> ... and thus enhance the legitimacy of the prevailing order'.[13]

In such a theoretical formulation, NGOs, GSMs and other kinds of trans national associations become the principal actors in the reconstruction of political authority at the global level. Transnational associations bring together politically, culturally and territorially diverse organisations and individuals to advance a common agenda on one or another issue of global import.   In empirical terms, the growth of NGOs has been dramatic.   The number of international NGOs (defined as operating in more than three countries) was estimated to be in excess of 20, 000 by 1994;[14]   NGOs can facilitate cross national policy transfer and modify policy processes; trans-national networks of NGOs are vehicles to empower domestic NGOs on a range of issue at the global level.

But increasingly prominent as they may be, it remains to be seen whether NGOs and GSMs are agents for building a post-Westphalian global civil society and reconstructing a new social bond at the end of the twentieth century. The behaviour of NGOs is invariably normative, prescriptive, increasingly internationalised, highly politicised and at times very effective.[15]   NGOs try to universalise a given value and their growing influence is revolutionising the relationship between 'old' and 'new' forms of multilateralism. The old

multilateralism is constituted by the top down activities of the existing structures of international institutional governance (IMF, World Bank and WTO). The new multilateralism represents the attempt by social movements to 'building a system of global governance from the bottom up'[16]

The preferred strategy of the old multilateralism of the international institutions is to extend their remit geographically (wider institutional membership), functionally (deeper coverage of issues) and inclusively (by the cooption and socialisation of recalcitrant actors into the dominant neo-liberal market mode.) By contrast, the new multilateralism of the GSMs (especially NGOs in developing countries) tries to change prevailing organising assumptions of the contemporary global order and thus alter policy outcomes. While multilateralism is not imperialism, a working assumption of many NGOs is that many existing institutions are instruments if not of US hegemony, then at least of an OECD ideological dominance of the existing world economic order.

Whatever their agendas the ability of social movements to affect decision making in international fora rubs up against the processes of globalisation. Throughout the 1990s, social movement resistance to 'free trade' related issues has invariably been characterised as protectionist or globophobic. This is certainly the case with the environmental movement, where demands for sustainable development imply a form of 'fettered development' to counter the deregulating tendencies of globalisation. It is also the case in the domain of human rights, where NGOs attempt to strengthen labour rights generally (women's and children's rights in particular) in the face of MNCs location decisions based on factors such as cheap labour costs. Much current NGO activity can be captured under a broad, if ill-defined agenda to secure 'justice for those disadvantaged by globalisation'.

NGOs articulate a view of globalisation--emphasising privatisation, deregulation and market conforming adjustment--as antithetical to their aims of securing human rights and environmental protection. NGOs represent alternative discourses to those reflected in the

positions of those who gain most from the advance of globalisation. Opposition to globalisation has become an integrating feature of much of the literature of 'internationalised' NGOs.[17] Nowhere is this better illustrated than in the opposition to NAFTA in the late 1980s and early 1990s, in resistance to the agendas of the WTO and the OECD initiative on a Multilateral Agreement on Investment in late 1990s. This interest in how to alter (resist) globalisation represents a shift in the modus operandi of NGOs--from the field to the corridors of power. In many policy domains they have become the discursive opposition.

Traditional agents--such as the established policy communities holding office in the major industrial countries and the inter-governmental financial institutions--are only just beginning to recognise the significance of NGOs and GSMs. At times, established actors appear to lack the skills to deal in anything other than a resistive or combative fashion with these groups. But governments are learning that they must secure their support or, at the very least, neutralise their opposition. But the ability to secure a balance between wider consultation and accountability on the one hand and an ability to resist the pressures of lobby groups on the other is still underdeveloped. Nowhere is this better illustrated than in the ambiguity of the international economic institutions towards interaction with bodies purporting to be acting on behalf of one or another group within 'civil society'. This is certainly the case at the IMF, WTO and, albeit to a lesser extent, at the World Bank. There is now quite a long history of engaging NGOs on the ground in developing countries at the World Bank. Extending this engagement to the decision making processes in Washington is still largely resisted.

In short, the elite driven nature of the neo-liberal globalisation project is under challenge. The internationalisation of NGOs, enhanced by new technologies, allows them to address governmental policy from outside, as well as from within, the state. They represent, or at least purport to represent, interests that are conventionally excluded from decision-making processes. As such, they are vehicles for the advancement of strong normative ideas in global civil society. NGOs and other similar, mission-driven, agents are an increasingly important actors in contemporary international politics and governance. Securing a peaceful and constructive

modus operandi with non-state actors will be a major exercise for state actors in the global policy community in the twenty-first century.

The Rise and Rise of the NGO: Keeping a Sense of Perspective

Some NGOs are now global agents or players of some influence, as the 1997 award of the Nobel Peace Prize for the campaign to ban landmines and the role of NGOs in the defeat of the MAI attests.[18] NGOs are clearly capable of setting agendas and changing international policy on important issues. But, the age of innocence is over. NGOs are in many ways the victims of their own success. Longer standing actors in international relations--state and intergovernmental organisation policy making elites--now treating them much more seriously.

At present there is a discrepancy between the demands of NGOs for rights (to be heard and to influence policy) and an acceptance of certain obligations or duties that may be attendant on these rights (especially the duty truthfully to reflect the position of one's antagonists.) While a balance may come with time, to-date only minimal efforts to inculcate a 'rights-duties' balance within the larger NGO families have been made.[19] If NGOs and other non state actors are to become legitimate agents of acceptable structures of global governance in an era of globalisation they will have to accept the need for transparent, accountable and participatory systems of decision-making of exactly the kind they expect to see in national governments, multinational corporations and international organisations.

Speaking the language of 'opposition', their discourse reflects a greater commitment to questions of justice, accountability and democracy. But there are limits to the degree of support and acceptance their agendas are likely to secure. For example, despite the economic crisis that began in East Asia, the power of the free market ideal remains strong and support for interference in the interests of redistributive justice are unlikely to replace the market ideal in the corridors of public power and private wealth. Moreover, not all opponents of the worst effects of globalisation are necessarily protectionists or opponents of economic liberalisation

per se. Educated populations are capable of disaggregating the various elements of liberalisation. Survey data suggests they are more supportive of trade liberalisation than they are of financial deregulation.[20] Much social movement interest in the 'new protectionism'--a return to 'localisation'--is an over simplified rhetorical position that lacks the intellectual power to counter the logic of liberalisation.

Globalisation, Justice and the State

That the activity and influence of NGOs has increased in international relations, is in little doubt. It is however, naive to universalise the NGO experience. States still propose and dispose of international agreements and NGOs still--as in their involvement in the activities of the international institutions--need governmental sponsorship, or at least governmental acquiescence, to secure influence.

Polarisation, social disintegration and the re-emergence (often violent) of identity politics are visible outcomes of the inequalities between globalisation's winners and losers. They raises several questions that will become increasingly important if we are to create a more just world order. Will we have: (i) enough food for growing populations? (ii) enough energy for growing economies? (iii) a sustainable physical environment which to inhabit? (iv) global institutions to manage these issues, preserve the peace, prevent burgeoning civic unrest and political-military dislocation within the developing world and in relations between the developed and the developing worlds?

Economists tell us that the key elements of globalisation--the greater economic integration of the international economy and the revolution in communications and technology--are, of themselves, neutral and have the potential to solve these problems. In theory maybe, but it is not axiomatic that the tension between economic growth and environmental sustainability will be contained. Making the world's population more secure depends on how this tension is managed. This is the governance question. Governance--the means by which societies deliver

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collective goods and minimise collective bads--is as important today as it ever was and states remain central to this process. But, there is a deficit in the relationship between the <u>de facto</u> market led processes of economic liberalisation and integration and the <u>de jure</u> state generated mechanisms that underwrite the international fora for the delivery of collective goods.

Thus the efficacy of the major international institutions remains a key normative and policy question for the twenty-first century. Will they remain vehicles for the pursuit of state interests, as traditionally defined in realist understandings of international organisation? Or, can they evolve into sites to accommodate multiple demands and interests of public and private and state and non-state actors throughout the widening policy communities and civil societies of states? These are normative and analytical questions, yet they cast long policy shadows. The contest between the 'multilateralism from above' and the 'multilateralism from below' is just beginning

State policy elites may be conscious of their own diminished sovereignty but also of the accompanying need to control the 'public bads' that emanate from the effects of technology on cultures and eco-systems and the international order; especially the spread of drugs, crime, terrorism, disease and pollution. For sovereignty erosion to be acceptable, it must occur via collective action in an issue-specific, not generalised, manner. 'Sovereignty pooling' will have to be volunteered out of a recognition that self interest is sometimes advanced collectively not individually.

How likely is this when the major factor explaining inter-state cooperation is still <u>domestic actor preferences</u>?[21] Despite impeccable normative arguments in favour of collective action problem solving, prospects for regular successful international cooperation amongst states must not be exaggerated. The desired basic goods for a 'just' global era--economic regulation, environmental security, the containment of organised crime and terrorism, and the enhancement of welfare--will not be provided on a state by state basis. They must be provided collectively.

If the limitations of inter-state cooperation are to be overcome, greater use will have to be made of innovative approaches to governance arising from the information revolution. Technology can strengthen the governance capacities of both state and civil society. Information technologies offer opportunities for private sector supplementation of the governance functions of states. Public/private provision of collective goods must not be seen as an either/or policy option. Private sector actors, from both the corporate world and civil society, will continue to be more significant in inter-governmental negotiation processes as issue-linked coalitions operate across borders to set agendas and enforce compliance.

In addition to the 'how' question in the international institutional management of those global forces that have a major impact on societies, this paper has also asked the important normative question. What are the prospects for supra national institutional forms of regulation that guarantee some kind of fairness? Justice in a global context we have tried to suggest is an underdeveloped, but emerging issue. The normative agenda for international relations will not go away. But for justice to have meaning in an era of globalisation, governance will have to be exercised at a global level. As yet, however, the institutions of global governance are ill-equipped to cope with such issues.

Moreover, we live in a culture of moral hazard in which, to provide but the most obvious example, the speculative operation of the international capital markets are under written by the sacrifices of ordinary members of society, especially in the developing world. The era of instant global capital mobility is seen by many of the world's population, and not just in the developing world, as a time of heightened and permanent insecurity. There may be movement in the international financial institutions, but unless something is done to mitigate the prospects of events such as the East Asia currency crises re-occurring, the lesson the majority of the world's population will draw is that even a reformed system, let alone the system as it is currently constituted, will be unable to deliver anything approaching an acceptably just or equitable world order.

In this respect, economic liberalisation holds within it the seeds of its own downfall. Intellectual and evidentiary arguments for liberalisation and open markets as superior generators of wealth have been won; or should have been. But rapid aggregate increases in global wealth and production have been accompanied by a corresponding naivety as to the political and social effects of these processes on the civil polities of developed and developing societies alike. As the politics of the East Asia crises demonstrated, theoretical parsimony blinds modern liberal economic theory and current market practices to the complex and combative politics that constitutes the down side of economic liberalisation. Sound rationalist economic logic of its own is not sufficient to contain the backlash against globalisation.[22]

Conclusion

For many in the developed world, liberalisation has become an end in itself with little or no consideration given to its effect on prevailing social norms and values within societies and polities. Consequently, the consensus over how society is organised within the spatial jurisdiction of nation-states is strained and the continued process of liberalisation is threatened. Globalisation is unravelling the social bond. The policy remedies for maintaining the cohesion of communities at the disposal of state agents are curtailed, although not eliminated. Some governments attempt to 'depoliticise'--that is place at one step remove--the state's responsibility for the effects of globalisation on its citizenry. Yet it is the practice of politics that creates the structures of communities.[23] As such, it will make the role of state institutions much more important in the next decade than has been assumed throughout the neo-liberal era when the retreat of the state was deemed axiomatic.[24] States have assets and capabilities, they are not merely passive or reactive actors.

But these assets have to be used better, domestically and internationally, if economic liberalisation is to allow for the more effective provision of public goods. How to strike the appropriate balance between domestic socio-political imperatives and a normative

commitment to an open liberal economic order remains the central policy question for the next century. Globalisation is clearly an issue in need of sophisticated technical economic analysis, but it is also in need of analysis that is normative and ethical. First best, economically efficient, solutions may not always be politically feasible, or indeed socially desirable and most economic analysis has to-date studiously ignored those socio-political and cultural conditions that, often more than economic explanation, will condition the prospects of continued liberalisation.

Following from this analytical and theoretical deficit, the practical question facing policy makers in the early twenty-first century will be how to develop appropriate international institutions; and 'appropriate' does not mean simply 'effective'. Attempts to implement collective policies through the international institutions will lack legitimacy if there is no shared normative commitment to the virtue of a given policy. International institutions must secure converging policy positions by agreement and willing harmonisation, not by force. There must be provision, where necessary, for political communities to exercise an exit option on a particular issue where it is thought that this issue threatens the fibre of their (national) identity. This is not to offer a free riders charter in the contemporary global economy, but to call for tolerance and an acceptance of difference rarely displayed under a neo-liberal orthodoxy in the closing stages of the twentieth century.[25] Without such tolerance the prospects for the development of some kind of social bond conducive to a the development of a minimum conception of global justice cannot be envisaged.

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